



City of Rowlett

Meeting Agenda

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Tuesday, September 16, 2014

5:30 P.M.

Municipal Building – 4000 Main Street

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

1. **CALL TO ORDER**
2. **EXECUTIVE SESSION (5:30 P.M.)* Times listed are approximate**
 - 2A. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate in or near Elgin B. Robertson Park. (15 minutes)
 - 2B. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney for property located at the south side of Liberty Grove Road, approximately 200 feet east of the intersection with Merritt Road. (30 minutes)
 - 2C. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate on property at 2801 Lakeview Pkwy. (30 minutes)
 - 2D. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate at 3913 and 4011-4025 Main Street. (15 minutes)
3. **WORK SESSION (7:00 P.M.)***

- 3A. Discuss the North Texas Tollway Authority (NTTA) charges for Utility Betterments constructed for the benefit of the City of Rowlett, along the President George Bush Tollway – Eastern Extension (PGBT-EE). (15 minutes)

4. **DISCUSS CONSENT AGENDA ITEMS**

CONVENE INTO THE COUNCIL CHAMBERS (7:30 P.M.)*

INVOCATION

PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE

Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

5. **PRESENTATIONS AND PROCLAMATIONS**

- 5A. Presentation of a Proclamation to the City of Rowlett Custodian Workforce in recognition of the National Custodian Appreciation Day.
- 5B. Presentation of the Texas Best Practices Award of “Recognized Law Enforcement Agency” to the Rowlett Police Department.
- 5C. Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

6. **CITIZENS’ INPUT**

At this time, three-minute comments will be taken from the audience on any topic. To address the Council, please submit a fully-completed request card to the City Secretary prior to the beginning of the Citizens’ Input portion of the Council meeting. No action can be taken by the Council during Citizens’ Input.

7. **CONSENT AGENDA**

The following may be acted upon in one motion. A City Councilmember or a citizen may request items be removed from the Consent Agenda for individual consideration.

- 7A. Consider action to approve minutes from the September 2, 2014, City Council Meeting, the September 4, 2014, City Council Work Session, and the September 9, 2014 City Council Special Meeting.
- 7B. Consider action approving a resolution amending the Master Fee Schedule for rate and fee changes to the Animals, Businesses, Solid Waste, and Utilities Sections for Animal Fees, Food Service Permits, Residential and Commercial Solid Waste Collection Rates, and Water and Sewer Rates.

- 7C.** Consider action to approve a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$377,148.75, utilizing an interest rate of two percent (2%) for the five year lease-purchase financing of two Horton Model 603, Type I Dodge Ambulances for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.
- 7D.** Consider action to approve a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$446,683.50, utilizing an interest rate of 2.63 percent for the ten year lease-purchase financing of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.
- 7E.** Consider action to approve a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$381,751.25, utilizing an interest rate of two percent for the five year lease-purchase financing of a Kronos Telestaff Time Keeping System and a Munis Human Resources Information Systems module for City Departments and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.
- 7F.** Consider action to approve a resolution accepting the bid of and awarding a contract for the purchase of two 2015 Chevrolet Colorado pick-up trucks to Caldwell Country Chevrolet in the amount of \$52,504 for the Fleet Department through the Interlocal Cooperative Purchasing Agreement with Houston-Galveston Area Council (H-GAC).
- 7G.** Consider action to approve a resolution exercising the second of two one-year renewal options to extend the motor fuel bid to Martin Eagle Oil Company, Incorporated in the unit amounts bid for transporting and delivery per fuel gallon and type in an estimated annual amount of \$380,312.
- 7H.** Consider action to approve a resolution entering into an Interlocal Agreement with the City of Weatherford, which will allow both cities to cooperatively purchase goods and services under each other's competitively bid contracts.
- 7I.** Consider action to approve a resolution authorizing the final acceptance and release of retainage for the Springfield Estates Drainage Improvements in the amount of \$28,233.10 to A&M Construction and Utilities Incorporated and authorizing the Mayor to execute the necessary documents.
- 7J.** Consider action to approve a resolution to migrate from Verizon Southwest as the City's 9-1-1 provider to a hosted solution provided by the North Central Texas Council of Governments (NCTCOG) in the amount of \$49,047.16, utilizing Emergency Call Works for the customer premise equipment (CPE) in the amount of \$155,218.42 and Datamaster for 911 database management in the amount of \$18,500.00, resulting in a total cost of \$222,765.58.
- 7K.** Consider a resolution amending the Rowlett Boards and Commissions Handbook related to appointments and term limits.
- 7L.** Consider appointments to all of the various boards and commissions.

- 7M. Consider action to appoint a Chair and Vice Chair for the Community Investment Program Task Force (CIPTF), an ad-hoc committee established by the City Council.
- 7N. Consider action to approve a resolution authorizing the Mayor to sign utility easement documents to amend previously approved easement language associated with a previously approved cellular communications tower to be constructed at Community Park.
- 7O. Consider action to approve a resolution to amend the City's Personnel Policies regarding Payout provisions for Employee Vacation Leave.

8. ITEMS FOR INDIVIDUAL CONSIDERATION

If a Public Hearing is listed, the City Council will conduct such public hearing to receive comments concerning the specific items listed in the agenda. Any interested persons may appear and offer comments, either orally or in writing; however, questioning of those making presentations will be reserved exclusively to the presiding officer as may be necessary to ensure a complete record. While any person with pertinent comments will be granted an opportunity to present them during the course of the hearing, the presiding officer reserves the right to restrict testimony in terms of time and repetitive content. Organizations, associations, or groups are encouraged to present their commonly held views and identical or similar comments through a representative member when possible. Presentations must remain pertinent to the issues being discussed. A person may not assign a portion of his or her time to another speaker.

- 8A. Consider action to approve an ordinance approving and adopting the budget for Fiscal Year 2014-2015.
- 8B. Consider an ordinance approving and adopting the proposed ad valorem tax rate of \$0.787173 per \$100 of taxable value for FY 2014-2015.
- 8C. Consider an ordinance amending section 58-52 of the Code of Ordinances exempting from ad valorem taxation disabled persons and persons over the age of 65 to the extent as provided herein; providing a repealing clause; providing a severability clause and providing an effective date.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

9. ADJOURNMENT

Laura Hallmark

Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 12th day of September 2014, by 5:00 p.m.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 2A

TITLE

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate in or near Elgin B. Robertson Park. (15 minutes)



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
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AGENDA DATE: 09/16/14

AGENDA ITEM: 2B

TITLE

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney for property located at the south side of Liberty Grove Road, approximately 200 feet east of the intersection with Merritt Road. (30 minutes)



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
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AGENDA DATE: 09/16/14

AGENDA ITEM: 2C

TITLE

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate on property at 2801 Lakeview Pkwy. (30 minutes)



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 2D

TITLE

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate at 3913 and 4011-4025 Main Street. (15 minutes)



City of Rowlett
Staff Report

4000 Main Street
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AGENDA DATE: 09/16/14

AGENDA ITEM: 3A

TITLE

Discuss the North Texas Tollway Authority (NTTA) charges for Utility Betterments constructed for the benefit of the City of Rowlett, along the President George Bush Tollway – Eastern Extension (PGBT-EE). (15 minutes)

STAFF REPRESENTATIVE

Jim Proce, Assistant City Manager

SUMMARY

NTTA has completed the conditions set forth in the November 2006 Interlocal Agreement (ILA) with the City of Rowlett (see Attachment 1). Several of the prior pending concerns all have been addressed, which include the construction of Utility Betterments provided for the sole benefit of the City of Rowlett and the delivery of the as-built drawings for those betterments. These issues having been addressed leave no pending issues with regard to the 2006 ILA. As such, NTTA is due a sum of \$3,376,851 for the utility improvements provided and as agreed upon with the City.

BACKGROUND INFORMATION

In November of 2006, the City of Rowlett executed an agreement with NTTA, signed by Mayor Pro Tem J. Alan Alberts. The ILA between NTTA and the City of Rowlett covered the details of the construction requirements, property acquisition requirements, specific expectations, and responsibilities of each organization, and particulars with regard to general contract conditions. The utility betterments project was included at the bequest of the City of Rowlett while the opportunity existed before the turnpike was completed.

DISCUSSION

Previous Councils may have recollection of the expectation of potential reimbursements for the acquisition of property by NTTA from the City of Rowlett. This discussion was precipitated based on past practices from previous projects built by NTTA and TxDOT. However, this issue was rendered moot when the ILA was approved in 2006, which specifically addressed this issue on page 12 of the ILA (see Attachment 2).

The agreement's terms were further supported by attached correspondence from the former City Manager and the former Assistant City Engineer. On April 28, 2009, former City Manager Lynda Humble agreed to utility betterments under the terms of the ILA (see Attachment 3). On March 11, upon completion of the construction of the utility betterment by NTTA and inspection of the utility betterments by former city staff, Tom Harris, former Assistant City Engineer, confirmed the completion of the utility betterments and verified the costs at \$3,376,851 (see Attachment 4). On April 5, 2011, NTTA sent a letter to the former City Manager requesting payment for the work

completed at the request of the City. On August 22, 2014, the City received the as-built plans for the PGBT-EE and inclusive of the utility betterments completing the outstanding items required by the City for these improvements.

FINANCIAL/BUDGET IMPLICATIONS

Funds are budgeted and available for the PGBT-EE Utility Betterments Project in accordance with the ILA between the City of Rowlett and NTTA. In 2005, the City sold bonds specifically for this purpose.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Proposed Amount
WA2102	PGBT Utility Betterment Project	\$3,400,000	\$3,378,851
605-8201-530			
Total		\$3,400,000	\$3,378,851

RECOMMENDED ACTION

Staff will effect payment to NTTA in accordance with the ILA and the supporting documentation provided herein.

ATTACHMENTS

Attachment 1 – Interlocal Agreement with NTTA

Attachment 2 – Page 12 of Interlocal Agreement highlighting pertinent language

Attachment 3 – April 28, 2009 Letter from L. Humble to NTTA agreeing to utility betterments

Attachment 4 – March 11, 2011 Letter from T. Harris to NTTA confirming utility betterments and related costs

Attachment 5 – April 5, 2011 Letter from NTTA to L. Humble confirming utility betterments and costs and requesting final payment

**INTERLOCAL AGREEMENT BETWEEN
THE NORTH TEXAS TOLLWAY AUTHORITY
AND THE CITY OF ROWLETT
REGARDING THE PROPOSED EASTERN EXTENSION
OF THE PRESIDENT GEORGE BUSH TURNPIKE
(Contract 02072-PGB-06-IL-EN)**

11/21/06

**INTERLOCAL AGREEMENT BETWEEN
THE NORTH TEXAS TOLLWAY AUTHORITY
AND THE CITY OF ROWLETT
REGARDING THE PROPOSED EASTERN EXTENSION
OF THE PRESIDENT GEORGE BUSH TURNPIKE
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**INTERLOCAL AGREEMENT BETWEEN
THE NORTH TEXAS TOLLWAY AUTHORITY
AND THE CITY OF ROWLETT
REGARDING THE PROPOSED EASTERN EXTENSION
OF THE PRESIDENT GEORGE BUSH TURNPIKE
(02072- PGB-06-IL-EN)**

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

THIS AGREEMENT, by and between the **NORTH TEXAS TOLLWAY AUTHORITY**, a regional tollway authority acting by and through its Board of Directors, hereinafter identified as the "Authority," and the **CITY OF ROWLETT**, a Texas home-rule municipality, acting by and through its duly elected City Council, hereinafter identified as the "City," is to be effective as of the 30 day of November, 2006 (the "Effective Date").

RECITALS

WHEREAS, the Authority is authorized to study, evaluate, design, acquire, construct, maintain, repair, and operate turnpike projects within the Counties of Dallas, Collin, Denton and Tarrant, pursuant to Chapter 366 of the Texas Transportation Code, as amended (the "Regional Tollway Authority Act"); and

WHEREAS, the Authority proposes to design, construct, and operate the President George Bush Turnpike, hereinafter referred to as the "Turnpike," following the planned routes of SH 190 and SH 161 from its eastern terminus at SH 78 in eastern Dallas County to its western terminus at West Belt Line Road in the City of Irving; and

WHEREAS, the Authority has undertaken to conduct the necessary feasibility, environmental and other alignment studies for the possible easterly extension of the Turnpike, which has been proposed as a ten (10)-mile roadway following the approximate route of old

to prepare or evaluate the Studies, (3) the terms of any agreements between the Authority and such engineers or other consultants pertaining to the Studies, and (4) the adequacy of the work product submitted by such engineers and other consultants. The Authority agrees to keep the City reasonably informed of the progress and projected completion dates of the Studies. At no charge to the City, the Authority has provided the City with one bound master copy and one electronic copy of the draft environmental impact statement (the "DEIS") and one bound copy of the final environmental impact statement (the "FEIS") prepared as part of the Studies. The City may reproduce copies of the master and electronic documents, at its discretion, in whole or in part; however, the Authority shall not be responsible for the manner in which such reproduced material is subsequently used or distributed. If the City desires additional copies of the DEIS, FEIS or any of the other Studies from the Authority, the Authority may furnish such copies, provided that the City shall reimburse the Authority for its reasonable reproduction costs.

B. ENVIRONMENTAL ASSESSMENTS; THE STAKEHOLDER CITIES

The Authority agrees to pursue the completion of those Studies, designs, evaluations, proceedings and documents that are required to be submitted for environmental approval to the Texas Department of Transportation ("TxDOT") and the Federal Highway Administration ("FHWA") for the construction of the Eastern Extension as a controlled-access, four (4)- to six (6)-lane turnpike project connecting SH 78 to IH 30 through the Cities of Garland, Rowlett and Sachse. In evaluating and compiling the data for the environmental permitting process, the Authority shall, to the extent consistent with the Regional Tollway Authority Act and the covenants contained in the documents relating to its outstanding debt obligations, include in its considerations the City's current comprehensive and master thoroughfare plans. On January 24, 2005, the Authority received the record of decision ("ROD") for the Eastern Extension. Except

Loop 9 with a northern terminus of SH 78 and a southern terminus of IH 30 in the City of Garland (hereinafter the "Eastern Extension"); and

WHEREAS, through its Mobility 2025: The Metropolitan Transportation Plan, 2004 Update, the North Central Texas Council of Governments, the metropolitan planning organization for north central Texas, identified the Eastern Extension as an integral element of its regional transportation plan for the eastern Dallas County area; and

WHEREAS, the Authority has retained Carter & Burgess, Inc. to serve as its consulting engineer (hereinafter the "Consulting Engineer") to represent and assist the Authority in the evaluation, planning, design, review and coordination of the studies referenced above; and

WHEREAS, a significant amount of the Eastern Extension is within the corporate limits of the City, and the City, a political subdivision of the State of Texas with all of the authority and powers related thereto as prescribed by the laws of the State of Texas, has evidenced its support for the proposed Eastern Extension by Council Resolution No. 06-17-03F, duly resolved and adopted on June 17, 2003; and

WHEREAS, the Authority's Board of Directors resolved and adopted Resolution No. 03-82 on September 17, 2003 which, consistent with the City's recommendation, recommended the "build alternative" for the Eastern Extension designated as "EIS #1" and, contingent upon the execution of the necessary funding agreements, authorized the Authority's Executive Director to proceed with the procurement of necessary engineering services to design the Eastern Extension; and

WHEREAS, the City requested and the Authority has agreed to consider certain design and construction features for the Eastern Extension within the City's corporate limits; and

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governmental entities to contract with one another to perform governmental functions and services under the terms thereof, and the Authority and the City have determined that mutual benefits and advantages can be obtained by formalizing their agreement as to the design, construction, maintenance and operation of the Eastern Extension within the City's corporate limits.

AGREEMENT

NOW, THEREFORE, in consideration of these premises and of the mutual covenants and agreements of the parties hereto by them respectively kept and performed as hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the City agree as follows:

ARTICLE I. PROPOSED EASTERN EXTENSION STUDIES

A. THE STUDIES

The assessment of the feasibility of the Eastern Extension as a turnpike project consists of the preparation and evaluation of a series of feasibility, environmental and other alignment studies (collectively, the "Studies") directed by the Authority in accordance with the provisions of the Regional Tollway Authority Act, the Authority's trust agreements and other documents relating to its outstanding debt obligations, the National Environmental Policy Act of 1969 ("NEPA"), as well as other agreements by which it is bound and other applicable federal and state statutes, laws and regulations. The Authority agrees to conduct the Studies it deems necessary to determine its level of participation, if any, in the design, construction, funding and operation of the Eastern Extension. The Authority shall have the sole authority to determine (1) the nature and extent of the Studies, (2) the selection of engineers and other consultants retained

as provided below in Section III.C., if and when interlocal agreements are executed with the Cities of Garland, Rowlett and Sachse, the three (3) cities through which the Eastern Extension is located (hereinafter the "Stakeholder Cities"), and funding agreements are executed with TxDOT and FHWA, the Authority shall prepare, or cause to be prepared, plans sufficient for the (1) acquisition of right-of-way, (2) relocation of above- and below-ground existing utilities, and (3) construction of the facilities comprising the Eastern Extension, and the Authority shall provide in writing to the City a schedule showing the anticipated start and completion dates for the preparation of such plans. The Authority shall provide the foregoing plans to the City for comment at the 30%, 60% and 90% completion levels and, without limiting any other provisions of this Agreement, consider the City's comments.

C. INVESTMENT-GRADE FEASIBILITY STUDY

The Authority shall conduct, as part of the Studies, an investment-grade feasibility study to determine the feasibility of using turnpike revenue bond funding, alone or in combination with other funding sources, to finance the costs to design, construct and operate the Eastern Extension as a turnpike project. The investment-grade feasibility study may include traffic and revenue forecasts, a detailed engineering report and an investment and/or financing plan that evaluates the Eastern Extension as a turnpike project. The Authority shall conduct these evaluations, as well as such other analyses as may be deemed appropriate by the Authority, at its sole expense. Once it is approved and accepted by the Authority's Board of Directors, the Authority shall provide a copy of the investment-grade feasibility study to the City.

ARTICLE II.
SCHEMATIC, DESIGN AND CONSTRUCTION ELEMENTS

A. SERVICE ROADS

The Authority has prepared, and the City has reviewed and is in possession of, the schematic, an excerpted portion of which being attached hereto as Exhibit A and incorporated herein for all purposes, which schematic shall be subsequently modified to reflect the design changes described in this Agreement, including those depicted on the other exhibits hereto (the schematic, as modified, being the "Schematic"). The Authority agrees to design and construct, at its sole expense, two-lane service roads, northbound and southbound, between the City's southern corporate limits and the proposed Merritt-Liberty Grove connector, with three (3) lanes at intersections, all as depicted (both limits and typical section) on Exhibit A. The geometric and pavement designs for the service roads constructed subsequent to the execution of this Agreement shall comply with applicable TxDOT standards and shall run generally parallel to controlled access lanes constructed as part of the Eastern Extension (the "Turnpike Lanes"). Upon the Authority's completion of the service road construction and without limiting the provisions of Section II.G., the Authority shall retain control of and maintain the access ramps to and from the Turnpike Lanes to the ramp gore nose of the applicable service road or intersection with the applicable service road or other street, as well as the median between and the shoulder and any border area abutting the Turnpike Lanes (collectively, the "Turnpike Lane Area"), and the Authority intends to contract for TxDOT to assume full responsibility for the maintenance, signalization and operation of the all service roads that are within the City's corporate limits (collectively, the "Service Roads"). To ensure the safe and efficient movement of motorists, the City agrees to limit access along the Service Roads in accordance with the Authority's Ramp Access Plan, attached hereto as Exhibit B and incorporated herein for all purposes (as the same

may be subsequently amended). In addition, because the Service Roads are anticipated to be on the State Highway System, access will be permitted in accordance with applicable TxDOT policies and practices, as may be amended. The Authority is obligated to construct only those Service Roads that it has agreed to construct under this Agreement and shown on the Schematic. The City agrees that it will not construct, or otherwise approve or advance the construction of, service, frontage and/or access roads to or from, abutting or paralleling the Eastern Extension and, additionally, shall consult with the Authority prior to undertaking any thoroughfare system not currently shown on the City's Master Thoroughfare Plan which might affect the operation or performance of the Eastern Extension. The Authority intends to contract with TxDOT for the operation and maintenance of the Service Roads in accordance with the Project Agreement (as hereinafter defined), provided that the City agrees to provide for the policing of the Service Roads (other than the installation of regulatory signage) and to refrain from impeding, in any manner, access to or egress from the Turnpike Lanes or from otherwise adversely affecting the operation of the Eastern Extension, except in public safety emergency situations. The City may contract with TxDOT for the performance of all or any portion of the operation and maintenance responsibilities for the Service Roads upon terms satisfactory to the City and TxDOT. To the extent authorized under its agreement(s) with TxDOT or otherwise, the City shall maintain control of access to the Service Roads consistent with the terms of this Agreement. The Authority, at no cost to the City, shall widen the Service Roads as part of its initial construction of the Eastern Extension from two (2) lanes to three (3) lanes at the Service Road intersections shown on the Schematic. No additional widening of the Service Roads shall be permitted unless the City can demonstrate to the Authority's satisfaction that said widening will not adversely affect the safe and efficient operation of the Turnpike, including its financial performance. If

such additional widening is approved by the Authority at any time in the future, (1) the design and construction of all resulting improvements shall be subject to the review, inspection and approval of the Authority and TxDOT, (2) the City shall be solely responsible for all costs resulting from said design and construction (which shall be remitted to the Authority prior to letting), and (3) said widened features shall be operated, policed and maintained in the same manner as provided for the remainder of the Service Roads under this Section II.A. and the widened features shall be deemed part of the Service Roads for all purposes under this Agreement, provided, however, that in no event shall the Authority become responsible for additional maintenance costs as a result of any such widening.

B. DEPRESSION OF TURNPIKE LANES; SH 66/LIBERTY GROVE ROAD

1. **SH 66 to Main Street.** The Authority agrees to design and construct the Turnpike Lanes from SH 66 to Main Street as depressed or below-grade-level lanes, the depth of which shall be as depicted in Exhibit C, attached hereto and incorporated herein for all purposes, or as otherwise hereafter determined by the Authority.

2. **Other Segments.** The depression of Turnpike Lanes within any segment(s) other than as described in subsection II.B.1. above shall be at the sole discretion of the Authority, and the City shall be responsible for reimbursing the Authority for any and all design and construction costs (including the above-mentioned utility relocation costs) incurred in excess of that required for at-grade construction if requested by the City. The cost differential shall be determined by subtracting estimated costs to design and construct the Turnpike Lanes at grade level from the actual costs to design and construct the Turnpike Lanes at below-grade level. The City agrees to reimburse the Authority for the difference between the Authority's *estimated* costs to design and construct the Turnpike Lanes at grade level and the Authority's *actual* costs for the

design and construction of Turnpike Lanes at below-grade level. The City shall pay the difference in design and construction costs within thirty (30) days after receipt of an invoice for the same from the Authority. Notwithstanding the foregoing, the City shall bear no additional costs if the Authority elects to depress additional segments of the Turnpike Lanes acting on its own initiative and not at the City's request.

C. ENTERTAINMENT WATERFRONT DISTRICT INTERCHANGE

The City desires that access be provided from the Eastern Extension's Turnpike Lanes to the City's Entertainment Waterfront District (the "E-W District") located generally south of Miller Road, east of the proposed Turnpike Lanes and along the western banks of Lake Ray Hubbard, as shown in the City's Zoning Map as of the Effective Date of this Agreement. Access to the E-W District would require the design and construction of an "elongated" diamond interchange at Miller Road and the design and construction of service road segments between Miller Road and the E-W District, as shown in Exhibit D, attached hereto and incorporated herein for all purposes. If the Authority elects to construct the Eastern Extension, it agrees to design and construct the Miller Road interchange as an elongated diamond interchange in substantial conformance with Exhibit D.

D. MIXED USE-NORTH SHORE DISTRICT RAMP

The City's current zoning map includes a Mixed Use-North Shore District (such district, whether known by that or by another name and as generally depicted as Exhibit E attached hereto and incorporated herein for all purposes, being referred to as the "MU-NS District"). The MU-NS District is generally located north of Liberty Grove Road and south of Hickox Road. The Eastern Extension would cross through the MU-NS District. The City plans to construct an arterial cross street under the Turnpike Lanes to access the MU-NS District; however, it is

anticipated that the construction of the City cross street east and west of the underpass will not occur until after the completion of the Eastern Extension. The Authority agrees, at its sole expense, to design and construct the bridge, the roadway segment immediately under the bridge, and access ramps to and from the Turnpike Lanes that would accommodate the City's cross street providing access to the MU-NS District as shown on Exhibit A. The Authority will construct the access ramps during its construction of the Eastern Extension. When constructed by the City, the location and design of the cross street east and west of the underpass shall fully conform to the bridge and access ramps depicted on the Schematic. Under no circumstances shall the Authority be responsible for the construction of any bridge, overpass or cross street components other than as depicted on the Schematic.

E. PROPERTY ACQUISITIONS

1. **The Stakeholder Cities Agreements.** TxDOT and each of the Stakeholder Cities will enter into fully binding agreements (the "Stakeholder Cities Agreements") pursuant to which those parties will agree to share right-of-way acquisition costs for the Eastern Extension on a 90/10% basis, as more particularly described below. The City agrees to promptly commence and diligently pursue the negotiation and execution of its Stakeholder City Agreement and, thereafter, to fully perform under and comply with its terms.

2. **The Authority's Project Agreement with TxDOT.** The Authority, in turn, will enter into an agreement with TxDOT (the "Project Agreement") specifying, among other things, the right-of-way acquisition costs that are reimbursable at one hundred percent (100%), ninety percent (90%) or not reimbursable, as well as the method by which TxDOT and the Authority shall effect the reimbursement.

3. **Stakeholder Cities' Local Match.** Without limiting the provisions of subsection II.E.1 above, the City shall deposit its local match in a separate "revolving" account with TxDOT pursuant to its Stakeholder City Agreement. The Project Agreement will provide that when the Authority submits a request for reimbursable acquisition costs to TxDOT, TxDOT will draw down that amount from the "revolving" local match account, remit it to the Authority, and restore the remitted amount to the "revolving" local match account from other TxDOT funds.

4. **The City's and the Authority's Non-Monetary Obligations.** The Authority shall provide a Parcel-by-Parcel acquisition schedule to the City of when and what right-of-way is required; the City shall use best efforts to assist the Authority's acquisition of all required right-of-way as and when requested by the Authority, but shall not be required to expend any sums to do so. The Authority also shall obtain at its cost all land surveys, appraisals, and title insurance the Authority deems necessary or prudent to acquire the right-of-way, easements and other interests required for the Eastern Extension. The Authority shall specify which tracts are to be conveyed to the Authority in fee and which by easement. The Authority, at its sole cost, shall provide professional expertise to support the City's assistance to the Authority's right-of-way efforts by allowing the City and its staff and consultants access to the Authority's Right-of-Way Acquisition Team (the "RAT"); the City shall work in a fully collaborative and coordinated manner with the RAT, and, upon reasonable prior notice by the Authority, use land-use regulations, utility and other enhancement/betterment work (for which the City and the Authority may specifically agree to share or otherwise discharge resulting costs), and other tools to obtain donation or a lower acquisition cost whenever possible. Without limiting the foregoing, the City shall make its staff and consultants available to the Authority and the RAT to assist and support in (a) making contacts and facilitating negotiations with landowners for the right-of-way

acquisitions, (b) designing and conferring development incentives to elicit right-of-way donations and (c) assisting in carrying out relocation assistance for displaced residents and business as required by applicable law. The City agrees to participate in meetings and other activities with the Authority's staff, the RAT and other consultants.

5. The Authority's Obligations are Contingent. The Authority's obligations regarding the acquisition of right-of-way for the Eastern Extension and under this Agreement generally are fully contingent upon the agreement of all three (3) of the Stakeholder Cities and TxDOT to the procedure and obligations described above as evidenced by their execution of the three (3) Stakeholder Cities Agreements and the Project Agreement with provisions substantially identical to those contained in these subsections II.E.1 through 3. The City acknowledges that the Authority shall not be required to commence acquisition of right-of-way for the Eastern Extension until the Project Agreement has been fully executed.

6. Use of City Rights-of-Way; Release of Certain Leasehold Interests. The City shall dedicate, or cause to be dedicated, to the Authority, at no cost to the Authority, all property and/or property interests that the Authority determines are required for the construction of the Eastern Extension and which are owned by the City. Without limiting the foregoing, the City shall dedicate and assign, and does hereby dedicate and assign, to the Authority all of the City's street and roadway easements and similar interests in property necessary or convenient for the construction or operation of the Eastern Extension. Further, the City hereby releases any leasehold or similar interests it holds with respect to any property owned in fee by the City of Dallas that is required for the Eastern Extension in the vicinity of Lake Ray Hubbard, said release to be effective, without any additional action by the City, the Authority or any other party, upon the granting of rights to that right-of-way to the Authority by the City of Dallas. A

general depiction of the area affected by the foregoing release is set forth on Exhibit K, attached hereto and incorporated herein for all purposes, provided that a more accurate and superseding depiction shall result from subsequent right-of-way documentation and mapping.

7. Coyle House Relocation. The Coyle House is a structure located within or adjacent to the potential alignments identified for the Eastern Extension. The Coyle House is an historic resource requiring evaluation under Section 4(f) of the Department of Transportation Act of 1966 and Section 106 of the National Historic Preservation Act. The City will cooperate with the Authority to ensure compliance with all recommended practices and procedures to mitigate the impact of the Eastern Extension on the Coyle House and to obtain from all applicable governmental entities and agencies, whether federal, state or local, all approvals, permits and agreements in connection with the Coyle House that are necessary to construct and operate the Eastern Extension. Such mitigation will include moving the Coyle House from its present location and reconstructing it outside the area impacted by the Eastern Extension. The Authority entered into a Memorandum of Agreement (the "Coyle House MA") with the City, FHWA, TxDOT and the Texas Historical Commission, imposing requirements in connection with such relocation, reconstruction and mitigation and under which the Coyle House is made subject to certain historic preservation requirements that will be binding upon subsequent owners of the Coyle House. The City is a party to the Coyle House MA. Pursuant to the Coyle House MA or a subsequent supplemental agreement between the Authority and the City as described below in Section III.D., the City and the Authority will allocate between themselves the reasonable costs of studying, researching, documenting, relocating, reconstructing, operating, maintaining, and otherwise complying with all requirements necessary to ensure that the evaluation and disposition of the Coyle House complies with all applicable laws and regulatory requirements

necessary for the construction and operation of the Eastern Extension as set forth in the Coyle House MA.

8. **Lake Ray Hubbard Bridge Containment System.** In response to concerns raised by Dallas Water Utilities, the Authority instructed the Consulting Engineer to examine potentially feasible and compatible design alternatives for the Lake Ray Hubbard Bridge feature of the Eastern Extension (the "Bridge") that would remove storm water runoff from that structure and treat it prior to release into the lake. Insofar as no similar system is in place on IH 30, SH 66 and local streets whose runoff enters Lake Ray Hubbard without treatment, the Authority questions the need for and benefit of such a system on the Bridge. Nevertheless, the Bridge design is anticipated to incorporate a containment system as well as a treatment system situated at both of its termini. If the Authority (or, as indicated in the concluding sentence of this subsection II.E.8., TxDOT) is required or elects to construct the Bridge with the containment and treatment systems, the City shall provide, at no cost to the Authority (or TxDOT) and irrespective of whether the Stakeholder Cities agree to the Alternative ROW Acquisition Program, such additional right-of-way and/or easements required in City-owned property only (or the release of any leasehold or similar interests it holds in property owned in fee by the City of Dallas) at the Bridge termini and any other locations, located within the City's corporate limits, to permit the operation of the systems in an optimal manner. If TxDOT constructs the Bridge – as the Authority anticipates will be provided in the Project Agreement – all rights provided the Authority under this Agreement may be exercised and relied upon by TxDOT.

9. **Ten-Foot Utility Strip.** In accordance with then-applicable standards, the schematic design for the Eastern Extension was prepared to provide a ten (10) foot-wide strip extending from the outside boundaries of the roadway for the placement of existing utilities. The

standards for that recommended minimum width subsequently were changed to fifteen feet (15') in width by TxDOT. The City acknowledges and approves the 10-foot width reflected in the initial design for the Eastern Extension, provided, however, the Authority commits to acquire additional right-of-way or easement interests for the utility strip in those areas where the Authority deems it necessary to accommodate the relocation of existing utilities, as shown on Exhibit J attached hereto and incorporated herein for all purposes. Additionally, the right-of-way or easement limits depicted on Exhibit J include approximately 30,750 additional square feet of land requested by the City for which the City has agreed to reimburse the Authority by paying Thirty-Three Thousand and No/100 Dollars (\$33,000.00) to the Authority on or before December 4, 2006, which amount shall not be increased or decreased based on actual acquisition or related costs. If the Authority does not receive the \$33,000.00 reimbursement payment on or before December 4, 2006, it shall be released from any obligation to acquire the additional 30,750 square feet of land. All of the utility strip acquired pursuant to this subsection II.E.9 shall be conveyed to and held in the name of TxDOT.

10. Access at Proposed Merritt-Liberty Grove Connector. In its design of the overpass at the proposed Merritt Road – Liberty Grove Connector, the Authority will consider implementing prudent design measures to improve access to affected parcels, provided the Authority shall not be obligated to incur additional and material costs as a result.

F. CONSTRUCTION REQUIREMENTS

1. Utility Clearances, Relocations and Connections. The City agrees to maintain a utility clear zone by prohibiting the issuance of any utility permits that would conflict with the design and construction of the Eastern Extension. Without limiting the foregoing, for those portions of the Turnpike Lanes built as overpass structures, the utility clear zone shall extend not

less than seventy-five feet (75') from the Turnpike Lanes centerline (for a utility clear zone of not less than one hundred fifty feet [150'] total). This utility clear zone shall be located between four feet (4') and twelve feet (12') behind the back of curb of the through traffic lanes (ultimate width) of the cross street as shown in Exhibit F, attached hereto and incorporated herein for all purposes. The City shall be responsible for relocating any utilities or other surface or subsurface improvements and facilities that the Authority determines to be in conflict with the utility clear zone. The Authority shall design its bridges to accommodate the cross street widths as reasonably determined by the City and communicated in writing to the Authority before the design of any such bridge commences. If the Authority determines that Eastern Extension bridge foundation elements are required in the center median of a cross street, an eight foot (8') wide utility clear zone in such median shall also be provided by the City.

The City, when requested by the Authority, agrees to supply, at no cost to the Authority, water and sanitary sewer service to the right-of-way limits adjacent to the Authority's facilities, including ancillary support buildings, ramp tollbooths and main lane toll plazas, that are located within the City's corporate limits. The City's obligations regarding such sanitary sewer service may be initially satisfied by on-site waste disposal systems (septic systems) until proximate development causes a sanitary sewer line to be extended to the general vicinity of the facility in question, after which the City shall bring sanitary sewer service to the adjacent right-of-way limits to complete its obligations under the preceding sentence. The proposed and general locations for the Authority's ramp tollbooths and main lane toll plazas for the Eastern Extension are shown on Exhibit G, attached hereto and incorporated herein for all purposes; final locations shall be established by the Authority in consultation with its General Engineering Consultant (as hereinafter identified), the Consulting Engineer and other design professionals. The Authority

shall pay for its usage of City utilities; however, the Authority shall not be subject to any utility connection fees, impact fees, user fees or any other type of special assessment. The City shall invoice the Authority only for the Authority's actual usage of said utilities at such standard rates as the City applies to other governmental entities, and the Authority shall promptly pay all invoices submitted therefor by the City.

The City shall be responsible for, and promptly deposit with the Authority, all additional design, materials, and construction costs resulting from the upsizing or enhancement of, or other betterment to, any utility structures in connection with the construction of the Eastern Extension, including casings proposed at Miller Road and Main Street and upsized lines proposed at Liberty Grove Road and Merritt Road – Liberty Grove Connector.

2. **Storm Water Compliance.** The City will permit the Authority to connect to the City's municipal separate storm sewer and storm water drainage systems (the "MS4"), if any, and the City shall make such enlargements or other betterment work required for the efficient discharge of storm water from the Turnpike. The City shall cooperate, coordinate with, and assist the Authority in the Authority's compliance with the Authority's MS4 Permit. At the City's written request, the Authority shall provide the City with technical information and assistance required for the City to perform its obligations and responsibilities as set forth below. At the Authority's written request, the City shall provide the Authority with technical information and assistance required to perform its obligations and responsibilities as set forth below. The City and the Authority agree as follows:

- (a) The Authority will be responsible for the operation and maintenance of the MS4 it owns within the corporate limits of the City unless otherwise provided in an agreement with the City. The City shall be responsible for the construction,

operation, maintenance, and inspection of the MS4s it owns and the remaining area within the City's corporate limits. The City and Authority shall each be responsible and liable for any fines and/or penalties which may be assessed in relation to their own MS4.

- (b) If and to the extent required by law, each party shall develop its own Storm Water Management Plan ("SWMP") as part of its MS4 permit and will be responsible for implementing the SWMP on the MS4 for which it is the operator and for complying with the conditions of its storm water permit relating to the SWMP. The City shall cooperate with the Authority on the creation or modification of the Authority's SWMP.
- (c) The City recognizes the Authority does not have authority, police power, personnel, or resources to detect, identify, and enforce violations of the Clean Water Act or storm water pollution laws and regulations. The City shall use its authority and police power to detect, identify, and enforce applicable Clean Water Act (which for all purposes includes all amendments thereto), storm water pollution laws and regulations with respect to the following:
 - i. Those areas within the corporate limits of the City that generate or convey runoff that originates outside of the Authority's MS4 permit right-of-way.
 - ii. Those areas within the corporate limits of the City that generate or convey runoff that originates outside of the Authority's MS4 permit right-of-way and is conveyed to or through the Authority's MS4.
 - iii. Illicit discharges and improper disposal that have the potential to enter from outside the Authority's MS4.
 - iv. Construction site runoff (other than construction of the Eastern Extension) that has the potential to enter from outside the Authority's MS4.
 - v. Industrial and high risk run-off that has the potential to enter from outside the Authority's MS4.

To the extent the City lacks the foregoing enforcement authority, the Authority will be responsible for providing the necessary communication to the Texas Commission on Environmental Quality or its successor commission or agency.

- (d) The Authority will use reasonable efforts to substantially comply with its MS4 permit, and control pollution in storm water that originates on the Turnpike Lane Area, as required by the conditions of its MS4 permit. The City shall use reasonable efforts to substantially comply with its MS4 permit, and control pollution in storm water discharged within the corporate limits of the City and onto the Turnpike Lane Area, as required by the conditions of its MS4 permit. The Authority and the City will comply with all applicable regulations and policies applicable to such permitted storm water discharge binding upon them.
- (e) Each party will promptly notify the other if it knows of a discharge of oil or other hazardous substance or material in an amount that requires reporting or be violative of any law, regulation or permit and that has the potential to be introduced into the other party's MS4, regardless of where such discharge originates.
- (f) After reasonable written notice to the Authority and subject to safety and traffic-control measures required by the Authority in response to such notice, the City may enter the Turnpike Lane Area to conduct inspections reasonably related to monitoring compliance with the Clean Water Act, storm water pollution laws and regulations by parties other than the Authority.
- (g) Utility construction, operation or maintenance, or any other activity performed by the City, its agents, employees or contractors on the Turnpike Lane Area shall not

begin without prior written notification to the Authority and shall comply with all applicable local, state and federal laws and regulations, including but not limited to, the Clean Water Act and those governing storm water pollution.

- (h) The Authority may incorporate into its MS4 permit filings and reports the results of the City's tests conducted in connection with its MS4 storm water permits, including "wet-weather" monitoring results (whether under the wet-weather monitoring program coordinated by the North Central Texas Council of Governments or otherwise) and "dry weather" field screening.
- (i) At the City's request, the Authority will make available to the City research related to highway operations and storm water runoff referenced in the Authority's SWMP.
- (j) The Authority may state its use of and reliance on the storm water public awareness and public education program, which is required by the MS4 permit for the City and which is conducted by the City, as a program that satisfies the Authority's public education and awareness program obligations under the Authority's MS4 permit.
- (k) The City and the Authority each may incorporate into its respective MS4 permit applications, reports, and filings information from the permit applications reports and filings of the other.
- (l) The City shall pass such ordinances, rules, or regulations as shall be necessary to satisfy its obligations and responsibilities under this subsection II.F.2.

3. **Construction Staging Areas.** If requested by the Authority and irrespective of whether the Stakeholder Cities agree to the Alternative ROW Acquisition Program, the City shall

make available its rights-of-way or other properties located along the Eastern Extension, if any, for the Authority's exclusive use as temporary staging areas before and during construction; provided, however, the City shall not be obligated to obtain any additional right-of-way solely for such purpose. Notwithstanding the foregoing, if the City demonstrates that a property requested by the Authority cannot be utilized for this purpose without materially interfering with the City's current or committed future use for that property and the City identifies a substitute property offering substantially identical utility as a temporary staging area, the substitute property shall be utilized. Such areas may be used for the placement and operation of construction site trailers, for temporary material disposal, for temporary embankments, for the operation of a concrete and/or asphalt batch plant, or for any other purpose that may be related to the construction of the Eastern Extension. During its use of the staging areas, the Authority shall use all reasonable efforts to maintain the property in an orderly condition, free from excessive debris and clutter and with no unlawful contamination. Upon completion of construction activities or cessation of its use thereof, whichever comes first, the Authority, at its cost, shall return the staging areas to the City in a condition comparable to or better than when received for use by the Authority.

4. Soundwalls. The Authority may be required to or elect to construct soundwalls, retaining walls or similar structures as a condition of operating the Eastern Extension. The provision of soundwalls, also known as noise walls, has been analyzed in the FEIS process according to applicable FHWA criteria. The FEIS contains results of that analysis and/or noise contours based upon projected Eastern Extension noise levels. The Authority provided a copy of the FEIS to the City and the City hereby acknowledges its receipt. The City shall be responsible for using the information to determine compatible land uses based on projected noise levels. The

City acknowledges that the Authority shall not be responsible for constructing any soundwalls, which (1) are not identified by the FEIS, (2) are not approved by adjacent property owners, or (3) are required due to incompatible land uses that the City allows to be planned, platted, approved or constructed where the noise contours or analysis indicate that the FHWA or other applicable sound criteria are exceeded. The Authority will not be liable or obligated, financially or otherwise, for providing soundwalls to any development which is proposed, platted, approved, permitted or constructed after the completion of the FEIS. The City agrees to maintain and repair all soundwalls, retaining walls or similar structures which are constructed by or on behalf of the City subsequent to the Authority's completion of the initial construction of the Eastern Extension.

5. Signalization. Within the City's corporate limits, the design of the Eastern Extension provides for five (5) signalized intersections along the Service Roads and/or at the cross streets or ramps to and from the Turnpike Lanes. These intersections are as depicted in Exhibit H, attached hereto and incorporated herein for all purposes. In consideration of the City's performance of its obligations under this Agreement, the Authority shall provide for the design, construction and installation of temporary and permanent traffic signalization necessitated by the construction of the Eastern Extension. The Authority shall design, prepare and issue construction plans and specifications, take bids, award contracts and purchase orders, install and test (or cause the same to be done) any temporary or permanent traffic signalization systems at the City street intersections with the Eastern Extension as shown on Exhibit H, and also shall install and/or relocate, at its sole expense, any traffic signals, conduit, controllers or any other related facilities that may be required for or as a result of the construction of the Eastern Extension (collectively, the "Signalization Work"). Thereafter, as more specifically set

forth below, the City shall be responsible (either itself or by agreement with TxDOT) for the operation and maintenance of said traffic signalization systems. The Signalization Work shall include the Authority's provision, at its cost, of the standard TxDOT signal kit, plus "Opticom® units," for the signalization systems at the Merritt Road – Liberty Grove Connector, Liberty Grove Road, SH 66, Main Street and Miller Road intersections. Further, the Authority shall install Uninterrupted Power Supply (UPS) systems and illuminated street signs at the foregoing intersections if all necessary, fully functional and compatible equipment is provided by the City to the Authority, at the City's cost, sufficiently in advance of the Authority's commencement of the Signalization Work.

The City shall ensure that, once completed, its traffic signalization systems do not impede or interfere with the operation of the Eastern Extension. The Authority shall keep the City reasonably informed of the Authority's design and construction plans in furtherance thereof. Upon completion of the Signalization Work, the City agrees (either itself or by agreement with TxDOT) to operate, police and maintain the described traffic signalization systems at no cost to the Authority and to assume the responsibility for provision of all electrical power required for signal operations, including that required during construction and test periods. This subsection II.F.5 sets forth the Authority's sole obligation regarding the Signalization Work and nothing contained in this Agreement shall in any way impose upon or create for the Authority any responsibility for (i) the proper operation of traffic signalization along the Eastern Extension within the corporate limits of the City or (ii) the police enforcement required for securing compliance with the traffic signals described in this Agreement.

6. U-Turns. The Authority, at its cost, will design and construct the approved U-turns and U-turn deceleration lane(s) as depicted on the Schematic at the intersections of the

Eastern Extension with Merritt Road – Liberty Grove Connector (NB to SB), Liberty Grove Road (SB to NB and NB to SB), SH 66 (SB to NB and NB to SB), and Miller Road (NB to SB and SB to NB). The City shall be responsible for policing, operating and maintaining, at its sole expense, the U-turns and U-turn deceleration lanes in a manner that does not impede access to or egress from the Turnpike Lanes. The City does not request the inclusion of any additional underpass or overpass U-turns in the Eastern Extension design.

7. **Cross Streets.** The Authority shall design and construct the various intersections depicted on Exhibit H, as indicated thereon, including with respect to intersection layouts, U-turns, left-turn lanes, and three-lane frontage roads. If the City subsequently desires at any time to construct or modify a cross street over or under the Eastern Extension, it shall contact the Authority and thereafter take all steps the Authority reasonably deems necessary or desirable to ensure that the design, construction, maintenance and operation of the cross street does not impair or interfere with the design, construction, operation or maintenance of the Eastern Extension. The City shall submit to the Authority the name of the engineering firm the City intends to retain to design the cross street and shall not award the engineering contract unless and until it receives the Authority's written approval thereof. The City shall submit the plans for any such proposed cross street to the Authority for the Authority's review, and the applicable construction contract shall not be let unless and until the Authority approves the plans in writing. Thereafter, the cross street shall be constructed in accordance with the approved plans and the Authority shall have the right to make such inspections and testing it desires to confirm same. Without limiting the foregoing, the City, at its sole expense, shall cause any cross street to be designed and constructed to accommodate the profile grade design of the Eastern Extension. The City also shall cause its staff and consultants to meet and communicate with the Authority

regularly during the planning, design and construction phases of any cross street, and the Authority shall reasonably cooperate with the City in advancing the design and construction of any cross street complying with the provisions of this subsection II.F.7.

8. Signage. On February 20, 2002, the Authority's Board of Directors passed Resolution 02-03, "A Sign Policy for Turnpike Projects," to promote a consistent and comprehensive approach to the installation of directional and informational signs on the Authority's facilities. Signage to be installed by the Authority in the initial construction of the Eastern Extension, as well as signage requested at any time by the City, shall be evaluated and determined in accordance with the foregoing policy, as it may be amended.

G. MAINTENANCE

1. The City's Responsibilities. The City has the responsibility to operate, maintain, police, regulate and provide public safety functions only for the City's streets over and under the Turnpike Lanes. Said responsibilities, to be performed at the sole cost and expense of the City, shall include the following, as further shown on Maintenance Responsibility Areas attached as Exhibit I and incorporated herein for all purposes:

- (a) Repair and maintain all the City's streets over and under the Turnpike Lanes (*i.e.*, the bridge deck and above), including all traffic signal systems, luminaires, other illumination structures and foundations therefor.
- (b) Repair and maintain all storm water conduits and receivers, both open and closed, on, along and across the City's streets and maintain any drainage, utility, right-of-way or other easements situated thereon for the purpose of serving the Eastern Extension.

- (c) Repair and maintain all soundwalls, screen walls, retaining walls and similar structures in accordance with subsection II.F.4.
- (d) Keep the vegetation mowed, and remove, collect and dispose of all unauthorized signs, debris and trash accumulated in the Eastern Extension right-of-way areas adjacent or relating to the City's streets.
- (e) Maintain and, as necessary, modify guardrail and fences, if any, along the City's streets crossing over and under the Turnpike Lanes.
- (f) Maintain and, as necessary, modify or supplement all traffic regulatory and directional signs and all pavement traffic markings on the City's streets over and under the Turnpike Lanes, except Turnpike trailblazers, "Left Lane Must Enter Turnpike," "No Pedestrians, Bicycles or Motor Driven Cycles," and similar signs regarding the Eastern Extension.
- (g) Furnish all policing, sweeping, flushing, snow/ice control services and other public safety services on the City's streets crossing over and under the Turnpike Lanes.
- (h) License, permit and regulate all driveway and street connections to the Service Roads in accordance with any TxDOT requirements, except to or from property owned or controlled by the Authority, in accordance with Exhibit B, the Ramp Access Plan.
- (i) Provide fire, emergency medical service and "haz-mat" response for the Turnpike Lanes, the Service Roads and the City's streets.

Additionally, to the extent the City elects to enter into one or more agreements with TxDOT for the City's operation, maintenance, policing, regulation or provision of public safety functions for

the Service Roads, the City shall perform those functions in accordance with the applicable agreement(s) and so as to avoid any interference with the operation of the Eastern Extension. The City acknowledges and agrees that the Authority shall have no responsibility or obligation to operate, maintain, police, regulate or provide public safety functions outside the Turnpike Lane Area.

2. **The Authority's Responsibilities.** The Authority has the responsibility to operate, maintain, police, regulate and provide public safety functions for the Turnpike Lanes. Said responsibilities, to be performed at the sole cost and expense of the Authority, shall include the following, as further shown on the Maintenance Responsibility Areas attached as Exhibit I:

- (a) Perform all mowing, snow/ice control, and collection and removal of debris within the Turnpike Lane Area.
- (b) Maintain all improvements constructed by the Authority as a part of the Eastern Extension exit and entrance ramps within the limits extending from the Turnpike Lane Area to either (i) the ramp gore nose at the applicable Service Road or (ii) the intersection with the applicable Service Road or other street.
- (c) Repair and maintain all soundwalls, screen walls, retaining walls and similar structures within the Turnpike Lanes Area.
- (d) Maintain the fence and guardrail, if any, placed along and between the Turnpike Lanes Area and Service Roads used to protect ramp toll plazas.
- (e) Maintain all Eastern Extension illumination structures, including under-bridge lighting, but specifically excluding all Service Road illumination and street intersection illumination.

- (f) Maintain complete bridge structures that carry the Turnpike Lanes over the City's streets.
- (g) Maintain structural components (*i.e.*, below the bridge deck) of bridges carrying the City's streets over the Turnpike Lanes.
- (h) Maintain all Turnpike trailblazers, "Left Lane Must Enter Turnpike," "No Pedestrians, Bicycles or Motor Driven Cycles," and similar signs regarding the Eastern Extension and/or the Turnpike within the corporate limits of the City.
- (i) License, permit and regulate utility construction and maintenance along and across the Turnpike Lanes Area.

The Authority acknowledges and agrees that the City shall have no responsibility or obligation to operate, maintain, police, regulate or provide public safety functions for the Turnpike Lanes and/or with respect to the Turnpike Lanes Area, except as provided in subsections II.F.2.(c) and II.G.1.(j). Subject to the Authority's right to negotiate specific terms tailored to address specific circumstances or facts that may differ from municipality to municipality, the allocation of responsibilities between the City and the Authority regarding the operation, maintenance, policing, regulation, and provision of public safety functions for or with respect to the Turnpike Lanes, Turnpike Lanes Area, and the Service Roads in general shall not be less advantageous to the City than the allocation of responsibilities contained in the Authority's interlocal agreements with the other two (2) Stakeholder Cities regarding the Eastern Extension.

H. AESTHETIC TREATMENTS

On June 18, 2003, the Authority's Board of Directors passed Resolution No. 03-57, "A Resolution of the North Texas Tollway Authority Approving the Adoption of System-Wide

Design Guidelines for the Dallas North Tollway System” to promote continuity in the implementation of aesthetic treatments along the Authority’s existing and future facilities. Aesthetic treatments to be installed by the Authority in the initial construction of the Eastern Extension, as well as treatments requested at any time by the City, shall be evaluated and determined in accordance with the foregoing guidelines, as they may be amended. The determination of whether to implement any aesthetic modifications or upgrades shall be at the sole discretion of the Authority. For purposes of this Agreement, aesthetic treatments shall mean any aspect of or enhancement to the roadways, rights-of-way, lighting, medians, intersections, signals, soundwalls or any other structure or facility (including, without limitation, landscaping) that is not essential to the function or operation of the applicable structure or facility. Without limiting the provisions of the third sentence of this Section II.H., the City shall reimburse the Authority for the additional costs for the design, construction, operation and maintenance of any requested modification or upgrade to the Authority’s baseline aesthetic treatments within thirty (30) days after receipt of any invoice for the same from the Authority.

I. MAIN STREET BRIDGE WIDENING

As of the Effective Date, the Authority has designed the Main Street Bridge to be eighty-six feet (86’) in width, as depicted on Exhibit H-D(1) attached hereto and incorporated herein for all purposes. The City intends to apply for State Transportation Enhancement Program (STEP) funding for its trail system to provide connectivity between Rowlett High School, Coyle Middle School and Stevens Elementary School, including an extension of the trail system across the Main Street Bridge over the Eastern Extension. To support the City’s efforts, the Authority agreed to modify the Bridge’s design, at no cost to the City, to combine the Bridge’s sidewalks on a single side to accommodate the trail. Alternatively, the City requested, and the Authority

agreed, that the Authority offer to widen the Bridge to one hundred feet (100'), provided the City provide certain notices and reimburse the Authority for all additional design and construction costs that result. The Authority has determined those estimated additional costs for widening the Bridge, which reflect modifying the Bridge's deck and superstructure (the foundation and retaining walls), as well as any necessary adjustment to the profile of the Turnpike Lanes, to achieve a 100-foot width as shown on Exhibits H-D(2), (3) and (4).

As a condition for the Authority undertaking the necessary design change for the Bridge widening, the City must provide the Authority with written notice on or before December 4, 2006 that it elects to have the Bridge widened and which side of the Bridge it wishes to have widened. If the City provides the foregoing notice, it must escrow with the Authority the estimated additional costs listed below within four (4) weeks after providing that notice, but in no event later than January 1, 2006.

	Main Street Bridge Widening on North Side <i>- this would <u>not</u> impact Turnpike Lane profile</i>	Main Street Bridge Widening on South Side <i>- this would require changes to Turnpike Lane profile</i>	Increased Costs of Widening on South Side
Additional Design Costs	\$32,000	\$45,000	\$13,000
Additional Construction Costs	\$510,000	\$710,000	\$200,000
Total Escrowed Amount	\$542,000	\$755,000	\$213,000 Increase

If (1) on or before December 4, 2006 the City either (a) notifies the Authority that it does not wish to seek that widening or (b) does not furnish the notice or (2) the City fails to provide the escrow in the amount and in accordance with the timetable provided in the preceding sentence, the Authority shall combine the sidewalks and the Bridge shall not be widened.

Alternatively, if the foregoing conditions are satisfied, the Authority shall widen the Main Street Bridge as shown for the applicable (north or south side) widening option the City selects on Exhibits H-D(2), (3) and (4). Upon completion of the widened Bridge, the Authority shall conduct a final review of the actual additional design and construction costs resulting from the widening and furnish the result of that review (and supporting documentation) to the City. If the result of that final review differs from the estimated reimbursement amount escrowed by the City with the Authority, the Authority or the City, as applicable, shall make the appropriate adjusting payment so that the City pays only the actual increased costs.

ARTICLE III. **GENERAL PROVISIONS**

A. TERM OF AGREEMENT

The term of this Agreement shall begin on the Effective Date and end on the earlier to occur of (1) the complete performance by the parties hereto of all provisions of this Agreement or (2) the determination by the Authority of the non-feasibility of the Eastern Extension or other termination by the Authority pursuant to Section III.C.

B. MUTUAL SUPPORT

The City acknowledges its approval of and support for the Authority's financing, design, construction, operation and maintenance of the Eastern Extension as a turnpike project within the corporate limits of the City and agrees to take all actions reasonably requested by the Authority which are consistent with this Agreement in furtherance of the purposes of this Agreement. Unless and until the Authority determines that the design, construction and operation of the Eastern Extension as a turnpike project is not feasible, the City shall not advance any alternative to or conflicting or competing proposal for the development of the Eastern Extension. The City

agrees to support the Authority in the necessary environmental clearance and permitting review processes and to provide such information as may be requested by the Authority, TxDOT or FHWA from time to time with regard to the Studies generally. The parties agree to coordinate and conduct the necessary public hearings and public participation efforts required to initiate and complete the Eastern Extension. The parties shall make every reasonable effort to maintain communication with the public and the other party's representatives regarding the progression of the Eastern Extension review process and plans. In addition, the City agrees to assist and join the Authority in obtaining and performing under the various approvals, permits and agreements required of the applicable governmental entities and agencies, whether federal, state or local, regarding the Eastern Extension.

C. ELECTION TO PROCEED AND RELIANCE

Notwithstanding any other provision of this Agreement, the Authority, in its sole judgment, shall determine whether it is feasible to design, finance, construct, operate and maintain the Eastern Extension as a turnpike project. The City acknowledges that unless and until said feasibility is established and accepted by the Authority's Board of Directors, this Agreement creates or imposes no obligations on the Authority with respect to the design, construction, operation and/or maintenance of the Eastern Extension, and the Authority makes no representations with respect thereto. Should the Authority determine that the Eastern Extension is not feasible or otherwise determines not to proceed with the evaluation, design and construction of the Eastern Extension for any reason, the Authority shall promptly notify the City in writing and the City shall be released from its obligations under this Agreement, including its right-of-way acquisition obligations under Section II.E. In such event, this Agreement shall terminate, and neither the Authority nor the City shall incur or be obligated to the other for any

further obligations or expenses regarding the Eastern Extension. Nothing contained in this Section III.C. shall be construed, however, as modifying or conflicting with the Authority's commitment to evaluate the feasibility of the Eastern Extension in accordance with this Agreement.

D. SUPPLEMENTAL AGREEMENTS

Upon completion of the Studies and an acceptable determination by the Authority, in its sole discretion, of the feasibility of the Eastern Extension as a turnpike project, the City agrees to enter into any supplemental or additional agreement(s) as may be necessary for the design, construction, operation and maintenance of the Eastern Extension within the City's corporate limits. Such agreement(s) may include, but not be limited to, (1) specifying the final alignment and schematics of the Eastern Extension, (2) more precisely delineating cost sharing between the parties, including, but not limited to, provisions for property acquisition and transfer, (3) refining responsibilities for construction, operation and maintenance of Service Roads, interchanges, traffic control devices and signals, (4) specifying details and timing regarding the relocation of utilities, (5) the Coyle House MA, and (6) such other terms as may be appropriate to ensure the physical and fiscal integrity of the Eastern Extension. Although the precise terms of the supplemental agreements shall be negotiated at a later time, none of those terms shall conflict with any provision of this Agreement, absent the specific written agreement of the parties to the contrary, and all such supplemental agreements shall be consistent with the terms and provisions hereof. In addition, the City agrees to assist and join with the Authority in obtaining the various approvals, permits and agreements required of the applicable governmental entities and agencies, whether federal, state or local.

E. CONTROL OF AUTHORITY FACILITIES, OPERATIONS AND NONAPPLICABILITY OF CERTAIN CITY CODES

The City acknowledges and agrees that the Authority is not subject to the various zoning, building and development codes and/or ordinances promulgated and enforced by the City with respect to the Authority's structures and activities within the Eastern Extension right-of-way, and that it shall not assess against the Authority any development, impact license, zoning, permit, building, connection or construction fee(s) of any kind with respect to the construction or operation of the Eastern Extension. The parties are subject to certain federal regulations, in particular those related to the Clean Air Act, which may affect the Authority and its contractors in their performance of this Agreement. The City acknowledges that as a result of federal and/or state regulations, or other construction schedules, the Authority may be required to perform construction activity at night or twenty-four (24) hours a day. The Authority shall use reasonable efforts to notify the City of any planned night or 24-hour work. The City agrees to give its full cooperation to accommodate such activity, including providing support for notifying the public by posting a press release and notice on the City's website. The Authority agrees to comply with the City's telecommunications tower ordinance with respect to its offices and administration facilities situated outside the Eastern Extension right-of-way whenever the Authority can reasonably do so.

F. RELATIONSHIP OF THE PARTIES; NO JOINT ENTERPRISE

Nothing in this Agreement is intended to create, nor shall be deemed or construed by the parties or by any third party as creating, (1) the relationship of principal and agent, partnership or joint venture between the City and the Authority or (2) a joint enterprise between the City, the Authority and/or any other party. Without limiting the foregoing, the purposes for which the

City and the Authority have entered into this Agreement are separate and distinct, and there are no pecuniary interests, common purposes and/or equal rights of control among the parties hereto.

G. BILLBOARDS

The City acknowledges that with respect to billboards or similar off-premises signs within the Eastern Extension right-of-way, the Authority will follow its policy expressed in Resolution No. 98-048, dated July 24, 1998. The City agrees to cooperate with the Authority to prohibit and eliminate the presence of billboards or other similar off-premises signs that would or could be visible from the traveled portion of the Eastern Extension. Except as specifically set forth below, the City shall be solely responsible for (1) the removal of any and all billboards and similar outdoor off-premises signs from within the right-of-way for the Turnpike Lanes and Service Roads of the Eastern Extension, (2) any related relocation costs and other consideration, and (3) the termination of existing billboard/sign leases to the greatest extent practical and permissible under applicable laws. To the extent allowed by applicable law, the Authority and the City agree that neither party shall allow the future construction or installation of billboards or similar off-premises outdoor signs on the Eastern Extension right-of-way. Without limiting the foregoing, with respect to the items reportedly owned by Benbrook Winchester situated within the Eastern Extension right-of-way that said owner may want to characterize as signs or billboards (the "BW Items"), the City agrees to accomplish, working with Benbrook Winchester, the permitting and/or relocation of the BW Items consistent with the City's existing ordinances and other law. If the BW Items are not relocated, the City will be solely responsible for their removal and for accomplishing the activities and satisfying the obligations described in clauses (1) through (3) of the third sentence of this Section III.G. If the BW Items are relocated, the Authority will reimburse the City only for the actual cost of their physical relocation, and for no

other costs or claims. The City will be responsible for any other costs or claims related to the BW Items. To the greatest extent permitted by applicable law, the Authority and the City agree that neither party shall allow the future construction or installation of billboards or similar off-premises outdoor signs on the Eastern Extension right-of-way.

II. NO LIABILITY

Nothing in this Agreement shall be construed to place any liability on either the City, the Authority, the Consulting Engineer, or any liability on any of the Authority's or the City's respective employees, consultants (including HNTB Corporation, the Authority's General Engineering Consultant), contractors, agents, servants, directors or officers for any alleged personal injury or property damage arising out of the Eastern Extension evaluation, design and construction, or for any alleged personal injury or property damage arising out of the City's operation, policing, regulation, maintenance or repair of the Service Roads or the City streets connecting to, crossing or within the Eastern Extension. Furthermore, it is not the intent of this Agreement to impose upon the City or the Authority any liability for any alleged injury to persons or damage to property arising out of any matters unrelated to the terms of this Agreement undertaken by any consultant or contractor employed or engaged by the Authority or the City. Nothing herein shall be construed as a waiver of any rights which may be asserted by either party hereto, including the defense of governmental immunity.

I. NOTICES

In each instance under this Agreement in which one party is required or permitted to give notice to the other, such notice shall be deemed given (1) when delivered in hand, (2) one (1) business day after being deposited with a reputable overnight air courier service, or (3) three (3)

business days after being mailed by United States mail, registered or certified mail, return receipt requested, postage prepaid, and, in all events, addressed as follows:

In the case of the City:

By Hand Delivery or Courier:

City of Rowlett
Attn: Craig S. Owens, City Manager
4000 Main Street
Rowlett, Texas 75088-5077

By Mail:

City of Rowlett
Attn: Craig S. Owens, City Manager
P.O. Box 99
Rowlett, Texas 74030-0099

In the case of the Authority:

By Hand Delivery or Courier:

North Texas Tollway Authority
Attn: Allan Rutter, Executive Director
5900 W. Plano Parkway, Suite 100
Plano, Texas 75093

By Mail:

North Texas Tollway Authority
Attn: Allan Rutter, Executive Director
P.O. Box 260729
Plano, Texas 75026

Either party hereto may from time to time change its address for notification purposes by giving the other party prior written notice of the new address and the date upon which it will become effective.

J. SUCCESSORS AND ASSIGNS

This Agreement shall bind, and shall be for the sole and exclusive benefit of, the respective parties and their legal successors. Other than as provided in the preceding sentence, neither the City nor the Authority shall assign, sublet or transfer their respective interests in this Agreement without the prior written consent of the other party to this Agreement, unless otherwise provided by law.

K. SEVERABILITY

If any provision of this Agreement, or the application thereof to any person or circumstance, is rendered or declared illegal for any reason and shall be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but shall be enforced to the greatest extent permitted by applicable law.

L. WRITTEN AMENDMENTS

Any change in the agreements, terms and/or responsibilities of the parties hereto must be enacted through a written amendment. No amendment to this Agreement shall be of any effect unless in writing and executed by the City and the Authority.

M. LIMITATIONS

All covenants and obligations of the City and the Authority under this Agreement shall be deemed valid covenants and obligations of said entities, and no officer, councilmember, director, or employee of the City or the Authority shall have any personal obligations or liability hereunder.

N. SOLE BENEFIT

This Agreement is entered into for the sole benefit of the City and the Authority and their respective successors and permitted assigns. Nothing in this Agreement or in any approval subsequently provided by either party hereto shall be construed as giving any benefits, rights, remedies or claims to any other person, firm, corporation or other entity, including, without limitation, the public in general.

O. AUTHORIZATION

Each party to this Agreement represents to the other that it is fully authorized to enter into this Agreement and to perform its obligations hereunder, and that no waiver, consent, approval or authorization from any third party is required to be obtained or made in connection with the execution, delivery or performance of this Agreement. Each signatory on behalf of the City and the Authority, as applicable, represents that he or she is fully authorized to bind that entity to the terms of this Agreement.

P. VENUE

The provisions of this Agreement shall be construed in accordance with the laws and court decisions of the State of Texas, and exclusive venue for any legal actions arising hereunder shall be in Collin County, Texas.

Q. INTERPRETATION

No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court, other governmental or judicial authority, or arbitrator by reason of such party having or being deemed to have drafted, prepared, structured or dictated such provision.

R. WAIVER

No delay or omission by either party hereto to exercise any right or power hereunder shall impair such right or power or be construed as a waiver thereof. A waiver by either of the parties hereto of any of the covenants, conditions or agreements to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach thereof or any other covenant, condition or agreement herein contained.

S. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. There are no representations, understandings or agreements relative hereto which are not fully expressed in this Agreement.

T. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be deemed an original and shall constitute one single agreement between the parties.

U. HEADINGS

The article and section headings used in this Agreement are for reference and convenience only, and shall not enter into the interpretation hereof.

IN WITNESS WHEREOF, the City and the Authority have executed this Agreement on

the dates shown below, to be effective on the date listed above.

ATTEST:

CITY OF ROWLETT,
a Texas municipal corporation

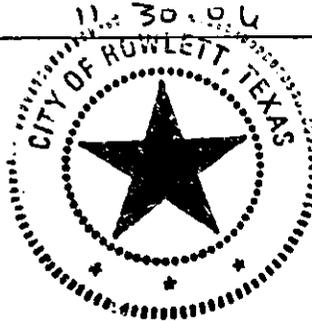
Susie Quinn
Susie Quinn,
City Secretary

By: J. Alan Alberts
Name: J. ALAN ALBERTS
Title: MAYOR PRO TEM

Date: 11.30.06

APPROVED AS TO FORM:

Robert E. Hager
Robert E. Hager, City Attorney
By: _____
Name: _____



ATTEST:

NORTH TEXAS TOLLWAY AUTHORITY

Debra Smith
Debra Smith
Secretary

By: Allan Rutter
Allan Rutter,
Executive Director

Date: 12.1.06

APPROVED AS TO FORM:

Locke Liddell & Sapp LLP,
General Counsel to the Authority

By: Frank E. Stevenson, II
Frank E. Stevenson, II

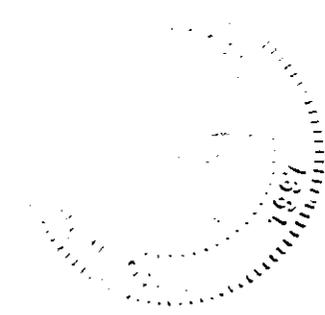


EXHIBIT A

SERVICE ROAD SCHEMATIC

[see following page(s)]

MAINLANE PLAZA

PROPOSED ROW

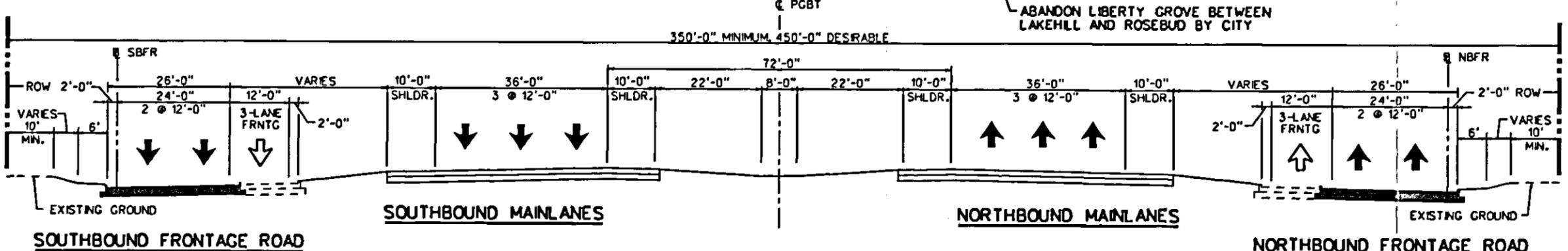
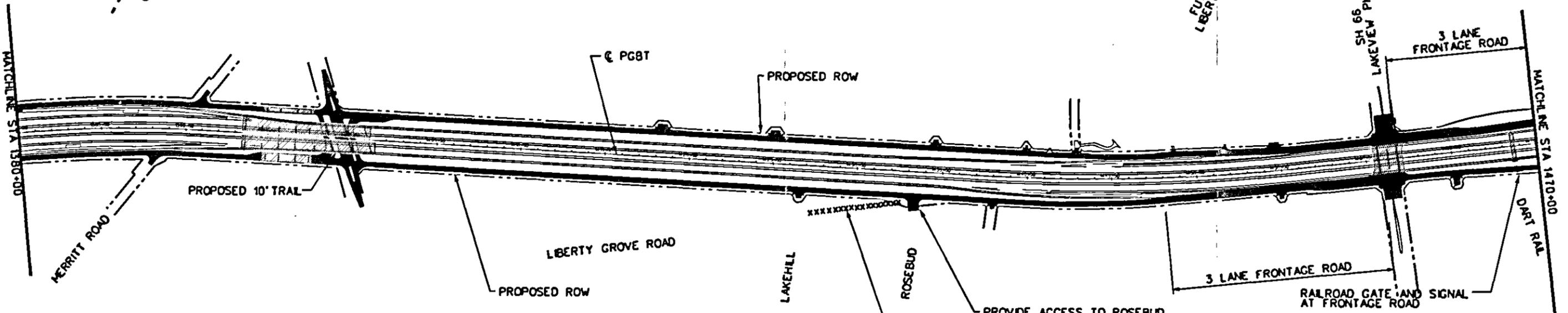


GARLAND CITY LIMITS

ROWLETT CITY LIMITS

NOTES:

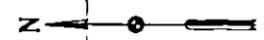
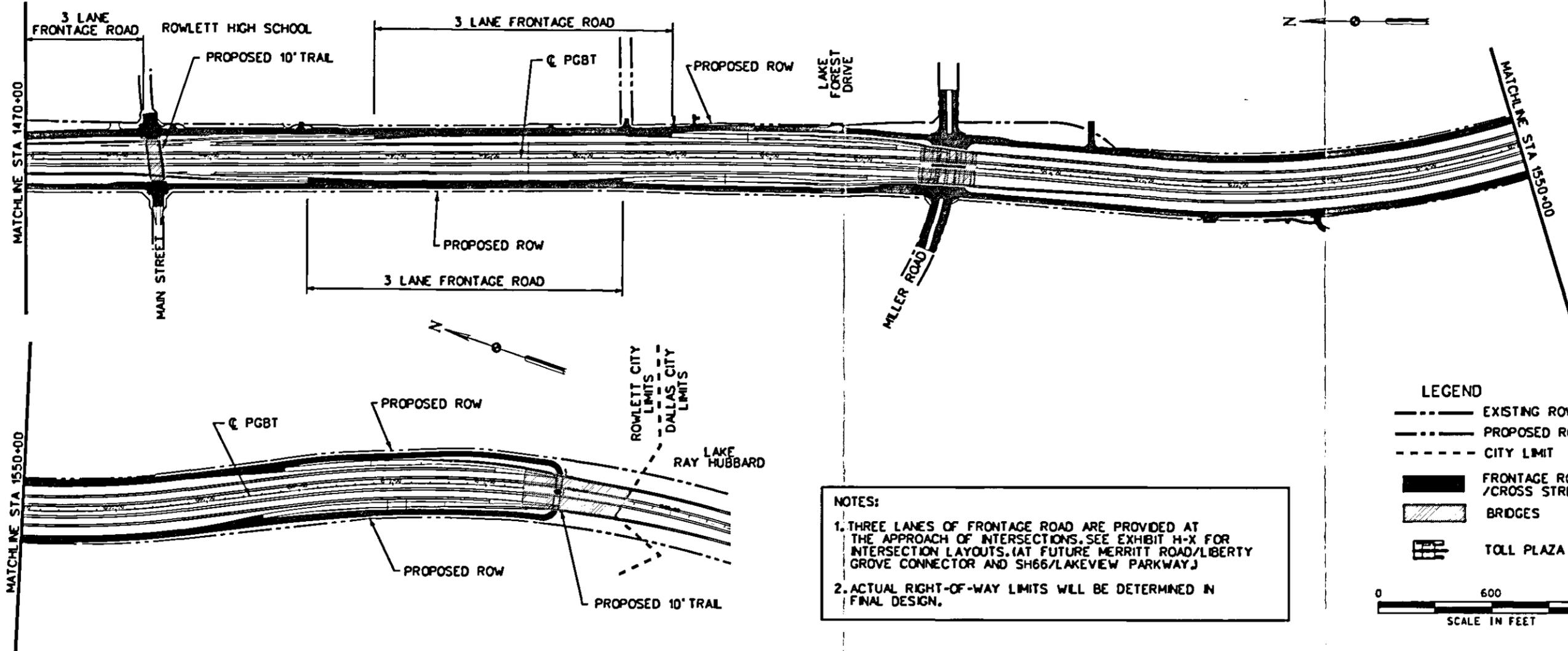
1. THREE LANES OF FRONTAGE ROAD ARE PROVIDED AT THE APPROACH OF INTERSECTIONS. SEE EXHIBIT H-X FOR INTERSECTION LAYOUTS. (AT FUTURE MERRITT ROAD/LIBERTY GROVE CONNECTOR AND SH66/LAKEVIEW PARKWAY)
2. ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.



LEGEND

- EXISTING ROW
- - - PROPOSED ROW
- - - CITY LIMIT
- █ FRONTAGE ROADS / CROSS STREETS
- ▨ BRIDGES
- ▧ TOLL PLAZA

TYPICAL SECTION WITH FRONTAGE ROADS



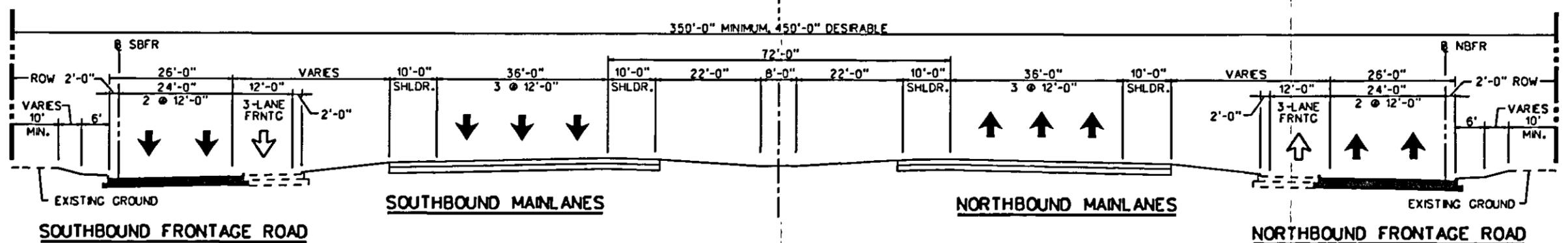
LEGEND

- EXISTING ROW
- - - PROPOSED ROW
- - - CITY LIMIT
- FRONTAGE ROADS / CROSS STREETS
- ▨ BRIDGES
- ▤ TOLL PLAZA



NOTES:

- THREE LANES OF FRONTAGE ROAD ARE PROVIDED AT THE APPROACH OF INTERSECTIONS. SEE EXHIBIT H-X FOR INTERSECTION LAYOUTS. (AT FUTURE MERRITT ROAD/LIBERTY GROVE CONNECTOR AND SH66/LAKEVIEW PARKWAY)
- ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

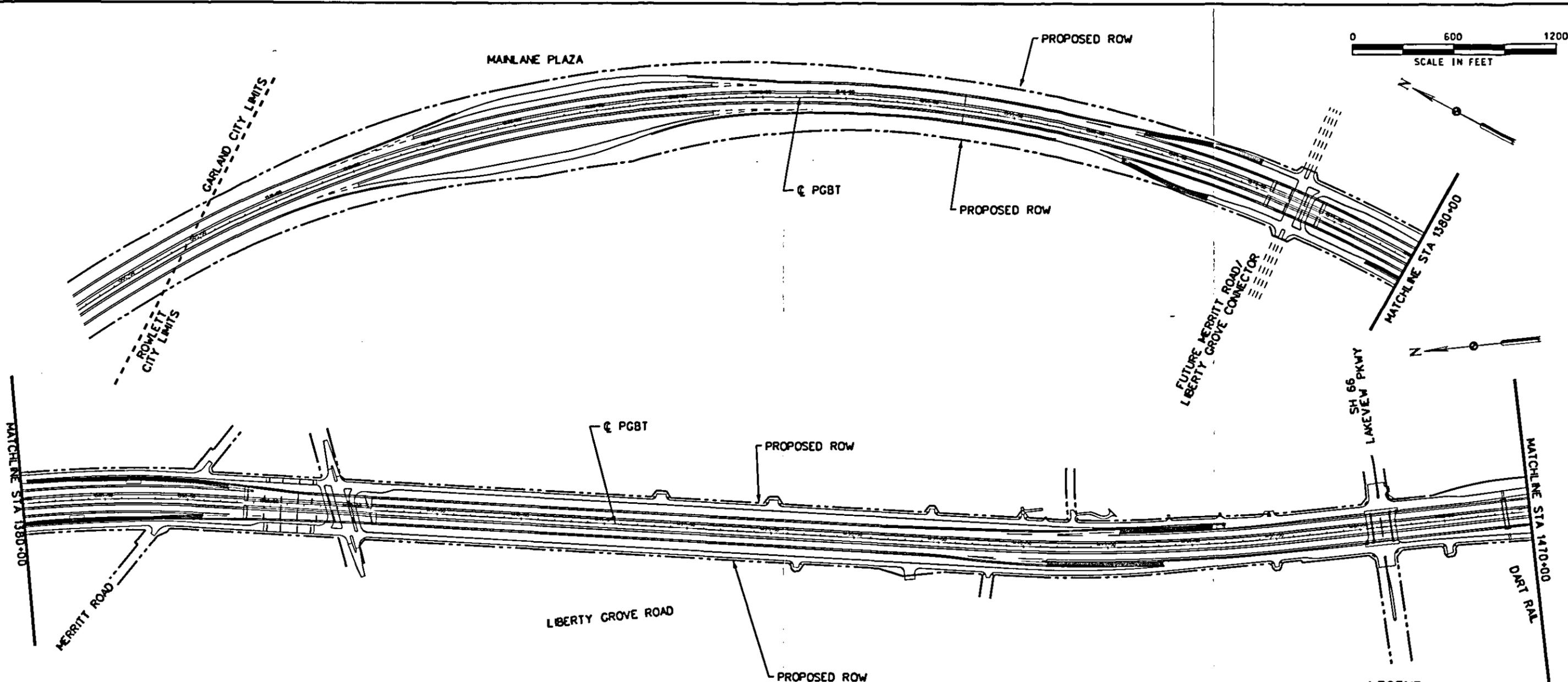


TYPICAL SECTION WITH FRONTAGE ROADS

EXHIBIT B

RAMP ACCESS PLAN

[see following page(s)]



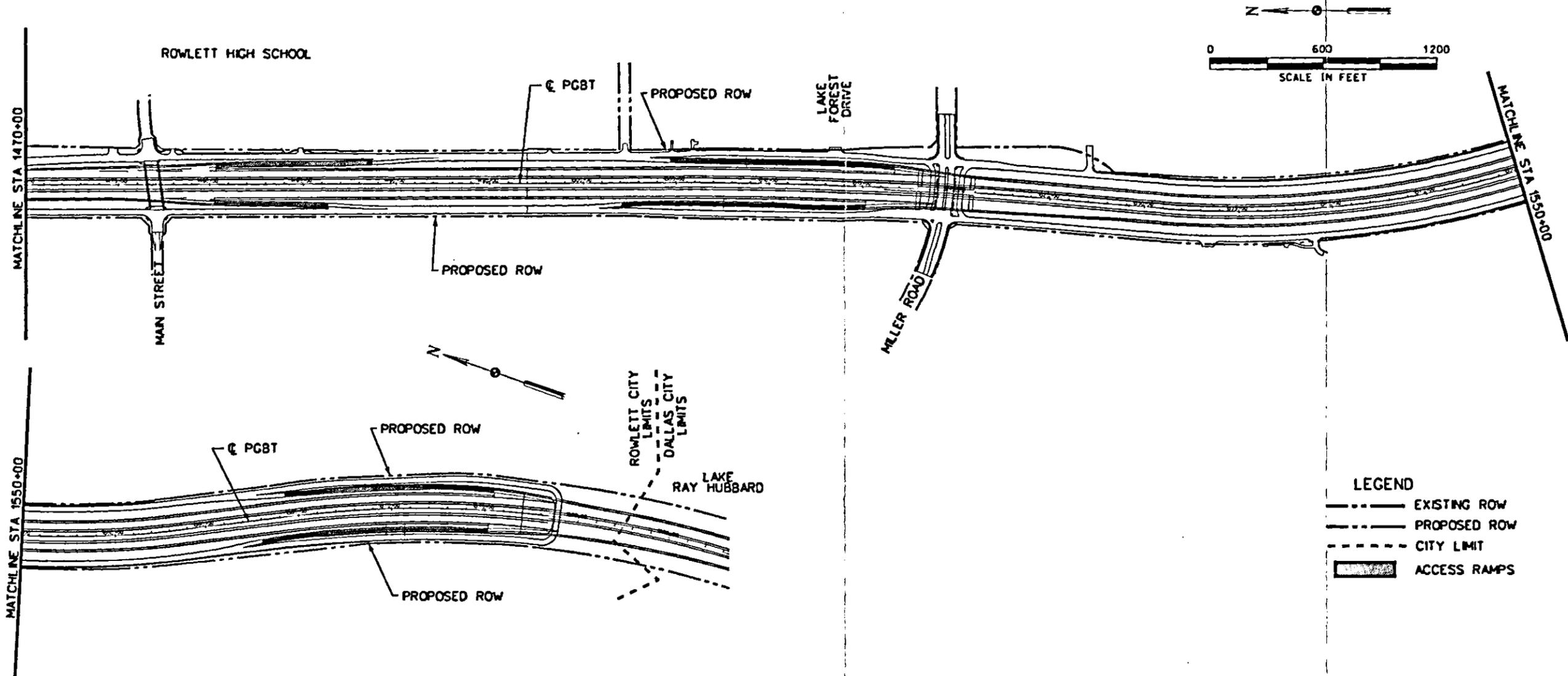
LEGEND

	EXISTING ROW
	PROPOSED ROW
	CITY LIMIT
	ACCESS RAMPS

NOTE:

1. ANY OF THE ACCESS POINTS TO THE TOLLWAY MAY BE TOLLED. TOLL POINTS TO BE DETERMINED BY THE NTTA AND ITS CONSULTANTS.
2. RAMP SPACING AND CONFIGURATION WILL BE ACCORDING TO THE LATEST EDITION OF THE TEXAS DEPARTMENT OF TRANSPORTATION "ROADWAY DESIGN MANUAL" AND ITS RECOMMENDATIONS FOR FRONTAGE ROAD ACCESS.
3. ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

SHEET 1 OF 2



LEGEND

	EXISTING ROW
	PROPOSED ROW
	CITY LIMIT
	ACCESS RAMPS

NOTE:

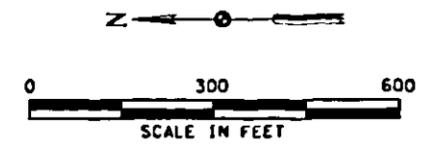
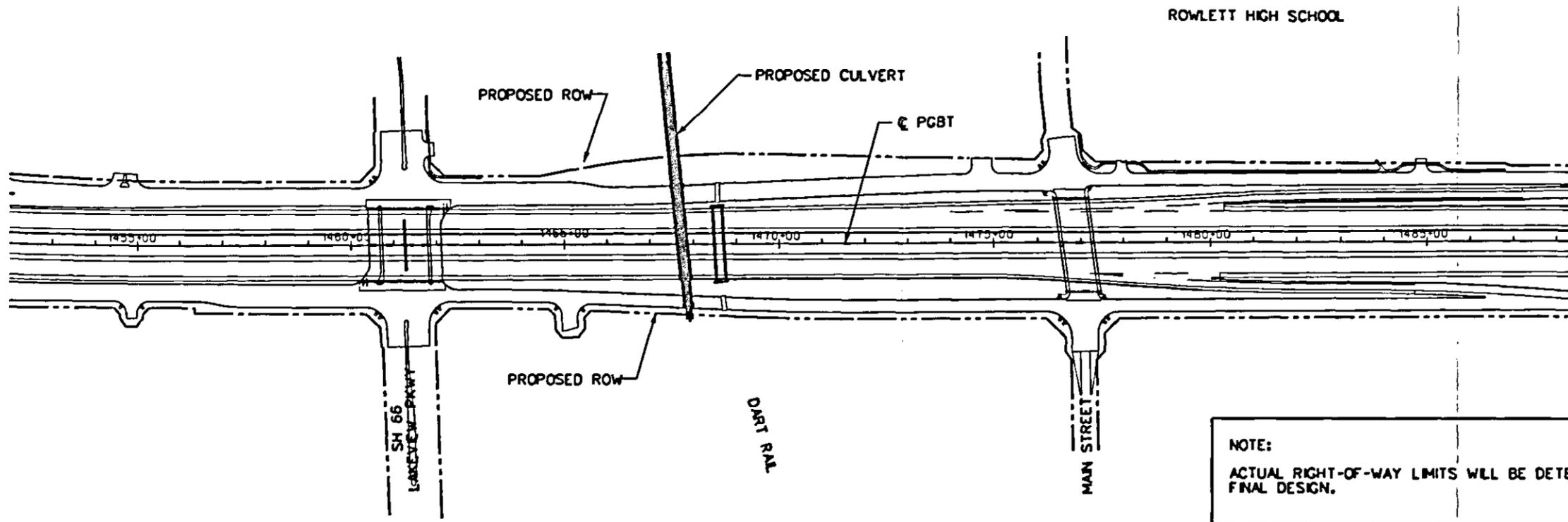
1. ANY OF THE ACCESS POINTS TO THE TOLLWAY MAY BE TOLLED. TOLL POINTS TO BE DETERMINED BY THE NTTA AND ITS CONSULTANTS.
2. RAMP SPACING AND CONFIGURATION WILL BE ACCORDING TO THE LATEST EDITION OF THE TEXAS DEPARTMENT OF TRANSPORTATION "ROADWAY DESIGN MANUAL" AND ITS RECOMMENDATIONS FOR FRONTAGE ROAD ACCESS.
3. ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

SHEET 2 OF 2

EXHIBIT C

DEPRESSION OF TURNPIKE LANES

[see following page(s)]



- LEGEND**
- EXISTING ROW
 - - - PROPOSED ROW
 - ▬ PROPOSED CULVERT

NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

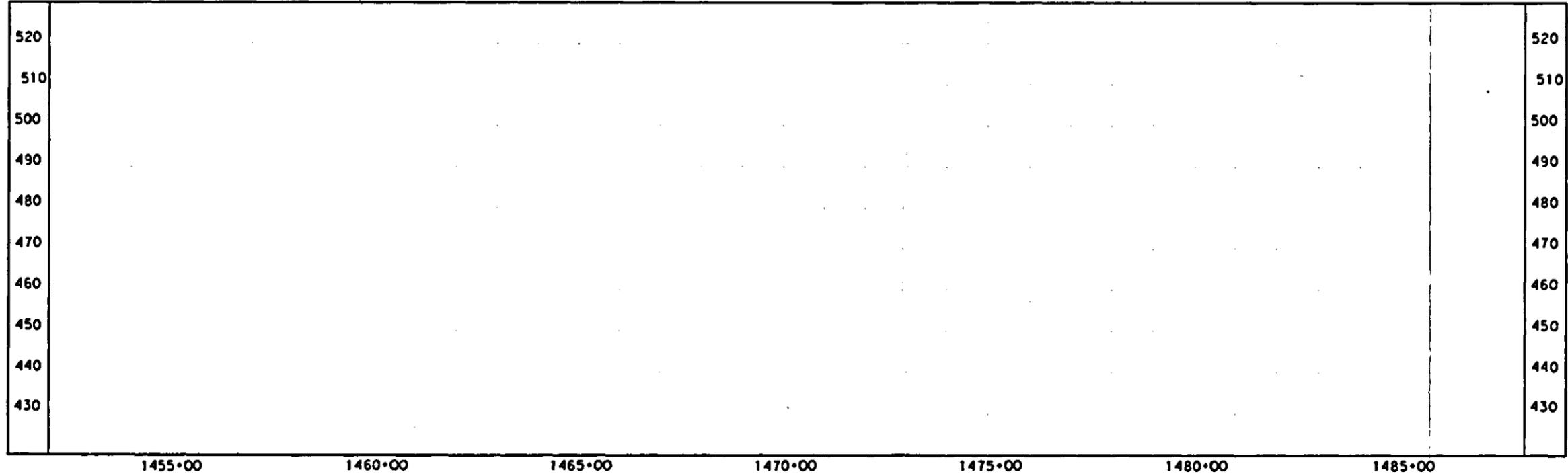
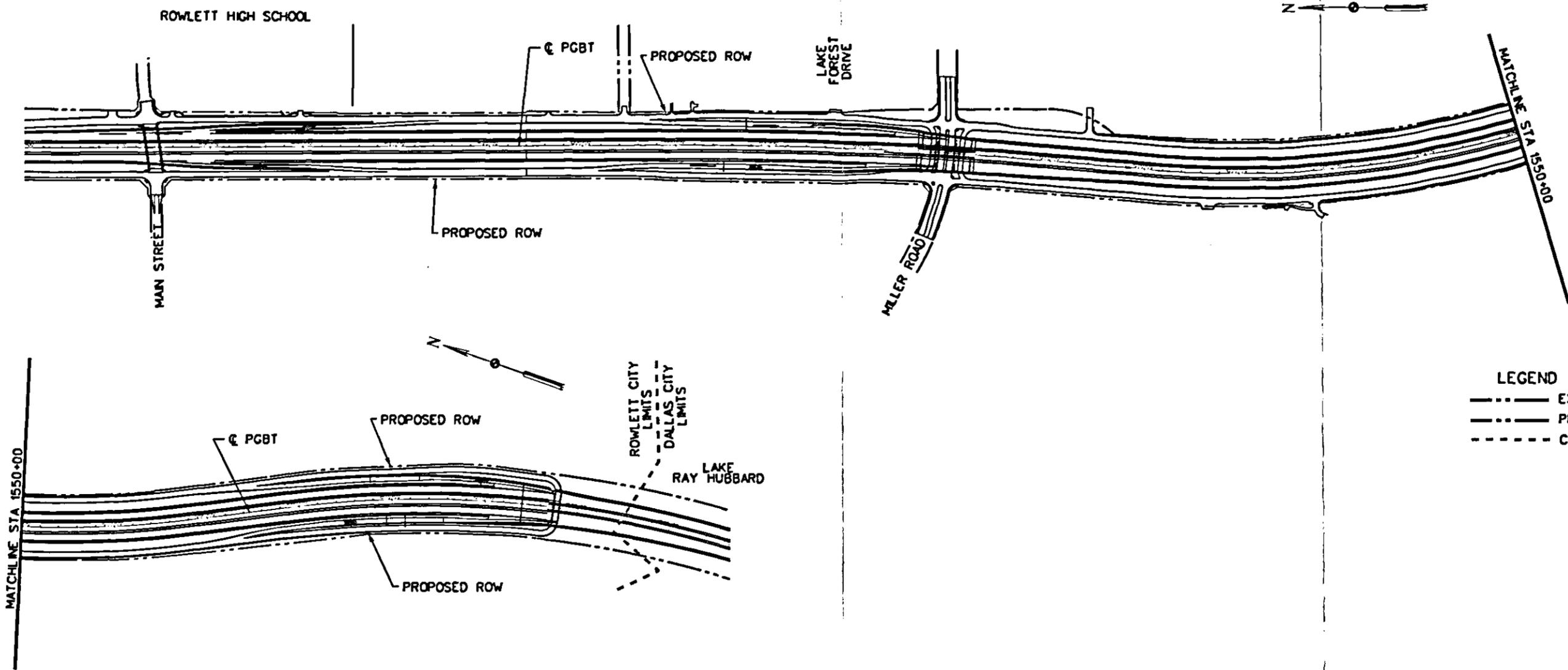


EXHIBIT D

ELONGATED DIAMOND SCHEMATIC

[see following page(s)]



LEGEND
 ——— EXISTING ROW
 - - - - PROPOSED ROW
 - - - - CITY LIMIT

NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

0 600 1200
 SCALE IN FEET

EXHIBIT E

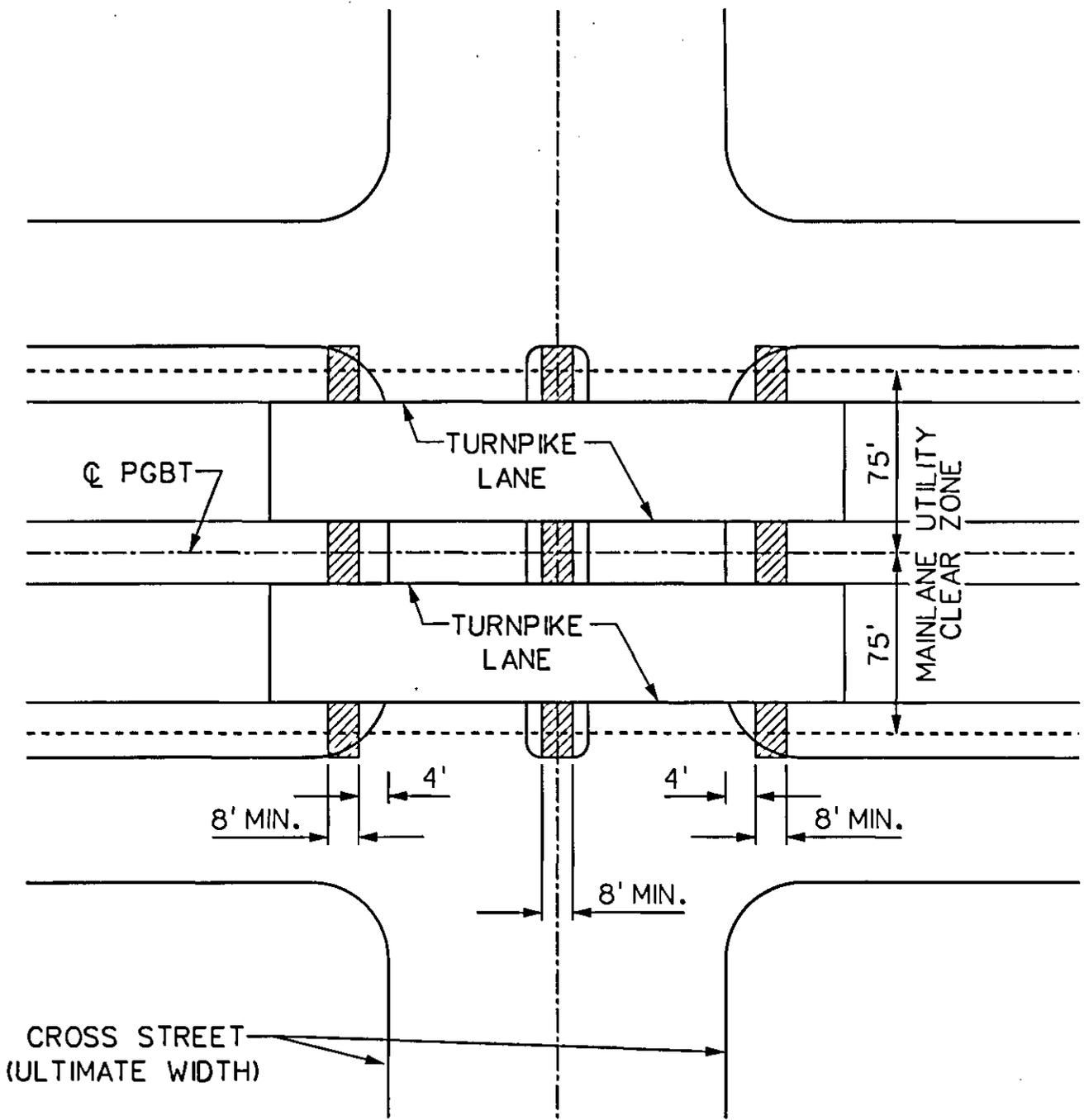
MIXED USE-NORTH SHORE DISTRICT

[see following page(s)]

EXHIBIT

UTILITY CLEAR ZONE

[see following page(s)]



CROSS STREET
UTILITY
CLEAR ZONE

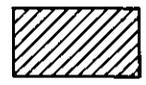
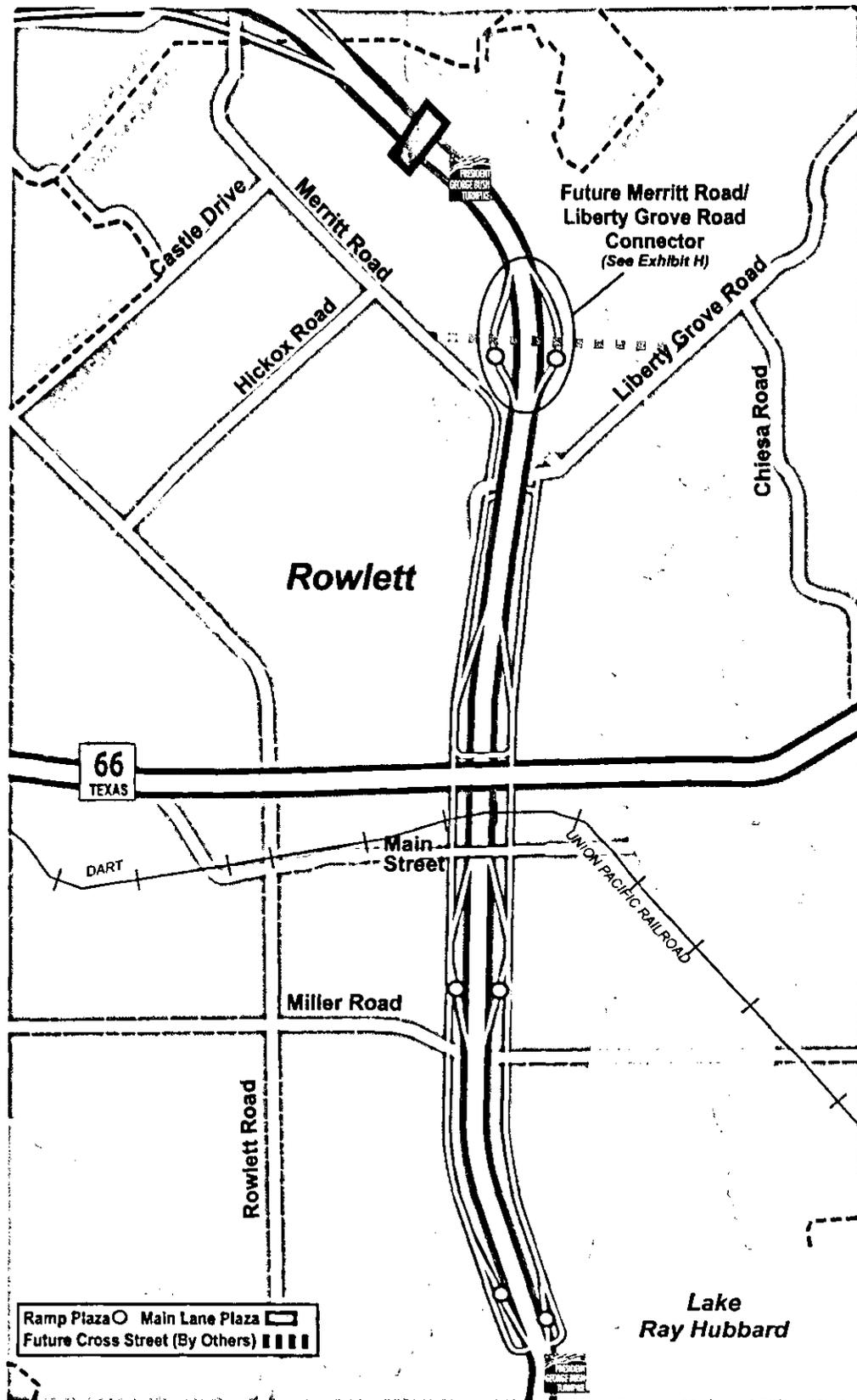


EXHIBIT F
UTILITY CLEAR ZONE
CITY OF ROWLETT

EXHIBIT G

**ROWLETT PROPOSED AND GENERAL RAMP TOLLBOOTH
AND MAIN LANE PLAZA LOCATIONS**

[see following page(s)]



EXHIBITH

**SCHEMATIC OF SIGNALIZED INTERSECTIONS AND INTERSECTION LAYOUTS;
MAIN STREET UNDERPASS OPTIONS**

[see following page(s)]

MAINLANE PLAZA

PROPOSED ROW



CARLAND CITY LIMITS

ROWLETT CITY LIMITS

☉ PG&T

PROPOSED ROW

FUTURE MERRITT ROAD/
LIBERTY GROVE CONNECTOR
(BY OTHERS)

MATCHLINE STA 1380+00

LIBERTY GROVE ROAD

☉ PG&T

PROPOSED ROW

SH 66
LAKEVIEW PKWY

MATCHLINE STA 1470+00

MATCHLINE STA 1380+00

MERRITT ROAD

LIBERTY GROVE ROAD

PROPOSED ROW

DART RAIL

NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

- LEGEND
- — — — — EXISTING ROW
 - — — — — PROPOSED ROW
 - - - - - CITY LIMIT
 - □ □ □ □ SIGNALIZED INTERSECTION

SHEET 1 OF 2

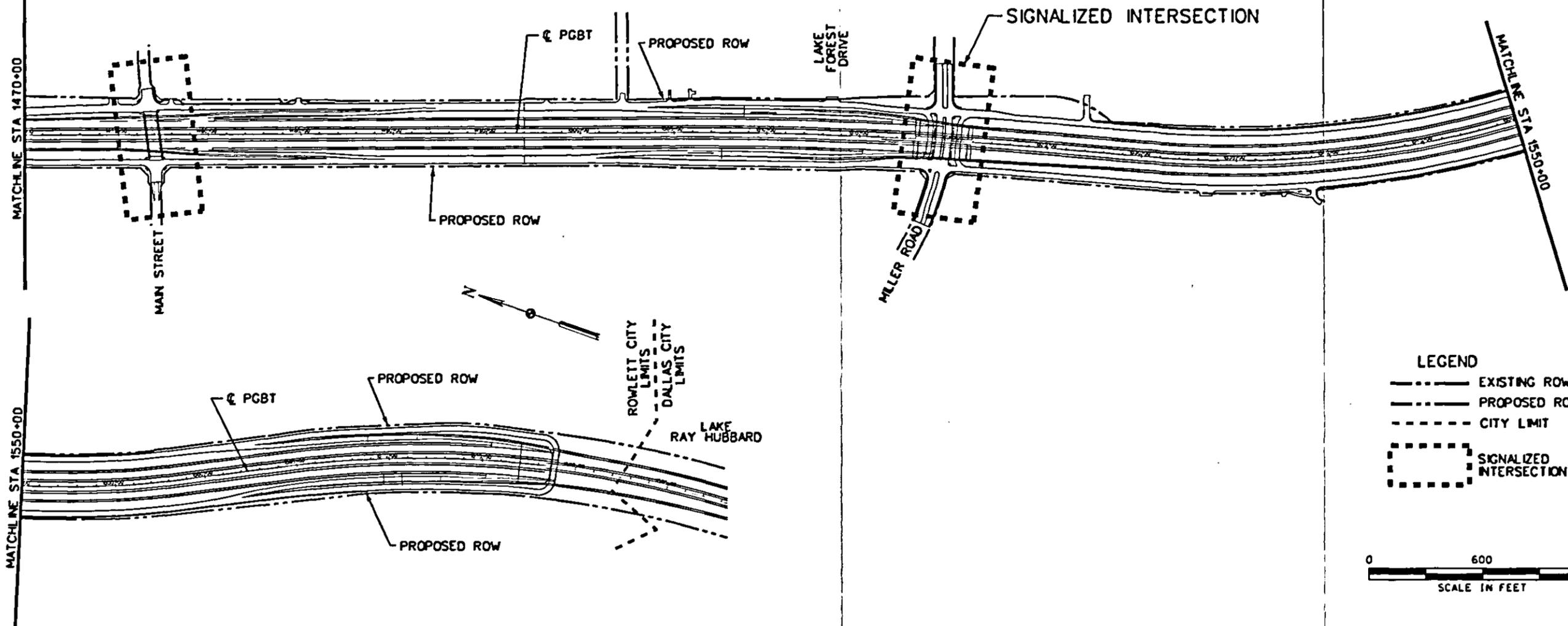
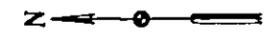


November 21, 2006

EXHIBIT H
SCHEMATIC OF SIGNALIZED INTERSECTIONS
CITY OF ROWLETT



ROWLETT HIGH SCHOOL



LEGEND

- EXISTING ROW
- PROPOSED ROW
- - - CITY LIMIT
- SIGNALIZED INTERSECTION



NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

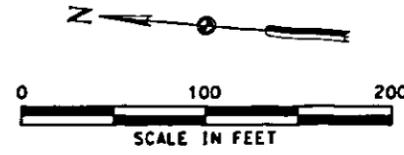
SHEET 2 OF 2



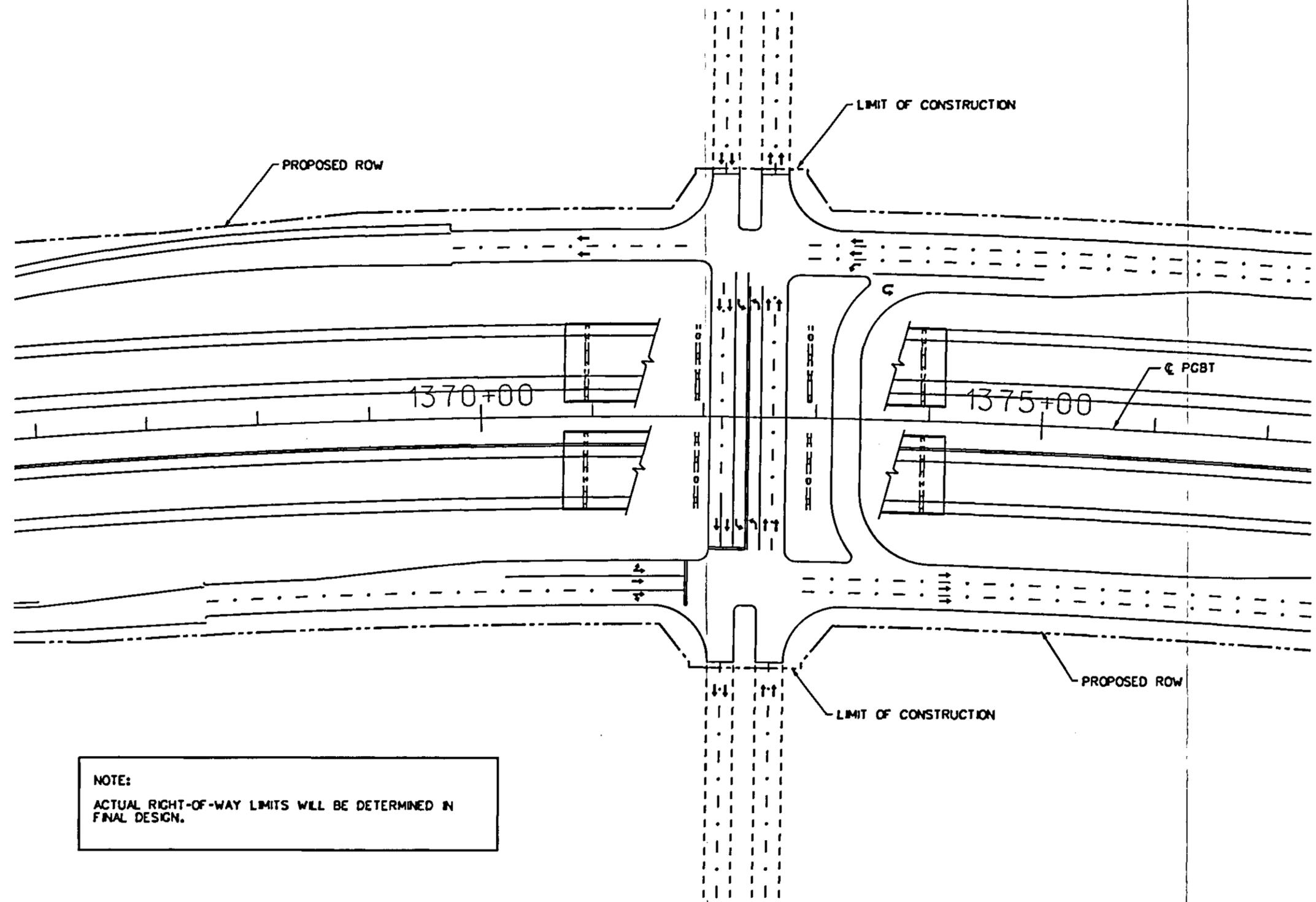
November 21, 2006

EXHIBIT H
SCHEMATIC OF SIGNALIZED INTERSECTIONS
CITY OF ROWLETT





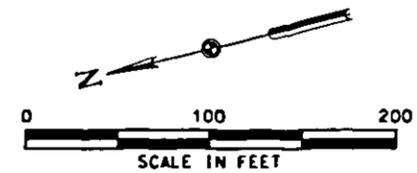
LEGEND
 - - - - - EXISTING ROW
 - - - - - PROPOSED ROW



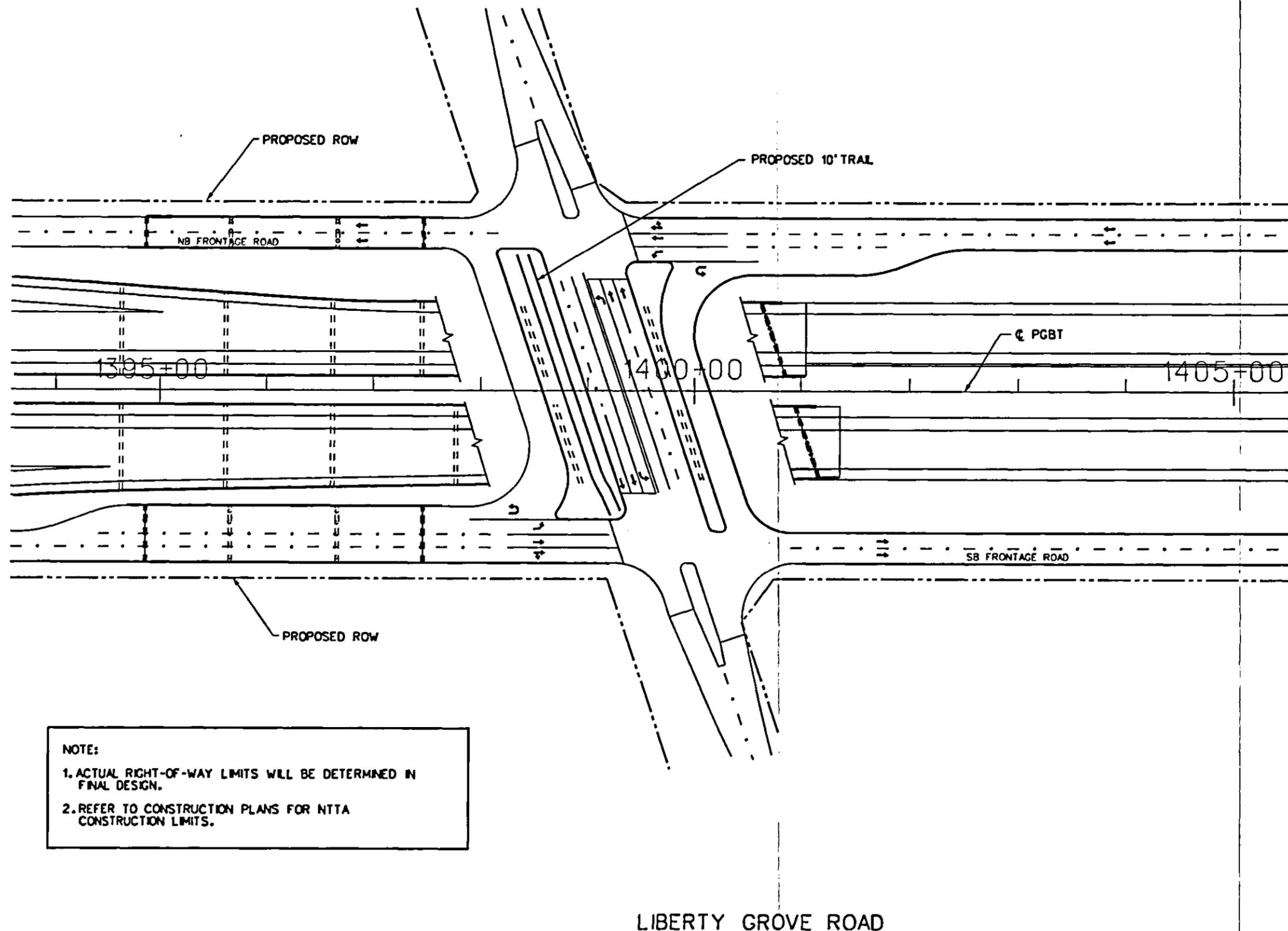
NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

FUTURE MERRITT ROAD/LIBERTY GROVE CONNECTOR

SHEET 1 OF 5



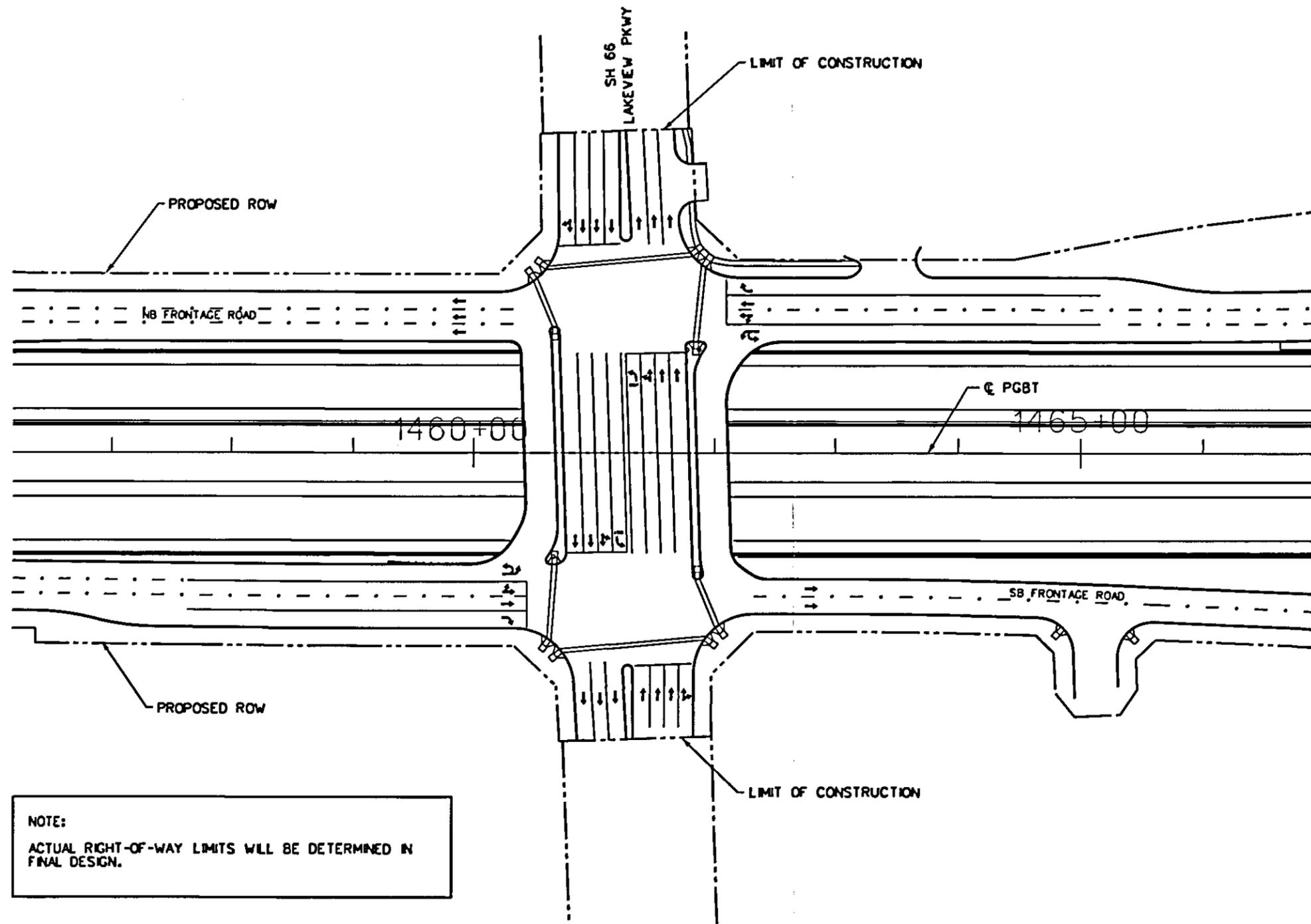
LEGEND
 - - - - - EXISTING ROW
 - - - - - PROPOSED ROW



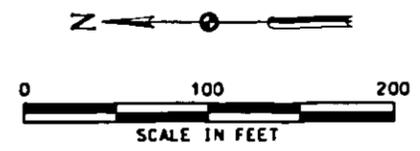
NOTE:
 1. ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.
 2. REFER TO CONSTRUCTION PLANS FOR NTTA CONSTRUCTION LIMITS.

LIBERTY GROVE ROAD

SHEET 2 OF 5



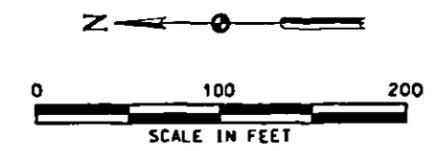
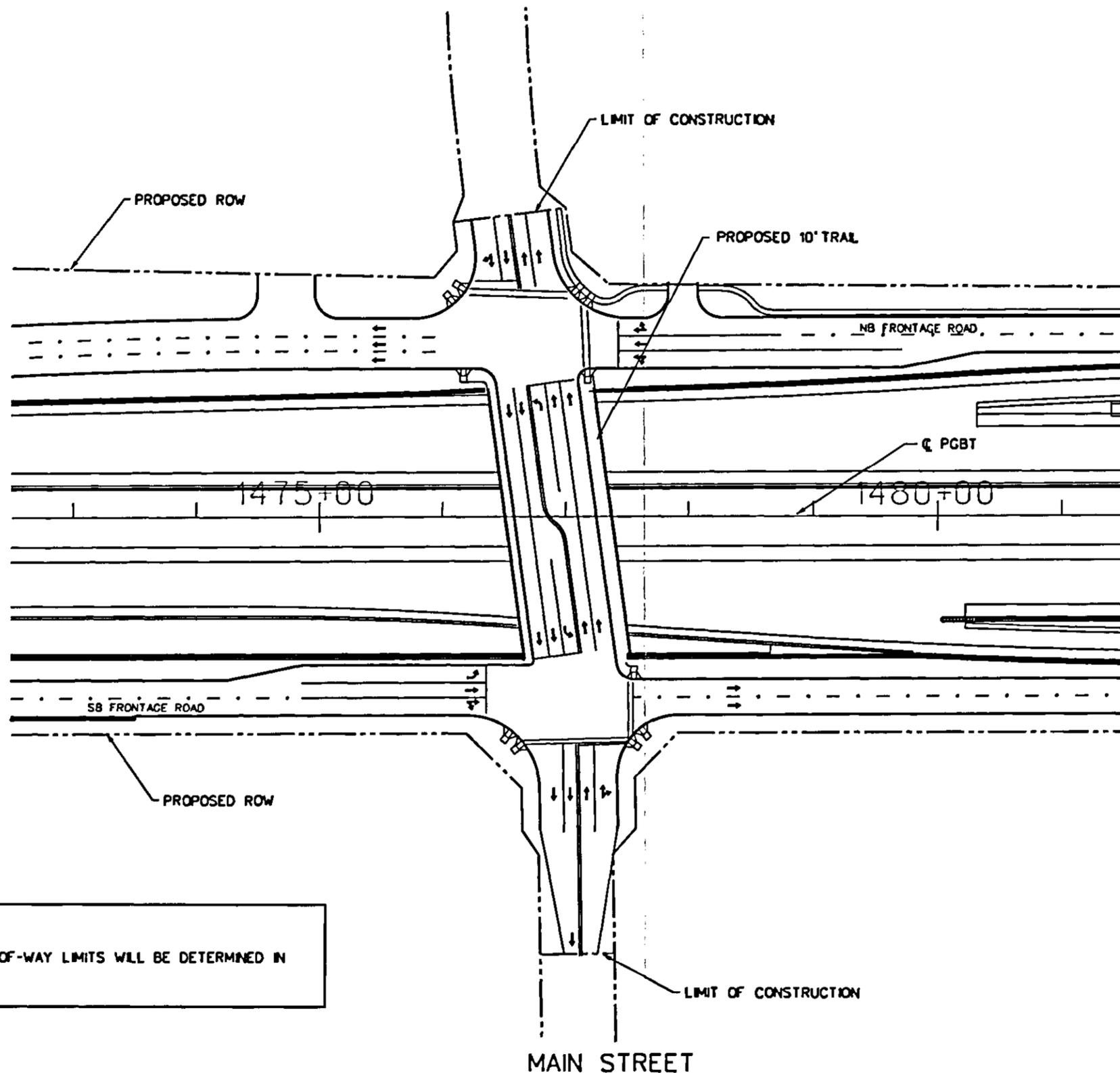
NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.



LEGEND
 --- EXISTING ROW
 - - - PROPOSED ROW

SH 66 / LAKEVIEW PARKWAY

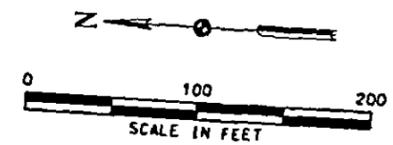
SHEET 3 OF 5



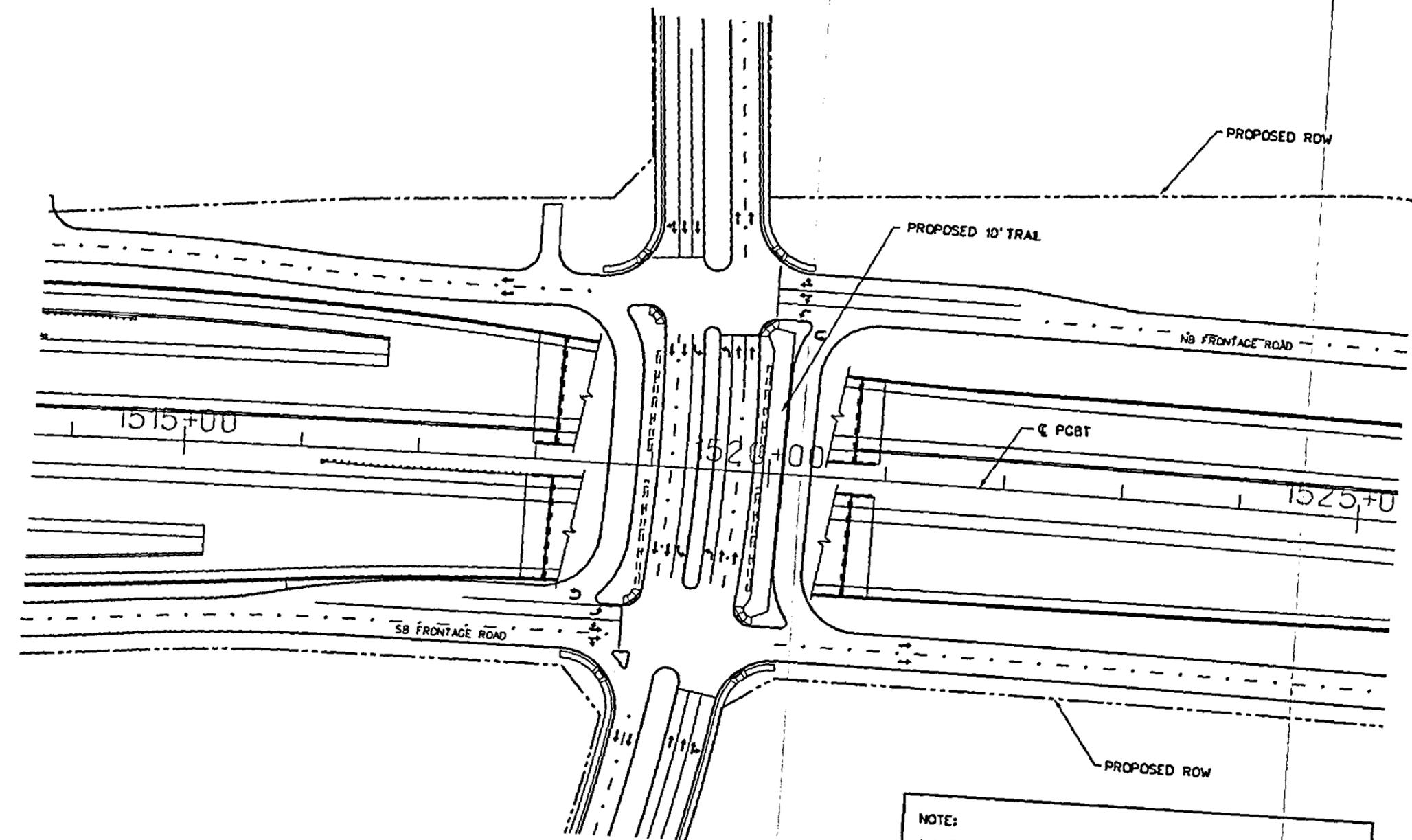
LEGEND
 - - - - - EXISTING ROW
 - - - - - PROPOSED ROW

NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

SHEET 4 OF 5



LEGEND
 - - - - - EXISTING ROW
 - - - - - PROPOSED ROW



NOTE:
 1. ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.
 2. REFER TO CONSTRUCTION PLANS FOR CONSTRUCTION LIMITS.

EXHIBIT H-D(1) November 21, 2006

DGN=gl\jobs\22474-PGBT\Sheets\Bridges\830aBL09-opt\lami.dgn, ON=10-63



GENERAL NOTES

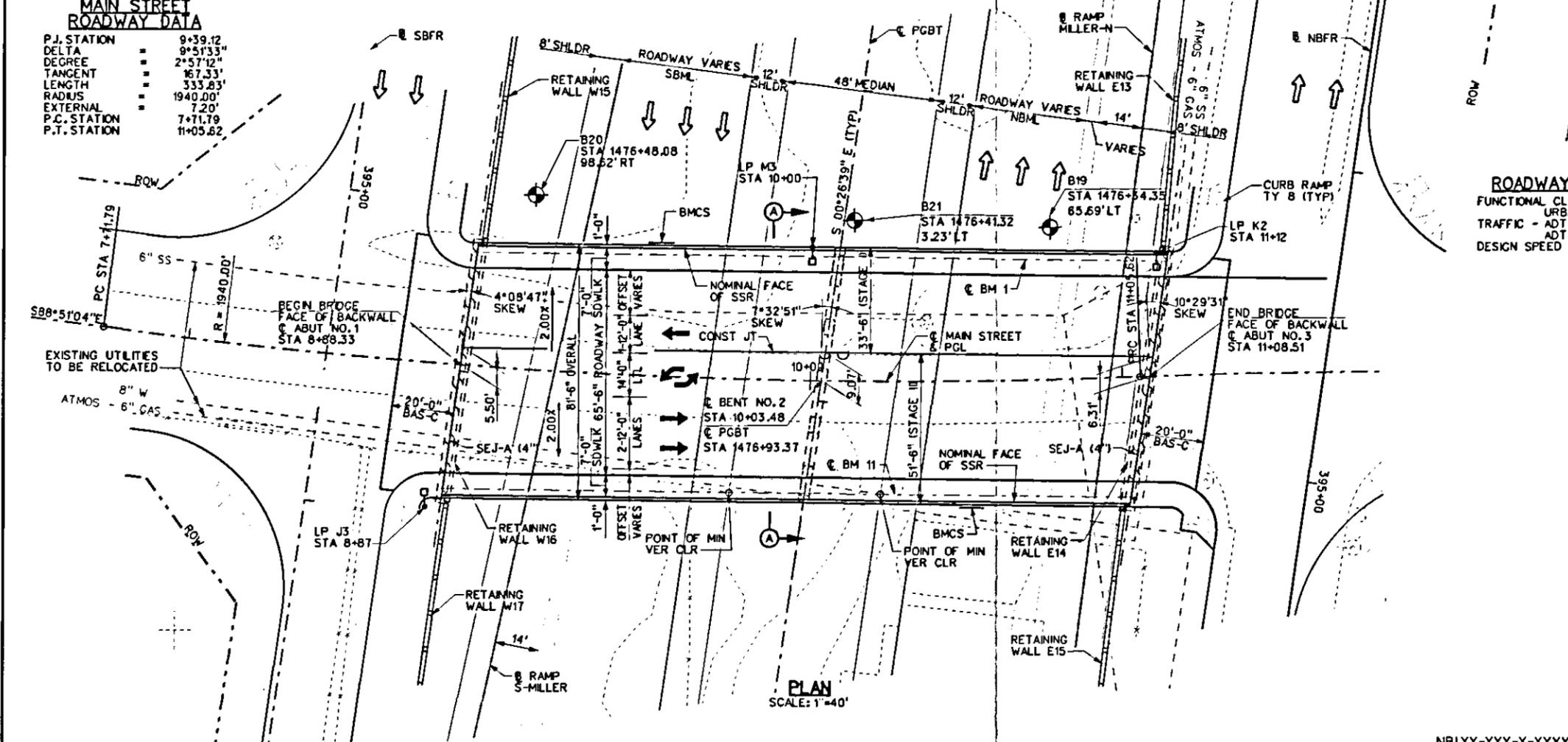
- BRIDGE DESIGNED FOR HL 93 LOADING IN ACCORDANCE WITH LRFD BRIDGE SPECIFICATIONS 2004 THIRD EDITION & CURRENT INTERM SPECIFICATIONS.
- ALL DIMENSIONS ARE HORIZONTAL OR VERTICAL AND MUST BE CORRECTED FOR GRADE AND SUPERELEVATION WHERE APPROPRIATE.
- COLUMN HEIGHTS SHOWN ARE AT PGL ROUNDED TO THE NEAREST FOOT, SEE BENT DETAILS FOR ACTUAL COLUMN HEIGHTS.
- SEE UTILITY PLANS FOR MORE INFORMATION.
- SEE DRILLING LOGS FOR SOIL INFORMATION.

ROADWAY DATA

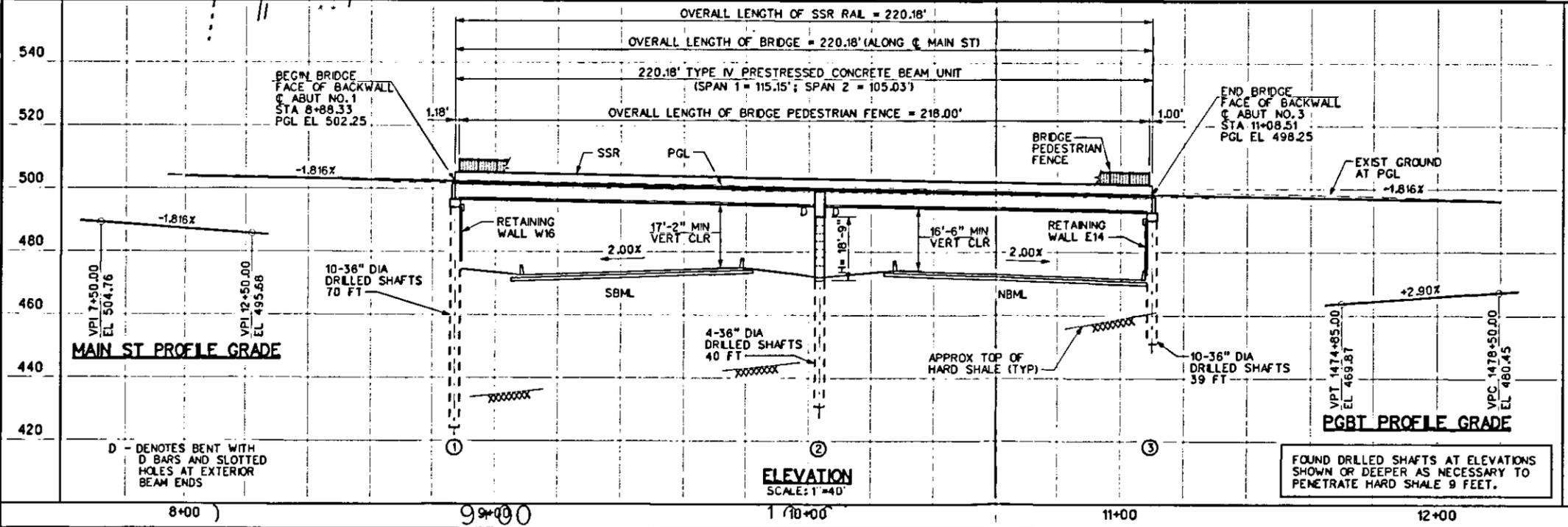
FUNCTIONAL CLASS:
URBAN COLLECTOR
TRAFFIC - ADT (W) 2,800 (2010)
ADT (E) 1,500 (2010)
DESIGN SPEED - 40 MPH

MAIN STREET ROADWAY DATA

P.I. STATION 9+39.12
DELTA 9°51'33"
DEGREE 2°57'12"
TANGENT 167.33'
LENGTH 333.83'
RADIUS 1940.00'
EXTERNAL 7.20'
P.C. STATION 7+71.79
P.T. STATION 11+05.62



NB1XX-XXX-X-XXXX-XX-XXX



60% SUBMITTAL

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
PREPARED UNDER THE SUPERVISION OF
OSAMA A. SHAWAY, P.E. 888478
11/2/2006

HL 93 LOADING

PRESIDENT GEORGE BUSH TURNPIKE

NORTH TEXAS TOLLWAY AUTHORITY

BRIDGE LAYOUT MAIN STREET UNDERPASS OPTION 1

Parsons Brinckerhoff Quade & Douglas, Inc.
2777 Stearns Freeway
Suite B33
Dallas, TX 75207

SECTION XXX

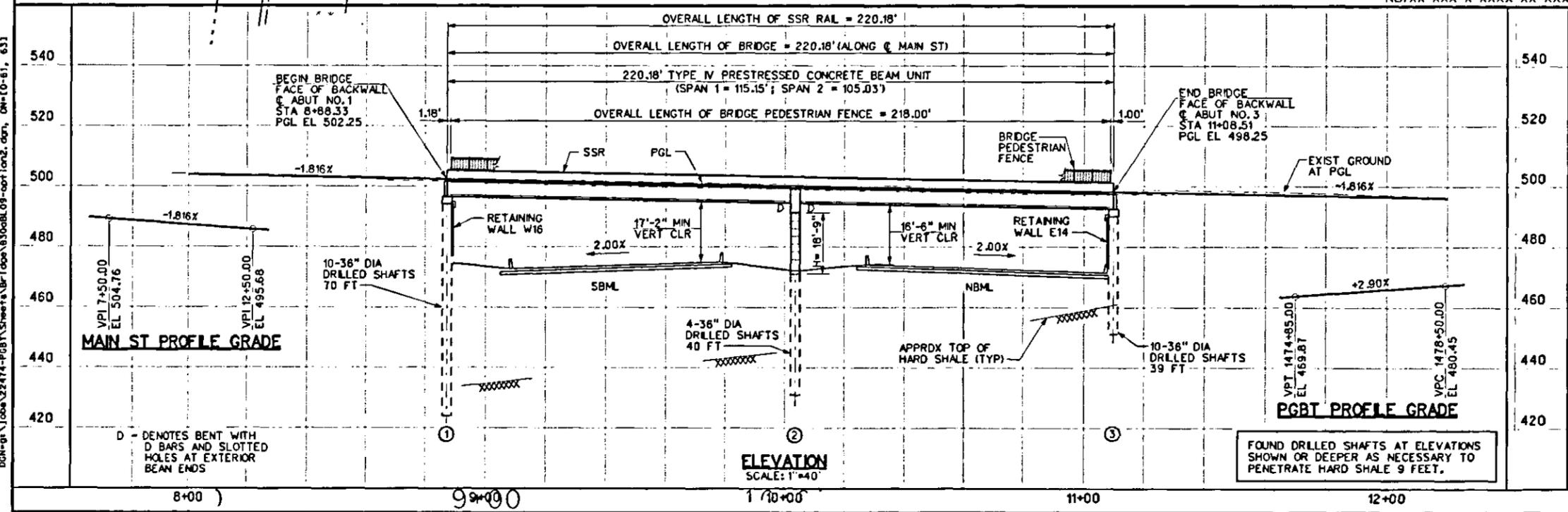
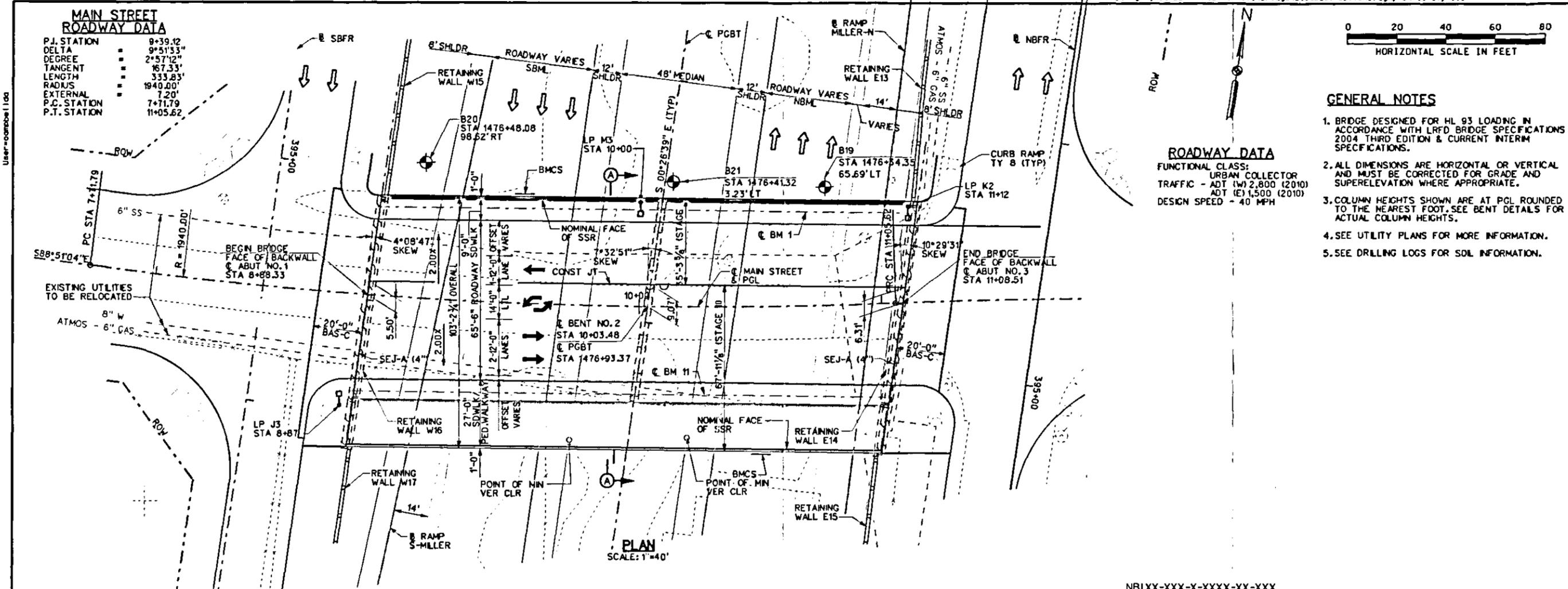
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CHECKED: OAS DATE: 03-20-06
SCALE: 1"=40'

CONTRACT NO. 02011-PGB-06-CN-EN SHEET OF

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EXHIBIT H-D(2) November 21, 2006

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NB1XX-XXX-X-XXXX-XX-XXX

60% SUBMITTAL

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
 PREPARED UNDER THE SUPERVISION OF
 OSAMA A. SHAHAWY, P.E., #88478
 11/2/2006

HL 93 LOADING

NO.	DATE	REVISION	APPROV.
-----	------	----------	---------

PRESIDENT GEORGE BUSH TURNPIKE

NITA
 NORTH TEXAS TOLLWAY AUTHORITY

BRIDGE LAYOUT
MAIN STREET UNDERPASS
OPTION 2

Parsons Brinckerhoff Quade & Douglas, Inc.
 2117 Stemmons Freeway
 Suite 633
 Dallas, TX 75207

SECTION XXX

DRAWN: CPS DATE: 03-20-06 DESIGNED: OAS DATE: 03-20-06
 CHECKED: OAS DATE: 03-20-06 SCALE: 1"=40'

CONTRACT NO. 02011-PCB-08-CN-EN SHEET OF

Potted 02-NOV-2006 17:25

EXHIBIT H-D(3) November 21, 2006

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MAIN STREET ROADWAY DATA

P.J. STATION	9+39.12
DELTA	9°51'33"
DEGREE	2°57'12"
TANGENT	167.33'
LENGTH	333.83'
RADIUS	1940.00'
EXTERNAL	7.20'
P.C. STATION	7+71.79
P.T. STATION	11+05.62

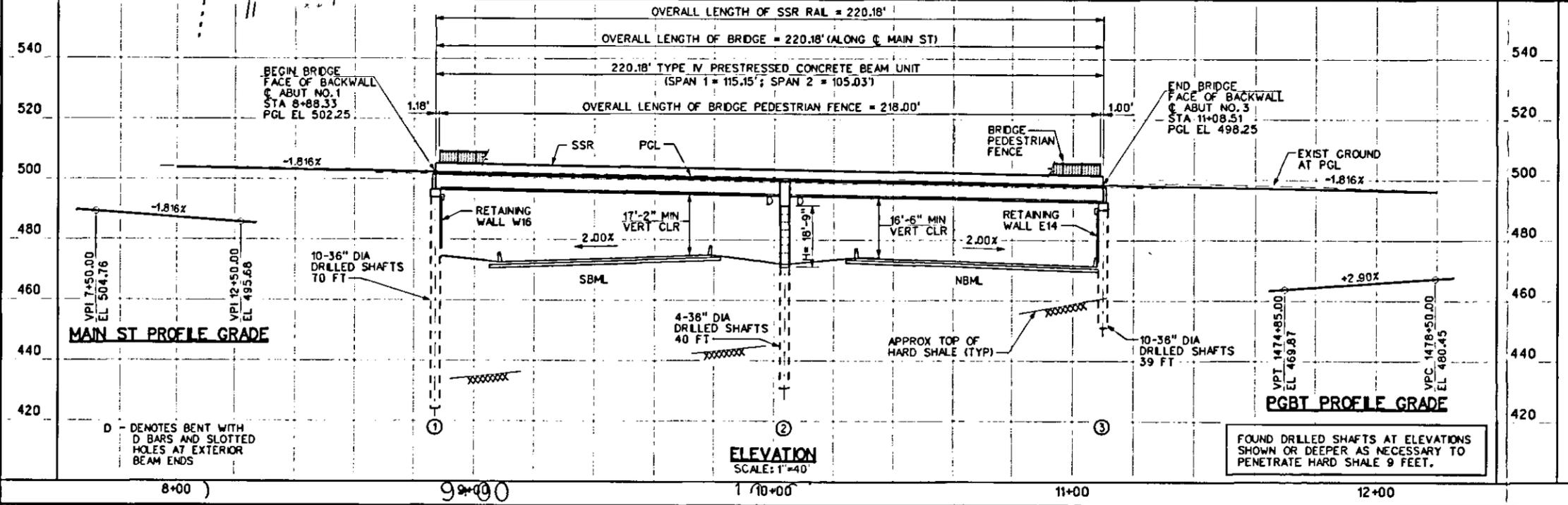
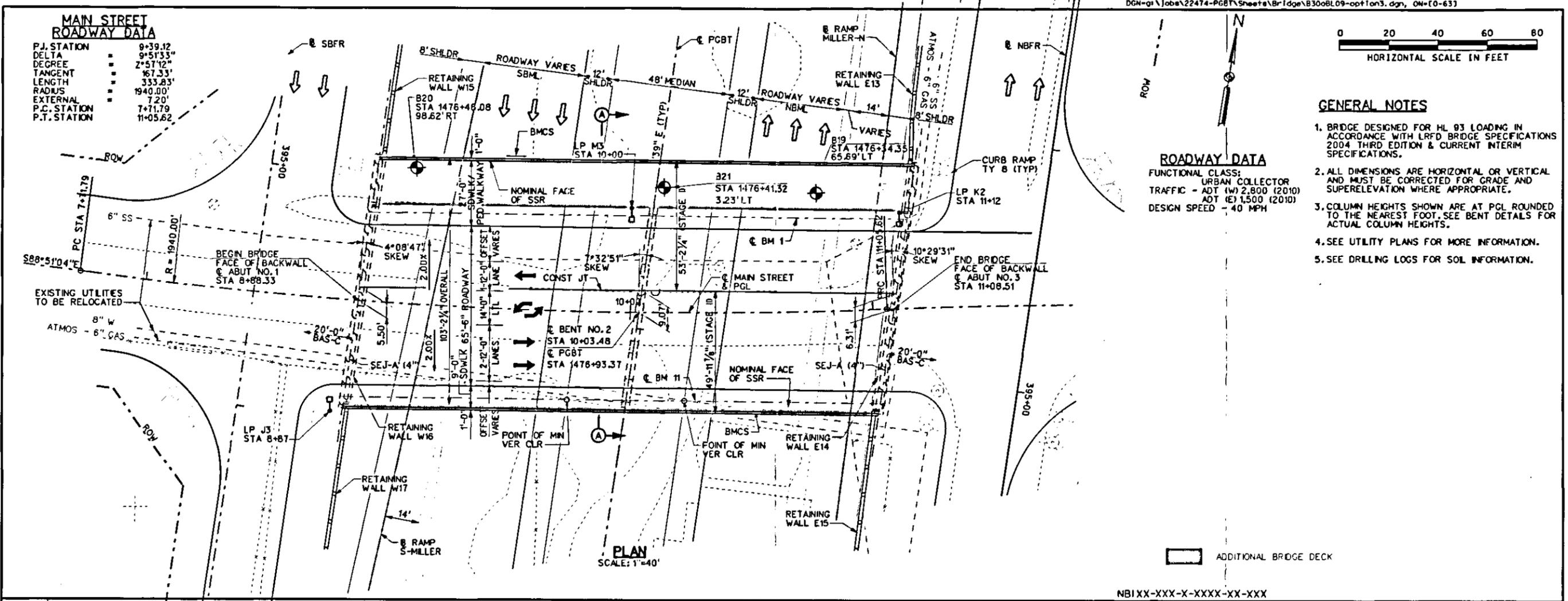


GENERAL NOTES

- BRIDGE DESIGNED FOR HL 93 LOADING IN ACCORDANCE WITH LRFD BRIDGE SPECIFICATIONS 2004 THIRD EDITION & CURRENT INTERIM SPECIFICATIONS.
- ALL DIMENSIONS ARE HORIZONTAL OR VERTICAL AND MUST BE CORRECTED FOR GRADE AND SUPERELEVATION WHERE APPROPRIATE.
- COLUMN HEIGHTS SHOWN ARE AT PGL ROUNDED TO THE NEAREST FOOT, SEE BENT DETAILS FOR ACTUAL COLUMN HEIGHTS.
- SEE UTILITY PLANS FOR MORE INFORMATION.
- SEE DRILLING LOGS FOR SOIL INFORMATION.

ROADWAY DATA

FUNCTIONAL CLASS: URBAN COLLECTOR
 TRAFFIC - ADT (W) 2,800 (2010)
 ADT (E) 1,500 (2010)
 DESIGN SPEED - 40 MPH



60% SUBMITTAL

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
 PREPARED UNDER THE SUPERVISION OF
 OSAMA A. SHAHAWY, P.E. 888478
 11/2/2006

HL 93 LOADING

NO.	DATE	REVISION	APPROV.
-----	------	----------	---------

PRESIDENT GEORGE BUSH TURNPIKE

NITA
NORTH TEXAS TOLLWAY AUTHORITY

BRIDGE LAYOUT
MAIN STREET UNDERPASS
OPTION 3

Parsons Brinckerhoff Quade & Douglas, Inc.
 2777 Siemens Freeway
 Suite 833
 Dallas, TX 75207

SECTION XXX

DRAWN: CPS DATE: 03-20-06 DESIGNED: OAS DATE: 03-20-06
 CHECKED: OAS DATE: 03-20-06 SCALE: 1"=40'

CONTRACT NO. 02011-PGB-06-CN-EM SHEET ___ OF ___

Plotted 02-NOV-2006 17:25

EXHIBIT H-D(4)

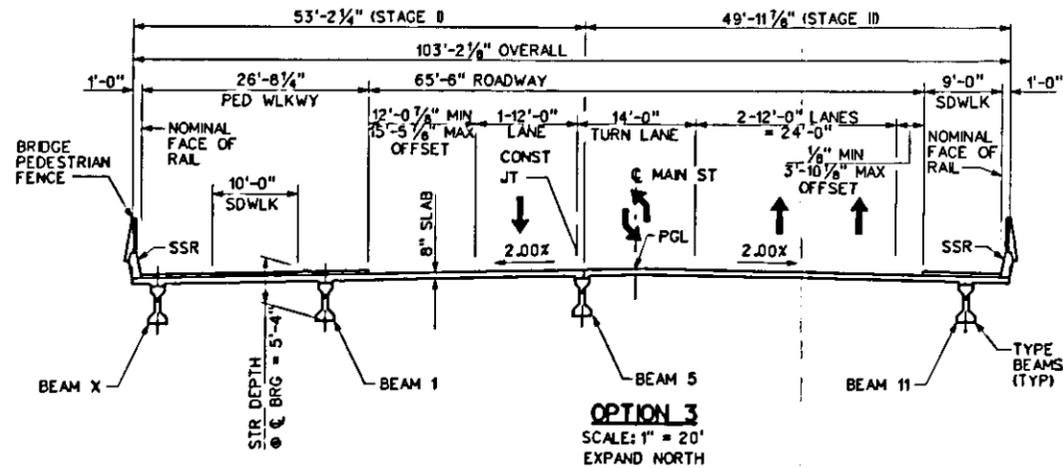
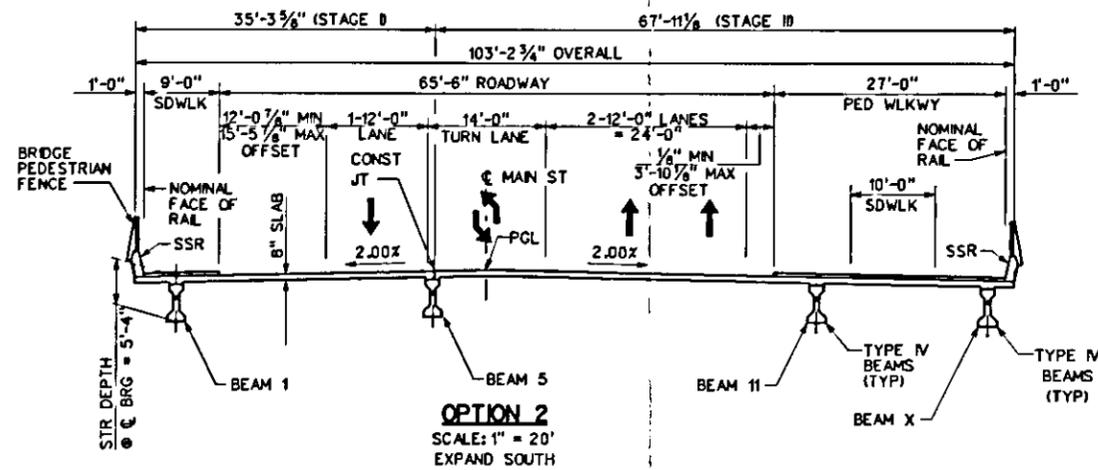
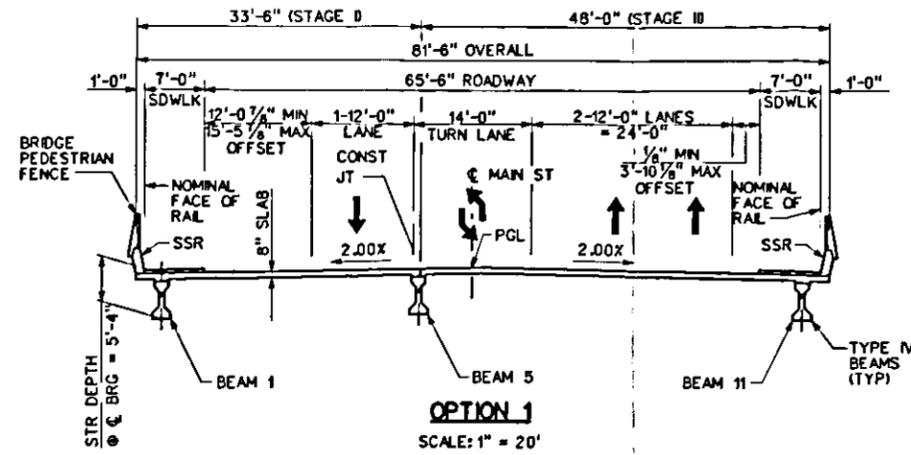
November 21, 2006

DGN=gs\jobs\22474-PGBT\Schematic\BridgTyp\ools-11-02-06.dgn, CN=10-623



NORTH

SOUTH



60% SUBMITTAL

NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
PREPARED UNDER THE SUPERVISION OF
OSAMA A. SHAMANY, P.E. 000478
11/2/2006

NO. DATE	REVISION	APPROV.
PRESIDENT GEORGE BUSH TURNPIKE		
 NITA NORTH TEXAS TOLLWAY AUTHORITY		
SECTION A-A MAIN STREET UNDERPASS		
 Parsons Brinckerhoff Quade & Douglas, Inc. 4177 Starness Freeway Suite 833 Dallas, TX 75207		SECTION XXX
DESIGNED	CPS DATE 03-20-06	DESIGNED OAS DATE 03-20-06
CHECKED	OAS DATE 03-20-06	SCALE
CONTRACT NO. 02011-PGB-06-CN-EN SHEET ___ OF ___		

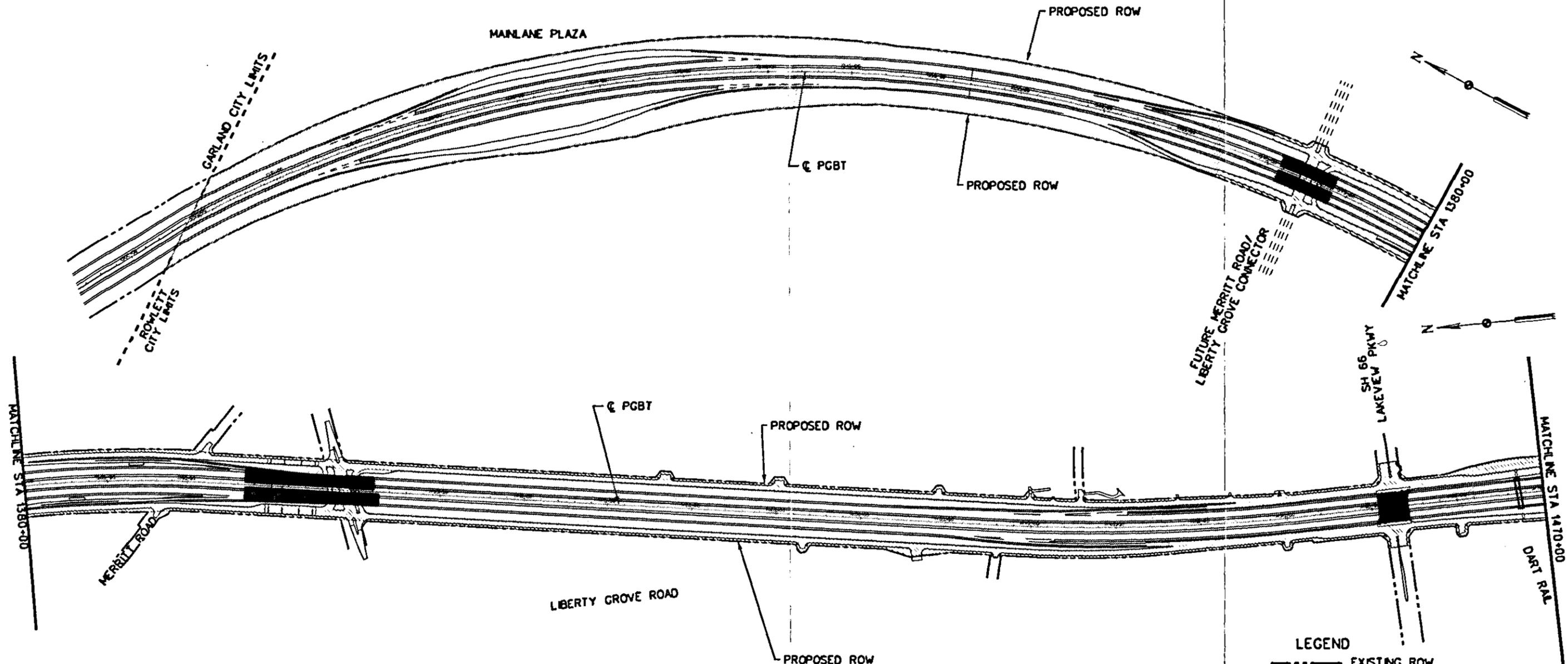
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Plotted 02-NOV-2006 11:25
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EXHIBIT I

MAINTENANCE RESPONSIBILITY AREAS

[see following page(s)]

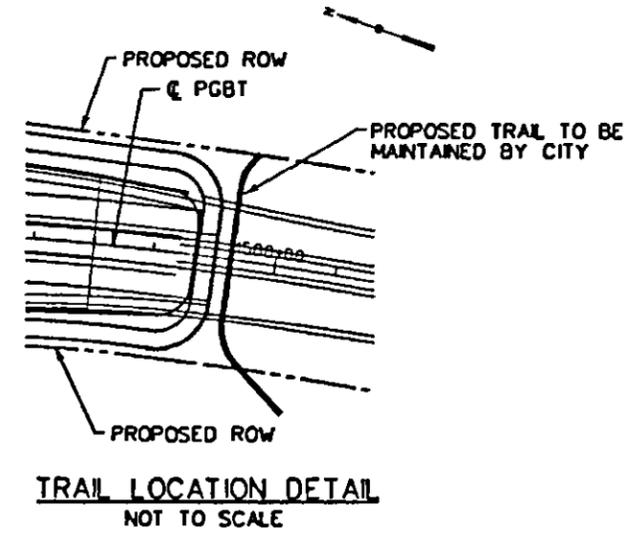
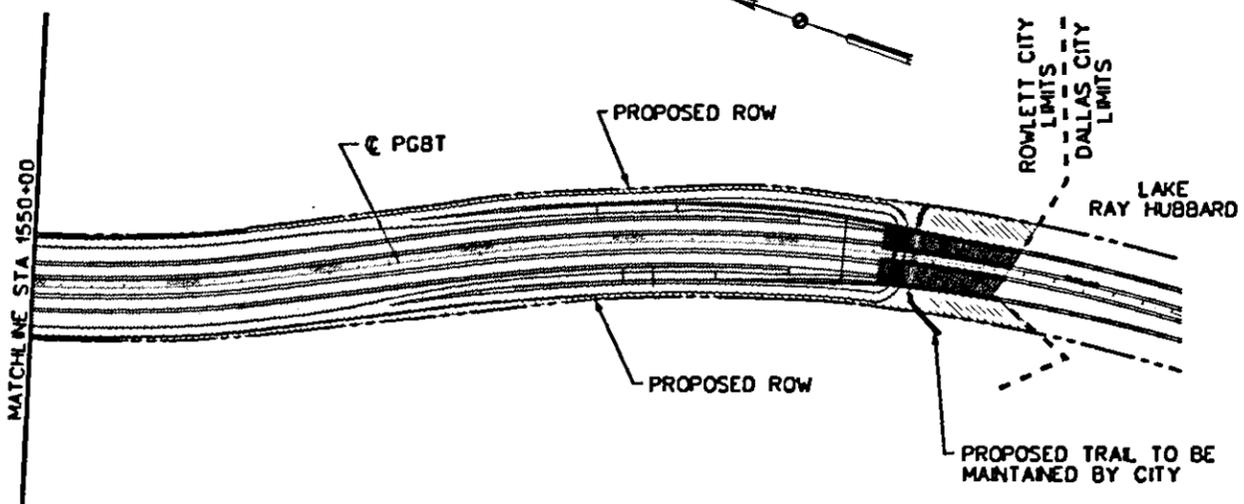
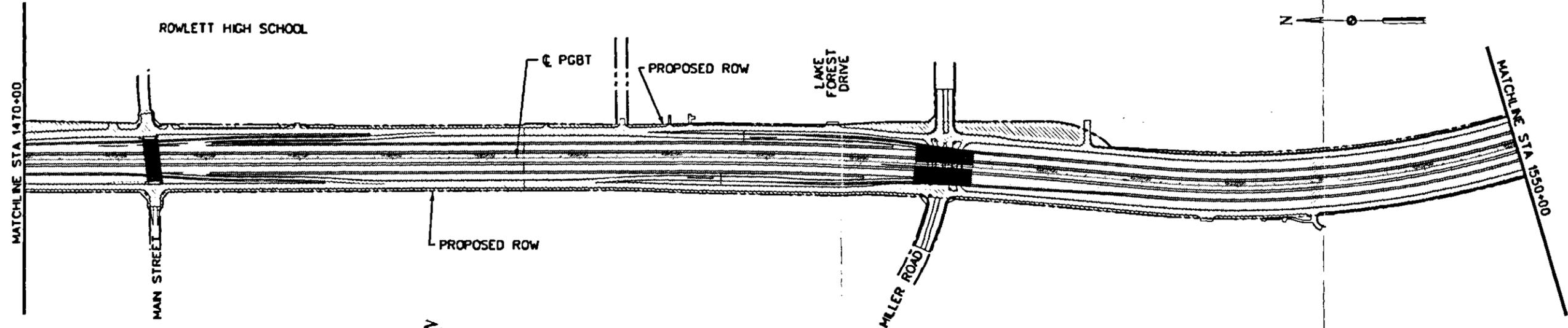


- LEGEND**
- EXISTING ROW
 - - - PROPOSED ROW
 - - - CITY LIMIT
 - NTTA MAINTENANCE AREA
 - NTTA MAINTENANCE AREA - BRIDGES
 - ▨ TXDOT MAINTENANCE AREA - FRONTAGE ROADS (NTTA FUNDING ASSISTANCE)



NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

SHEET 1 OF 4

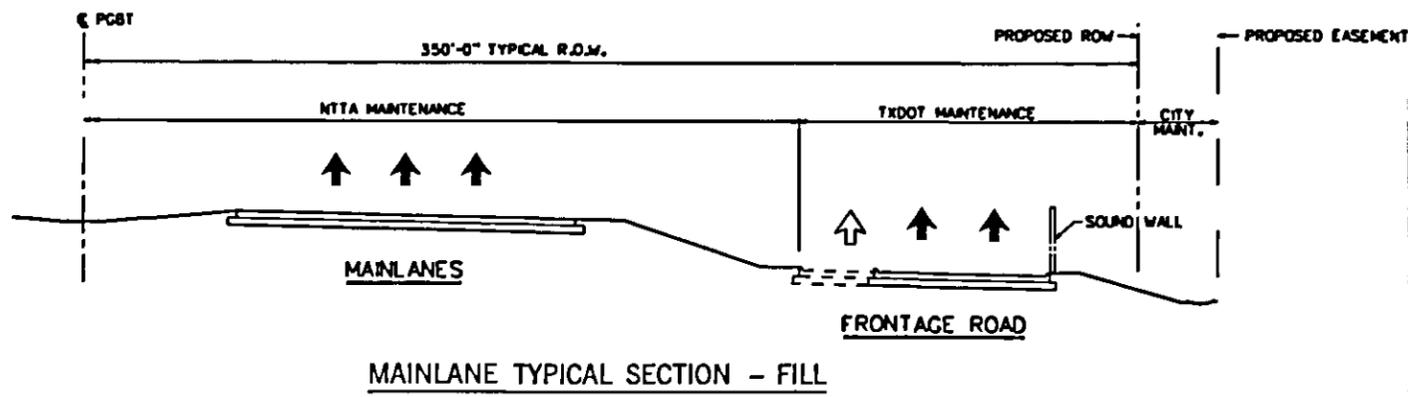


NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

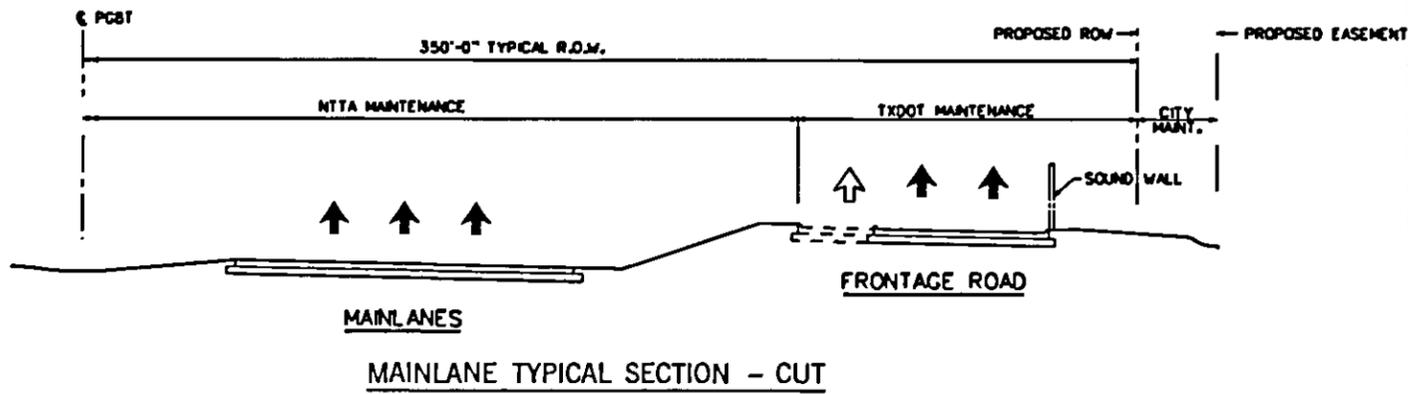
- LEGEND**
- EXISTING ROW
 - - - PROPOSED ROW
 - - - CITY LIMIT
 - [White Box] NTTA MAINTENANCE AREA
 - [Black Box] NTTA MAINTENANCE AREA - BRIDGES
 - [Hatched Box] TXDOT MAINTENANCE AREA - FRONTAGE ROADS (NTTA FUNDING ASSISTANCE)



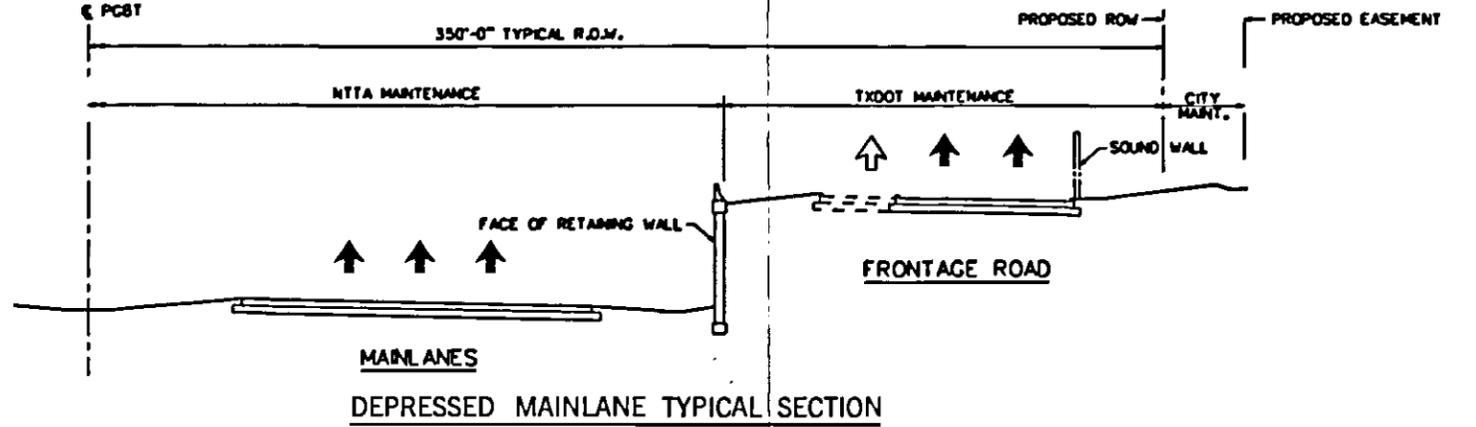
SHEET 2 OF 4



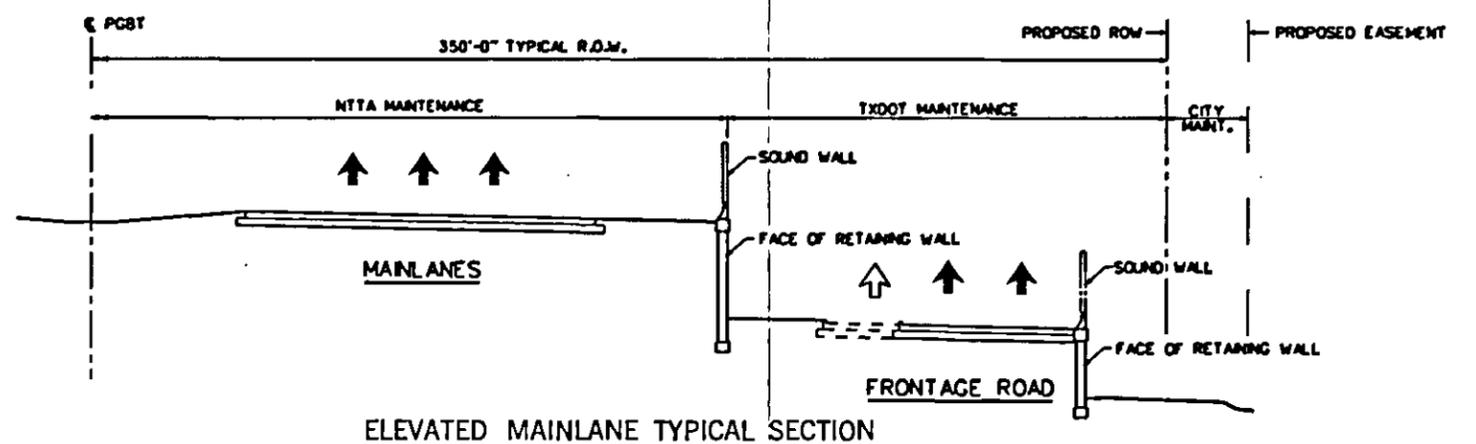
MAINLANE TYPICAL SECTION - FILL



MAINLANE TYPICAL SECTION - CUT

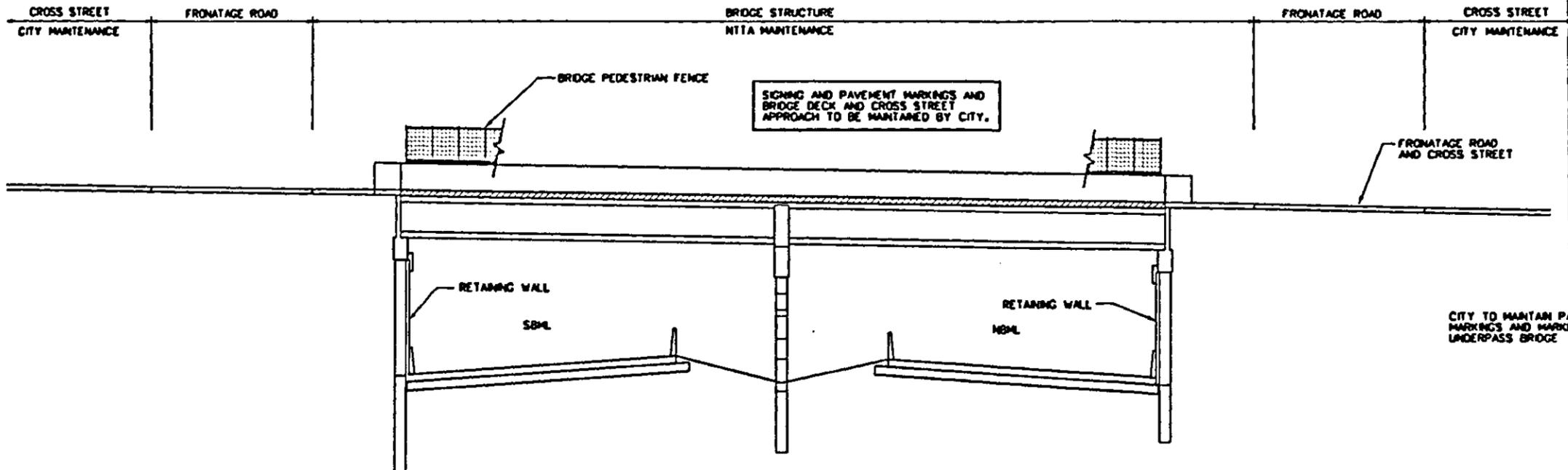


DEPRESSED MAINLANE TYPICAL SECTION

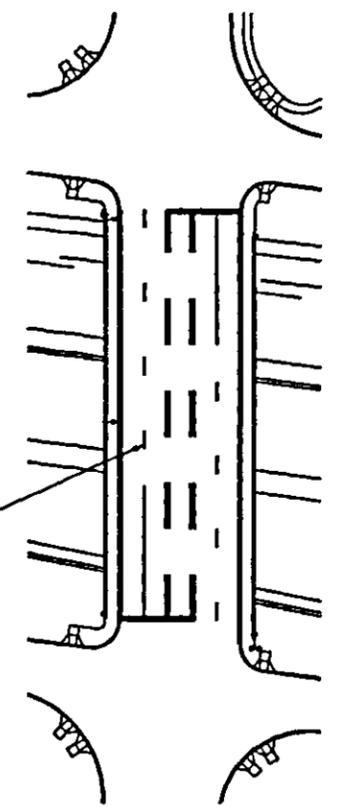


ELEVATED MAINLANE TYPICAL SECTION

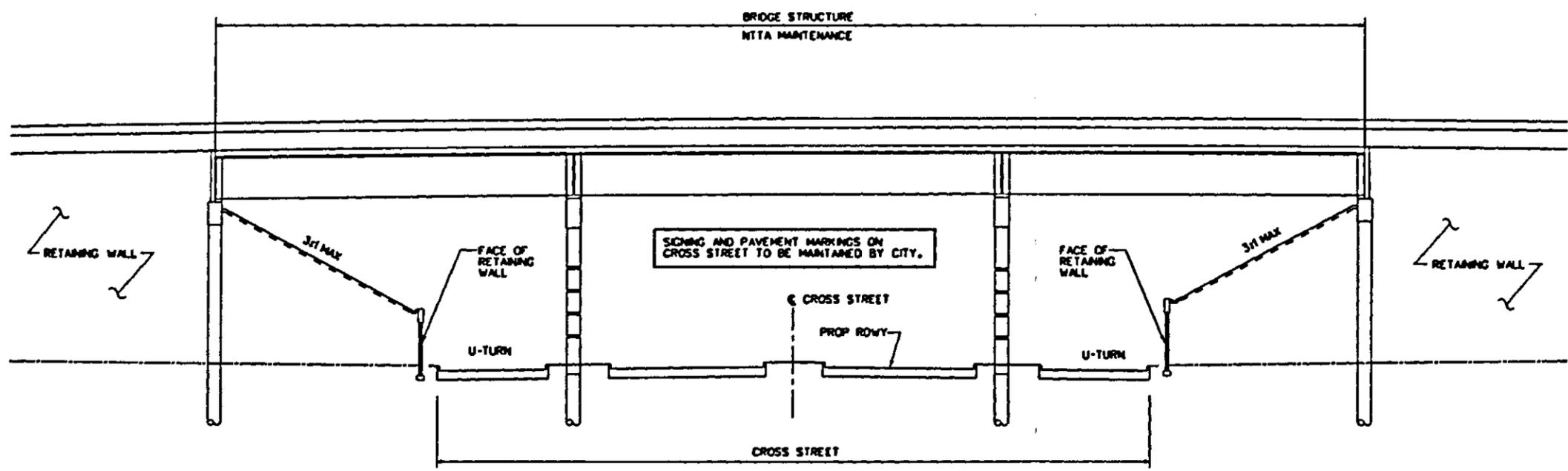
- LEGEND
-  NTTA MAINTENANCE AREA
 -  NTTA MAINTENANCE AREA - BRIDGES
 -  TXDOT MAINTENANCE AREA - FRONTAGE ROADS (NTTA FUNDING ASSISTANCE)



UNDERPASS ELEVATION



UNDERPASS DETAIL



OVERPASS ELEVATION

NOTE:
SEE ALSO ARTICLE 11.9

LEGEND

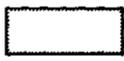
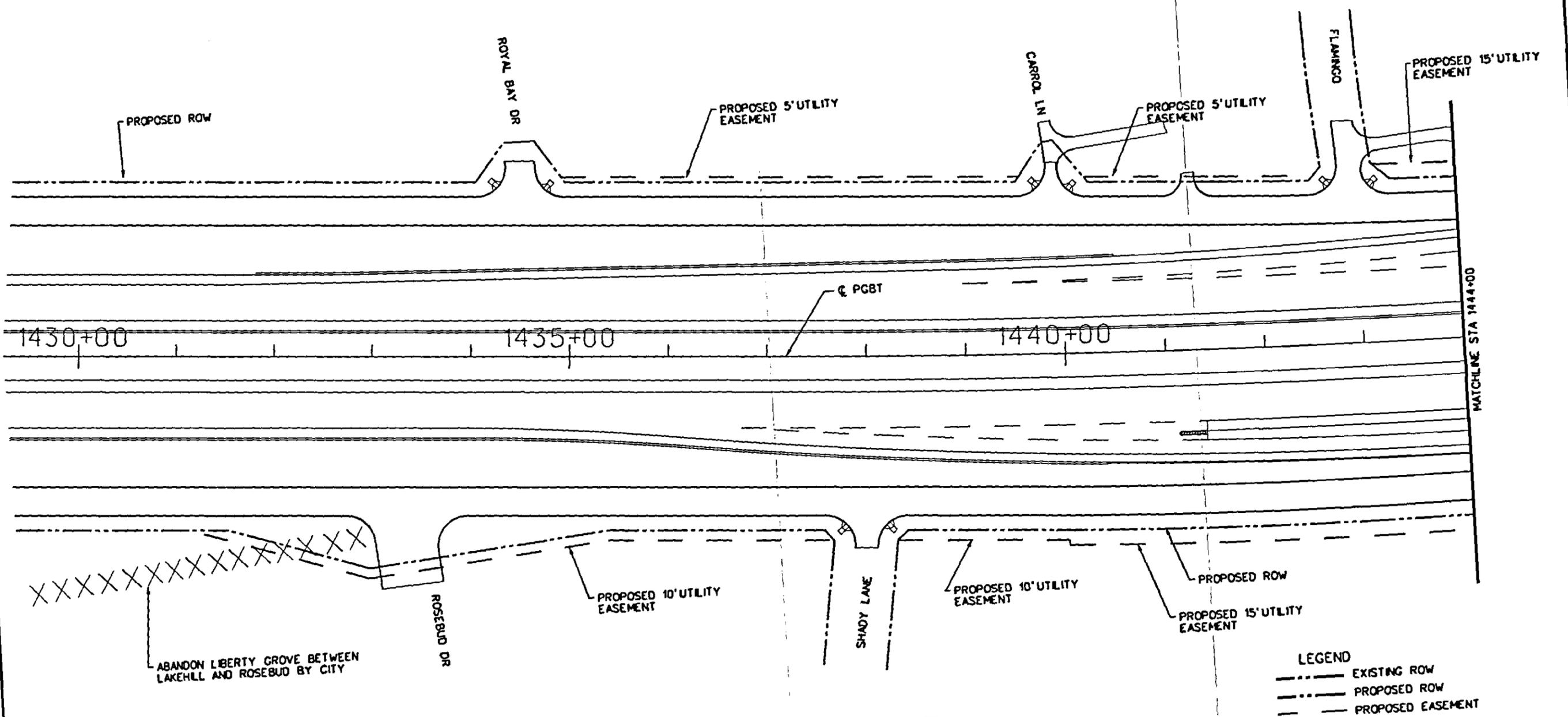
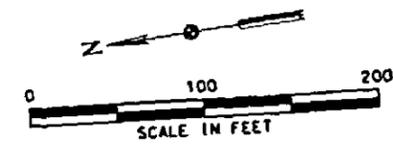
-  NITA MAINTENANCE AREA
-  NITA MAINTENANCE AREA - BRIDGES
-  TXDOT MAINTENANCE AREA - FRONTAGE ROADS (NITA FUNDING ASSISTANCE)
-  CITY MAINTENANCE AREA

EXHIBIT J

PROPOSED UTILITY EASEMENTS

[see following page(s)]



NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

LEGEND
 --- EXISTING ROW
 - - - PROPOSED ROW
 — PROPOSED EASEMENT

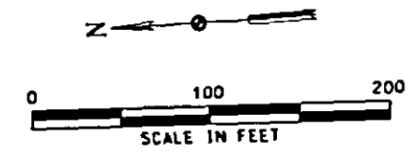
SHEET 1 OF 8



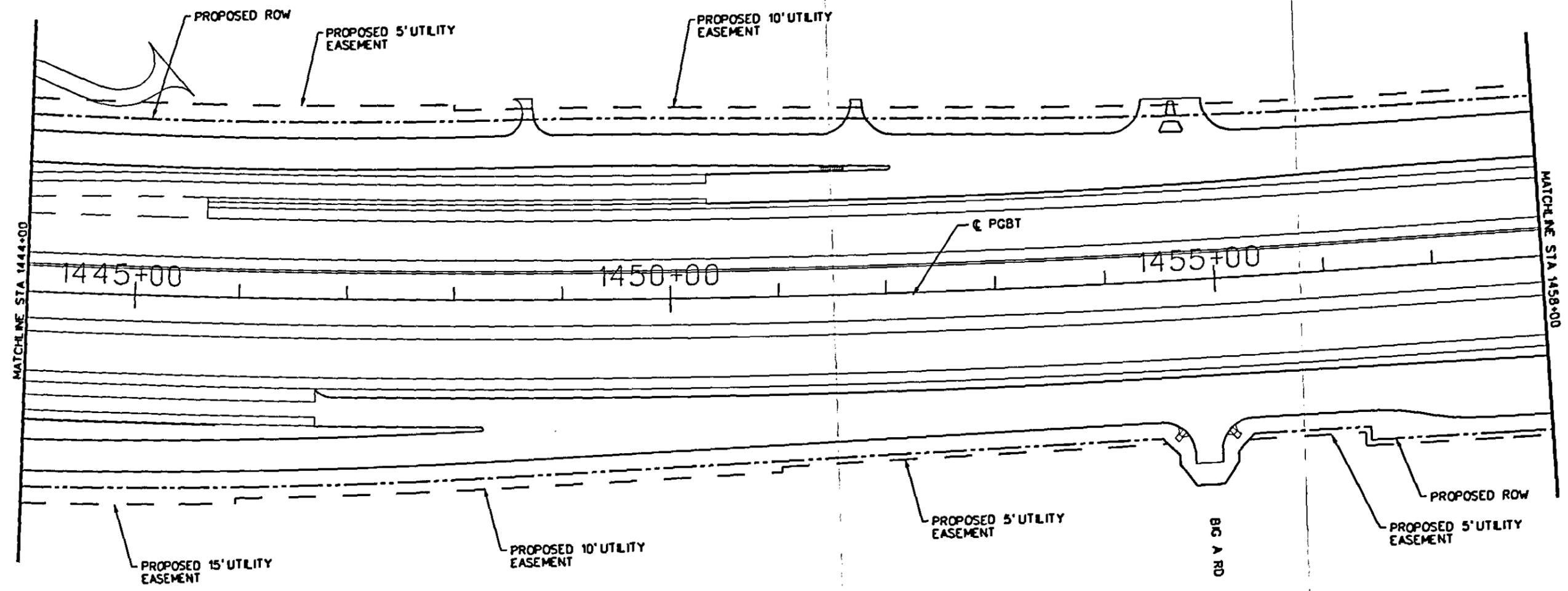
November 21, 2006

EXHIBIT J
 PROPOSED UTILITY EASEMENT
 CITY OF ROWLETT



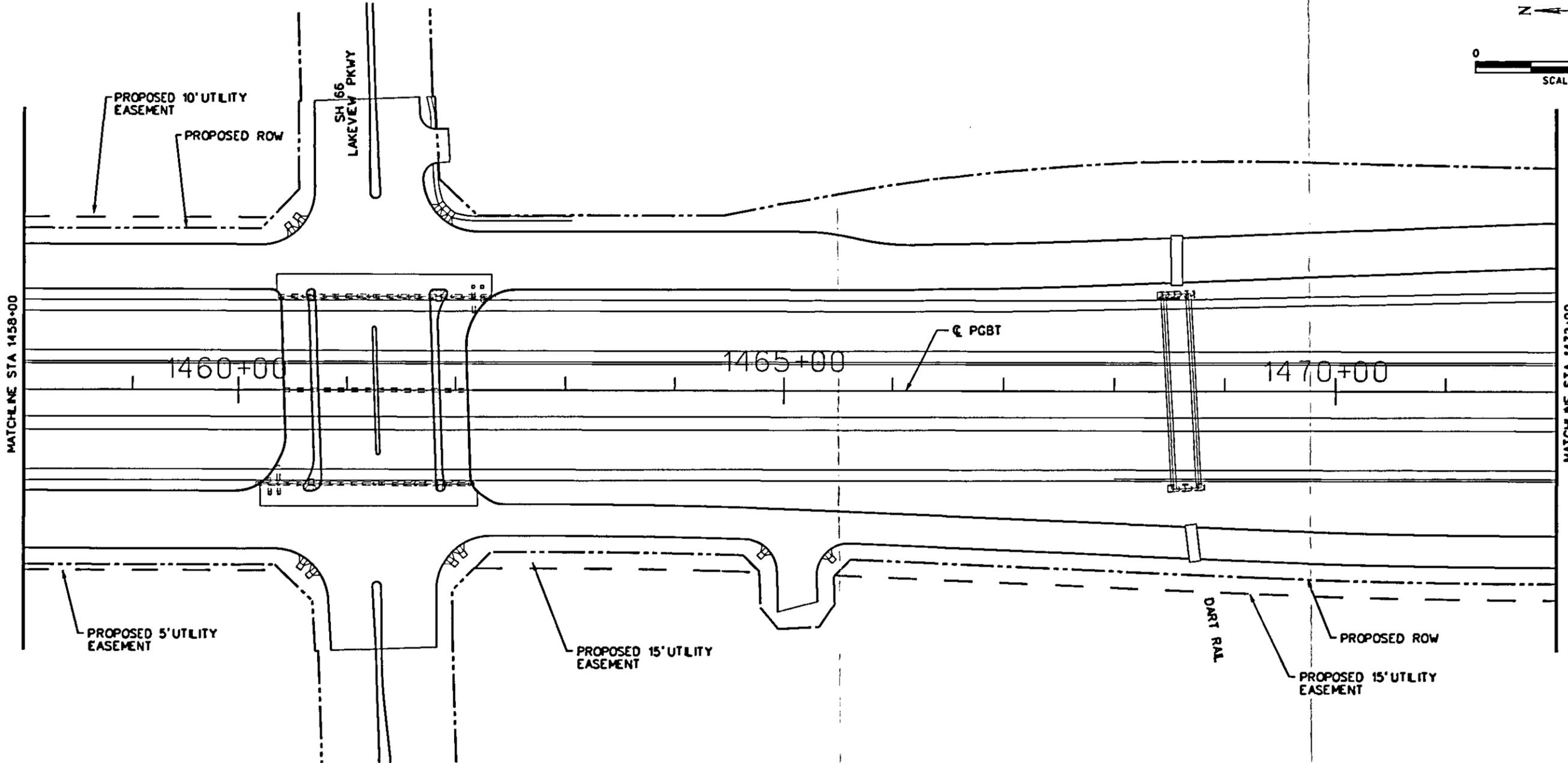
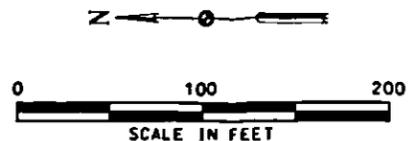


- LEGEND**
- EXISTING ROW
 - - - PROPOSED ROW
 - - - PROPOSED EASEMENT



NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

SHEET 2 OF 8



MATCHLINE STA 1458+00

MATCHLINE STA 1472+00

1460+00

1465+00

1470+00

PGBT

DART RAIL

PROPOSED 10' UTILITY EASEMENT

PROPOSED ROW

SH 66 LAKEVIEW PKWY

PROPOSED 5' UTILITY EASEMENT

PROPOSED 15' UTILITY EASEMENT

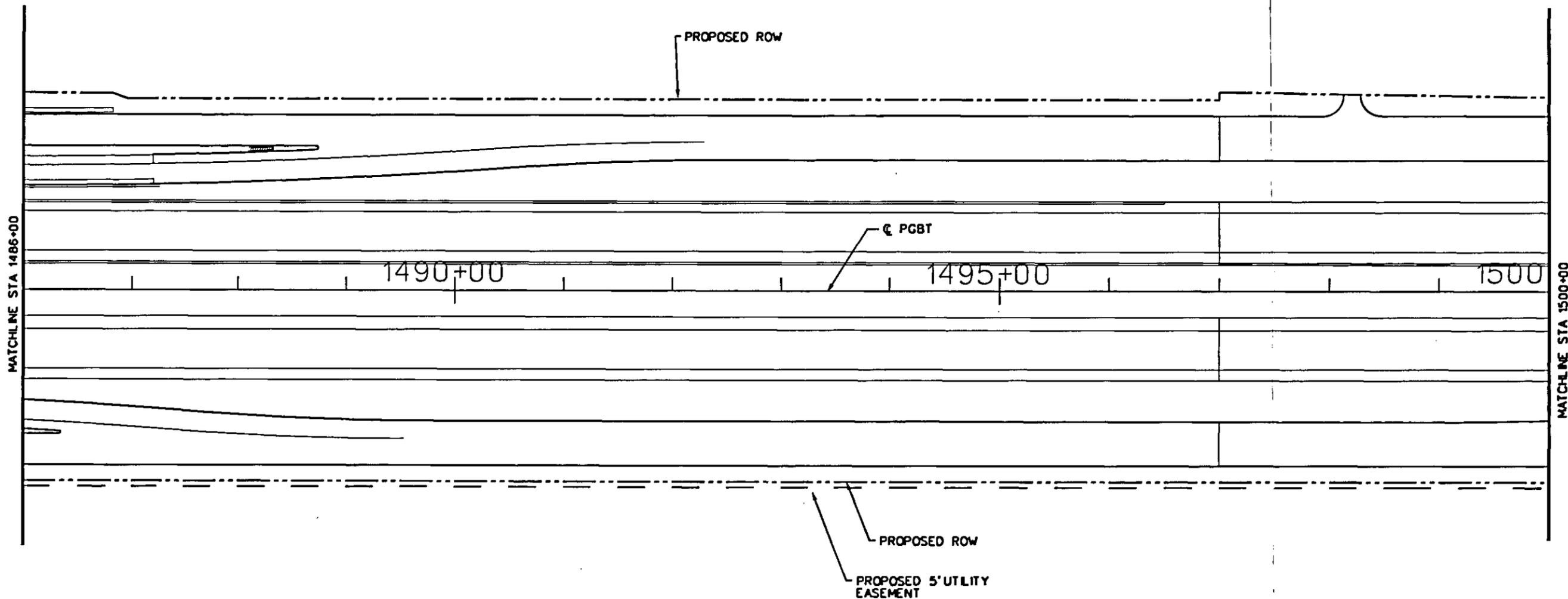
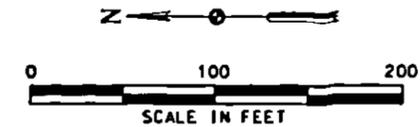
PROPOSED 15' UTILITY EASEMENT

NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

LEGEND

- EXISTING ROW
- PROPOSED ROW
- PROPOSED EASEMENT

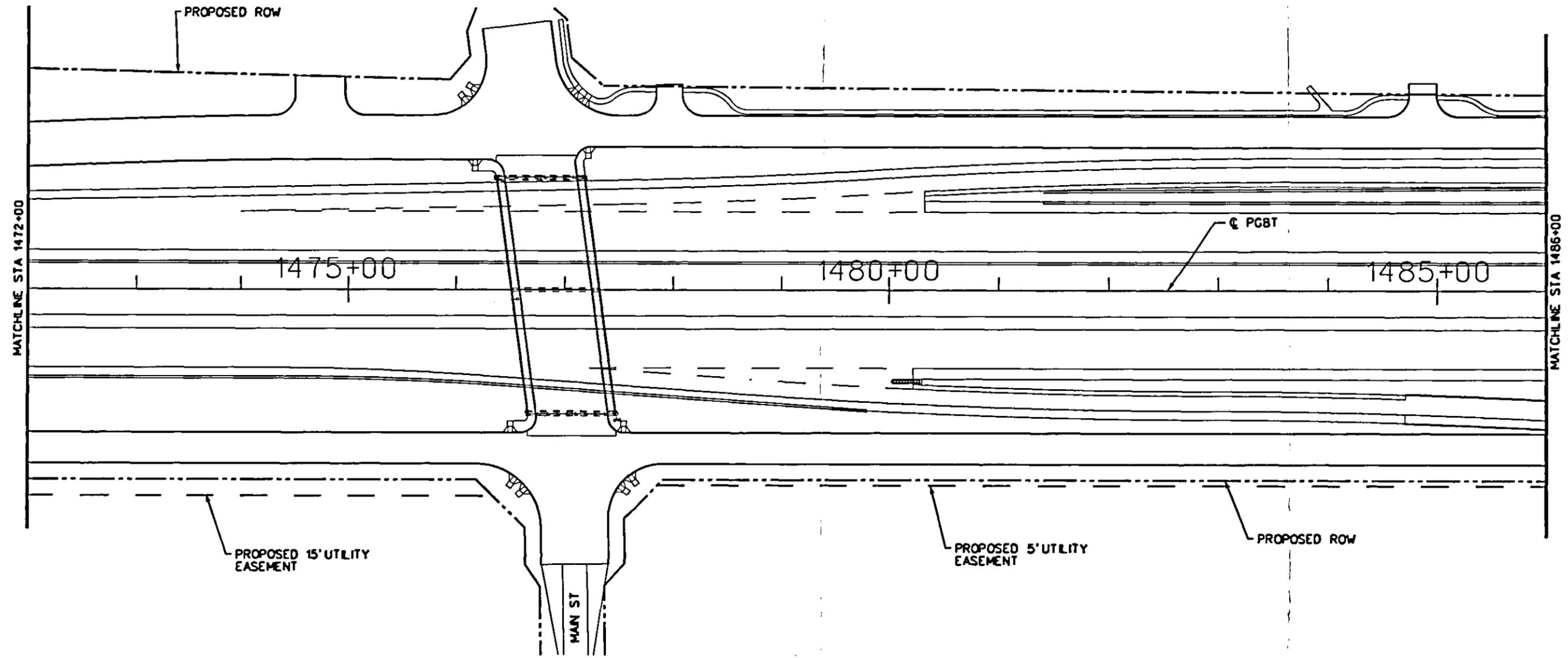
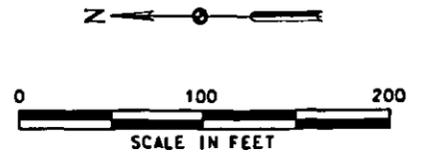
SHEET 3 OF 8



NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN
 FINAL DESIGN.

LEGEND
 - - - - - EXISTING ROW
 - - - - - PROPOSED ROW
 - - - - - PROPOSED EASEMENT

SHEET 5 OF 8



NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN
 FINAL DESIGN.

- LEGEND
- EXISTING ROW
 - PROPOSED ROW
 - PROPOSED EASEMENT

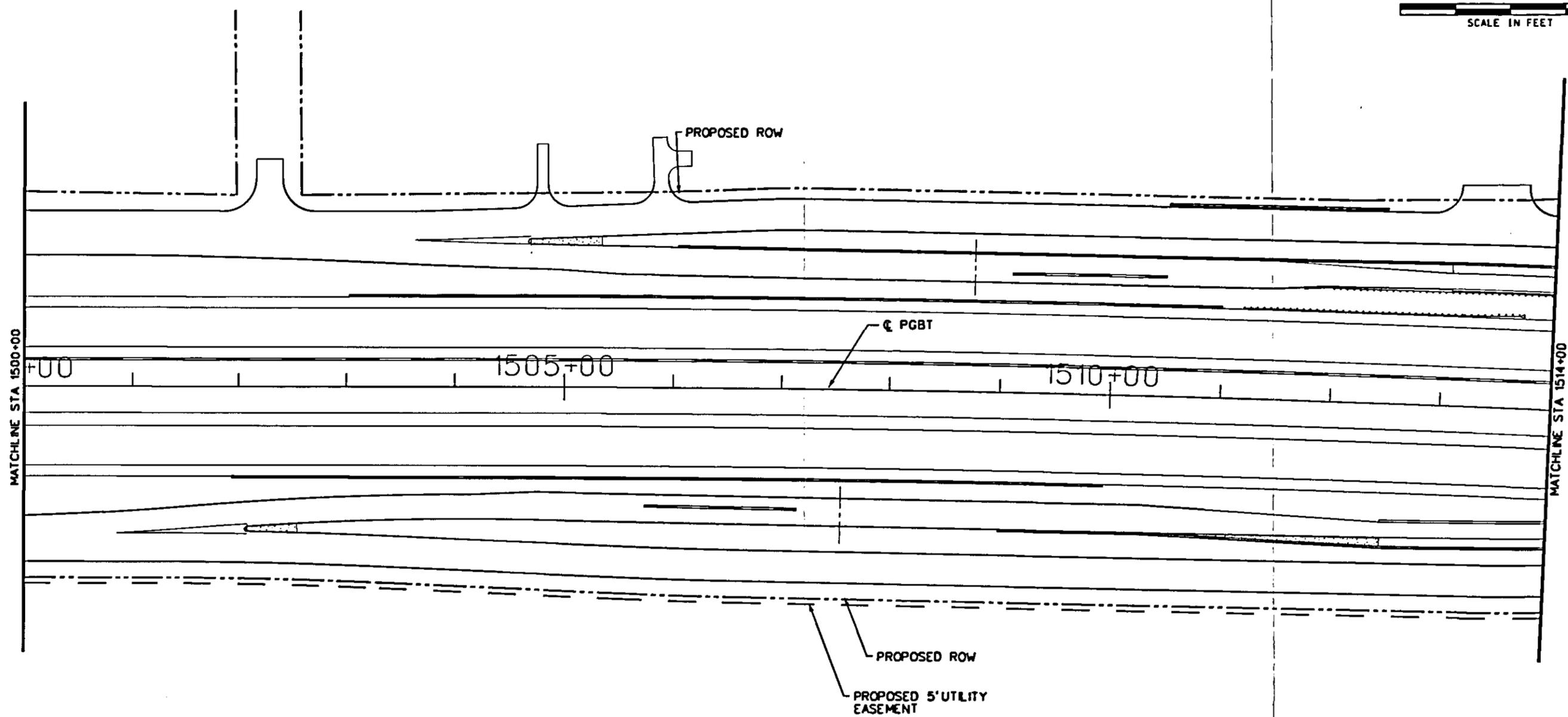
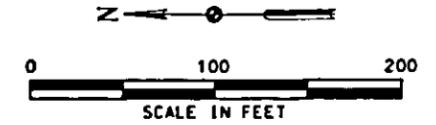
SHEET 4 OF 8



November 21, 2006

EXHIBIT J
 PROPOSED UTILITY EASEMENT
 CITY OF ROWLETT

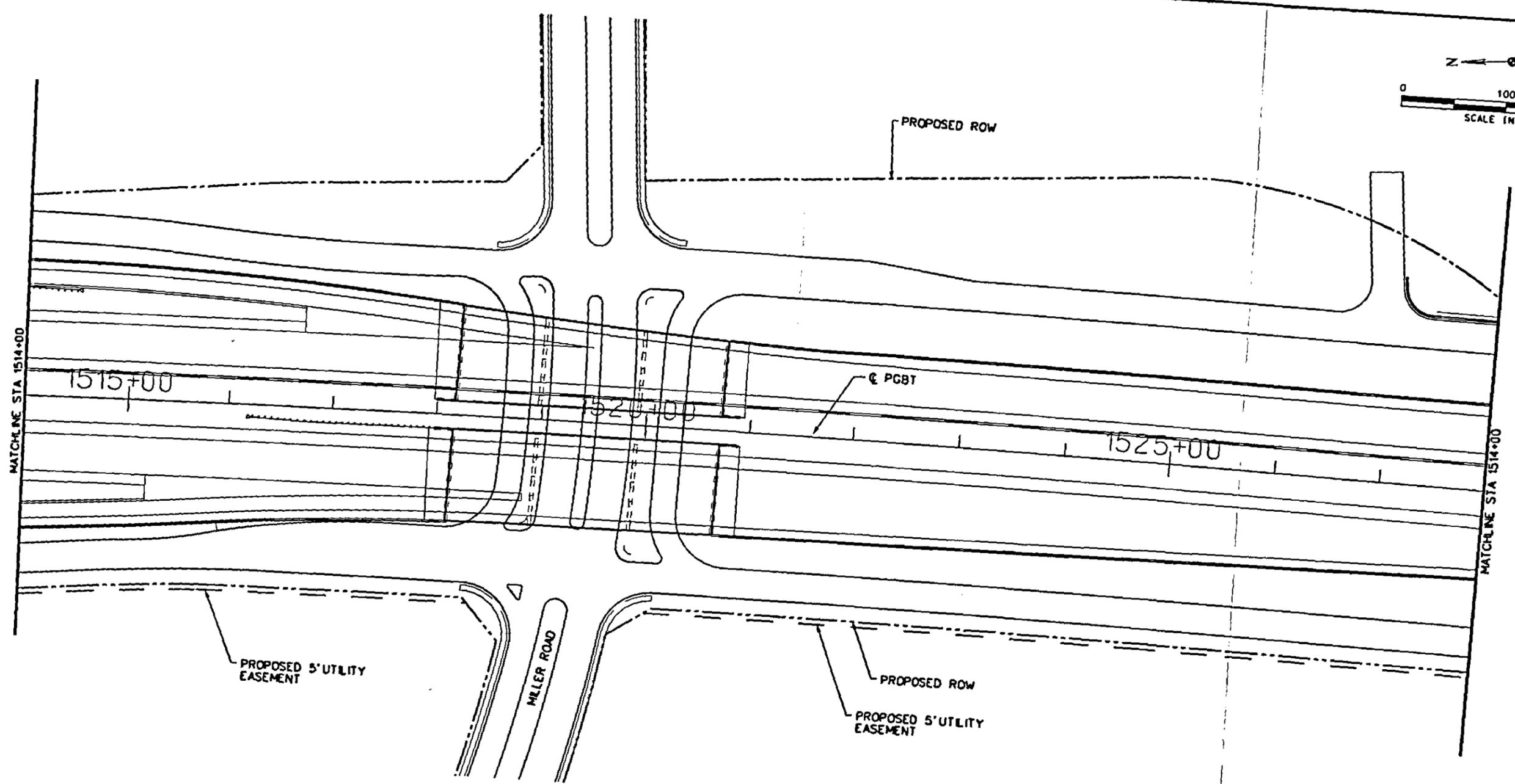
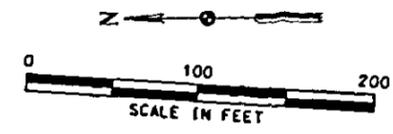




NOTE:
ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.

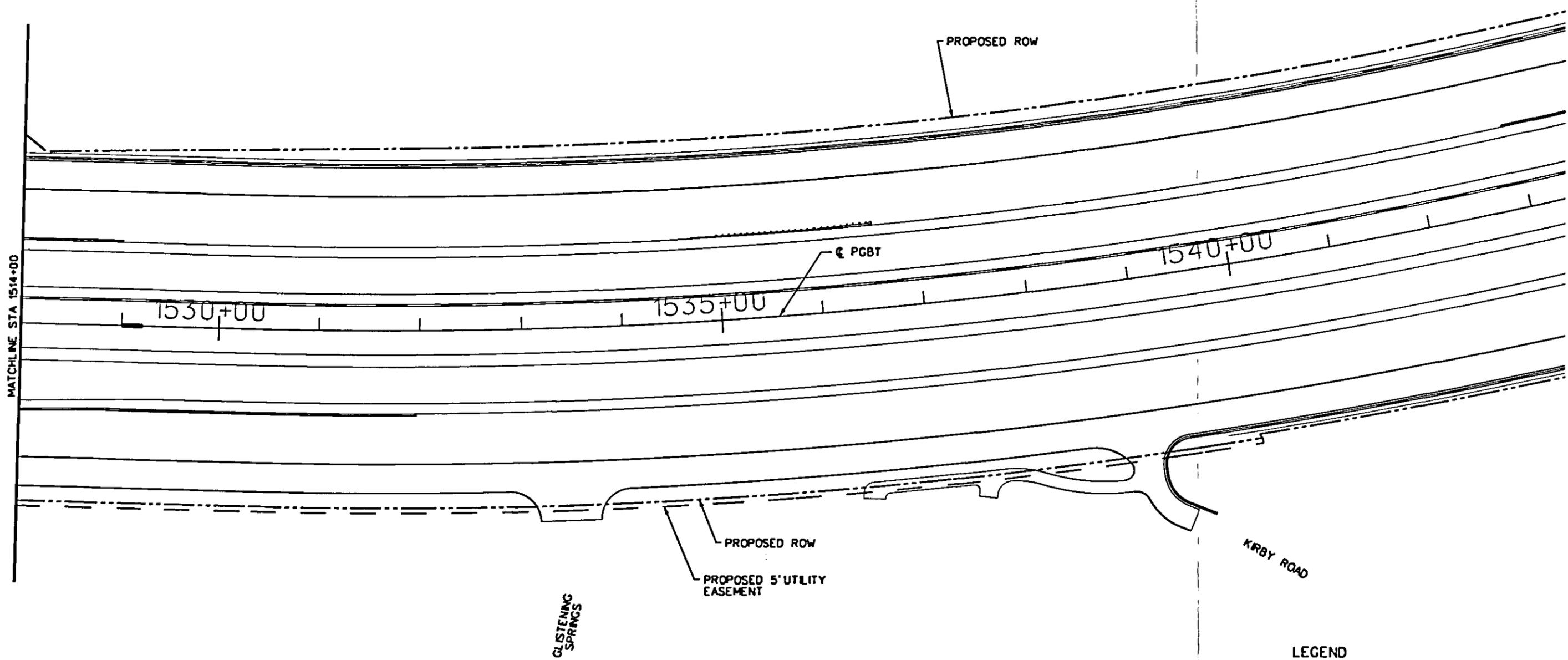
- LEGEND
- EXISTING ROW
 - - - PROPOSED ROW
 - - - PROPOSED EASEMENT

SHEET 6 OF 8



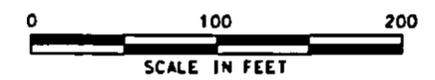
NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN
 FINAL DESIGN.

- LEGEND
- EXISTING ROW
 - - - PROPOSED ROW
 - - - PROPOSED EASEMENT



NOTE:
 ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN
 FINAL DESIGN.

- LEGEND
- EXISTING ROW
 - PROPOSED ROW
 - - - PROPOSED EASEMENT



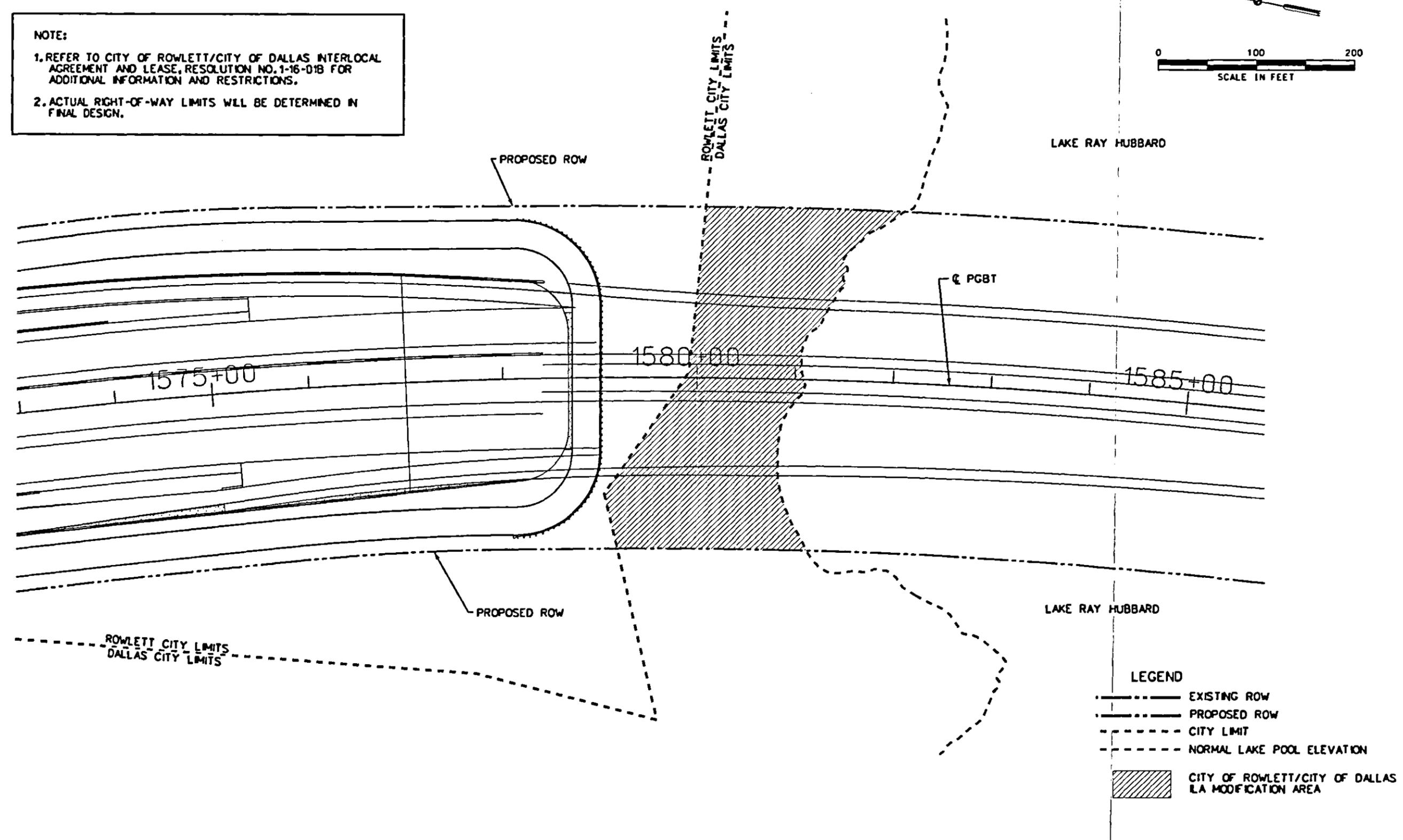
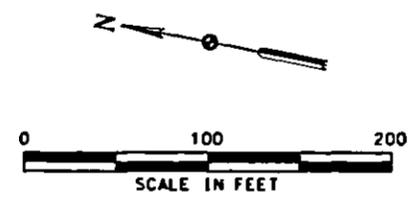
SHEET 8 OF 8

EXHIBIT K

CITY OF ROWLETT/CITY OF DALLAS ILA MODIFICATION

[see following page(s)]

NOTE:
 1. REFER TO CITY OF ROWLETT/CITY OF DALLAS INTERLOCAL AGREEMENT AND LEASE, RESOLUTION NO. 1-16-01B FOR ADDITIONAL INFORMATION AND RESTRICTIONS.
 2. ACTUAL RIGHT-OF-WAY LIMITS WILL BE DETERMINED IN FINAL DESIGN.



- LEGEND**
- EXISTING ROW
 - - - PROPOSED ROW
 - - - CITY LIMIT
 - - - NORMAL LAKE POOL ELEVATION
 - ▨ CITY OF ROWLETT/CITY OF DALLAS ILA MODIFICATION AREA

acquisitions, (b) designing and conferring development incentives to elicit right-of-way donations and (c) assisting in carrying out relocation assistance for displaced residents and business as required by applicable law. The City agrees to participate in meetings and other activities with the Authority's staff, the RAT and other consultants.

5. **The Authority's Obligations are Contingent.** The Authority's obligations regarding the acquisition of right-of-way for the Eastern Extension and under this Agreement generally are fully contingent upon the agreement of all three (3) of the Stakeholder Cities and TxDOT to the procedure and obligations described above as evidenced by their execution of the three (3) Stakeholder Cities Agreements and the Project Agreement with provisions substantially identical to those contained in these subsections II.E.1 through 3. The City acknowledges that the Authority shall not be required to commence acquisition of right-of-way for the Eastern Extension until the Project Agreement has been fully executed.

6. **Use of City Rights-of-Way; Release of Certain Leasehold Interests.** The City shall dedicate, or cause to be dedicated, to the Authority, at no cost to the Authority, all property and/or property interests that the Authority determines are required for the construction of the Eastern Extension and which are owned by the City. Without limiting the foregoing, the City shall dedicate and assign, and does hereby dedicate and assign, to the Authority all of the City's street and roadway easements and similar interests in property necessary or convenient for the construction or operation of the Eastern Extension. Further, the City hereby releases any leasehold or similar interests it holds with respect to any property owned in fee by the City of Dallas that is required for the Eastern Extension in the vicinity of Lake Ray Hubbard, said release to be effective, without any additional action by the City, the Authority or any other party, upon the granting of rights to that right-of-way to the Authority by the City of Dallas. A

general depiction of the area affected by the foregoing release is set forth on Exhibit K, attached hereto and incorporated herein for all purposes, provided that a more accurate and superseding depiction shall result from subsequent right-of-way documentation and mapping.

7. Coyle House Relocation. The Coyle House is a structure located within or adjacent to the potential alignments identified for the Eastern Extension. The Coyle House is an historic resource requiring evaluation under Section 4(f) of the Department of Transportation Act of 1966 and Section 106 of the National Historic Preservation Act. The City will cooperate with the Authority to ensure compliance with all recommended practices and procedures to mitigate the impact of the Eastern Extension on the Coyle House and to obtain from all applicable governmental entities and agencies, whether federal, state or local, all approvals, permits and agreements in connection with the Coyle House that are necessary to construct and operate the Eastern Extension. Such mitigation will include moving the Coyle House from its present location and reconstructing it outside the area impacted by the Eastern Extension. The Authority entered into a Memorandum of Agreement (the "Coyle House MA") with the City, FHWA, TxDOT and the Texas Historical Commission, imposing requirements in connection with such relocation, reconstruction and mitigation and under which the Coyle House is made subject to certain historic preservation requirements that will be binding upon subsequent owners of the Coyle House. The City is a party to the Coyle House MA. Pursuant to the Coyle House MA or a subsequent supplemental agreement between the Authority and the City as described below in Section III.D., the City and the Authority will allocate between themselves the reasonable costs of studying, researching, documenting, relocating, reconstructing, operating, maintaining, and otherwise complying with all requirements necessary to ensure that the evaluation and disposition of the Coyle House complies with all applicable laws and regulatory requirements



April 28, 2009

Mayor
John E. Harper
Mayor Pro Tem
Todd W. Gottel
Deputy Mayor
Pro Tem
Steve Maggiotto

City Council
Patrick Jackson
Chris Kilgore
Doug Phillips
Cindy Rushing

City Manager
Lynda K. Humble

Mr. Patrick Ellis, PE
HNTB, Inc.
5910 W. Plano Pkwy
Suite 200
Plano, TX 75093

RE: City of Rowlett Letter of Commitment to Fund Utility Betterments for the President George Bush Turnpike-Eastern Extension (PGBT-EE)

Dear Mr. Ellis:

As requested, please accept this letter as a commitment from the City of Rowlett to pay for the costs associated with upsizing or enhancement of, or other betterments to City utilities along the PGBT-EE corridor in accordance with Article II, Section F of the approved Interlocal Agreement by and between the City of Rowlett and the North Texas Tollway Authority.

If you have any questions, please feel free to contact City Engineer Shawn Poe, PE at 972-463-3910 or at spoe@rowlett.com.

Regards,

A handwritten signature in black ink that reads "Lynda K. Humble". The signature is written in a cursive style with a large initial "L".

Lynda Humble
City Manager

Cc: Patrick Baugh, Director of Public Works & Utilities
Shawn Poe, PE, City Engineer
Elizabeth Mow, NTTA
Gerry Carrigan, NTTA

Rowlett.com
City of Rowlett
4000 Main Street
PO Box 99
Rowlett, TX
75030-0099

972.412.6100
972.412.6118 Fax



March 4, 2011

Mr. Pat Ellis, P.E.
Corridor Manager
HNTB
5910 W. Plano Pkwy
Suite 200
Plano, TX 75093

Subject: Section 29, Section 30, Section 31 Utility Betterments

Dear Mr. Ellis:

On behalf of the City of Rowlett, I have reviewed all documentation relating to the installed water and sanitary sewer relocations and improvements along the referenced Easter Extension Corridor Sections. I appreciate the effort you and your engineers put forth to meet with me to reach a final decision of the improvements that are considered to be betterments. I am in agreement with the final determination reached for the responsibility for reimbursement by the City. There were no betterments installed on Section 29. The totals for Section 30 and Section 31 are \$2,367,467.00 and \$1,009,384.00 respectively for a total reimbursement of \$3,376,851.00.

The above reimbursements totals include numerous water system improvements yet to be installed; including:

Section 30

- 12" water line 'B' Valero Station to Main Street
- Fire hydrant on the SW corner Main and SBFR
- Several valve extensions
- All utility markings on street curbs and streets according to City Standards

Section 31

- Air Release Valves on Water Line B
- A portion of Water Line C from Miller Heights to Miller Road
- All of Water Line E
- Air Release Valves on Water Line D
- Adjust numerous fire hydrants to grade
- Remove all sample ports
- All existing lines that are to be cut and plugged
- Installation of valve pads and Valve Extensions to grade
- Air Release Valve on 8" Force Main
- All utility markings on street curbs and streets according to City Standards



Mayor
John E. Harper
Mayor Pro Tem
Todd Gottel
Deputy Mayor
Pro Tem
Patrick Jackson

City Council
Donna Davis
Michael Gallops
Chris Kilgore
Doug Phillips

City Manager
Lynda K. Humble

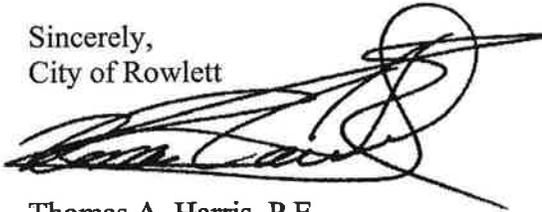
ROWLETT VISION ~
*A unique community
where families enjoy
life and feel at home.*

Rowlett.com
City of Rowlett
4000 Main Street
PO Box 99
Rowlett, TX
75030-0099

972.463.CITY
972.412.6118 Fax

Please provide the City a letter that NTTA will accept a total payment of three million three hundred seventy-six thousand eight hundred fifty-one dollars and no cents (\$3,376,851.00) as the final obligation of the City of Rowlett for utility betterment reimbursement.

Sincerely,
City of Rowlett

A handwritten signature in black ink, appearing to read 'Thomas A. Harris', with a large, stylized flourish at the end.

Thomas A. Harris, P.E.
Assistant City Engineer

Xc: file
Dennis Abraham, P.E., City Engineer

Rowlett.com
City of Rowlett
4000 Main Street
PO Box 99
Rowlett, TX
75030-0099

972.463.CITY
972.412.6118 Fax



NORTH TEXAS TOLLWAY AUTHORITY

5900 West Plano Parkway, Suite 100 • Plano, Texas 75093 • (214) 461-2000 • Fax (214) 528-4826 • www.ntta.org

April 5, 2011

Lynda Humble
City Manager
City of Rowlett
4000 Main Street
Rowlett, TX 75088

REF: President George Bush Turnpike Eastern Extension (PGBT EE),
Interlocal Agreement Dated November 30, 2006

SUB: Rowlett Utility Betterment Reimbursement

Dear Ms. Humble:

I have been advised that an agreement has been reached with the City Engineering staff on the amount to be reimbursed by the City of Rowlett to the NTTA for City utility betterments on the Eastern Extension projects within the City of Rowlett. After a series of meetings between the Corridor Manager, Construction Managers and Design Section Engineers, an amount of \$3,376,851.00 has been calculated that is in agreement with the City's letter of March 4, 2011 attached.

With this letter, the NTTA requests that the City of Rowlett proceed with issuance of a check to the North Texas Tollway Authority in the amount of \$3,376,851.00. Thank you for your cooperation in this endeavor. If you have any questions please call me at 214-224-2157.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Mow". The signature is written in a cursive, flowing style.

Elizabeth Mow, P.E.
Director of Project Delivery

cc: Pat Ellis, HNTB
N. Tony Bokaie, PBS&J
Bill Goodell, PBS&J
Bruce Dinkheller, PB



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 5A

TITLE

Presentation of a Proclamation to the City of Rowlett Custodian Workforce in recognition of the National Custodian Appreciation Day.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer
Karl Taylor, Building Maintenance Supervisor

SUMMARY

The purpose of this item is to recognize City of Rowlett custodians for their hard work and dedication throughout the year and honor them and all custodians for the job they do creating a wonderful first impression for their citizens.

BACKGROUND INFORMATION

National Custodial Workers Recognition Day is celebrated each year on October 2nd. This day is set aside to acknowledge the work done behind the scenes to keep schools, workplaces and public facilities clean and safe.

The Bureau of Labor Statistics reported more than 2.3 million custodial and janitorial workers in the United States in 2012. Although there is no official proclamation designating October 2nd as National Custodial Workers Recognition Day, school districts and other employers use this day to display public expressions of gratitude or offer tokens of appreciation to their custodial workforce. One simple gesture anyone can make is by simply saying "thank you" to the custodial staff for doing an often thankless job.

DISCUSSION

City of Rowlett Custodian Workforce consists of:

- Oscar Ornelas – General repairs and Development Services Building
- Carol Rumberger – Rowlett Recreation Center
- Julia Donaldson – Police and Fire Administration
- Tom Cooper – Rowlett Library
- Russell Bavelaar – City Hall
- Phillip Perkins – Public Works
- Donna Gage – Rowlett Recreation Center

National Custodian Workers Day is October 2, 2014. Please give your custodial worker a big thanks. At your school, church, place of employment, and a variety of other places, your custodial support are working behind the scenes all year long. These are the workers who clean and keep

in good repair the facility that you enjoy. When they do a great job, we sometimes take them for granted and they rarely get the recognition they deserve.

This evening we want to honor our City of Rowlett Custodian Workforce who work tirelessly to maintain our City buildings in the City of Rowlett, Texas. This team is the First Impression Crew.

The City employs seven custodians, five full-time and two part-time, at the present. Most of them have at least two buildings they are responsible for. The Rowlett Community Centre, which is a 50,515 square foot facility is one exception. It has two full-time employees on staff. Overall, they are responsible for cleaning and maintaining more than 190,000 square feet. They accomplish this at a cost of less than one cent per square foot per day.

Each City of Rowlett custodian takes great pride in his or her work and has real ownership of their building(s). They are team players, they work overtime whenever called upon, and do not hesitate to pitch in and cover for their fellow team members in the event of absences or special events.

RECOMMENDED ACTION

No action. Presentation only.

ATTACHMENT

Proclamation

NATIONAL CUSTODIAL WORKERS RECOGNITION DAY

WHEREAS, National Custodial Workers Recognition Day is an annual celebration, recognized on October 2nd, to pay tribute to and give thanks to those men and women who work tirelessly to clean and maintain the many buildings that are used on a daily basis; and

WHEREAS, custodial workers work behind the scenes and are often unappreciated for the hard work that they do day after day keeping schools, hospitals, office buildings, museums, churches and etc. clean and well maintained; and

WHEREAS, these essential staff members are an important part of the success in maintaining clean and operational buildings as it is a reflection on the business itself and often are the first to recognize potential safety hazards; and

WHEREAS, the City of Rowlett recognizes our essential staff members: Russell Bavelaar, Julia Donaldson, Carol Rumberger, Phillip Perkins, Oscar Ornelas, Tom Burrus, Donna Gage and Karl Taylor.

NOW THEREFORE, I, Todd W. Gottel, Mayor of the City of Rowlett, and on behalf of the City Council do hereby recognize October 2nd as

NATIONAL CUSTODIAL WORKERS RECOGNITION DAY

in the City of Rowlett and urge our employees and citizens to recognize the significance and dedicated service to the community.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 5B

TITLE

Presentation of the Texas Best Practices Award of "Recognized Law Enforcement Agency" to the Rowlett Police Department.

STAFF REPRESENTATIVE

Mike Brodnax, Chief of Police

SUMMARY

On September 2, 2014, the Rowlett Police Department was notified by the Texas Police Chiefs Association Foundation that the Department had been awarded "Recognized Status" for compliance with the Texas Law Enforcement Agency Best Practices Recognition Program.

BACKGROUND INFORMATION

The Recognition Program is a voluntary introspective evaluation of a Police Department's compliance with 166 Best Business Practices for Texas Law Enforcement Agencies. These Best Practices were developed by Texas Law Enforcement professionals to assist agencies in efficient and effective delivery of service and protection of all individuals' rights. The Best Practices cover all aspects of law enforcement operations including use of force, protection of citizen rights, vehicle pursuits, property and evidence management, and patrol and investigative operations.

DISCUSSION

The Rowlett Police Department has always considered itself to be one of the best in the state, and in order to confirm that conviction, in October of 2013, the department began aggressively pursuing the distinguished "Recognized Status" award. This process required the department to conduct a critical self-review of the agency's policies, procedures, facilities, and operations.

The department prepared and presented proofs of compliance for each of the 166 Texas Law Enforcement Best Business Practices. After each proof was thoroughly examined and accepted by a member of The Texas Police Chiefs Association Foundation, an outside audit and review was requested. This final on-site review took place on August 19 and 20, 2014. The review was conducted by trained police chiefs from other areas of the state and consisted of 16 personnel interviews in various divisions within the department as well as a thorough inspection of numerous departmental policies.

The results of this review were sent to the Texas Police Chiefs Association's Recognition Committee for final analysis, and on September 2, 2014, the department was notified that it had been awarded the esteemed "Recognized Law Enforcement Agency" award.

The Rowlett Police Department becomes the 106th agency in the state to be so recognized since the program's inception in 2006. This analytical process provided for an independent review of department operations thus assuring the citizens of The City of Rowlett that its police department is conforming to the most current state-of-the-art policies and procedures in law enforcement.

The Texas Best Practices Recognition Program is a recurrent program as "Recognized" status is awarded for a four year period. During each four year period, the agency must submit annual reports demonstrating continuing compliance with standards. These reports are reviewed as they are received and compliance is verified. During the last year of each four year period, the agency must prepare updated documentation on all Best Practices and another on-site review is conducted. The Recognition Committee must then vote again to approve "Recognized" status for the next four years.

The Rowlett Police Department is entirely committed to and looks forward to maintaining "Recognized" status throughout the future.

FINANCIAL/BUDGET IMPLICATIONS

The Agency Chief must be an active member of the Texas Police Chiefs Association in order for the department to maintain "Recognized" status. The association's dues are determined by the number of sworn officers employed by the department. Current association dues are approximately \$460.00 yearly.

RECOMMENDED ACTION

To inform the Mayor, Council, Organization and Rowlett citizens of the achievement of obtaining "Recognized Status" by The Rowlett Police Department.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 5C

TITLE

Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

STAFF REPRESENTATIVE

Brian Funderburk, City Manager



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7A

TITLE

Consider action to approve minutes from the September 2, 2014, City Council Meeting, the September 4, 2014, City Council Work Session, and the September 9, 2014 City Council Special Meeting.

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary

SUMMARY

Section 551.021 of the Government Code provides as follows:

- (a) A governmental body shall prepare and keep minutes or make a tape recording of each open meeting of the body.
- (b) The minutes must:
 - (1) state the subject of each deliberation; and
 - (2) indicate each vote, order, decisions or other action taken.

BACKGROUND INFORMATION

N/A

DISCUSSION

N/A

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

Move to approve, amend or correct the minutes of the September 2, 2014, City Council Meeting, the September 4, 2014, City Council Work Session, and the September 9, 2014 City Council Special Meeting.

ATTACHMENTS

- 09-02-14 City Council Meeting minutes
- 09-04-14 City Council Work Session minutes
- 09-09-14 City Council Special Meeting minutes



City of Rowlett

Meeting Minutes

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Tuesday, September 2, 2014

5:30 P.M.

Municipal Building – 4000 Main Street

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Present: Mayor Gottel, Mayor Pro Tem Gallops, Deputy Mayor Pro Tem Pankratz, Councilmember Bobbitt, Councilmember Dana-Bashian, Councilmember Sheffield and Councilmember van Bloemendaal

1. CALL TO ORDER

Mayor Gottel called the meeting to order at 5:30 p.m.

2. EXECUTIVE SESSION

- 2A.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate in or near Elgin B. Robertson Park. (15 minutes) (THE EXECUTIVE SESSION WILL BE HELD AFTER THE REGULAR COUNCIL MEETING.)

Council convened in Executive Session at 7:06 p.m. Out at 7:11 p.m.

- 2B.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects regarding the Rowlett Public Library transition plan. (30 minutes) (THE EXECUTIVE SESSION WILL BE HELD AFTER THE REGULAR COUNCIL MEETING.)

Council convened in Executive Session at 9:35 p.m. Out at 10:14 p.m.

- 2C.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to

discuss and deliberate legal issues relating to the Northeast Gateway tollway and Public Werks, Inc. (10 minutes) (THE EXECUTIVE SESSION WILL BE HELD AFTER THE REGULAR COUNCIL MEETING.)

Council convened in Executive Session at 7:11 p.m. Out at 7:30 p.m.

3. WORK SESSION (5:30 P.M.)* Times listed are approximate

3A. Discuss Tee & Bunker Study. (30 minutes)

Jermel Stevenson, Director of Parks and Recreation, presented the results of the study along with Golf Advisory Board (GAB) recommendations. Brian Funderburk, City Manager, reviewed the current costs of approved projects and anticipated shortfall in funding due to increased materials cost for the improvements to the pavilion/clubhouse. It was the consensus of Council to support the recommendations of the GAB.

3B. Discussion on a transition plan for the Rowlett Public Library and the Rowlett Chamber of Commerce located at 3900 & 3910 Main Street as it relates to the Village of Rowlett project. (45 minutes)

Jim Grabenhorst, Director of Economic Development, reviewed the Village of Rowlett project and timeline for relocation. Marc Kurbansade, Director of Development Services, reviewed the cost projections for the Chamber building relating to options of relocation versus demolition. Council discussion regarding possible space for the Chamber in the future, the possibility of refurbishing the Old Fire Station for use by the Chamber, and determining the feasibility of developer contribution to the cost of demolition of the Old Fire Station.

3C. Discuss migration from Verizon Southwest as the City's 9-1-1 provider to a hosted solution provided by the North Central Texas Council of Governments (NCTCOG), utilizing Emergency Call Works for the customer premise equipment (CPE). (30 minutes)

Mike Brodnax, Police Chief, along with Beth English, Communications Director, reviewed background information regarding the current 911 system capabilities and maintenance needs. The introduced the currently offered system through the NCTCOG and its capabilities. Council discussion regarding other systems that might be available and the current users of this proposed system. Stability and longevity of the system was also discussed. It was the consensus of Council to consider this acquisition at a later date.

3D. Discuss the process for appointments to the various City of Rowlett Boards and Commissions and proposed amendments to the Rowlett Boards and Commissions Handbook related to appointments. (45 minutes)

This item was discussed at the conclusion of Executive Session item 2B at the end of the Regular Session.

Laura Hallmark, City Secretary, presented a proposed resolution amending the Boards and Commissions Handbook. Council discussion regarding the application process and evaluation

topics for applicants, term limits, and reviewing alternate members for regular positions based on merit rather than tenure. It was the consensus of Council to consider this resolution with the discussed changes at an upcoming meeting.

4. DISCUSS CONSENT AGENDA ITEMS

Council took a short break at 7:30 p.m.

CONVENE INTO THE COUNCIL CHAMBERS (7:30 P.M.)*

Council reconvened in Regular Session at 7:37 p.m.

INVOCATION – Rev. Ann Dotson

PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE – Led by the City Council

5. PRESENTATIONS AND PROCLAMATIONS

5A. Presentation of proclamation recognizing September as Library Card Sign-Up Month.

Councilmember Dana-Bashian presented the proclamation to Kathy Freiheit, Director of Library Services, along with staff members Tonya Hartline and Laura Tschoerner.

5B. Proclamation recognizing the month of September as Blood Cancer Awareness Month.

Councilmember Dana-Bashian presented the proclamation.

5C. Presentation of a Proclamation to the Texas Amateur Athletic Federation Rowlett Rays Swim Team, United Sports Track Team and Rowlett Extreme Speed Track Team in recognition of the Texas Amateur Athletic Federation (TAAF) “Games of Texas” qualifiers.

Mayor Pro Tem Gallops presented the proclamations to the respective teams.

5D. Hear presentation of the Monthly Financial report for the period ending July 31, 2014.

Alan Guard, Chief Financial Officer, presented the report. He clarified that the surcharge for the ice event will be discontinued at the end of September.

5E. Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

Mayor Gottel announced the following: Upcoming City Council meetings: Tuesday, September 16th; Regular Meeting – City Hall Conference Room. No special Council Work Session for September 9th – Council conducting Board & Commission interviews on September 4th, 9th, and 11th. Upcoming Planning & Zoning Commission meetings will be Tuesday, September 9th & 23rd; 6pm in City Hall Conference Room. **NEW – MAYOR’S MONTHLY MESSAGE** - This month’s

edition answers Frequently Asked Questions about the upcoming Budget. WATER RESTRICTIONS – North Texas Municipal Water District is easing Stage 3 restrictions. Allow landscape watering once a week with sprinklers or irrigation systems. Through the end of October 2014. This will help to maintain the required chlorine residuals for water quality. REGISTER TO VOTE - Must be registered by Monday, October 6th to vote in November 4th General Election. Voter registration cards available at City Hall, Rowlett Public Library or online @ www.rowlett.com. ANIMAL SHELTER – Low-cost vaccine clinic Saturday, September 20th 1-4pm. Normal business hours at 4402 Industrial Street are Monday-Friday, 10am-5pm and Saturday, 10:30am-5pm. Upcoming events for Parks and Recreation: Movies on Main will start at approximately 6pm on Main Street downtown: September 5th (The Smurfs 2); September 12th (Free Birds); September 19th (Monsters University). Diversity Day – Saturday, October 4th, 12-4pm at RCC. Check out all the Fall programs at www.rowlett.com on the Parks Department page - - Camp Fear is back – October 24–25th!! Upcoming events at the Rowlett Public Library: September is LIBRARY CARD SIGN-UP MONTH!! Arts & Humanities Annual Photography Contest: 2014 Theme – “Rowlett Up Close!” Entries accepted at the Rowlett Library on Saturday, September 6th from 10am to noon. Will be on display through October 4th. More information at Rowlett.com on the Arts & Humanities page. Saturday Movie @ the Library, *The Pirates! Band of Misfits!* – September 6th, 2pm. Saturday, September 13th: Crafts starts @ 2pm and Will Planning starts @ 2pm. Talk Like a Pirate Day Program – Saturday, September 20th, 2pm. Check out all the fun at www.rowlett.com – Library – Programs.

Deputy Mayor Pro Tem Pankratz announced an informational meeting for Rowlett non-profits to learn more about the Community Development Block Grant (CDBG) program and how to be involved. The meeting will take place on October 16th from 6 – 8 p.m. at City Hall.

6. CITIZENS' INPUT

Susan Coyle Kirby, 5217 Miller Road, Rowlett; spoke in favor of relocating and preserving the Chamber of Commerce building.

7. CONSENT AGENDA

- 7A. Consider action to approve minutes from the August 14-15, 2014, City Council Special Work Session, and the August 19, 2014, City Council Meeting.

This item was approved on the Consent Agenda.

- 7B. Consider action to approve a resolution authorizing the City Manager to execute an amendment to a Subrecipient Grant Agreement with Life Message, Inc. as part of the Public Services portion of the City of Rowlett Community Development Block Grant (CDBG) for program year 2013-2014.

This item was approved as RES-073-14 on the Consent Agenda.

- 7C. Consider action to approve a resolution amending the City's Financial and Fiscal Policies.

This item was approved as RES-074-14 on the Consent Agenda.

- 7D. Consider action to approve a resolution awarding a bid for the purchase of Self-Contained Breathing Apparatus (SCBA) and accessories equipment to Hoyt Breathing Air Products in the

amount of \$397,658.06 for Rowlett Fire Rescue through the Interlocal Cooperative Purchasing Agreement with the City of Frisco.

This item was approved as RES-075-14 on the Consent Agenda.

- 7E.** Consider an ordinance amending the Fiscal Year 2013-14 Adopted Operating and Capital Improvements Program Budget.

This item was approved as ORD-030-14 on the Consent Agenda.

- 7F.** Consider action to approve a resolution authorizing Change Order #1 in the amount of \$116,000 to the existing Bureau Veritas North America, Inc. Agreement for planning review and building inspections services and authorizing the City Manager to execute the necessary documents for said change.

This item was approved as RES-076-14 on the Consent Agenda.

- 7G.** Consider action approving a resolution to accept the Texas Department of Transportation (TxDOT) Traffic Safety eGrant, Program Comprehensive Grant for FY2015.

This item was approved as RES-077-14 on the Consent Agenda.

A motion was made by Mayor Pro Tem Gallops, seconded by Councilmember Dana-Bashian, including all the preceding items marked as having been approved on the Consent Agenda. The motion carried with a unanimous vote of those members present.

8. ITEMS FOR INDIVIDUAL CONSIDERATION

- 8A.** Conduct a public hearing on the ad valorem tax rate for Fiscal Year 2014-2015.

Alan Guard, Chief Financial Officer, made a short presentation outlining the proposed tax rate.

The public hearing opened and closed with no speakers.

- 8B.** Conduct a public hearing (2nd) on the proposed budget for Fiscal Year 2014-2015.

Alan Guard, Chief Financial Officer, made a short presentation outlining the proposed budget.

The public hearing opened and closed with three speakers:

- 1) Joyce Bradley, 3306 Toler Road, Rowlett
- 2) Stanley Pollard, 3110 Sycamore, Rowlett
- 3) Zabrina Martinson, 4313 Pecan Grove, Rowlett

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

There was no action taken.

After a short break at 9:24 p.m., Council reconvened in the Executive Session at 9:35 p.m.

9. ADJOURNMENT

Mayor Gottel left the meeting at 10:30 p.m. There being no further business, Deputy Mayor Pro Tem Gallops adjourned the meeting at 10:57 p.m.



City of Rowlett

Work Session Minutes

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

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Thursday, September 4, 2014

5:30 P.M.

Municipal Building – 4000 Main Street

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Present: Mayor Pro Tem Gallops, Deputy Mayor Pro Tem Pankratz, Councilmember Dana-Bashian, Councilmember Sheffield and Councilmember van Bloemendaal

Absent: Mayor Gottel and Councilmember Bobbitt

1. CALL TO ORDER

Mayor Pro Tem Gallops called the meeting to order at 5:30 p.m.

2. WORK SESSION ITEM

2A. Conduct interviews of board and commission applicants.

Each applicant was introduced to the Council and spent approximately 15 minutes in the interview process. The following applicants were interviewed for possible appointment to the various boards and commissions: Janet Alvarez Gonzalez, Jim Katzenberger, Carole Dodd, Thomas Finney, Gary Alexander, Deborah Crosby, Michael Moreno, Robert Vickers, and Christe Cavaness.

3. ADJOURNMENT

Mayor Pro Tem Gallops adjourned the meeting at 7:55 p.m.



City of Rowlett

Special Meeting Minutes

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

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Tuesday, September 9, 2014

5:30 P.M.

Annex Building – 4004 Main Street

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Present: Mayor Gottel, Mayor Pro Tem Gallops, Deputy Mayor Pro Tem Pankratz, Councilmember Sheffield, Councilmember van Bloemendaal, Councilmember Dana-Bashian, and Councilmember Bobbitt

1. CALL TO ORDER

Mayor Gottel called the meeting to order at 5:45 p.m.

2. WORK SESSION ITEM

2A. Conduct interviews of board and commission applicants.

Each applicant was introduced to the Council and spent approximately 15 minutes in the interview process. The following applicants were interviewed for possible appointment to the various boards and commissions: Lisa Cain, Luigi Doronzo, Charles Gaugler, Tiffany Smith, Bruce Hargrave, Michael Rassmusen, E.C. Umberger III, and Zabrina Martinson.

Councilmembers discussed the various vacancies and the applicants they interviewed.

CONVENE INTO EXECUTIVE SESSION (8:00 P.M.)*

3. EXECUTIVE SESSION

3A. The City Council shall convene into Executive Session pursuant to the TEXAS GOVERNMENT CODE, §551.074 (Personnel) to discuss appointments to the Planning and Zoning Commission and Board of Adjustment.

Council convened in Executive Session at 7:52 p.m. Out at 8:15 p.m.

Continued discussion regarding the remaining vacancies.

Council reconvened in Executive Session at 8:40 p.m. Out at 8:55 p.m.

RECONVENE INTO OPEN SESSION

4. Discuss appointments to the various boards and commissions.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

No action was taken. Appointments will be considered at the September 16, 2014 Council Meeting.

5. **ADJOURNMENT**

Mayor Gottel adjourned the meeting at 9:02 p.m.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7B

TITLE

Consider action approving a resolution amending the Master Fee Schedule for rate and fee changes to the Animals, Businesses, Solid Waste, and Utilities Sections for Animal Fees, Food Service Permits, Residential and Commercial Solid Waste Collection Rates, and Water and Sewer Rates.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer

SUMMARY

On August 5, 2014, Brian Funderburk, City Manager submitted the proposed budget for Fiscal Year 2015. On August 14 and 15, 2014, the City Council held two Budget Work Sessions to review the proposed budget. The City Council also held two public hearings on August 19, 2014, and September 2, 2014, on the budget.

Within the recommended budget and during the budget work sessions, City Council was briefed on the various changes to the Master Fee schedule related to specific services. These specific recommendations are based on the recommended budget and additional minor revisions proposed by staff. Since the passage of Resolution Number RES-144-07, the Master Fee Schedule has been updated at various times throughout the years.

BACKGROUND INFORMATION

The City of Rowlett Master Fee Schedule provides a schedule of fees and rates for various city services. The schedule is updated each year as part of the City's annual budget process and as needed from time to time. Typically, the fee schedule is updated at budget time to reflect increases in water, sewer and refuse rates, and any other fees that need to be increased due to increases in the cost of the service or be more in line with the fees other cities charge. This is also an opportunity to update any fees due to changes in operations, ordinances or state law and perform any administrative "clean up" of the schedule.

DISCUSSION

There are two changes requested by staff in the proposed resolution, which are based on recommendations in the Fiscal Year 2015 Proposed Budget and include fees and charges for water, sewer and refuse rate, and two changes, which are administrative in nature and will not have a significant impact on the budget. These are discussed below.

WATER FEES

In the Utilities section, the following changes are requested for water fees:

Monthly Water Rate Charges:		
RES-144-07, RES-081-13	<1 inch	Current \$25.79, proposed \$27.96
RES-144-07, RES-081-13	1 inch	Current \$28.99, proposed \$31.16
RES-144-07, RES-081-13	1½ inch	Current \$35.35, proposed \$38.68
RES-144-07, RES-081-13	2 inch	Current \$43.21, proposed \$45.38
RES-144-07, RES-081-13	3 inch	Current \$62.14, proposed \$64.31
RES-144-07, RES-081-13	4 inch	Current \$70.63, proposed \$72.80
RES-144-07, RES-081-13	6 inch	Current \$108.06, proposed \$110.23
RES-144-07, RES-081-13	8 inch	Current \$125.07, proposed \$127.24
	Monthly Surcharge per Location	Proposed \$6.97

Water charges are projected to increase on a budgetary basis by approximately \$1,351,342 or 8.5 percent, which has been discussed at the budget workshops. The increase is necessary to cover a projected increase in water rates by North Texas Municipal Water District of 10.0 percent, from \$1.93 to \$2.14 per thousand gallons totaling \$670,328.

The Proposed rate change increases the average utility customer bill (assuming 10,000 gallons per month) by \$10.84 or 16.7 percent per month in FY2015. The model passes on the increase from NTMWD, and includes a temporary surcharge of \$6.97 per month in order to recoup revenue lost due to the Stage 3 water restrictions. This affects residential customers as shown in the chart below.

Water Residential Customers Only	Adopted FY2014	Proposed FY2015
Beginning Base Rate	\$22.30	\$22.30
Increase in Base Rate from NTMWD	\$3.49	\$5.66
Temporary Surcharge	n/a	\$6.97
New Base Rate	\$25.79	\$34.93
Volume Rate	\$3.90	\$4.07
Total Monthly Fee @ 10,000 gallons per month	\$64.79	\$75.63
Dollar change	n/a	\$10.84
Percent change	n/a	16.7%

The water surcharge will be eliminated when Stage 3 water restrictions are rescinded.

SEWER FEES

In the **Utilities** section, the following changes are requested for sewer fees:

Monthly Sewer Rate Charges:	
RES-144-07, RES-081-13	Monthly Base Customer Charge – Current \$16.80, proposed \$17.05 all meters
RES-144-07, RES-134-08, ORD-027-09, RES-076-10, RES-133-11, RES-081-13	Maximum residential bill (per month) Current \$60.70, proposed \$60.95

Sewer charges are projected to decrease on a budgetary basis by approximately \$277,425 or 2.6 percent due to a reduction in usage brought on by Stage 3 Water Restrictions and offset by a projected increase in sewer treatment services by the City of Garland from \$2.48 to \$2.55 per thousand gallons.

The Proposed rate increases the bill for the average utility customer (assuming 10,000 gallons per month) by \$0.25 or 0.4 percent per month in FY2015. The model passes on “only” the increase from the City of Garland and affects residential customers as shown in the chart:

Sewer Residential Customers Only	Adopted FY2014	Proposed FY2015
Beginning Base Rate	\$16.42	\$16.42
Increase in Base Rate from City of Garland	\$0.38	\$0.63
New Base Rate	\$16.80	\$17.05
Volume Rate	\$4.39	\$4.39
Total Monthly Fee @ 10,000 gallons per month	\$60.70	\$60.95
Dollar change	n/a	\$0.25
Percent change	n/a	0.4%

REFUSE FEES

In the **Solid Waste** section, the following changes are requested for refuse fees:

Residential Polycart:	
RES-144-07, RES-134-08, RES-110-09, RES-081-13	Residential, 1 cart Current \$15.49, proposed \$15.65 Each extra cart Current \$7.64, proposed \$7.72
Commercial Polycart:	
RES-144-07, RES-134-08, RES-110-09, RES-081-13	Once a week Current \$28.00, proposed \$28.28 Twice a week Current \$55.99, proposed \$56.57 Each extra cart Current \$20.16, proposed \$20.37
Other Commercial Containers – prices vary based on size and number of pickups per week	

Revenue in the Refuse Fund is projected to be \$4,699,097 in FY2015, which is an increase of \$48,118 or one percent compared to the Amended Budget for FY2014 of \$4,650,979. The City received \$4,684,030 in FY2013 and expects to receive \$4,963,380 in FY2014. The main reason for the increase in FY2014 is due to a surcharge the City had to initiate in May to collect additional revenue to pay for unanticipated expenses related to the community-wide cleanup following the December 2013 ice storm. The primary reason for the increase in FY2015 is due to a request for an increase from Waste Management tied to consumer price index (CPI) as defined in the contract. The CPI for the FY2015 rate increase is 1.04 percent.

ANIMAL FEES

The Animal Control Division of the Police Department recommends deleting the fee for euthanasia since this service is no longer provided by the City.

BUSINESSES

Environmental Services recommends that a new fee be included for food service establishments with more than 5000 square feet. The proposed fee is \$400. This is \$200 more than the current fee and it is recommended due to the additional inspections time required to cover the size of the space. In addition, staff recommends that the late fee for a food service permit include an additional \$25 for each fraction of 30 days that the applicant is late in acquiring the permit. At this time an applicant can be late one day or three months and the late fee is just \$25. This will be an incentive for food service establishment to be timely in getting their permits renewed.

In regards to the peddlers and solicitors permit, staff recommends that there be an additional \$5 charge for each added employee beyond the applicant and that there be created a \$3 charge for the replacement of a lost card.

FINANCIAL/BUDGET IMPLICATIONS

The anticipated collection of the fees, as proposed, was submitted as revenue in the proposed Fiscal Year 2015 budget. The proposed rates will go into effect on October 1, 2014. The proposed resolution will change the annual operating revenues by the following:

Fee	Annual Revenue
Utilities: Water rates Sewer rates	(Net Revenue) \$1,073,917
Solid Waste: Refuse fees	48,118
Animals: Delete Euthanasia Fee	0
Businesses Food Permit and Peddler Fees	2,000
Total Annual Net Revenues	\$1,124,035

RECOMMENDED ACTION

Approve the resolution amending the Master Fee Schedule for rate and fee changes to the Animals, Businesses, Solid Waste, and Utilities Sections for Animal Fees, Food Service Permits, Residential and Commercial Solid Waste Collection Rates, and Water and Sewer Rates.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AMENDING THE MASTER FEE SCHEDULE FOR THE CITY OF ROWLETT TO AMEND THE FEES SET FORTH IN THE ANIMALS, BUSINESSES, SOLID WASTE, AND UTILITIES SECTIONS OF THE MASTER FEE SCHEDULE; PROVIDING THAT OTHER FEES NOT LISTED BUT NOW CHARGED PURSUANT TO OTHER ORDINANCES AND RESOLUTIONS SHALL REMAIN IN EFFECT UNTIL TRANSFERRED TO THE MASTER FEE SCHEDULE BY AMENDMENT; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Rowlett has heretofore adopted a Master Fee Schedule for the purpose of setting forth the comprehensive fees assessed and collected by the City for a range of applications, permits, licenses, services and activities; and

WHEREAS, the City Council desires to amend the said Fee Schedule to revise or add existing or new fees and does so by this Resolution; and

WHEREAS, in the event there is a conflict between a fee listed in the Master Fee Schedule and the provisions of any other City ordinance or resolution, the provisions of the Master Fee Schedule shall prevail; and

WHEREAS, although the purpose of this resolution is to amend the Master Fee Schedule, this resolution is not intended to amend, abolish or change any fee heretofore established that is not listed in the Master Fee Schedule.

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

Section 1: That from and after the effective date of this Resolution the fees and charges set out in the Master Fee Schedule attached hereto as Exhibit "A" shall be collected on behalf of the City for the Animals, Businesses, Solid Waste, and the Utilities Sections, as shown in Exhibit "A". Other sections, fees or charges not referenced in Exhibit "A" shall remain unaffected by this Resolution.

Section 2: That in the event of a conflict between a fee set out in the Master Fee Schedule and the provisions of any other city ordinance or resolution, the provisions of the Master Fee Schedule shall prevail; however, this resolution shall not amend, abolish or change any fee heretofore established that is not listed in the Master Fee Schedule and such fees shall continue in effect for all purposes

until amended by ordinance or resolution or transferred to the Master Fee Schedule.

Section 3: That all provisions of the ordinances and resolutions of the City of Rowlett in conflict with the provisions of this resolution be and the same are hereby repealed and all other provisions of the ordinances and resolutions of the City of Rowlett not in conflict with the provisions hereof shall remain in full force and effect.

Section 4: That if any section, sentence, clause, or phrase of this resolution is for any reason held to be unconstitutional or otherwise invalid or unenforceable by a court of competent jurisdiction, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this resolution, it being the legislative intent that the provisions of this resolution are severable and that the resolution shall continue in effect notwithstanding the invalidity of such section, sentence, clause, or phrase.

Section 5: That the fees provided for in Section 1 of this Resolution relative to the various proposed rates and fees shall become effective on the 1st day of October 2014.

ATTACHMENT

Exhibit A – Master Fee Schedule pages with proposed changes

EXHIBIT A
ANIMALS

Applicable Code, Ordinance or Resolution	Description	Amount
RES-144-07	Euthanasia	\$20.00

BUSINESSES

Applicable Code, Ordinance or Resolution	Description	Amount
	Food service establishments:	
	<u>Food service permit, regular, more than 5,000 square feet</u>	<u>\$400.00</u>
RES-144-07	Food service permit, late fee, <u>per each fraction of 30 days</u>	\$25.00
	<u>Peddlers and solicitors permit fee, each additional beyond original applicant</u>	<u>\$5.00</u>
	<u>Replacement Card – Peddlers and solicitors</u>	<u>\$3.00</u>

SOLID WASTE

Applicable Code, Ordinance or Resolution	Description	Amount
	Residential solid waste collection fees:	
RES-090-12; RES-081-13	First 96-gallon polycart	\$15.49 <u>\$15.65</u>
RES-090-12; RES-081-13	Each extra cart	\$7.64 <u>\$7.72</u>
<u>RES-026-14</u>	<u>FY2014 Storm Cleanup Surcharge (Effective 05-01-2014 to 09-30-2014)</u>	<u>\$3.02</u>
	Rate schedule for service to commercial and industrial units using a roll-off box type container:	
	Rate for collection of refuse, other than container, furnished by the contractor:	
	Polycart (commercial):	
RES-090-12; RES-081-13	Once a week	\$28.00 <u>\$28.28</u>
RES-090-12; RES-081-13	Each additional polycart	\$20.16 <u>\$20.37</u>
RES-090-12; RES-081-13	Twice per week	\$56.57

EXHIBIT A

~~FY2014 Storm Cleanup Surcharge (Effective 05-01-2014 to 09-30-2014)~~ \$3.02

	Container Size	Number of Pickups Per Week					
		1X	2X	3X	4X	5X	6X
RES-090-12; RES-081-13	2 Yard	\$73.58 <u>\$74.39</u>	\$141.15 <u>\$142.63</u>	\$208.70 <u>\$210.88</u>	\$276.26 <u>\$279.16</u>	\$343.77 <u>\$347.40</u>	\$411.39 <u>\$415.73</u>
RES-090-12; RES-081-13	3 Yard	\$80.95 <u>\$81.81</u>	\$155.89 <u>\$157.53</u>	\$230.85 <u>\$233.27</u>	\$305.79 <u>\$309.01</u>	\$380.74 <u>\$384.74</u>	\$455.70 <u>\$460.50</u>
RES-090-12; RES-081-13	4 Yard	\$91.06 <u>\$92.02</u>	\$175.42 <u>\$177.27</u>	\$259.78 <u>\$262.51</u>	\$414.32 <u>\$418.69</u>	\$428.51 <u>\$433.02</u>	\$468.06 <u>\$472.99</u>
RES-090-12; RES-081-13	6 Yard	\$112.18 <u>\$113.36</u>	\$215.35 <u>\$217.62</u>	\$318.55 <u>\$321.89</u>	\$421.73 <u>\$426.18</u>	\$524.94 <u>\$530.44</u>	\$628.11 <u>\$634.70</u>
RES-090-12; RES-081-13	8 Yard	\$132.06 <u>\$133.45</u>	\$254.09 <u>\$256.75</u>	\$376.10 <u>\$380.05</u>	\$498.11 <u>\$503.35</u>	\$620.12 <u>\$626.42</u>	\$742.13 <u>\$749.83</u>
RES-090-12; RES-081-13	Extra Pickup 2 Yard	\$35.47 <u>\$35.84</u>					
RES-090-12; RES-081-13	Extra Pickup 3 Yard	\$50.39 <u>\$50.91</u>					
RES-090-12; RES-081-13	Extra Pickup 4 Yard	\$65.33 <u>\$66.02</u>					
RES-090-12; RES-081-13	Extra Pickup 5 Yard	\$83.99 <u>\$84.86</u>					
RES-090-12; RES-081-13	Extra Pickup 6 Yard	\$102.66 <u>\$103.74</u>					

EXHIBIT A

	Commercial Recycle	Number of Pickups Per Week		
		1X	2X	
		RES-090-12; RES-081-13	6 Yard	
RES-090-12; RES-081-13	8 Yard	\$100.78 <u>\$102.02</u>	\$106.38 <u>\$107.70</u>	
RES-090-12; RES-081-13	Lock			\$11.20 <u>\$11.32</u>
RES-090-12; RES-081-13	Casters			\$39.19 <u>\$39.61</u>
	Roll-Off Containers (Billed Separately by Contractor)	Per Unit		
RES-090-12; RES-081-13	20 Yard	\$419.92		
RES-090-12; RES-081-13	30 Yard	\$494.95		
RES-090-12; RES-081-13	40 Yard	\$554.30		
RES-090-12; RES-081-13	Delivery & Exchange	\$83.99		
RES-090-12; RES-081-13	Daily Container Rental	\$3.36		
	Vertical Compactors (Billed Separately by Contractor — rental and installation to be negotiated on an individual basis with customer)	Per Unit		
RES-090-12; RES-081-13	15 Yard	\$505.02		
RES-090-12; RES-081-13	30 Yard	\$554.30		

EXHIBIT A

RES-090-12; RES-081-13	35 Yard	\$554.30
	Stationary Compactors (Billed Separately by Contractor — rental and installation to be negotiated on an individual basis with customer)	Per Unit
RES-090-12; RES-081-13	2-6 Yard	\$554.30

UTILITIES

Applicable Code, Ordinance or Resolution	Description	Amount			
	Fees for connection and/or repair/replacement to water system:				
		Cost of New Touch	One Time \$25.00		
	Size	Read Meters	Cost of Coupling	Installation Fee	Total Cost
RES-171-07, RES-134-08, RES-004-10, RES-043-11	¾-inch	\$128.48	\$6.00	\$25.00	\$159.48
RES-171-07, RES-134-08, RES-004-10, RES-043-11	1-inch	\$199.10	\$9.25	\$25.00	\$233.35
RES-171-07, RES-134-08, RES-004-10, RES-043-11	1½-inch	\$435.06	\$26.75	\$25.00	\$486.81
RES-171-07, RES-134-08, RES-004-10, RES-043-11	2-inch	\$610.10	\$27.75	\$25.00	\$662.85
RES-171-07, RES-134-08, RES-004-10, RES-043-11	M.X.U.	\$127.00		\$25.00	\$152.00
	Monthly water rate charges:				
RES-144-07, RES-090-12; RES-081-13	<1 inch			\$25.79	<u>\$27.96</u>
RES-144-07, RES-090-12; RES-081-13	1 inch			\$28.99	<u>\$31.16</u>
RES-144-07, RES-090-12; RES-081-13	1½ inch			\$35.35	<u>\$38.68</u>

EXHIBIT A

RES-144-07, RES-090-12; RES-081-13	2 inch	\$43.21 <u>\$45.38</u>
RES-144-07, RES-090-12; RES-081-13	3 inch	\$62.14 <u>\$64.31</u>
RES-144-07, RES-090-12; RES-081-13	4 inch	\$70.63 <u>\$72.80</u>
RES-144-07, RES-090-12; RES-081-13	6 inch	\$108.06 <u>\$110.23</u>
RES-144-07, RES-090-12; RES-081-13	8 inch	\$125.07 <u>\$127.24</u>
Volume charges per month for all consumption:		
RES-144-07, RES-134-08, ORD-027-09, RES-076-10, RES-133-11	Volume charges per month per 1,000 gallons (0-25,000 gallons)	\$3.90 <u>\$4.07</u>
RES-144-07, RES-134-08, ORD-027-09, RES-076-10, RES-133-11	Volume charges per month per 1,000 gallons (above 25,000 gallons)	\$4.40 <u>\$4.57</u>
Monthly sewer rate charges:		
RES-144-07, RES-090-12; RES-081-13	Monthly Base customer charge - all meters	\$16.80 <u>\$17.05</u>
RES-144-07, RES-134-08, ORD-027-09, RES-076-10, RES-133-11, RES-090-12	Volume charge per month per 1,000 gallons (10,000 gallon per month limit for residential customers)	\$4.39
RES-144-07, RES-134-08, ORD-027-09, RES-076-10, RES-133-11, RES-090-12	Maximum residential bill (per month)	\$60.70 <u>\$60.95</u>



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7C

TITLE

Consider action to approve a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$377,148.75, utilizing an interest rate of two percent (2%) for the five year lease-purchase financing of two Horton Model 603, Type I Dodge Ambulances for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer
Allyson Wilson, Purchasing Agent

SUMMARY

The purpose of this item is to provide five year lease-purchase financing of two Horton Model 603, Type I Dodge Ambulances for Fire Rescue.

BACKGROUND INFORMATION

On May 20, 2014, the City Council approved Resolution 038-14 for the purchase two 2015 Dodge Ram 4500 Diesel Ambulances from Horton Emergency Vehicles in the amount of \$180,971 each, for a grand total of \$361,942 through the Interlocal Cooperative Purchasing agreement with Houston-Galveston Area Council (H-GAC).

DISCUSSION

Pursuant to approval, the Purchasing Division proceeded with processing competitive sealed bids for the five year lease-purchase financing on the two ambulances.

Notice to bidders for the five year lease-purchase financing was advertised in the *Rowlett Lakeshore Times* on August 14 and 21, 2014. The bid documents were also placed on the City website. Sealed bids were received in the Purchasing Office until 2:00 p.m., September 2, 2014, and then publicly opened and read aloud in the City Council Conference Room in accordance with Texas Local Government Code.

A single bid was received from Pinnacle Public Finance, Incorporated in the amount of \$377,148.75, utilizing an interest rate of two percent (2%) for the five year lease-purchase financing of two Horton Model 603, Type I Dodge Ambulances for Fire Rescue. The annual payment is \$75,429.75, which will be due beginning October 31, 2014, and on the same month and day for each subsequent year thereafter.

The City of Rowlett has not conducted business previously with Pinnacle Public Finance, Incorporated. Pinnacle Public Finance, Incorporated was previously Koch Financial, with whom the City of Rowlett has conducted business in the past for lease-purchase financing transactions. Modifications will be made to the agreement for this transaction that are acceptable to and approved by City Attorney David Berman.

The cost of the financing is \$15,206.75 for the five year term of the lease.

FINANCIAL/BUDGET IMPLICATIONS

The FY2015 budget includes \$80,852 for the first year lease payment. This is sufficient to fully cover this expenditure. Staff originally estimated the annual payment for five years to be \$77,612 based on a total cost of \$359,942 (for two Horton ambulances) and a 3 percent interest rate. The actual interest rate came in at 2 percent, reducing the annual payment to \$75,429.75.

The annual payment will be due beginning October 31, 2014, and on the same month and day for each subsequent year thereafter.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Actual Amount
101-3016-440-7405	Purchased Services – Contractual Lease Payments	\$80,852	\$75,429.75
Total		\$80,852	\$75,429.75

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$377,148.75, utilizing an interest rate of two percent (2%) for the five year lease-purchase financing of two Horton Model 603, Type I Dodge Ambulances for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE BID OF AND AWARDING A CONTRACT TO PINNACLE PUBLIC FINANCE, INCORPORATED IN THE AMOUNT OF \$377,148.75 UTILIZING AN INTEREST RATE OF 2 PERCENT FOR THE FIVE YEAR LEASE-PURCHASE FINANCING OF TWO HORTON TYPE I DODGE AMBULANCES FOR FIRE RESCUE; AUTHORIZING THE CITY MANAGER, AFTER CITY ATTORNEY APPROVAL, TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID PURCHASE AND THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to lease-purchase finance two Horton model 603 Type I Dodge ambulances which were approved by Resolution 038-14 on May 20, 2014; and

WHEREAS, the Purchasing Division has obtained competitive bids and recommends the bid award for five year lease-purchase financing of the two ambulances to Pinnacle Public Finance, Incorporated, who is the single bidder meeting specifications as per Bid # 2014-61; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to award the bid to Pinnacle Public Finance, Incorporated in the amount of \$377,148.75 utilizing an interest rate of 2 percent and annual payments of \$75,429.75 for years one through five.

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

Section 1: That the City Council of the City of Rowlett does hereby accept the bid of and award a contract to Pinnacle Public Finance, Incorporated for five year lease-purchase financing in the amount of \$377,148.75 utilizing an interest rate of two percent (2%) for the purchase of two Horton model 603 Type I Dodge ambulances.

Section 2: That the City Council of the City of Rowlett does hereby authorize the City Manager, after City Attorney approval, to execute the necessary documents for said purchase, and to issue purchase orders, to conform to this resolution as appropriate thereto.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENTS

Exhibit A – Bid Tabulation

Exhibit B – Sample

Bid #2014-61 – 5 Year Lease Purchase Financing of Two Type I, Horton Model 603, Type I Dodge Ambulances - Bid Tabulation
4004 Main St., Rowlett, TX 75088
Purchasing Phone - 972/412-6189 - Fax 972/412-6144
9/2/2014

			Pinnacle Public Finance, Inc.		
			8377 E Harford Dr, Suite 115		
			Scottsdale, Arizona 85255		
			Blair Swain		
			bswain@ppf-inc.com		
			480 419 3634		
		Amortization schedule?	Yes		
		Sample lease agreement?	Yes		
ITEM					
NO.	QTY	DESCRIPTION			
1.	1 Ea	Finance \$361,942.00 for 5 years First payment due 10/31/2014			
		Effective Interest Rate:	2%		
		Payment Factor:	.208403		
		Annual Payment:	\$75,429.75		
		Other costs:	N/A		
		Describe other costs:	N/A		
		TOTAL 5 YEAR COST	\$377,148.75		
		Cost of financing:	\$ 15,206.75		

MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

This Master Equipment Lease Purchase Agreement dated as of Master Date ("Agreement") and entered into between Pinnacle Public Finance, Inc., a Delaware corporation ("Lessor"), and Sample Lessee, a body corporate and politic existing under the laws of the State of Sample State ("Lessee").

1. Agreement. Lessee agrees to lease from Lessor certain "Equipment" as described in each Equipment Schedule (Exhibit A), which together with a Rental Payment Schedule (Exhibit A-1) constitute a "Schedule", subject to the terms and conditions of and for the purposes set forth in each Lease. Items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein. Each Schedule and the terms and provisions of this Agreement (which includes all exhibits hereto, together with any amendments and modifications pursuant thereto) which are incorporated by reference into such Schedule shall constitute a separate and independent lease and installment purchase of the Equipment therein described and are referred to herein as a "Lease".

2. Term. The "Commencement Date" for each Lease is the date when interest commences to accrue under such Lease which date shall be the earlier of (i) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 11, or (ii) the date on which sufficient monies to purchase the Equipment listed in such Lease are deposited for that purpose with an escrow agent, or (iii) the date sufficient monies are set aside for acquisition of Equipment as evidenced in Exhibit D, if applicable. The "Lease Term" for each Lease means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated. The "Original Term" means the period from the Commencement Date for each Lease until the end of Lessee's fiscal year or biennium (as the case may be) (the "Fiscal Period") in effect at such Commencement Date. The "Renewal Term" for each Lease is each term having a duration that is coextensive with the Fiscal Period.

3. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows: (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority under the constitution and laws of the state where the Lessee is located ("State") to enter into this Agreement and each Lease and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Lease; (b) Lessee has duly authorized the execution and delivery of this Agreement and each Lease by proper action of its governing body at a meeting duly called and held in accordance with State law, or by other appropriate official approval, and all requirements have been met and procedures have occurred to ensure the validity and enforceability of this Agreement and each Lease; (c) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic; (d) Lessee has complied with such public bidding requirements as may be applicable to this

Agreement and each Lease and the acquisition by Lessee of the Equipment as provided in each Lease; (e) during the Lease Term, the Equipment will be used by Lessee solely and exclusively for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority; (f) Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period, and such other financial information relating to the ability of Lessee to continue each Lease as may be requested by Lessor; and (g) Lessee has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule.

4. Tax and Arbitrage Representations. Lessee hereby represents as follows: (a) the estimated total costs of the Equipment listed in each Schedule will not be less than the total principal portion of the Rental Payments listed in such Rental Payment Schedule; (b) the Equipment listed in each Schedule has been ordered or is expected to be ordered within 6 months of the Commencement Date, and all amounts deposited in escrow to pay for the Equipment, and interest earnings, will be expended on costs of the Equipment and the financing within 3 years of Commencement Date; (c) no proceeds of any Lease will be used to reimburse Lessee for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance; (d) Lessee has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments; (e) the Equipment listed in each Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in part, prior to the last maturity of Rental Payments; (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation; and (g) Lessee intends that each Lease not constitute a "true" lease for federal income tax purposes.

5. Lease of Equipment. Upon the execution of each Lease, Lessor demises, leases, transfers, and lets to Lessee, and Lessee acquires, rents, leases and hires from Lessor, the Equipment in accordance with the terms thereof. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term the Lease Term shall be automatically extended upon the successive

appropriation by Lessee's governing body of amounts sufficient to pay Rental Payments and other amounts payable under the related Lease during the next succeeding Fiscal Period until all Rental Payments payable under such Lease have been paid in full, unless Lessee shall have terminated such Lease pursuant to Section 7 or Section 22. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease.

6. Continuation of Lease Term. Lessee currently intends, subject to Section 7, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the maximum Lease Term of each Lease can be obtained. Lessee currently intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the applicable Schedule for any Renewal Term is within the discretion of the governing body of Lessee.

7. Nonappropriation. Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made from funds budgeted and appropriated for that purpose. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 30 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment to Lessor at the location(s) to be specified by Lessor.

8. Conditions to Lessor's Performance. This Agreement is not a commitment by Lessor to enter into any Lease not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion. Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Lessee understands that Lessor requires certain documentation and information necessary to enter into any Lease and Lessee agrees to provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

9. Rental Payments. Lessee shall promptly pay "Rental Payments" as described in Exhibit A-1 to each Lease, exclusively from legally available funds, to Lessor on the dates and in such amounts as provided in each Lease. Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum rate permitted by law, whichever is less, from such date until paid. Rental Payments consist of principal and interest portions. *Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein or in a Lease constitute a pledge of the general tax revenues, funds or monies of Lessee.*

10. RENTAL PAYMENTS TO BE UNCONDITIONAL. EXCEPT AS PROVIDED IN SECTION 7, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

11. Delivery; Installation; Acceptance. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in each Lease and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Lease has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate (Exhibit B). Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term.

12. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Lease on which such item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

13. Use; Maintenance. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good

repair and working order. Lessee will enter into a maintenance contract for the Equipment that is acceptable to Lessor.

14. Title. Upon acceptance of the Equipment under a Lease by Lessee, title to the Equipment shall vest in Lessee subject to Lessor's rights under the Lease; provided that title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor, upon (a) any termination of the applicable Lease other than termination pursuant to Section 22 or (b) the occurrence of an Event of Default. Transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

15. Security Interest. To secure the payment of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee grants to Lessor a security interest constituting a first and exclusive lien on the Equipment applicable to such Lease and on all proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated.

16. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by each Lease. The parties to this Agreement contemplate that the Equipment will be used for governmental or proprietary purposes of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due.

17. Insurance. At its own expense, Lessee shall during each Lease Term maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor, in an amount at least equal to the then applicable "Purchase Price" of the Equipment as described in Exhibit A-1 of each Lease; (b) liability insurance that protects Lessee from liability in all events in form and amount satisfactory to Lessor; and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b). Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout each Lease Term. Lessee shall not materially modify or cancel such insurance or self-insurance coverage without first giving written notice thereof to Lessor at least 10 days in advance of such cancellation or modification. All such insurance

described in clauses (a) and (b) above shall contain a provision naming Lessor as a loss payee and additional insured.

18. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee agrees to pay such amounts so advanced by Lessor with interest thereon from the advance date until paid at the rate of 12% per annum or the maximum rate permitted by law, whichever is less.

19. Damage, Destruction and Condemnation. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment to substantially the same condition as existed prior to the event causing such damage, destruction, or condemnation, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 22. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

For purposes of this Section, the term "Net Proceeds" shall mean (y) the amount of insurance proceeds received by Lessee for replacing, repairing, restoring, modifying, or improving damaged or destroyed Equipment, or (z) the amount remaining from the gross proceeds of any condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to herein, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pursuant to Section 22 purchase Lessor's interest in the Equipment and in any other Equipment listed in the same Lease. The amount of the Net Proceeds, if any, remaining after completing such replacement, repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment and such other Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 9.

20. DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO WHETHER EXPRESS OR IMPLIED, AND LESSEE ACCEPTS SUCH EQUIPMENT AS IS AND WITH ALL FAULTS. IN NO EVENT SHALL LESSOR BE

LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF ANY LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN ANY LEASE.

21. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee as its agent and attorney-in-fact during each Lease Term, so long as Lessee shall not be in default under the related Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. The term "Vendor" means any supplier or manufacturer of the Equipment as well as the agents or dealers of the manufacturer or supplier from whom Lessor purchased or is purchasing such Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights or obligations of Lessor with respect to any Lease, including the right to receive full and timely payments under a Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by Vendor of the Equipment.

22. Purchase Option. Lessee shall have the option to purchase Lessor's interest in all of the Equipment listed in any Lease, upon giving written notice to Lessor at least 60 days before the date of purchase, at the following times and upon the following terms: (a) on the Rental Payment dates specified in each Lease, upon payment in full of the Rental Payments then due under such Lease plus the then applicable Purchase Price as referenced in Exhibit A-1; or (b) in the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee's notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments then due under such Lease plus the then applicable Purchase Price plus accrued interest from the immediately preceding Rental Payment date to such purchase date.

23. Assignment. Lessor's right, title and interest in and to each Lease, including Rental Payments and any other amounts payable by Lessee thereunder and all proceeds therefrom, may be assigned and reassigned to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any such assignment shall not be effective until (a) Lessee has received written notice, signed by the assignor, of the name and address of the assignee, and (b) it is registered on the registration books. Lessee shall retain all such notices as a register of all assignees in compliance with Section 149(a) of the Code, and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents that may be reasonably requested by Lessor or any assignee to protect its interests and property assigned pursuant to this Section. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or Vendor. Assignments may include without limitation assignment of all of Lessor's security interest in and to the

Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment. Lessee hereby agrees that Lessor may, without notice to Lessee, sell, dispose of, or assign this Agreement or any particular Lease or Leases through a pool, trust, limited partnership, or other similar entity, whereby one or more interests are created in this Agreement or in a Lease or Leases, or in the Equipment listed in or the Rental Payments under a particular Lease or Leases.

None of Lessee's right, title and interest in, to and under any Lease or any portion of the Equipment listed in each Lease may be assigned, subleased, or encumbered by Lessee for any reason without obtaining prior written consent of Lessor.

24. Events of Default. Any of the following events shall constitute an "Event of Default" under a Lease: (a) failure by Lessee to pay any Rental Payment or other payment required to be paid under a Lease at the time specified therein; (b) failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor; (c) any statement, representation or warranty made by Lessee in or pursuant to any Lease shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, or (d) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar official is appointed for Lessee or any of its property.

25. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) by written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to such Lease and other amounts payable by Lessee under such Lease to the end of the then current Original Term or Renewal Term to be immediately due and payable; (b) with or without terminating the Lease Term under such Lease, Lessor may enter the premises where the Equipment listed in such Lease is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to such Lease and other amounts related to such Lease of the Equipment listed therein that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under such Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 7 hereof. The exercise of any such remedies in respect of any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease or the Equipment listed therein; and (c) Lessor may take whatever

action at law or in equity may appear necessary or desirable to enforce its rights under such Lease or as a secured party in any or all of the Equipment. Any net proceeds from the exercise of any remedy under a Lease (after deducting all costs and expenses referenced in the Section) shall be applied as follows: (i) if such remedy is exercised solely with respect to a single Lease, Equipment listed in such Lease or rights thereunder, then to amounts due pursuant to such Lease and other amounts related to such Lease or such Equipment; or (ii) if such remedy is exercised with respect to more than one Lease, Equipment listed in more than one Lease or rights under more than one Lease, then to amounts due pursuant to such Leases pro-rata.

26. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease now or hereafter existing at law or in equity.

27. Notices. All notices or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses listed below (or at such other address as either party hereto shall designate in writing to the other for notices to such party), or to any assignee at its address as it appears on the registration books maintained by Lessee.

28. Release and Indemnification. To the extent permitted by State law, and subject to Section 7, Lessee shall indemnify, release, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, attorney's fees and expenses, penalties connected therewith imposed on interest received) arising out of or as result of (a) entering into any Lease, (b) the ownership of any

item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant or any material representation contained in a Lease. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under all Leases or the termination of the Lease Term under all Leases for any reason.

29. Miscellaneous Provisions. Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. References herein to "Lessor" shall be deemed to include each of its assignees and subsequent assignees from and after the effective date of each assignment as permitted by Section 23. In the event any provision of any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof. Each Lease may be amended by mutual written consent of Lessor and Lessee. Each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease. This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

(LESSOR)
Pinnacle Public Finance, Inc
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

(LESSEE)
Sample Lessee
Sample Address
City, State Zip

Signature: _____

Signature: _____

Name/Title: _____

Name/Title: _____

Date: _____

Date: _____

EXHIBIT A

SCHEDULE OF PROPERTY NO. 1

RE: MASTER EQUIPMENT LEASE PURCHASE AGREEMENT entered into as of Master Date, ("Agreement"), between Pinnacle Public Finance, Inc. ("Lessor") and Sample Lessee ("Lessee"). All terms used and not otherwise defined herein have the meanings ascribed to them in the Agreement.

The following items of Equipment are hereby included under this Schedule to the Agreement.

To the extent that less than all of the Equipment subject to this Schedule has been installed and accepted by Lessee on or prior to the date hereof, Lessee hereby acknowledges that a portion of the Equipment has not been delivered, installed and accepted by Lessee for purposes of this Lease and Lessor hereby commits to provide funds in an amount sufficient to pay the costs to acquire and install the Equipment. In consideration of the foregoing, Lessee hereby acknowledges and agrees that its obligation to make Rental Payments as set forth in this Schedule is absolute and unconditional as of the date hereof and on each date and in the amounts as set forth in the Rental Payment Schedule, subject to the terms and conditions of the Lease.

Ninety five percent of the financing costs are being used to acquire assets that will be capitalized.

<u>DESCRIPTION OF EQUIPMENT</u>			
<u>Quantity</u>	<u>Description</u>	<u>Model No.</u>	<u>Serial No.</u>

Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the Commencement Date of Rental Payments under this Schedule. The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

Dated: Sample Date

Lessor: Pinnacle Public Finance, Inc.

Lessee: Sample Lessee

Signature: _____

Signature: _____

Name/Title: _____

Name/Title: _____

Date: _____

Date: _____

EXHIBIT A-1

RENTAL PAYMENT SCHEDULE

RE: Schedule of Property No. ____ dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
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SAMPLE

COMMENCEMENT DATE: Sample Date

Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

EXHIBIT B

PLEASE COMPLETE EITHER FINAL OR PARTIAL ACCEPTANCE, AS RELEVANT

FINAL ACCEPTANCE CERTIFICATE

Re: Schedule of Property No. 1 dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

In accordance with the Master Equipment Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

- (1) All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has been delivered, installed and accepted on the date hereof.
- (2) Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Lessee is currently maintaining the insurance coverage required by Section 17 of the Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

LESSEE
 Sample Lessee
 Signature: _____
 Name/Title: _____
 Acceptance Date: _____

> OR <

PAYMENT REQUEST and PARTIAL ACCEPTANCE CERTIFICATE

Pinnacle Public Finance, Inc. is hereby requested to pay the person or entity designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment and has not formed the basis of any prior request for payment. The equipment described below is part or all of the "Equipment" listed in Exhibit A to the Master Equipment Lease Purchase Agreement referenced above.

<u>Quantity</u>	<u>Serial Number/Description</u>	<u>Amount</u>
-----------------	----------------------------------	---------------

Payee: _____

Payee's Federal ID Number: _____

Lessee hereby certifies and represents to and agrees with Lessor as follows: (i) the equipment described above has been delivered, installed and accepted on the date hereof; (ii) Lessee has conducted such inspection and/or testing of said equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said equipment for all purposes; (iii) Lessee is currently maintaining the insurance coverage required by Section 17 of the Agreement; (iv) no event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.

Dated: _____

LESSEE
 Sample Lessee
 Signature: _____
 Name/Title: _____

PLEASE RETURN PAYMENT REQUEST TO:

Pinnacle Public Finance, Inc.
 8377 East Hartford Drive, Suite 115
 Scottsdale, AZ 85255

PLEASE
FORWARD
TO
ATTORNEY

Attorney for Sample Lessee, as Lessee

Re: Exhibit C, Opinion of Counsel, to Schedule of Property No. 1, dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

To Whom It May Concern:

Attached is our standard Opinion of Counsel. Please review the representations and qualifications, print the letter on your firm letterhead, and execute. Please return either directly to us at 8377 East Hartford Drive, Suite 115, Scottsdale, Arizona 85265 or to the Lessee for delivery to us. If you cannot sign this letter in its current form, please contact Cathy Jimenez at 480-585-3789 to discuss any changes prior to making them. Please keep any requested changes to a minimum. Our receipt of an opinion that does not meet our requirements will slow down the funding process. We will not be able to fund the transaction contemplated by the above documents without the representations contained in the attached opinion letter.

Thank you for your prompt attention to this matter. We look forward to completing this transaction.

Sincerely,

Investment Associate

Enclosures

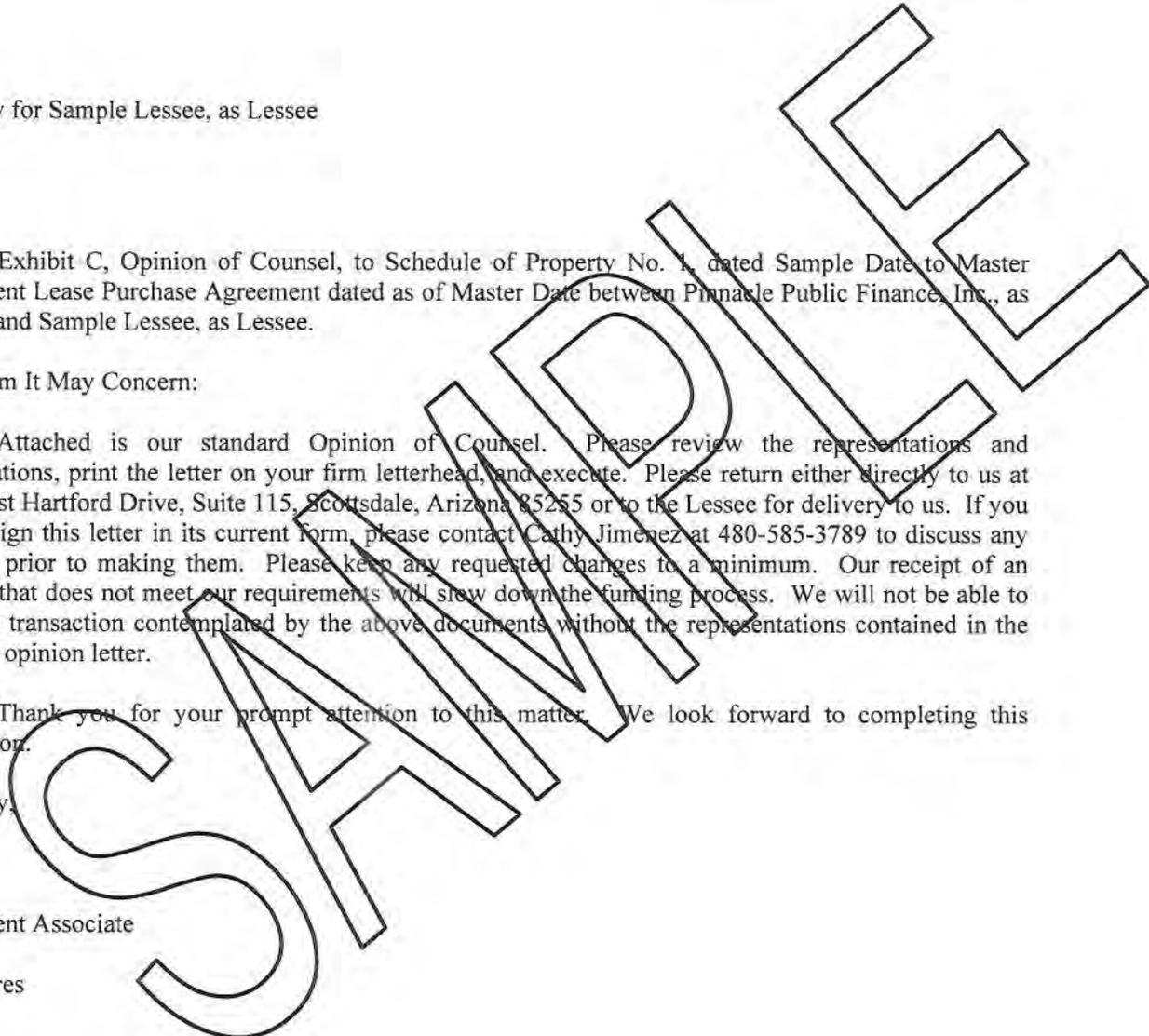


EXHIBIT C

(To be put on Attorney's Letterhead)

Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

Re: Schedule of Property No. 1, dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

Ladies and Gentlemen:

As legal counsel to Sample Lessee, (the "Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement dated as of Master Date and Exhibits thereto by and between Pinnacle Public Finance, Inc. (the "Lessor") and Sample Lessee, (the "Agreement") and an executed counterpart of Schedule of Property No. 1 dated Sample Date by and between Lessor and Lessee (the "Schedule"), which, among other things, provides for the lease with option to purchase to the Lessee of certain property listed in the Schedule (the "Equipment"), (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorize Lessee to execute the Agreement and the Schedule and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinion. The Schedule and the terms and provisions of the Agreement incorporated therein by reference together with the Rental Payment Schedule attached to the Schedule are herein referred to collectively as the "Lease".

In rendering this opinion, we have assumed without inquiry:

- (a) The authenticity of all documents submitted to us as copies of the originals, and the conformity of such copies to the originals as they are finally executed and delivered by Lessee and Lessor;
- (b) That the Lease has been or will be duly authorized, executed and delivered by Lessor;
- (c) That the Lease constitutes valid, legal and binding obligations of Lessor enforceable against Lessor in accordance with its terms; and
- (d) That the Lease accurately describes and contains the mutual understandings of the parties, and that there are not oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms thereof.

Based on the foregoing, I am of the following opinion:

- (1) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, or has a substantial amount of one the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, or (c) police power;
- (2) The name of the lessee contained in the Lease is the correct legal name of the Lessee;
- (3) Lessee has the requisite power and authority to lease and acquire the Equipment with an option to purchase and to execute and deliver the Lease and to perform its obligations under the Lease;
- (4) The Lease has been duly authorized, approved, executed, and delivered by and on behalf of Lessee and the Lease is a legal, valid and binding obligation of Lessee enforceable in accordance with its

terms, subject to (i) all applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium and other similar laws; (ii) the qualification that certain waivers, restrictions and remedies provided for in this Lease, including without limitation certain indemnification obligations, may be wholly or partially unenforceable under Sample State law; and (iii) general principles of equity.

(5) The authorization, approval, execution, and delivery of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state laws; and

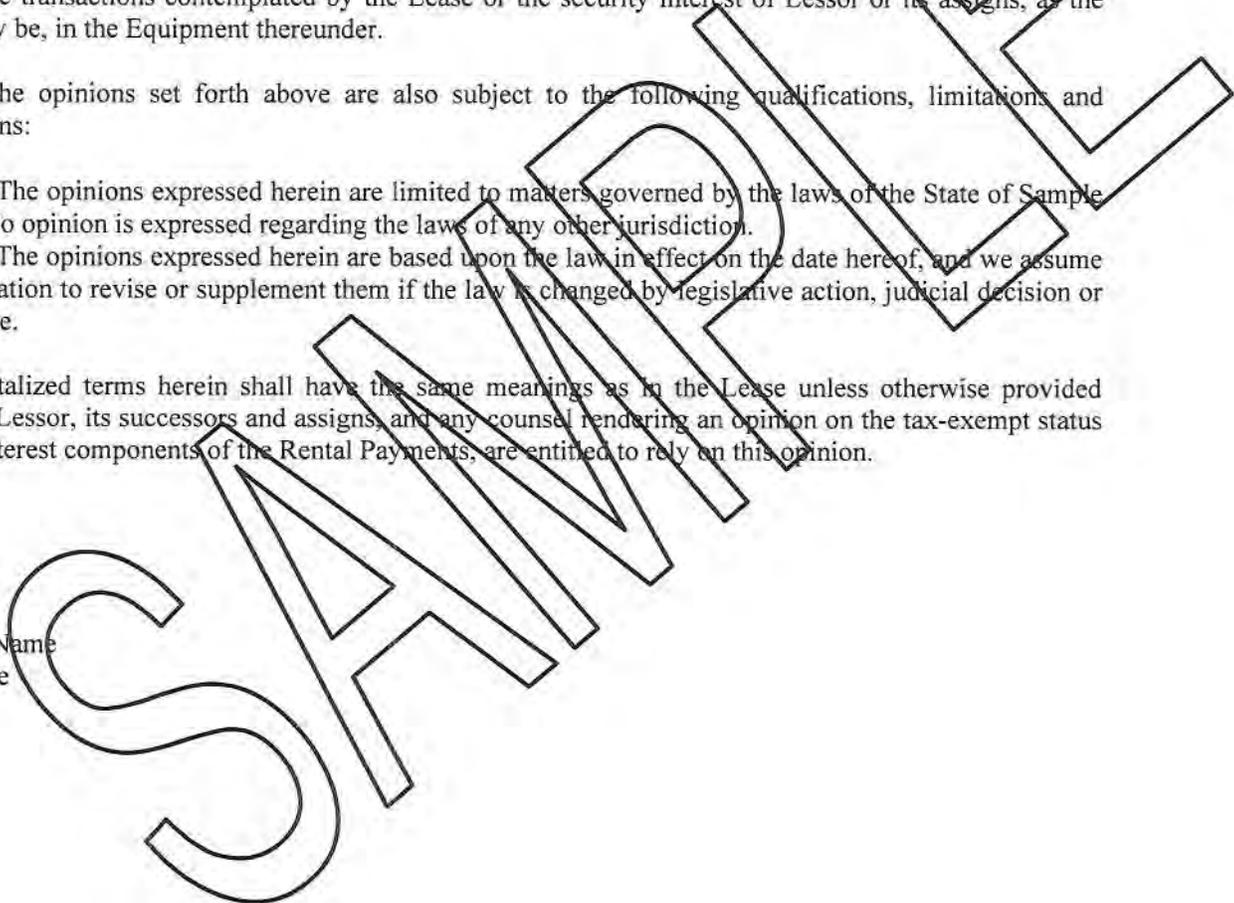
(6) To the best of my knowledge, there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment thereunder.

All of the opinions set forth above are also subject to the following qualifications, limitations and exceptions:

- (a) The opinions expressed herein are limited to matters governed by the laws of the State of Sample State. No opinion is expressed regarding the laws of any other jurisdiction.
- (b) The opinions expressed herein are based upon the law in effect on the date hereof, and we assume no obligation to revise or supplement them if the law is changed by legislative action, judicial decision or otherwise.

All capitalized terms herein shall have the same meanings as in the Lease unless otherwise provided herein. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Printed Name
Signature



INSURANCE COVERAGE REQUIREMENTS

LESSOR: Pinnacle Public Finance, Inc.

LESSEE: Sample Lessee

Please Reference Control # 100 ___ on Certificate of Insurance

1. In accordance with Section 17 of the Agreement, we have instructed the insurance agent named below:
(Please fill in name, address and telephone number).

_____ Telephone: () _____
Fax: () _____
Contact: _____

a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Pinnacle Public Finance, Inc. and/or its assigns, as Loss Payee.

Coverage Required: Full Replacement Value

b. Public Liability Insurance evidenced by a Certificate of Insurance naming Pinnacle Public Finance, Inc. and/or its assigns as Additional Insured.

c. Workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses.

Minimum Coverage Required: \$2,000,000

OR

2. Pursuant to Section 17 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.

Proof of insurance coverage will be provided prior to the time the Equipment is delivered to us.

PLEASE LIST NAME & ADDRESS AS FOLLOWS:

**Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255**

LESSEE: Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

PAYMENT INSTRUCTIONS

Pursuant to the Master Equipment Lease Purchase Agreement dated Master Date (the "Agreement"), Schedule of Property No. 1, dated Sample Date, between Pinnacle Public Finance, Inc. (the "Lessor") and Sample Lessee (the "Lessee"), Lessee hereby acknowledges the obligations to make Rental Payments promptly when due, in accordance with Exhibit A-1 to the Agreement.

LESSEE NAME: _____ TAX ID#: _____

INVOICE MAILING ADDRESS: _____

Mail invoices to the attention of: _____ Phone () _____ Fax () _____

Approval of Invoices required by: _____ Phone () _____ Fax () _____

Accounts Payable Contact: _____ Phone () _____ Fax () _____

Processing time for Invoices: _____ Approval: _____ Checks: _____

Do you have a Purchase Order Number that you would like included on the invoice? No _____ Yes _____ PO# _____

Do your Purchase order numbers change annually? No _____ Yes _____ Processing time for new purchase orders: _____

LESSEE: Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

SAMPLE

BANK QUALIFIED DESIGNATION

Schedule of Property No. 1 dated **Sample Date** to Master Equipment Lease Purchase Agreement dated **Master Date**

Lessee hereby represents and certifies the following (please check one):

Bank Qualified

Lessee has designated, and hereby designates, this Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In making that designation, Lessee hereby certifies and represents that:

- As of the date hereof in the current calendar year, neither Lessee nor any other issuer on behalf of Lessee has designated more than \$10,000,000 of obligations (including this Lease) as "qualified tax-exempt obligations";
- Lessee reasonably anticipates that the total amount of tax-exempt obligations (including this Lease) to be issued by or on behalf of Lessee (or allocated to Lessee) during the current calendar year will not exceed \$10,000,000;
- The Lease will not be at any time a "private activity bond" as defined in Section 141 of the Code;
- The Lease is not subject to control by any entity and there are no entities subject to control by Lessee; and
- Not more than \$10,000,000 of obligations of any kind (including the Lease) issued by, on behalf of or allocated to Lessee will be designated for purposes of Section 265(b)(3) of the Code during the current calendar year.

Non-Bank Qualified

Lessee has not designated this Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code.

LESSEE: Sample Lessee

Signature: X _____

Printed Name/Title: X _____

Date: X _____

CERTIFICATE OF SIGNATURE AUTHORITY OF LESSEE

Sample Date

Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

RE: Schedule of Property No. 1 dated Sample Date ("Lease") to the Master Equipment Lease Purchase Agreement dated Master Date ("Agreement"), by and between Sample Lessee ("Lessee") and Pinnacle Public Finance, Inc. ("Lessor").

Dear Pinnacle Public Finance, Inc.,

I, the undersigned, do hereby certify

(i) that _____
(please print the name and title of the person who signed the lease documents on the line above)

the officer of Lessee who executed the foregoing Lease and Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting officer of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Lease and Agreement on behalf of Lessee, and

(ii) that the budget year of Lessee is from _____ to _____.

Sincerely,

Signature: _____

Name/Title: _____

Dated: _____

The Certificate of Signature Authority of Lessee should be executed by an authorized individual confirming the execution of the remaining documents is authorized. This document cannot be signed by the person signing the lease documents.

INTERNAL ESCROW LETTER

Sample Date

Pinnacle Public Finance
8377 E. Hartford Dr., Suite 115
Scottsdale, Arizona 85255

Re: Schedule of Property No. 1 dated Sample Date to Master Equipment Lease Purchase Agreement dated Master Date (the "Lease"), by and between Pinnacle Public Finance, Inc. and Sample Lessee.

Ladies and Gentlemen:

We, Sample Lessee ("Lessee"), have entered into the above referenced Lease with you, Pinnacle Public Finance, Inc. ("Pinnacle"), for the purpose of financing Equipment (the "Equipment") in the amount of \$ _____ (the "Financed Amount"). Lessee hereby requests that Pinnacle retain \$ _____ (the "Retained Amount") in an internal escrow account pending Pinnacle's receipt of confirmation from Lessee that the Equipment has been delivered, inspected and accepted for all purposes by the Lessee.

Lessee understands and agrees that interest shall accrue on the entire Financed Amount as of the date hereof, and further understands and agrees that any interest earned on the Retained Amount shall be paid to Lessor in consideration of managing the internal escrow account.

Lessee acknowledges that Lessor may commingle the Retained Amount held by Lessor for the benefit of Lessee with other funds held by Lessor for its own account, so long as Lessor maintains segregation of such amounts on the books and records of Lessor.

Sincerely,

Sample Lessee

Signature: _____

Name/Title: _____

Date: _____



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7D

TITLE

Consider action to approve a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$446,683.50, utilizing an interest rate of 2.63 percent for the ten year lease-purchase financing of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

STAFF REPRESENTATIVE

Alan E. Guard, Chief Financial Officer
Allyson Wilson, Purchasing Agent

SUMMARY

The purpose of this item is to provide ten year lease-purchase financing of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue.

BACKGROUND INFORMATION

On September 2, 2014, the City Council approved Resolution Number RES-075-14 for the purchase of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue from Hoyt Breathing Air Products in the amount of \$397,658.06 through the Interlocal Cooperative Purchasing agreement with the City of Frisco.

DISCUSSION

Pursuant to City Council direction at the August 19, 2014, work session, the Purchasing Division proceeded with processing competitive sealed bids for the ten year lease-purchase financing of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue.

Notice to bidders for the ten year lease-purchase financing was advertised in the *Rowlett Lakeshore Times* on August 14 and 21, 2014. The bid documents were also placed on the City website. Sealed bids were received in the Purchasing Office until 2:00 p.m., September 2, 2014, and then publicly opened and read aloud in the City Council Conference Room in accordance with Texas Local Government Code.

A single bid was received from Pinnacle Public Finance, Incorporated in the amount of \$466,834.50, utilizing an interest rate of 2.63 percent for the ten year lease-purchase financing of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue. The annual payment is \$44,683.45, which will be due beginning October 31, 2014, and on the same month and day for each subsequent year thereafter.

The City of Rowlett has not conducted business previously with Pinnacle Public Finance, Incorporated. Pinnacle Public Finance, Incorporated was previously Koch Financial, with whom the City of Rowlett has conducted business in the past for lease-purchase financing transactions. Modifications will be made to the agreement for this transaction that are acceptable to and approved by City Attorney David Berman.

The cost of the financing is \$49,176.44 for the ten year term of the lease.

FINANCIAL/BUDGET IMPLICATIONS

Rowlett Fire Rescue has selected the purchase of an annual contract of SCBA and accessories (competitive bid #1411-015) with Hoyt Breathing Air Products equipment through our Interlocal Cooperative Purchasing Agreement with the City of Frisco. The City of Frisco has executed Interlocal Agreements as permitted under Section 791.025 of the Texas Government Code with certain other governmental entities authorizing participation in the cooperative purchasing program. The successful bidder has been asked to provide products/services, based upon bid price, to the City of Rowlett as shown on the attached quotation.

Rowlett Fire Rescue will also utilize this bid for annual operational expenses related to SCBAs, which at this time is approximately \$15,000 per year. This amount is already in the budget and includes the maintenance of the department's two SCBA air-filling stations. This is an annual contract with four additional one-year renewals. The total estimated replacement cost for the new SCBAs and related equipment is \$407,958.06. This amount includes a credit for trade-in valve of old air packs and cylinders in the amount of \$10,300.

The proposed amount exceeds the budget amount based on the original cost estimate of NFPA price indexing gathered in 2010 and past evaluation of departmental SCBA and accessory equipment needs at that time. The budget amount increase was revised after careful evaluation and analysis of current/future SCBA needs, which fire rescue staff warranted necessary to stay current with Texas Commission on Fire Protection standards and maintain firefighter safety as a priority.

The original price quote provided to Fire Suppression was approximately \$350,000. Since that quote was provided, the preferred product has increased in price to \$397,658 (net trade-in). Staff originally estimated an annual lease payment of \$47,815, based on a ten-year lease at an estimated interest rate of 3.5 percent. The FY2015 budget includes \$43,152 for this lease payment. Since the actual bid came in with an interest rate of 2.63 percent, the annual payment will be lower.

Pursuant to City Council direction, City staff proceeded with obtaining competitive bids for the lease-purchase financing of the SCBAs for a ten-year term. The annual payment will be \$44,683.45 beginning October 31, 2014 and on the same day for each subsequent year thereafter. Funds will be re-allocated from other Fire Suppression accounts to make up the difference.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Actual Amount
101-3016-440-7405	Purchased Services – Contractual Lease Payments	\$43,152	\$44,683
101-3016-440-tbd	Other Accounts in Fire Rescue	1,531	-
Total		\$44,683	\$44,683

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$446,683.50, utilizing an interest rate of 2.63 percent for the ten year lease-purchase financing of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE BID OF AND AWARDING A CONTRACT TO PINNACLE PUBLIC FINANCE, INCORPORATED IN THE AMOUNT OF \$446,683.50 UTILIZING AN INTEREST RATE OF 2.63 PERCENT FOR THE TEN YEAR LEASE-PURCHASE FINANCING OF SELF-CONTAINED BREATHING APPARATUS (SCBA) AND ACCESSORIES EQUIPMENT FOR FIRE RESCUE; AUTHORIZING THE CITY MANAGER, AFTER CITY ATTORNEY APPROVAL, TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID PURCHASE AND THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to finance by lease-purchase the purchase of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue which were approved by Resolution 075-14 on September 2, 2014; and

WHEREAS, the Purchasing Division has obtained competitive bids and recommends the award for ten year lease-purchase financing of Scott Self-Contained Breathing Apparatus and Accessories Equipment for Fire Rescue to Pinnacle Public Finance, Incorporated, who is the single bidder meeting specifications as per Bid # 2014-77; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to award the bid to Pinnacle Public Finance, Incorporated in the amount of \$466,683.50 utilizing an interest rate of 2.63 percent with annual payments of \$49,176.44 for years one through ten.

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

Section 1: That the City Council of the City of Rowlett does hereby accept the bid of and award a contract to Pinnacle Public Finance, Incorporated for the ten year lease-purchase financing for the purchase of Scott Self-Contained Breathing

Apparatus and Accessories Equipment for the City's Fire Rescue Department in the amount of \$466,683.50 utilizing an interest rate of 2.63 percent.

Section 2: That the City Council of the City of Rowlett does hereby authorize the City Manager, after City Attorney approval, to execute the necessary documents for said purchase, and to issue purchase orders, as appropriate, to conform to this resolution.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENTS

Exhibit A – Bid Tabulation

Exhibit B – Sample Agreement

Bid #2014-77 – 10 Year Lease Purchase Financing of Scott Self-Contained Breathing Apparatus (SCBA) & Accessories Equipment for Fire Rescue - Bid Tabulation

4004 Main St., Rowlett, TX 75088

Purchasing Phone - 972/412-6189 - Fax 972/412-6144

9/2/2014

			Pinnacle Public Finance, Inc.		
			8377 E Harford Dr, Suite 115		
			Scottsdale, Arizona 85255		
			Blair Swain		
			bswain@ppf-inc.com		
			480 419 3634		
		Amortization schedule?	Yes		
		Sample lease agreement?	Yes		
ITEM					
NO.	QTY	DESCRIPTION			
1.	1 Ea	Finance \$397,658.06 for 10 years First payment due 10/31/2014			
		Effective Interest Rate:	2.63%		
		Payment Factor:	.112367		
		Annual Payment:	\$44,683.45		
		Other costs:	N/A		
		Describe other costs:	N/A		
		TOTAL 10 YEAR COST	\$446,834.50		
		Cost of financing:	\$ 49,176.44		

MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

This Master Equipment Lease Purchase Agreement dated as of Master Date ("Agreement") and entered into between Pinnacle Public Finance, Inc., a Delaware corporation ("Lessor"), and Sample Lessee, a body corporate and politic existing under the laws of the State of Sample State ("Lessee").

1. Agreement. Lessee agrees to lease from Lessor certain "Equipment" as described in each Equipment Schedule (Exhibit A), which together with a Rental Payment Schedule (Exhibit A-1) constitute a "Schedule", subject to the terms and conditions of and for the purposes set forth in each Lease. Items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein. Each Schedule and the terms and provisions of this Agreement (which includes all exhibits hereto, together with any amendments and modifications pursuant thereto) which are incorporated by reference into such Schedule shall constitute a separate and independent lease and installment purchase of the Equipment therein described and are referred to herein as a "Lease".

2. Term. The "Commencement Date" for each Lease is the date when interest commences to accrue under such Lease which date shall be the earlier of (i) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 11, or (ii) the date on which sufficient monies to purchase the Equipment listed in such Lease are deposited for that purpose with an escrow agent, or (iii) the date sufficient monies are set aside for acquisition of Equipment as evidenced in Exhibit D, if applicable. The "Lease Term" for each Lease means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated. The "Original Term" means the period from the Commencement Date for each Lease until the end of Lessee's fiscal year or biennium (as the case may be) (the "Fiscal Period") in effect at such Commencement Date. The "Renewal Term" for each Lease is each term having a duration that is coextensive with the Fiscal Period.

3. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows: (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority under the constitution and laws of the state where the Lessee is located ("State") to enter into this Agreement and each Lease and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Lease; (b) Lessee has duly authorized the execution and delivery of this Agreement and each Lease by proper action of its governing body at a meeting duly called and held in accordance with State law, or by other appropriate official approval, and all requirements have been met and procedures have occurred to ensure the validity and enforceability of this Agreement and each Lease; (c) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic; (d) Lessee has complied with such public bidding requirements as may be applicable to this

Agreement and each Lease and the acquisition by Lessee of the Equipment as provided in each Lease; (e) during the Lease Term, the Equipment will be used by Lessee solely and exclusively for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority; (f) Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period, and such other financial information relating to the ability of Lessee to continue each Lease as may be requested by Lessor; and (g) Lessee has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule.

4. Tax and Arbitrage Representations. Lessee hereby represents as follows: (a) the estimated total costs of the Equipment listed in each Schedule will not be less than the total principal portion of the Rental Payments listed in such Rental Payment Schedule; (b) the Equipment listed in each Schedule has been ordered or is expected to be ordered within 6 months of the Commencement Date, and all amounts deposited in escrow to pay for the Equipment, and interest earnings, will be expended on costs of the Equipment and the financing within 3 years of Commencement Date; (c) no proceeds of any Lease will be used to reimburse Lessee for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance; (d) Lessee has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments; (e) the Equipment listed in each Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in part, prior to the last maturity of Rental Payments; (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation; and (g) Lessee intends that each Lease not constitute a "true" lease for federal income tax purposes.

5. Lease of Equipment. Upon the execution of each Lease, Lessor demises, leases, transfers, and lets to Lessee, and Lessee acquires, rents, leases and hires from Lessor, the Equipment in accordance with the terms thereof. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term the Lease Term shall be automatically extended upon the successive

appropriation by Lessee's governing body of amounts sufficient to pay Rental Payments and other amounts payable under the related Lease during the next succeeding Fiscal Period until all Rental Payments payable under such Lease have been paid in full, unless Lessee shall have terminated such Lease pursuant to Section 7 or Section 22. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease.

6. Continuation of Lease Term. Lessee currently intends, subject to Section 7, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the maximum Lease Term of each Lease can be obtained. Lessee currently intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the applicable Schedule for any Renewal Term is within the discretion of the governing body of Lessee.

7. Nonappropriation. Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made from funds budgeted and appropriated for that purpose. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 30 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment to Lessor at the location(s) to be specified by Lessor.

8. Conditions to Lessor's Performance. This Agreement is not a commitment by Lessor to enter into any Lease not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion. Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Lessee understands that Lessor requires certain documentation and information necessary to enter into any Lease and Lessee agrees to provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

9. Rental Payments. Lessee shall promptly pay "Rental Payments" as described in Exhibit A-1 to each Lease, exclusively from legally available funds, to Lessor on the dates and in such amounts as provided in each Lease. Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum rate permitted by law, whichever is less, from such date until paid. Rental Payments consist of principal and interest portions. *Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein or in a Lease constitute a pledge of the general tax revenues, funds or monies of Lessee.*

10. RENTAL PAYMENTS TO BE UNCONDITIONAL. EXCEPT AS PROVIDED IN SECTION 7, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

11. Delivery; Installation; Acceptance. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in each Lease and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Lease has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate (Exhibit B). Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term.

12. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Lease on which such item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

13. Use; Maintenance. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good

repair and working order. Lessee will enter into a maintenance contract for the Equipment that is acceptable to Lessor.

14. Title. Upon acceptance of the Equipment under a Lease by Lessee, title to the Equipment shall vest in Lessee subject to Lessor's rights under the Lease; provided that title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor, upon (a) any termination of the applicable Lease other than termination pursuant to Section 22 or (b) the occurrence of an Event of Default. Transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

15. Security Interest. To secure the payment of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee grants to Lessor a security interest constituting a first and exclusive lien on the Equipment applicable to such Lease and on all proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated.

16. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by each Lease. The parties to this Agreement contemplate that the Equipment will be used for governmental or proprietary purposes of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due.

17. Insurance. At its own expense, Lessee shall during each Lease Term maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor, in an amount at least equal to the then applicable "Purchase Price" of the Equipment as described in Exhibit A-1 of each Lease; (b) liability insurance that protects Lessee from liability in all events in form and amount satisfactory to Lessor; and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b). Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout each Lease Term. Lessee shall not materially modify or cancel such insurance or self-insurance coverage without first giving written notice thereof to Lessor at least 10 days in advance of such cancellation or modification. All such insurance

described in clauses (a) and (b) above shall contain a provision naming Lessor as a loss payee and additional insured.

18. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee agrees to pay such amounts so advanced by Lessor with interest thereon from the advance date until paid at the rate of 12% per annum or the maximum rate permitted by law, whichever is less.

19. Damage, Destruction and Condemnation. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment to substantially the same condition as existed prior to the event causing such damage, destruction, or condemnation, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 22. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

For purposes of this Section, the term "Net Proceeds" shall mean (y) the amount of insurance proceeds received by Lessee for replacing, repairing, restoring, modifying, or improving damaged or destroyed Equipment, or (z) the amount remaining from the gross proceeds of any condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to herein, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pursuant to Section 22 purchase Lessor's interest in the Equipment and in any other Equipment listed in the same Lease. The amount of the Net Proceeds, if any, remaining after completing such replacement, repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment and such other Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 9.

20. DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO WHETHER EXPRESS OR IMPLIED, AND LESSEE ACCEPTS SUCH EQUIPMENT AS IS AND WITH ALL FAULTS. IN NO EVENT SHALL LESSOR BE

LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF ANY LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN ANY LEASE.

21. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee as its agent and attorney-in-fact during each Lease Term, so long as Lessee shall not be in default under the related Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. The term "Vendor" means any supplier or manufacturer of the Equipment as well as the agents or dealers of the manufacturer or supplier from whom Lessor purchased or is purchasing such Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights or obligations of Lessor with respect to any Lease, including the right to receive full and timely payments under a Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by Vendor of the Equipment.

22. Purchase Option. Lessee shall have the option to purchase Lessor's interest in all of the Equipment listed in any Lease, upon giving written notice to Lessor at least 60 days before the date of purchase, at the following times and upon the following terms: (a) on the Rental Payment dates specified in each Lease, upon payment in full of the Rental Payments then due under such Lease plus the then applicable Purchase Price as referenced in Exhibit A-1; or (b) in the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee's notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments then due under such Lease plus the then applicable Purchase Price plus accrued interest from the immediately preceding Rental Payment date to such purchase date.

23. Assignment. Lessor's right, title and interest in and to each Lease, including Rental Payments and any other amounts payable by Lessee thereunder and all proceeds therefrom, may be assigned and reassigned to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any such assignment shall not be effective until (a) Lessee has received written notice, signed by the assignor, of the name and address of the assignee, and (b) it is registered on the registration books. Lessee shall retain all such notices as a register of all assignees in compliance with Section 149(a) of the Code, and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents that may be reasonably requested by Lessor or any assignee to protect its interests and property assigned pursuant to this Section. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or Vendor. Assignments may include without limitation assignment of all of Lessor's security interest in and to the

Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment. Lessee hereby agrees that Lessor may, without notice to Lessee, sell, dispose of, or assign this Agreement or any particular Lease or Leases through a pool, trust, limited partnership, or other similar entity, whereby one or more interests are created in this Agreement or in a Lease or Leases, or in the Equipment listed in or the Rental Payments under a particular Lease or Leases.

None of Lessee's right, title and interest in, to and under any Lease or any portion of the Equipment listed in each Lease may be assigned, subleased, or encumbered by Lessee for any reason without obtaining prior written consent of Lessor.

24. Events of Default. Any of the following events shall constitute an "Event of Default" under a Lease: (a) failure by Lessee to pay any Rental Payment or other payment required to be paid under a Lease at the time specified therein; (b) failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor; (c) any statement, representation or warranty made by Lessee in or pursuant to any Lease shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, or (d) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar official is appointed for Lessee or any of its property.

25. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) by written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to such Lease and other amounts payable by Lessee under such Lease to the end of the then current Original Term or Renewal Term to be immediately due and payable; (b) with or without terminating the Lease Term under such Lease, Lessor may enter the premises where the Equipment listed in such Lease is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to such Lease and other amounts related to such Lease of the Equipment listed therein that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under such Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 7 hereof. The exercise of any such remedies in respect of any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease or the Equipment listed therein; and (c) Lessor may take whatever

action at law or in equity may appear necessary or desirable to enforce its rights under such Lease or as a secured party in any or all of the Equipment. Any net proceeds from the exercise of any remedy under a Lease (after deducting all costs and expenses referenced in the Section) shall be applied as follows: (i) if such remedy is exercised solely with respect to a single Lease, Equipment listed in such Lease or rights thereunder, then to amounts due pursuant to such Lease and other amounts related to such Lease or such Equipment; or (ii) if such remedy is exercised with respect to more than one Lease, Equipment listed in more than one Lease or rights under more than one Lease, then to amounts due pursuant to such Leases pro-rata.

26. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease now or hereafter existing at law or in equity.

27. Notices. All notices or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses listed below (or at such other address as either party hereto shall designate in writing to the other for notices to such party), or to any assignee at its address as it appears on the registration books maintained by Lessee.

28. Release and Indemnification. To the extent permitted by State law, and subject to Section 7, Lessee shall indemnify, release, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, attorney's fees and expenses, penalties connected therewith imposed on interest received) arising out of or as result of (a) entering into any Lease, (b) the ownership of any

item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant or any material representation contained in a Lease. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under all Leases or the termination of the Lease Term under all Leases for any reason.

29. Miscellaneous Provisions. Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. References herein to "Lessor" shall be deemed to include each of its assignees and subsequent assignees from and after the effective date of each assignment as permitted by Section 23. In the event any provision of any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof. Each Lease may be amended by mutual written consent of Lessor and Lessee. Each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease. This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

(LESSOR)
Pinnacle Public Finance, Inc
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

(LESSEE)
Sample Lessee
Sample Address
City, State Zip

Signature: _____

Signature: _____

Name/Title: _____

Name/Title: _____

Date: _____

Date: _____

EXHIBIT A

SCHEDULE OF PROPERTY NO. 1

RE: MASTER EQUIPMENT LEASE PURCHASE AGREEMENT entered into as of Master Date, ("Agreement"), between Pinnacle Public Finance, Inc. ("Lessor") and Sample Lessee ("Lessee"). All terms used and not otherwise defined herein have the meanings ascribed to them in the Agreement.

The following items of Equipment are hereby included under this Schedule to the Agreement.

To the extent that less than all of the Equipment subject to this Schedule has been installed and accepted by Lessee on or prior to the date hereof, Lessee hereby acknowledges that a portion of the Equipment has not been delivered, installed and accepted by Lessee for purposes of this Lease and Lessor hereby commits to provide funds in an amount sufficient to pay the costs to acquire and install the Equipment. In consideration of the foregoing, Lessee hereby acknowledges and agrees that its obligation to make Rental Payments as set forth in this Schedule is absolute and unconditional as of the date hereof and on each date and in the amounts as set forth in the Rental Payment Schedule, subject to the terms and conditions of the Lease.

Ninety five percent of the financing costs are being used to acquire assets that will be capitalized.

<u>DESCRIPTION OF EQUIPMENT</u>			
<u>Quantity</u>	<u>Description</u>	<u>Model No.</u>	<u>Serial No.</u>

Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the Commencement Date of Rental Payments under this Schedule. The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

Dated: Sample Date

Lessor: Pinnacle Public Finance, Inc.

Lessee: Sample Lessee

Signature: _____

Signature: _____

Name/Title: _____

Name/Title: _____

Date: _____

Date: _____

EXHIBIT A-1

RENTAL PAYMENT SCHEDULE

RE: Schedule of Property No. _____ dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
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SAMPLE

COMMENCEMENT DATE: Sample Date

Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

EXHIBIT B

PLEASE COMPLETE EITHER FINAL OR PARTIAL ACCEPTANCE, AS RELEVANT

FINAL ACCEPTANCE CERTIFICATE

Re: Schedule of Property No. 1 dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

In accordance with the Master Equipment Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

- (1) All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has been delivered, installed and accepted on the date hereof.
- (2) Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Lessee is currently maintaining the insurance coverage required by Section 17 of the Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

LESSEE
 Sample Lessee
 Signature: _____
 Name/Title: _____
 Acceptance Date: _____

> OR <

PAYMENT REQUEST and PARTIAL ACCEPTANCE CERTIFICATE

Pinnacle Public Finance, Inc. is hereby requested to pay the person or entity designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment and has not formed the basis of any prior request for payment. The equipment described below is part or all of the "Equipment" listed in Exhibit A to the Master Equipment Lease Purchase Agreement referenced above.

<u>Quantity</u>	<u>Serial Number/Description</u>	<u>Amount</u>
-----------------	----------------------------------	---------------

Payee: _____

Payee's Federal ID Number: _____

Lessee hereby certifies and represents to and agrees with Lessor as follows: (i) the equipment described above has been delivered, installed and accepted on the date hereof; (ii) Lessee has conducted such inspection and/or testing of said equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said equipment for all purposes; (iii) Lessee is currently maintaining the insurance coverage required by Section 17 of the Agreement; (iv) no event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.

Dated: _____

LESSEE
 Sample Lessee
 Signature: _____
 Name/Title: _____

PLEASE RETURN PAYMENT REQUEST TO:

Pinnacle Public Finance, Inc.
 8377 East Hartford Drive, Suite 115
 Scottsdale, AZ 85255

PLEASE
FORWARD
TO
ATTORNEY

Attorney for Sample Lessee, as Lessee

Re: Exhibit C, Opinion of Counsel, to Schedule of Property No. 1, dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

To Whom It May Concern:

Attached is our standard Opinion of Counsel. Please review the representations and qualifications, print the letter on your firm letterhead, and execute. Please return either directly to us at 8377 East Hartford Drive, Suite 115, Scottsdale, Arizona 85265 or to the Lessee for delivery to us. If you cannot sign this letter in its current form, please contact Cathy Jimenez at 480-585-3789 to discuss any changes prior to making them. Please keep any requested changes to a minimum. Our receipt of an opinion that does not meet our requirements will slow down the funding process. We will not be able to fund the transaction contemplated by the above documents without the representations contained in the attached opinion letter.

Thank you for your prompt attention to this matter. We look forward to completing this transaction.

Sincerely,

Investment Associate

Enclosures

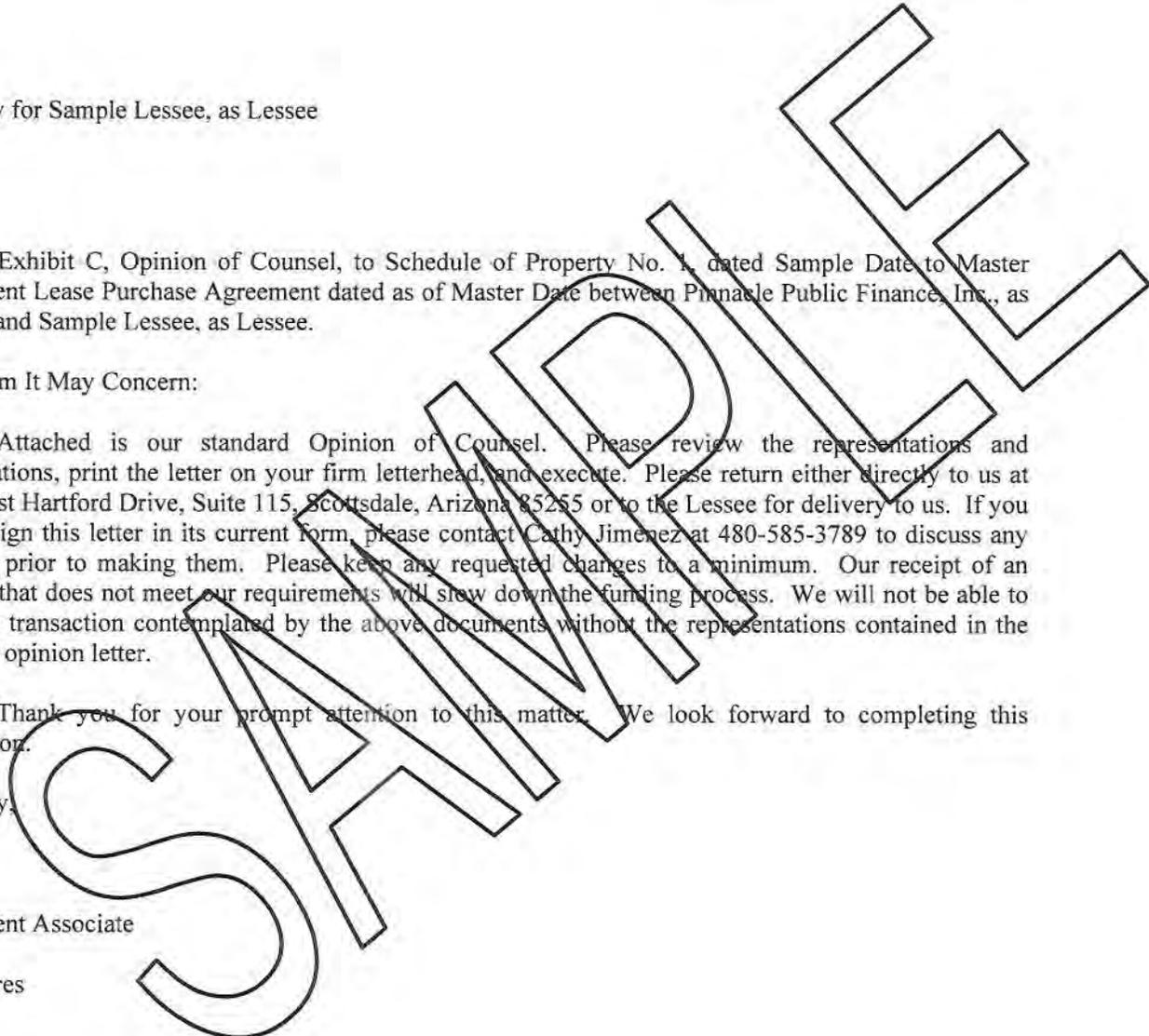


EXHIBIT C

(To be put on Attorney's Letterhead)

Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

Re: Schedule of Property No. 1, dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

Ladies and Gentlemen:

As legal counsel to Sample Lessee, (the "Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement dated as of Master Date and Exhibits thereto by and between Pinnacle Public Finance, Inc. (the "Lessor") and Sample Lessee, (the "Agreement") and an executed counterpart of Schedule of Property No. 1 dated Sample Date by and between Lessor and Lessee (the "Schedule"), which, among other things, provides for the lease with option to purchase to the Lessee of certain property listed in the Schedule (the "Equipment"), (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorize Lessee to execute the Agreement and the Schedule and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinion. The Schedule and the terms and provisions of the Agreement incorporated therein by reference together with the Rental Payment Schedule attached to the Schedule are herein referred to collectively as the "Lease".

In rendering this opinion, we have assumed without inquiry:

- (a) The authenticity of all documents submitted to us as copies of the originals, and the conformity of such copies to the originals as they are finally executed and delivered by Lessee and Lessor;
- (b) That the Lease has been or will be duly authorized, executed and delivered by Lessor;
- (c) That the Lease constitutes valid, legal and binding obligations of Lessor enforceable against Lessor in accordance with its terms; and
- (d) That the Lease accurately describes and contains the mutual understandings of the parties, and that there are not oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms thereof.

Based on the foregoing, I am of the following opinion:

- (1) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, or has a substantial amount of one the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, or (c) police power;
- (2) The name of the lessee contained in the Lease is the correct legal name of the Lessee;
- (3) Lessee has the requisite power and authority to lease and acquire the Equipment with an option to purchase and to execute and deliver the Lease and to perform its obligations under the Lease;
- (4) The Lease has been duly authorized, approved, executed, and delivered by and on behalf of Lessee and the Lease is a legal, valid and binding obligation of Lessee enforceable in accordance with its

terms, subject to (i) all applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium and other similar laws; (ii) the qualification that certain waivers, restrictions and remedies provided for in this Lease, including without limitation certain indemnification obligations, may be wholly or partially unenforceable under Sample State law; and (iii) general principles of equity.

(5) The authorization, approval, execution, and delivery of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state laws; and

(6) To the best of my knowledge, there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment thereunder.

All of the opinions set forth above are also subject to the following qualifications, limitations and exceptions:

(a) The opinions expressed herein are limited to matters governed by the laws of the State of Sample State. No opinion is expressed regarding the laws of any other jurisdiction.

(b) The opinions expressed herein are based upon the law in effect on the date hereof, and we assume no obligation to revise or supplement them if the law is changed by legislative action, judicial decision or otherwise.

All capitalized terms herein shall have the same meanings as in the Lease unless otherwise provided herein. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Printed Name
Signature

SAMPLE

INSURANCE COVERAGE REQUIREMENTS

LESSOR: Pinnacle Public Finance, Inc.

LESSEE: Sample Lessee

Please Reference Control # 100 ___ on Certificate of Insurance

1. In accordance with Section 17 of the Agreement, we have instructed the insurance agent named below:
(Please fill in name, address and telephone number).

_____ Telephone: () _____
Fax: () _____
Contact: _____

a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Pinnacle Public Finance, Inc. and/or its assigns, as Loss Payee.

Coverage Required: Full Replacement Value

b. Public Liability Insurance evidenced by a Certificate of Insurance naming Pinnacle Public Finance, Inc. and/or its assigns as Additional Insured.

c. Workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses.

Minimum Coverage Required: \$2,000,000

OR

2. Pursuant to Section 17 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.

Proof of insurance coverage will be provided prior to the time the Equipment is delivered to us.

PLEASE LIST NAME & ADDRESS AS FOLLOWS:

**Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255**

LESSEE: Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

PAYMENT INSTRUCTIONS

Pursuant to the Master Equipment Lease Purchase Agreement dated Master Date (the "Agreement"), Schedule of Property No. 1, dated Sample Date, between Pinnacle Public Finance, Inc. (the "Lessor") and Sample Lessee (the "Lessee"), Lessee hereby acknowledges the obligations to make Rental Payments promptly when due, in accordance with Exhibit A-1 to the Agreement.

LESSEE NAME: _____ TAX ID#: _____

INVOICE MAILING ADDRESS: _____

Mail invoices to the attention of: _____ Phone () _____ Fax () _____

Approval of Invoices required by: _____ Phone () _____ Fax () _____

Accounts Payable Contact: _____ Phone () _____ Fax () _____

Processing time for Invoices: _____ Approval: _____ Checks: _____

Do you have a Purchase Order Number that you would like included on the invoice? No _____ Yes _____ PO# _____

Do your Purchase order numbers change annually? No _____ Yes _____ Processing time for new purchase orders: _____

LESSEE: Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

SAMPLE

BANK QUALIFIED DESIGNATION

Schedule of Property No. 1 dated **Sample Date** to Master Equipment Lease Purchase Agreement dated **Master Date**

Lessee hereby represents and certifies the following (please check one):

Bank Qualified

Lessee has designated, and hereby designates, this Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In making that designation, Lessee hereby certifies and represents that:

- As of the date hereof in the current calendar year, neither Lessee nor any other issuer on behalf of Lessee has designated more than \$10,000,000 of obligations (including this Lease) as "qualified tax-exempt obligations";
- Lessee reasonably anticipates that the total amount of tax-exempt obligations (including this Lease) to be issued by or on behalf of Lessee (or allocated to Lessee) during the current calendar year will not exceed \$10,000,000;
- The Lease will not be at any time a "private activity bond" as defined in Section 141 of the Code;
- The Lease is not subject to control by any entity and there are no entities subject to control by Lessee; and
- Not more than \$10,000,000 of obligations of any kind (including the Lease) issued by, on behalf of or allocated to Lessee will be designated for purposes of Section 265(b)(3) of the Code during the current calendar year.

Non-Bank Qualified

Lessee has not designated this Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code.

LESSEE: Sample Lessee

Signature: X _____

Printed Name/Title: X _____

Date: X _____

CERTIFICATE OF SIGNATURE AUTHORITY OF LESSEE

Sample Date

Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

RE: Schedule of Property No. 1 dated Sample Date ("Lease") to the Master Equipment Lease Purchase Agreement dated Master Date ("Agreement"), by and between Sample Lessee ("Lessee") and Pinnacle Public Finance, Inc. ("Lessor").

Dear Pinnacle Public Finance, Inc.,

I, the undersigned, do hereby certify

(i) that _____
(please print the name and title of the person who signed the lease documents on the line above)

the officer of Lessee who executed the foregoing Lease and Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting officer of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Lease and Agreement on behalf of Lessee, and

(ii) that the budget year of Lessee is from _____ to _____.

Sincerely,

Signature: _____

Name/Title: _____

Dated: _____

The Certificate of Signature Authority of Lessee should be executed by an authorized individual confirming the execution of the remaining documents is authorized. This document cannot be signed by the person signing the lease documents.

INTERNAL ESCROW LETTER

Sample Date

Pinnacle Public Finance
8377 E. Hartford Dr., Suite 115
Scottsdale, Arizona 85255

Re: Schedule of Property No. 1 dated Sample Date to Master Equipment Lease Purchase Agreement dated Master Date (the "Lease"), by and between Pinnacle Public Finance, Inc. and Sample Lessee.

Ladies and Gentlemen:

We, Sample Lessee ("Lessee"), have entered into the above referenced Lease with you, Pinnacle Public Finance, Inc. ("Pinnacle"), for the purpose of financing Equipment (the "Equipment") in the amount of \$ _____ (the "Financed Amount"). Lessee hereby requests that Pinnacle retain \$ _____ (the "Retained Amount") in an internal escrow account pending Pinnacle's receipt of confirmation from Lessee that the Equipment has been delivered, inspected and accepted for all purposes by the Lessee.

Lessee understands and agrees that interest shall accrue on the entire Financed Amount as of the date hereof, and further understands and agrees that any interest earned on the Retained Amount shall be paid to Lessor in consideration of managing the internal escrow account.

Lessee acknowledges that Lessor may commingle the Retained Amount held by Lessor for the benefit of Lessee with other funds held by Lessor for its own account, so long as Lessor maintains segregation of such amounts on the books and records of Lessor.

Sincerely,

Sample Lessee

Signature: _____

Name/Title: _____

Date: _____



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7E

TITLE

Consider action to approve a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$381,751.25, utilizing an interest rate of two percent for the five year lease-purchase financing of a Kronos Telestaff Time Keeping System and a Munis Human Resources Information Systems module for City Departments and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer
Allyson Wilson, Purchasing Agent

SUMMARY

The purpose of this item is to provide five year lease-purchase financing of Kronos Telestaff Time Keeping System & Munis Human Resources Information Systems module for City Departments.

BACKGROUND INFORMATION

On August 5, 2014, the City Council approved Resolution Number RES-068-14 for the purchase of a Kronos Telestaff Time Management System in the amount of \$285,880.92 to immixTechnology, Incorporated through the Interlocal Cooperative Purchasing Agreement with the Texas Comptroller of Public Accounts and Resolution Number RES-067-14 amending the Munis Enterprise Resource Planning Software system contract with Tyler Technologies, Incorporated for the purchase of a Human Resources Information System module in the amount of \$80,478.

DISCUSSION

Pursuant to approval, the Purchasing Division proceeded with processing competitive sealed bids for the five year lease-purchase financing of the Kronos Telestaff Time Management System and Human Resources Information System module.

Notice to bidders for the five year lease-purchase financing was advertised in the *Rowlett Lakeshore Times* on August 14 and 21, 2014. The bid documents were also placed on the City website. Sealed bids were received in the Purchasing Office until 2:00 p.m., September 2, 2014, and then publicly opened and read aloud in the City Council Conference Room in accordance with Texas Local Government Code.

A single bid was received from Pinnacle Public Finance, Incorporated in the amount of \$381,751.25, utilizing an interest rate of two percent for the five year lease-purchase financing of

the Kronos Telestaff Time Management System and Human Resources Information System module. The annual payment is \$76,350.25, which will be due beginning October 31, 2014, and on the same day and month for each subsequent year thereafter.

The City of Rowlett has not conducted business previously with Pinnacle Public Finance, Incorporated. Pinnacle Public Finance, Incorporated was previously Koch Financial, with whom the City of Rowlett has conducted business in the past for lease-purchase financing transactions. Modifications will be made to the agreement for this transaction that are acceptable to and approved by City Attorney David Berman.

The cost of the financing is \$15,392.33 for the five year term of the lease.

FINANCIAL/BUDGET IMPLICATIONS

The recommended hybrid solution will cost \$789,308 over ten years. Beginning in year two, this solution is only \$7,682 more than the current arrangement with ADP and neoGov. Beginning in year six, the hybrid solution is \$69,221 less per year than the current arrangement. Over the ten-year life cycle of the project, the overall costs are \$250,692 less than the current solution and \$295,458 less than a full Kronos solution.

Year	Year 1-5	Year 6-10	Total
Current	\$520,000	\$520,000	\$1,040,000
Kronos*	\$853,616	\$231,150	\$1,084,766
Hybrid* (Recommended)	\$615,413	\$173,895	\$789,308
<i>Solutions do not include inflationary effects.</i>			

*Note – Year 1 for Kronos and the recommended hybrid solution include 6 months of expense for use of ADP and the annual subscription for NeoGov. The annual costs include a five-year lease payment at 2.0 percent interest, annual subscription costs for hosting of the Kronos and TeleStaff software, and annual maintenance for Munis HRIS Payroll. Beginning in Year 6, the lease payments will be completed and the annual cost for the hybrid solution will drop to \$34,779, or \$69,221 less annually than the current arrangement with ADP.

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution accepting the bid of and awarding a contract to Pinnacle Public Finance, Incorporated in the amount of \$381,751.25, utilizing an interest rate of two percent for the five year lease-purchase financing of a Kronos Telestaff Time Keeping System & a Munis Human Resources Information Systems module for City Departments and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ACCEPTING THE BID OF AND AWARDING A CONTRACT TO PINNACLE PUBLIC FINANCE, INCORPORATED IN THE AMOUNT OF \$381,751.25 UTILIZING AN INTEREST RATE OF 2

PERCENT FOR THE FIVE YEAR LEASE-PURCHASE FINANCING OF A KRONOS TELESTAFF TIME KEEPING SYSTEM AND MUNIS HUMAN RESOURCES INFORMATION SYSTEMS MODULE FOR CITY DEPARTMENTS; AUTHORIZING THE CITY MANAGER, AFTER CITY ATTORNEY APPROVAL, TO EXECUTE THE NECESSARY DOCUMENTS FOR SAID PURCHASE AND THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to finance by lease-purchase the acquisition of a Kronos Telestaff Time Keeping System and a Munis Human Resources Information Systems module for City Departments which were approved by Resolutions 067-14 and 068-14 on August 5, 2014; and

WHEREAS, the Purchasing Division has obtained competitive bids and recommends the bid award for five year lease-purchase financing of a Kronos Telestaff Time Keeping System and a Munis Human Resources Information Systems module for City Departments to Pinnacle Public Finance, Incorporated, who is the single bidder meeting specifications as per Bid # 2014-83; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to award the bid to Pinnacle Public Finance, Incorporated in the amount of \$381,751.25 utilizing an interest rate of 2 percent and annual payments of \$75,429.75 for years one through five.

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

Section 1: That the City Council of the City of Rowlett does hereby accept the bid of and award a contract to Pinnacle Public Finance, Incorporated for the five year lease-purchase financing in the amount of \$381,751.25 utilizing an interest rate of two percent (2%) for the purchase of a Kronos Telestaff Time Keeping System and a Munis Human Resources Information Systems module for City Departments.

Section 2: That the City Council of the City of Rowlett does hereby authorize the City Manager, after City Attorney approval, to execute the necessary documents for said purchase, and to issue purchase orders, as appropriate to conform to this resolution.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENTS

Exhibit A – Bid Tabulation

Exhibit B – Sample Agreement

Bid #2014-83 – 5 Year Lease Purchase Financing of Kronos Time Keeping System & Munis Payroll Module - Bid Tabulation
4004 Main St., Rowlett, TX 75088
Purchasing Phone - 972/412-6189 - Fax 972/412-6144
9/2/2014

			Pinnacle Public Finance, Inc.		
			8377 E Harford Dr, Suite 115		
			Scottsdale, Arizona 85255		
			Blair Swain		
			bswain@ppf-inc.com		
			480 419 3634		
		Amortization schedule?	Yes		
		Sample lease agreement?	Yes		
ITEM					
NO.	QTY	DESCRIPTION			
1.	1 Ea	Finance \$366,358.92 for 5 years First payment due 10/31/2014			
		Effective Interest Rate:	2%		
		Payment Factor:	.208403		
		Annual Payment:	\$76,350.25		
		Other costs:	N/A		
		Describe other costs:	N/A		
		TOTAL 5 YEAR COST	\$381,751.25		
		Cost of financing:	\$ 15,392.33		

MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

This Master Equipment Lease Purchase Agreement dated as of Master Date ("Agreement") and entered into between Pinnacle Public Finance, Inc., a Delaware corporation ("Lessor"), and Sample Lessee, a body corporate and politic existing under the laws of the State of Sample State ("Lessee").

1. Agreement. Lessee agrees to lease from Lessor certain "Equipment" as described in each Equipment Schedule (Exhibit A), which together with a Rental Payment Schedule (Exhibit A-1) constitute a "Schedule", subject to the terms and conditions of and for the purposes set forth in each Lease. Items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein. Each Schedule and the terms and provisions of this Agreement (which includes all exhibits hereto, together with any amendments and modifications pursuant thereto) which are incorporated by reference into such Schedule shall constitute a separate and independent lease and installment purchase of the Equipment therein described and are referred to herein as a "Lease".

2. Term. The "Commencement Date" for each Lease is the date when interest commences to accrue under such Lease which date shall be the earlier of (i) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 11, or (ii) the date on which sufficient monies to purchase the Equipment listed in such Lease are deposited for that purpose with an escrow agent, or (iii) the date sufficient monies are set aside for acquisition of Equipment as evidenced in Exhibit D, if applicable. The "Lease Term" for each Lease means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated. The "Original Term" means the period from the Commencement Date for each Lease until the end of Lessee's fiscal year or biennium (as the case may be) (the "Fiscal Period") in effect at such Commencement Date. The "Renewal Term" for each Lease is each term having a duration that is coextensive with the Fiscal Period.

3. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows: (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority under the constitution and laws of the state where the Lessee is located ("State") to enter into this Agreement and each Lease and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Lease; (b) Lessee has duly authorized the execution and delivery of this Agreement and each Lease by proper action of its governing body at a meeting duly called and held in accordance with State law, or by other appropriate official approval, and all requirements have been met and procedures have occurred to ensure the validity and enforceability of this Agreement and each Lease; (c) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic; (d) Lessee has complied with such public bidding requirements as may be applicable to this

Agreement and each Lease and the acquisition by Lessee of the Equipment as provided in each Lease; (e) during the Lease Term, the Equipment will be used by Lessee solely and exclusively for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority; (f) Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period, and such other financial information relating to the ability of Lessee to continue each Lease as may be requested by Lessor; and (g) Lessee has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule.

4. Tax and Arbitrage Representations. Lessee hereby represents as follows: (a) the estimated total costs of the Equipment listed in each Schedule will not be less than the total principal portion of the Rental Payments listed in such Rental Payment Schedule; (b) the Equipment listed in each Schedule has been ordered or is expected to be ordered within 6 months of the Commencement Date, and all amounts deposited in escrow to pay for the Equipment, and interest earnings, will be expended on costs of the Equipment and the financing within 3 years of Commencement Date; (c) no proceeds of any Lease will be used to reimburse Lessee for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance; (d) Lessee has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments; (e) the Equipment listed in each Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in part, prior to the last maturity of Rental Payments; (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation; and (g) Lessee intends that each Lease not constitute a "true" lease for federal income tax purposes.

5. Lease of Equipment. Upon the execution of each Lease, Lessor demises, leases, transfers, and lets to Lessee, and Lessee acquires, rents, leases and hires from Lessor, the Equipment in accordance with the terms thereof. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term the Lease Term shall be automatically extended upon the successive

appropriation by Lessee's governing body of amounts sufficient to pay Rental Payments and other amounts payable under the related Lease during the next succeeding Fiscal Period until all Rental Payments payable under such Lease have been paid in full, unless Lessee shall have terminated such Lease pursuant to Section 7 or Section 22. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease.

6. Continuation of Lease Term. Lessee currently intends, subject to Section 7, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the maximum Lease Term of each Lease can be obtained. Lessee currently intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the applicable Schedule for any Renewal Term is within the discretion of the governing body of Lessee.

7. Nonappropriation. Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made from funds budgeted and appropriated for that purpose. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 30 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment to Lessor at the location(s) to be specified by Lessor.

8. Conditions to Lessor's Performance. This Agreement is not a commitment by Lessor to enter into any Lease not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion. Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Lessee understands that Lessor requires certain documentation and information necessary to enter into any Lease and Lessee agrees to provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

9. Rental Payments. Lessee shall promptly pay "Rental Payments" as described in Exhibit A-1 to each Lease, exclusively from legally available funds, to Lessor on the dates and in such amounts as provided in each Lease. Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum rate permitted by law, whichever is less, from such date until paid. Rental Payments consist of principal and interest portions. *Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein or in a Lease constitute a pledge of the general tax revenues, funds or monies of Lessee.*

10. RENTAL PAYMENTS TO BE UNCONDITIONAL. EXCEPT AS PROVIDED IN SECTION 7, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

11. Delivery; Installation; Acceptance. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in each Lease and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Lease has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate (Exhibit B). Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term.

12. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Lease on which such item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

13. Use; Maintenance. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good

repair and working order. Lessee will enter into a maintenance contract for the Equipment that is acceptable to Lessor.

14. Title. Upon acceptance of the Equipment under a Lease by Lessee, title to the Equipment shall vest in Lessee subject to Lessor's rights under the Lease; provided that title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor, upon (a) any termination of the applicable Lease other than termination pursuant to Section 22 or (b) the occurrence of an Event of Default. Transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

15. Security Interest. To secure the payment of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee grants to Lessor a security interest constituting a first and exclusive lien on the Equipment applicable to such Lease and on all proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated.

16. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by each Lease. The parties to this Agreement contemplate that the Equipment will be used for governmental or proprietary purposes of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due.

17. Insurance. At its own expense, Lessee shall during each Lease Term maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor, in an amount at least equal to the then applicable "Purchase Price" of the Equipment as described in Exhibit A-1 of each Lease; (b) liability insurance that protects Lessee from liability in all events in form and amount satisfactory to Lessor; and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b). Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout each Lease Term. Lessee shall not materially modify or cancel such insurance or self-insurance coverage without first giving written notice thereof to Lessor at least 10 days in advance of such cancellation or modification. All such insurance

described in clauses (a) and (b) above shall contain a provision naming Lessor as a loss payee and additional insured.

18. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee agrees to pay such amounts so advanced by Lessor with interest thereon from the advance date until paid at the rate of 12% per annum or the maximum rate permitted by law, whichever is less.

19. Damage, Destruction and Condemnation. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment to substantially the same condition as existed prior to the event causing such damage, destruction, or condemnation, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 22. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

For purposes of this Section, the term "Net Proceeds" shall mean (y) the amount of insurance proceeds received by Lessee for replacing, repairing, restoring, modifying, or improving damaged or destroyed Equipment, or (z) the amount remaining from the gross proceeds of any condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to herein, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pursuant to Section 22 purchase Lessor's interest in the Equipment and in any other Equipment listed in the same Lease. The amount of the Net Proceeds, if any, remaining after completing such replacement, repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment and such other Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 9.

20. DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO WHETHER EXPRESS OR IMPLIED, AND LESSEE ACCEPTS SUCH EQUIPMENT AS IS AND WITH ALL FAULTS. IN NO EVENT SHALL LESSOR BE

LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF ANY LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN ANY LEASE.

21. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee as its agent and attorney-in-fact during each Lease Term, so long as Lessee shall not be in default under the related Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. The term "Vendor" means any supplier or manufacturer of the Equipment as well as the agents or dealers of the manufacturer or supplier from whom Lessor purchased or is purchasing such Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights or obligations of Lessor with respect to any Lease, including the right to receive full and timely payments under a Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by Vendor of the Equipment.

22. Purchase Option. Lessee shall have the option to purchase Lessor's interest in all of the Equipment listed in any Lease, upon giving written notice to Lessor at least 60 days before the date of purchase, at the following times and upon the following terms: (a) on the Rental Payment dates specified in each Lease, upon payment in full of the Rental Payments then due under such Lease plus the then applicable Purchase Price as referenced in Exhibit A-1; or (b) in the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee's notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments then due under such Lease plus the then applicable Purchase Price plus accrued interest from the immediately preceding Rental Payment date to such purchase date.

23. Assignment. Lessor's right, title and interest in and to each Lease, including Rental Payments and any other amounts payable by Lessee thereunder and all proceeds therefrom, may be assigned and reassigned to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any such assignment shall not be effective until (a) Lessee has received written notice, signed by the assignor, of the name and address of the assignee, and (b) it is registered on the registration books. Lessee shall retain all such notices as a register of all assignees in compliance with Section 149(a) of the Code, and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents that may be reasonably requested by Lessor or any assignee to protect its interests and property assigned pursuant to this Section. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or Vendor. Assignments may include without limitation assignment of all of Lessor's security interest in and to the

Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment. Lessee hereby agrees that Lessor may, without notice to Lessee, sell, dispose of, or assign this Agreement or any particular Lease or Leases through a pool, trust, limited partnership, or other similar entity, whereby one or more interests are created in this Agreement or in a Lease or Leases, or in the Equipment listed in or the Rental Payments under a particular Lease or Leases.

None of Lessee's right, title and interest in, to and under any Lease or any portion of the Equipment listed in each Lease may be assigned, subleased, or encumbered by Lessee for any reason without obtaining prior written consent of Lessor.

24. Events of Default. Any of the following events shall constitute an "Event of Default" under a Lease: (a) failure by Lessee to pay any Rental Payment or other payment required to be paid under a Lease at the time specified therein; (b) failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor; (c) any statement, representation or warranty made by Lessee in or pursuant to any Lease shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, or (d) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar official is appointed for Lessee or any of its property.

25. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) by written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to such Lease and other amounts payable by Lessee under such Lease to the end of the then current Original Term or Renewal Term to be immediately due and payable; (b) with or without terminating the Lease Term under such Lease, Lessor may enter the premises where the Equipment listed in such Lease is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to such Lease and other amounts related to such Lease of the Equipment listed therein that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under such Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 7 hereof. The exercise of any such remedies in respect of any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease or the Equipment listed therein; and (c) Lessor may take whatever

action at law or in equity may appear necessary or desirable to enforce its rights under such Lease or as a secured party in any or all of the Equipment. Any net proceeds from the exercise of any remedy under a Lease (after deducting all costs and expenses referenced in the Section) shall be applied as follows: (i) if such remedy is exercised solely with respect to a single Lease, Equipment listed in such Lease or rights thereunder, then to amounts due pursuant to such Lease and other amounts related to such Lease or such Equipment; or (ii) if such remedy is exercised with respect to more than one Lease, Equipment listed in more than one Lease or rights under more than one Lease, then to amounts due pursuant to such Leases pro-rata.

26. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease now or hereafter existing at law or in equity.

27. Notices. All notices or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses listed below (or at such other address as either party hereto shall designate in writing to the other for notices to such party), or to any assignee at its address as it appears on the registration books maintained by Lessee.

28. Release and Indemnification. To the extent permitted by State law, and subject to Section 7, Lessee shall indemnify, release, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, attorney's fees and expenses, penalties connected therewith imposed on interest received) arising out of or as result of (a) entering into any Lease, (b) the ownership of any

item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant or any material representation contained in a Lease. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under all Leases or the termination of the Lease Term under all Leases for any reason.

29. Miscellaneous Provisions. Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. References herein to "Lessor" shall be deemed to include each of its assignees and subsequent assignees from and after the effective date of each assignment as permitted by Section 23. In the event any provision of any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof. Each Lease may be amended by mutual written consent of Lessor and Lessee. Each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease. This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

(LESSOR)
Pinnacle Public Finance, Inc
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

(LESSEE)
Sample Lessee
Sample Address
City, State Zip

Signature: _____

Signature: _____

Name/Title: _____

Name/Title: _____

Date: _____

Date: _____

EXHIBIT A

SCHEDULE OF PROPERTY NO. 1

RE: MASTER EQUIPMENT LEASE PURCHASE AGREEMENT entered into as of Master Date, ("Agreement"), between Pinnacle Public Finance, Inc. ("Lessor") and Sample Lessee ("Lessee"). All terms used and not otherwise defined herein have the meanings ascribed to them in the Agreement.

The following items of Equipment are hereby included under this Schedule to the Agreement.

To the extent that less than all of the Equipment subject to this Schedule has been installed and accepted by Lessee on or prior to the date hereof, Lessee hereby acknowledges that a portion of the Equipment has not been delivered, installed and accepted by Lessee for purposes of this Lease and Lessor hereby commits to provide funds in an amount sufficient to pay the costs to acquire and install the Equipment. In consideration of the foregoing, Lessee hereby acknowledges and agrees that its obligation to make Rental Payments as set forth in this Schedule is absolute and unconditional as of the date hereof and on each date and in the amounts as set forth in the Rental Payment Schedule, subject to the terms and conditions of the Lease.

Ninety five percent of the financing costs are being used to acquire assets that will be capitalized.

<u>DESCRIPTION OF EQUIPMENT</u>			
<u>Quantity</u>	<u>Description</u>	<u>Model No.</u>	<u>Serial No.</u>

Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the Commencement Date of Rental Payments under this Schedule. The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

Dated: Sample Date

Lessor: Pinnacle Public Finance, Inc.

Lessee: Sample Lessee

Signature: _____

Signature: _____

Name/Title: _____

Name/Title: _____

Date: _____

Date: _____

EXHIBIT A-1

RENTAL PAYMENT SCHEDULE

RE: Schedule of Property No. _____ dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
-------	--------------	----------------	----------	-----------	----------------	---------------------

SAMPLE

COMMENCEMENT DATE: Sample Date

Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

EXHIBIT B

PLEASE COMPLETE EITHER FINAL OR PARTIAL ACCEPTANCE, AS RELEVANT

FINAL ACCEPTANCE CERTIFICATE

Re: Schedule of Property No. 1 dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

In accordance with the Master Equipment Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

- (1) All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has been delivered, installed and accepted on the date hereof.
- (2) Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Lessee is currently maintaining the insurance coverage required by Section 17 of the Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

LESSEE
 Sample Lessee
 Signature: _____
 Name/Title: _____
 Acceptance Date: _____

> OR <

PAYMENT REQUEST and PARTIAL ACCEPTANCE CERTIFICATE

Pinnacle Public Finance, Inc. is hereby requested to pay the person or entity designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment and has not formed the basis of any prior request for payment. The equipment described below is part or all of the "Equipment" listed in Exhibit A to the Master Equipment Lease Purchase Agreement referenced above.

<u>Quantity</u>	<u>Serial Number/Description</u>	<u>Amount</u>
-----------------	----------------------------------	---------------

Payee: _____

Payee's Federal ID Number: _____

Lessee hereby certifies and represents to and agrees with Lessor as follows: (i) the equipment described above has been delivered, installed and accepted on the date hereof; (ii) Lessee has conducted such inspection and/or testing of said equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said equipment for all purposes; (iii) Lessee is currently maintaining the insurance coverage required by Section 17 of the Agreement; (iv) no event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.

Dated: _____

LESSEE
 Sample Lessee
 Signature: _____
 Name/Title: _____

PLEASE RETURN PAYMENT REQUEST TO:

Pinnacle Public Finance, Inc.
 8377 East Hartford Drive, Suite 115
 Scottsdale, AZ 85255

PLEASE
FORWARD
TO
ATTORNEY

Attorney for Sample Lessee, as Lessee

Re: Exhibit C, Opinion of Counsel, to Schedule of Property No. 1, dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

To Whom It May Concern:

Attached is our standard Opinion of Counsel. Please review the representations and qualifications, print the letter on your firm letterhead, and execute. Please return either directly to us at 8377 East Hartford Drive, Suite 115, Scottsdale, Arizona 85265 or to the Lessee for delivery to us. If you cannot sign this letter in its current form, please contact Cathy Jimenez at 480-585-3789 to discuss any changes prior to making them. Please keep any requested changes to a minimum. Our receipt of an opinion that does not meet our requirements will slow down the funding process. We will not be able to fund the transaction contemplated by the above documents without the representations contained in the attached opinion letter.

Thank you for your prompt attention to this matter. We look forward to completing this transaction.

Sincerely,

Investment Associate

Enclosures

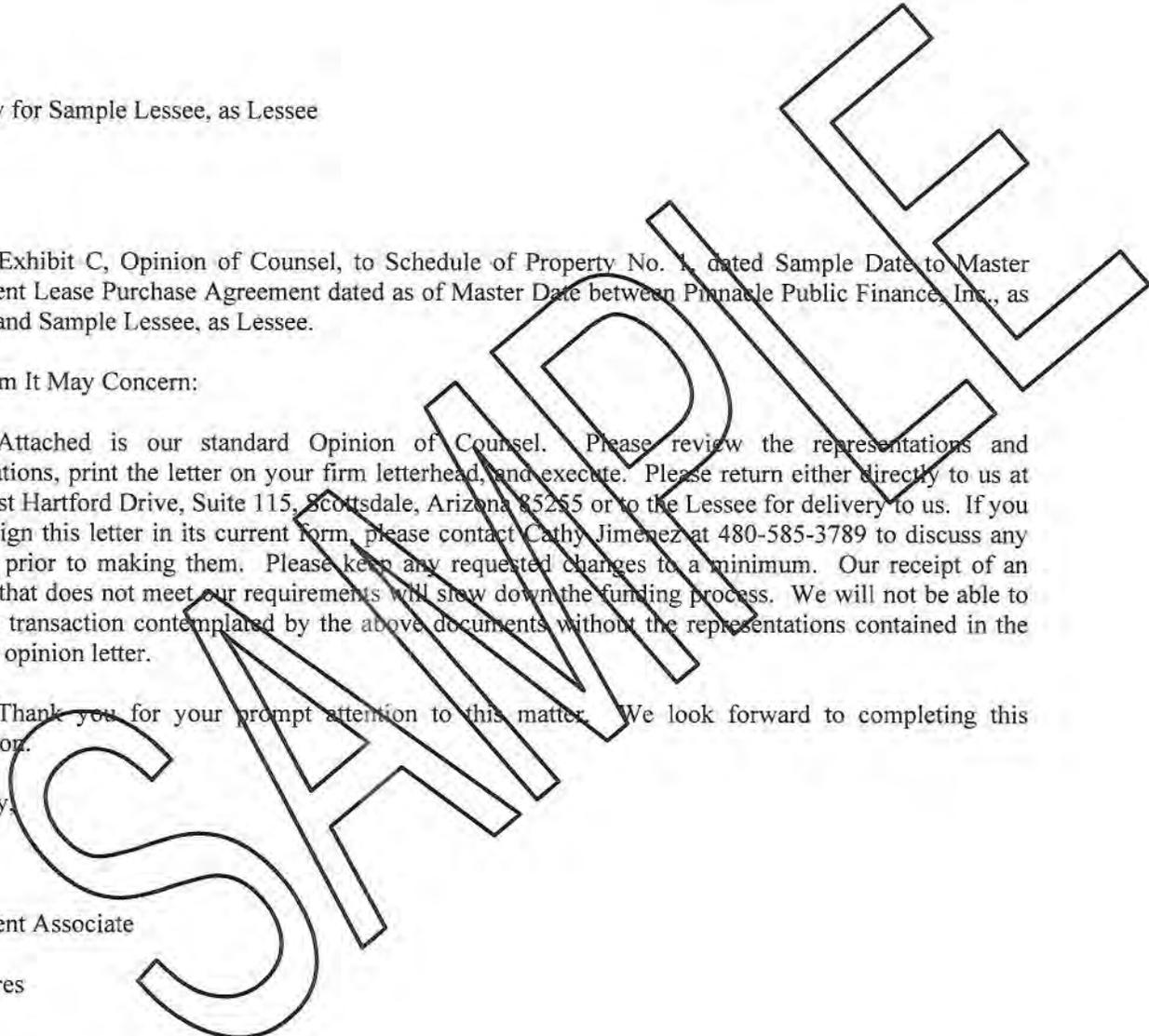


EXHIBIT C

(To be put on Attorney's Letterhead)

Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

Re: Schedule of Property No. 1, dated Sample Date to Master Equipment Lease Purchase Agreement dated as of Master Date between Pinnacle Public Finance, Inc., as Lessor, and Sample Lessee, as Lessee.

Ladies and Gentlemen:

As legal counsel to Sample Lessee, (the "Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement dated as of Master Date and Exhibits thereto by and between Pinnacle Public Finance, Inc. (the "Lessor") and Sample Lessee, (the "Agreement") and an executed counterpart of Schedule of Property No. 1 dated Sample Date by and between Lessor and Lessee (the "Schedule"), which, among other things, provides for the lease with option to purchase to the Lessee of certain property listed in the Schedule (the "Equipment"), (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorize Lessee to execute the Agreement and the Schedule and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinion. The Schedule and the terms and provisions of the Agreement incorporated therein by reference together with the Rental Payment Schedule attached to the Schedule are herein referred to collectively as the "Lease".

In rendering this opinion, we have assumed without inquiry:

- (a) The authenticity of all documents submitted to us as copies of the originals, and the conformity of such copies to the originals as they are finally executed and delivered by Lessee and Lessor;
- (b) That the Lease has been or will be duly authorized, executed and delivered by Lessor;
- (c) That the Lease constitutes valid, legal and binding obligations of Lessor enforceable against Lessor in accordance with its terms; and
- (d) That the Lease accurately describes and contains the mutual understandings of the parties, and that there are not oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms thereof.

Based on the foregoing, I am of the following opinion:

- (1) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, or has a substantial amount of one the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, or (c) police power;
- (2) The name of the lessee contained in the Lease is the correct legal name of the Lessee;
- (3) Lessee has the requisite power and authority to lease and acquire the Equipment with an option to purchase and to execute and deliver the Lease and to perform its obligations under the Lease;
- (4) The Lease has been duly authorized, approved, executed, and delivered by and on behalf of Lessee and the Lease is a legal, valid and binding obligation of Lessee enforceable in accordance with its

terms, subject to (i) all applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium and other similar laws; (ii) the qualification that certain waivers, restrictions and remedies provided for in this Lease, including without limitation certain indemnification obligations, may be wholly or partially unenforceable under Sample State law; and (iii) general principles of equity.

(5) The authorization, approval, execution, and delivery of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state laws; and

(6) To the best of my knowledge, there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment thereunder.

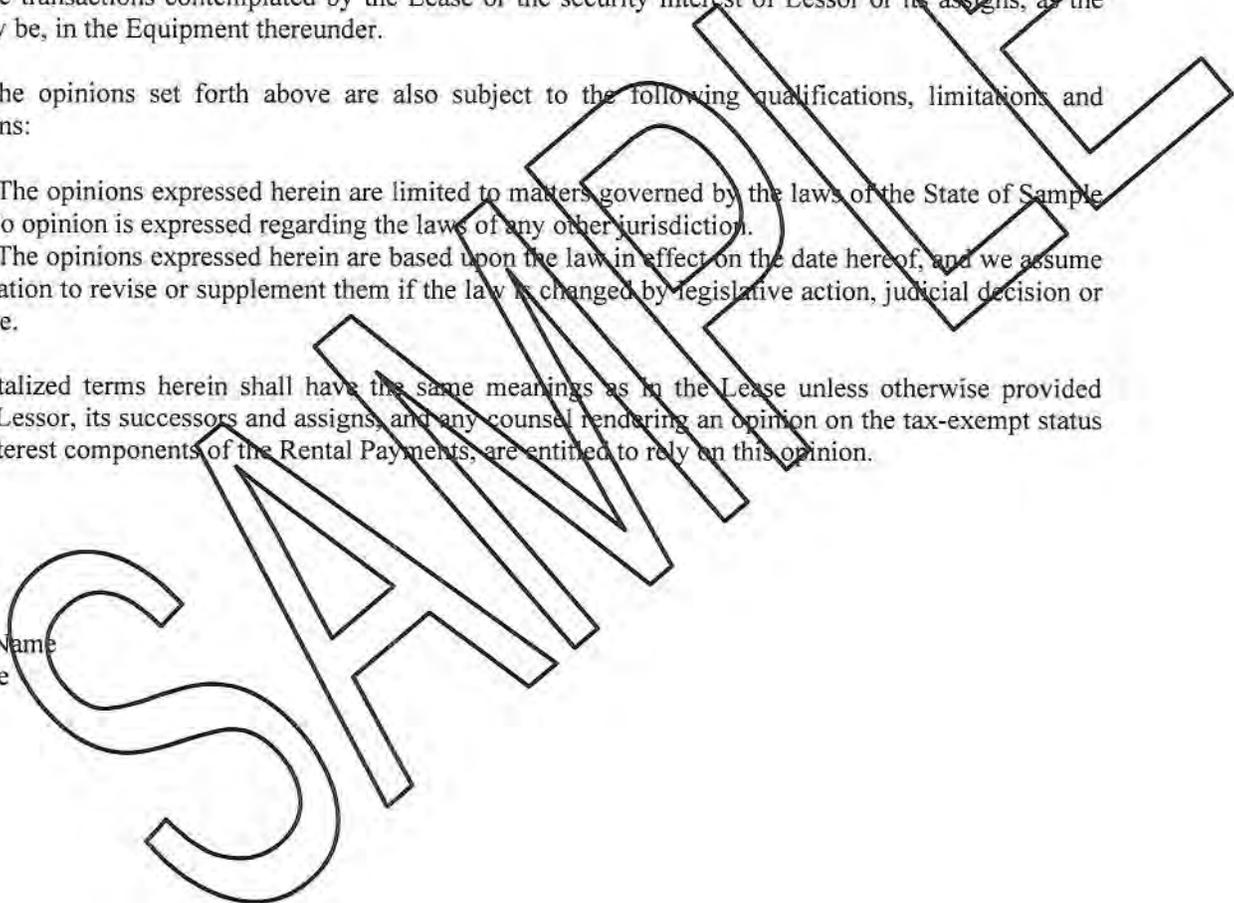
All of the opinions set forth above are also subject to the following qualifications, limitations and exceptions:

(a) The opinions expressed herein are limited to matters governed by the laws of the State of Sample State. No opinion is expressed regarding the laws of any other jurisdiction.

(b) The opinions expressed herein are based upon the law in effect on the date hereof, and we assume no obligation to revise or supplement them if the law is changed by legislative action, judicial decision or otherwise.

All capitalized terms herein shall have the same meanings as in the Lease unless otherwise provided herein. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Printed Name
Signature



INSURANCE COVERAGE REQUIREMENTS

LESSOR: Pinnacle Public Finance, Inc.

LESSEE: Sample Lessee

Please Reference Control # 100 ___ on Certificate of Insurance

1. In accordance with Section 17 of the Agreement, we have instructed the insurance agent named below:
(Please fill in name, address and telephone number).

_____ Telephone: () _____
Fax: () _____
Contact: _____

a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Pinnacle Public Finance, Inc. and/or its assigns, as Loss Payee.

Coverage Required: Full Replacement Value

b. Public Liability Insurance evidenced by a Certificate of Insurance naming Pinnacle Public Finance, Inc. and/or its assigns as Additional Insured.

c. Workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses.

Minimum Coverage Required: \$2,000,000

OR

2. Pursuant to Section 17 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.

Proof of insurance coverage will be provided prior to the time the Equipment is delivered to us.

PLEASE LIST NAME & ADDRESS AS FOLLOWS:

**Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255**

LESSEE: Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

PAYMENT INSTRUCTIONS

Pursuant to the Master Equipment Lease Purchase Agreement dated Master Date (the "Agreement"), Schedule of Property No. 1, dated Sample Date, between Pinnacle Public Finance, Inc. (the "Lessor") and Sample Lessee (the "Lessee"), Lessee hereby acknowledges the obligations to make Rental Payments promptly when due, in accordance with Exhibit A-1 to the Agreement.

LESSEE NAME: _____ TAX ID#: _____

INVOICE MAILING ADDRESS: _____

Mail invoices to the attention of: _____ Phone () _____ Fax () _____

Approval of Invoices required by: _____ Phone () _____ Fax () _____

Accounts Payable Contact: _____ Phone () _____ Fax () _____

Processing time for Invoices: _____ Approval: _____ Checks: _____

Do you have a Purchase Order Number that you would like included on the invoice? No _____ Yes _____ PO# _____

Do your Purchase order numbers change annually? No _____ Yes _____ Processing time for new purchase orders: _____

LESSEE: Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

SAMPLE

BANK QUALIFIED DESIGNATION

Schedule of Property No. 1 dated **Sample Date** to Master Equipment Lease Purchase Agreement dated **Master Date**

Lessee hereby represents and certifies the following (please check one):

Bank Qualified

Lessee has designated, and hereby designates, this Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In making that designation, Lessee hereby certifies and represents that:

- As of the date hereof in the current calendar year, neither Lessee nor any other issuer on behalf of Lessee has designated more than \$10,000,000 of obligations (including this Lease) as "qualified tax-exempt obligations";
- Lessee reasonably anticipates that the total amount of tax-exempt obligations (including this Lease) to be issued by or on behalf of Lessee (or allocated to Lessee) during the current calendar year will not exceed \$10,000,000;
- The Lease will not be at any time a "private activity bond" as defined in Section 141 of the Code;
- The Lease is not subject to control by any entity and there are no entities subject to control by Lessee; and
- Not more than \$10,000,000 of obligations of any kind (including the Lease) issued by, on behalf of or allocated to Lessee will be designated for purposes of Section 265(b)(3) of the Code during the current calendar year.

Non-Bank Qualified

Lessee has not designated this Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code.

LESSEE: Sample Lessee

Signature: X _____

Printed Name/Title: X _____

Date: X _____

CERTIFICATE OF SIGNATURE AUTHORITY OF LESSEE

Sample Date

Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

RE: Schedule of Property No. 1 dated Sample Date ("Lease") to the Master Equipment Lease Purchase Agreement dated Master Date ("Agreement"), by and between Sample Lessee ("Lessee") and Pinnacle Public Finance, Inc. ("Lessor").

Dear Pinnacle Public Finance, Inc.,

I, the undersigned, do hereby certify

(i) that _____
(please print the name and title of the person who signed the lease documents on the line above)

the officer of Lessee who executed the foregoing Lease and Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting officer of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Lease and Agreement on behalf of Lessee, and

(ii) that the budget year of Lessee is from _____ to _____.

Sincerely,

Signature: _____

Name/Title: _____

Dated: _____

The Certificate of Signature Authority of Lessee should be executed by an authorized individual confirming the execution of the remaining documents is authorized. This document cannot be signed by the person signing the lease documents.

INTERNAL ESCROW LETTER

Sample Date

Pinnacle Public Finance
8377 E. Hartford Dr., Suite 115
Scottsdale, Arizona 85255

Re: Schedule of Property No. 1 dated Sample Date to Master Equipment Lease Purchase Agreement dated Master Date (the "Lease"), by and between Pinnacle Public Finance, Inc. and Sample Lessee.

Ladies and Gentlemen:

We, Sample Lessee ("Lessee"), have entered into the above referenced Lease with you, Pinnacle Public Finance, Inc. ("Pinnacle"), for the purpose of financing Equipment (the "Equipment") in the amount of \$ _____ (the "Financed Amount"). Lessee hereby requests that Pinnacle retain \$ _____ (the "Retained Amount") in an internal escrow account pending Pinnacle's receipt of confirmation from Lessee that the Equipment has been delivered, inspected and accepted for all purposes by the Lessee.

Lessee understands and agrees that interest shall accrue on the entire Financed Amount as of the date hereof, and further understands and agrees that any interest earned on the Retained Amount shall be paid to Lessor in consideration of managing the internal escrow account.

Lessee acknowledges that Lessor may commingle the Retained Amount held by Lessor for the benefit of Lessee with other funds held by Lessor for its own account, so long as Lessor maintains segregation of such amounts on the books and records of Lessor.

Sincerely,

Sample Lessee

Signature: _____

Name/Title: _____

Date: _____

AGENDA DATE: 09/16/14

AGENDA ITEM: 7F

TITLE

Consider action to approve a resolution accepting the bid of and awarding a contract for the purchase of two 2015 Chevrolet Colorado pick-up trucks to Caldwell Country Chevrolet in the amount of \$52,504 for the Fleet Department through the Interlocal Cooperative Purchasing Agreement with Houston-Galveston Area Council (H-GAC).

STAFF REPRESENTATIVE

Tim Rogers, Public Works Director
Jacob Gilliland, Utility Operations Manager

SUMMARY

The City Council approved the purchase of new trucks for Parks and Engineering in the FY2014 budget. The purpose of this item is to award the bid to Caldwell Country Chevrolet for one 2015 Chevrolet Colorado CS15403 in the amount of \$23,704 and one 2015 Chevrolet Colorado Double Cab CS15653 with four wheel drive in the amount of \$28,800.

BACKGROUND INFORMATION

During the FY2014 budget process, the City Council allocated \$250,000 toward the purchase of replacement trucks, a generator, and a mower in fleet.

As part of our "right-sizing" initiative, staff considered the tasks that our engineering assistants perform in their regular duties. There are several jobsites in which the engineering staff are responsible for inspections that are not readily accessible by paved roads. At times, they are required to drive off road into areas that a two wheel drive truck is incapable of traversing. To ensure our engineering assistants can perform their duties as required, it is necessary to provide a four-wheel-drive truck for access to assigned construction sites.

DISCUSSION

This agenda item is to approve a resolution accepting the bid and awarding a contract for the purchase of two, 2015 Chevrolet Colorado pick-up trucks from Caldwell Country Chevrolet in the amount of \$52,504.

Staff has evaluated, determined and identified, through our rightsizing program, the needs for the Engineering Division, requiring a four-wheel-drive vehicle to accomplish their on-site inspections. Staff allocated funds to right size vehicle #49-05 (Ford F-250, 2002) recommending the purchase of a four wheel drive Chevrolet Colorado and vehicle #49-02 (Ford F-250, 2002) recommending the purchase of a two wheel drive Chevrolet Colorado. These vehicles are 12 years old, which is beyond the organization's replacement program and best management practice of replacing during a ten year cycle.

FINANCIAL/BUDGET IMPLICATIONS

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount*	Proposed Amount
101-4526-451-8050	Motor Vehicles	\$250,000	\$52,504
Total		\$250,000	\$52,504

*\$147,173 is the remaining balance in this account.

RECOMMENDED ACTION

Approve a resolution accepting the bid of and awarding a contract for the purchase of two 2015 Chevrolet Colorado pick-up trucks to Caldwell Country Chevrolet in the amount of \$52,504 for the Fleet Department through the Interlocal Cooperative Purchasing Agreement with Houston-Galveston Area Council (H-GAC).

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AWARDED A BID FOR THE PURCHASE OF TWO CHEVROLET COLORADO PICK-UP TRUCKS TO CALDWELL COUNTRY CHEVROLET IN THE AMOUNT OF \$52,504 FOR THE FLEET DEPARTMENT THROUGH THE INTERLOCAL COOPERATIVE PURCHASING AGREEMENT WITH HOUSTON-GALVESTON AREA COUNCIL; AUTHORIZING THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to procure two 2015 Chevrolet Colorado pick-up trucks replacing a 2003 Ford F250 pickup truck and a 2002 Ford F150 pick-up truck for the Fleet Department; and

WHEREAS, the City of Rowlett has entered into an Interlocal Cooperative Purchasing Agreement with Houston-Galveston Area Council (H-GAC) for products and services; and

WHEREAS, the Houston-Galveston Area Council (H-GAC) has taken sealed bids for the Chevrolet Colorado pick-up trucks and has contract # VE11-13 in place for said equipment; and

WHEREAS, the City Council of the City of Rowlett, Texas desires to award such bids to Caldwell Country Chevrolet.

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

Section 1: The City Council of the City of Rowlett does hereby approve the purchase of two 2015 Chevrolet Colorado pick-up trucks to Caldwell Country Chevrolet in the amount of \$52,504 for the Fleet Department through the Interlocal Cooperative Purchasing Agreement with Houston-Galveston Area Council (H-GAC).

Section 2: The City Council does hereby authorize the City Manager or his designee to issue purchase orders to conform to this resolution in accordance

with the quotation attached hereto and incorporated herein by reference as Exhibit A.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Quote from Caldwell Country Chevrolet



CONTRACT PRICING WORKSHEET
For Standard Equipment Purchases

Contract No.:

VE11-13

Date Prepared:

4/15/2014

This Form must be prepared by Contractor, and provided to End User to attach to Purchase Order, with copy to H-GAC. The H-GAC administrative fee shall be calculated and shown as a separate line item. Please type or print legibly.

Buying Agency:	CITY OF ROWLETT	Contractor:	CALDWELL COUNTRY CHEVROLET
Contact Person:	PATRICK BRAMLETT	Prepared By:	AVERYT KNAPP
Phone:	972-463-3915 / 214-733-4029 -C	Phone:	979-567-6116
Fax:	972-463-3907	Fax:	979-567-0853
Email:	VALFARO@CI.ROWLETT.TX.US	Email:	AKNAPP@CALDWELLCOUNTRY.COM

Product Code:	A34	Description:	2015 CHEVROLET COLORADO DOUBLE CAB CS15653
---------------	-----	--------------	--

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: 24,440.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
AUTOMATIC	INCL		
AIR CONDITION	INCL		
4 -CYLINDER	INCL		
FOUR WHEEL DRIVE 4X4	3375		
		Subtotal From Additional Sheet(s):	
		Subtotal B:	3375

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
		Subtotal From Additional Sheet(s):	
		Subtotal C:	0

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 0%

D. Other Cost Items Not Itemized Above (e.g. Installation, Freight, Delivery, Etc.)

Description	Cost	Description	Cost
DELIVERY	385		
EXTERIOR COLOR WHITE			
		Subtotal D:	385

E. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C+D) 28200

Quantity Ordered:	1	X Subtotal of A + B + C + D:	28200	=	Subtotal E:	28200
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F. H-GAC Fee Calculation (From Current Fee Tables) **Subtotal F:** 600

G. Trade-Ins / Other Allowances / Special Discounts

Description	Cost	Description	Cost
		Subtotal G:	0

Delivery Date: SUMMER-FALL **H. Total Purchase Price (E+F+G):** 28800



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7G

TITLE

Consider action to approve a resolution exercising the second of two one-year renewal options to extend the motor fuel bid to Martin Eagle Oil Company, Incorporated in the unit amounts bid for transporting and delivery per fuel gallon and type in an estimated annual amount of \$380,312.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer
Tim Rogers, Director of Public Works
Allyson Wilson, Purchasing Agent

SUMMARY

This bid is for the annual contract for motor fuel for all City departments. The initial contract period was from October 2012 to September 2013. Two one year renewal options are available if both parties are in agreement. Representatives at Martin Eagle Oil Incorporated are in agreement to exercise the option to extend the bid for the second one-year renewal period. Martin Eagle has provided fuel to the City of Rowlett in the past from 2009 to 2011.

BACKGROUND INFORMATION

On September 17, 2013, the City Council approved Resolution Number RES-085-13 exercising the first of two one-year renewal options to extend the motor fuel bid to Martin Eagle Oil Company, Incorporated in the unit amounts bid for transporting and delivery per fuel gallon and type in an estimated annual amount of \$380,312.

DISCUSSION

A blanket purchase order will be issued indicating the transportation and delivery fee per gallon and per type of fuel. This price will be in addition to the average net Oil Price Information Service (OPIS) Index Pad 3 report for Dallas Metro per gallon per fuel type, plus twenty cents state tax and the Texas load fee. The OPIS price changes daily based on the market. The handling fee per gallon will be locked in for the twelve month period. Prices will fluctuate each month due to the OPIS index rate for Dallas Metro, TX (OPIS Contract Benchmark File) changing daily.

The budgeted amount for FY2013 is \$380,312. The cost of motor fuel in FY2013 to date is \$376,355.32. As of September 6, 2013, 35,316 gallons of diesel fuel and 85,464 gallons of unleaded fuel have been ordered. It is anticipated that 92,000 gallons of unleaded gasoline and 35,000 gallons of TX LED diesel fuel will be ordered during the next twelve month contract period. With the purchases of new vehicles and equipment over the past two years that are

more fuel efficient, staff believes the estimated budget amount will be sufficient for the purchase of fuel for the City's use based on past usage.

The unit price is the handling cost per gallon per fuel type. The City includes costs for mid-grade and premium unleaded fuel; however, for the past three years the City has opted to purchase regular unleaded fuel as recommended by the vehicle manufacturers. Please refer to the attached bid tabulation for additional costs and information.

This price will be in addition to the average net Oil Price Information Service (OPIS) Index Pad 3 report for Dallas Metro per gallon per fuel type, plus twenty cents state tax and the Texas load fee. The OPIS price changes daily based on the market. The handling fee per gallon will be locked in for the twelve month period. Prices will fluctuate each month due to the OPIS index rate for Dallas Metro changing daily.

Eight bids were received. All bids were very close. On the attached bid tabulation the individual handling cost per fuel gallon is indicated for picking up the fuel, transporting, and delivery. A summary is also shown which extends the cost for a typical delivery for the City. When calculations were made based on our typical order of 5,500 gallons of regular unleaded fuel and 2,000 gallons of TX LED diesel fuel plus the combination load fee bid and state tax by each vendor, a discount offered per gallon by four of the vendors if paid within "Net 10 days or Net 15 day terms by ACH or EFT" made the difference.

Summary of cost for a typical delivery:

\$24,650.45	Lykins Oil Company (Rescinded Award due to vendor withdrawal)
\$24,663.85	Four Sisters Petroleum (Terminated due to Inability to Adhere to Contract)
\$24,669.10	Martin Eagle Oil Company, Inc.
\$24,669.15	RKA Petroleum
\$24,700.00	Southern Counties Oil
\$24,780.45	Gold Star Petroleum
\$24,891.50	Petroleum Traders
\$25,171.60	Sun Coast Resources

FINANCIAL/BUDGET IMPLICATIONS

Funding in the amount of \$433,822 has been proposed in the FY2015 budget for the user departments in account 6011. Fuel costs are allocated monthly to each department according to the usage report, which is processed by the Fleet and Accounting Divisions.

Budget Account Number and/or Project Code	Account or Project Title	Budget Amount	Proposed Amount
6011	Supplies/Gasoline	\$433,822	\$380,312
Total		\$433,822	\$380,312

RECOMMENDED ACTION

City staff recommends the City Council adopt a resolution exercising the second of two one-year renewal options to extend the motor fuel bid to Martin Eagle Oil Company, Incorporated in the unit amounts bid for transporting and delivery per fuel gallon and type attached hereto and incorporated herein by reference as Exhibit A and in an estimated annual amount of \$380,312.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, EXERCISING THE SECOND OF TWO ONE-YEAR RENEWAL OPTIONS TO EXTEND THE MOTOR FUEL BID TO MARTIN EAGLE OIL COMPANY, INCORPORATED IN THE UNIT AMOUNTS BID FOR TRANSPORTING AND DELIVERY PER FUEL GALLON AND TYPE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE AS EXHIBIT A AND IN AN ESTIMATED ANNUAL AMOUNT OF \$380,312; AUTHORIZING THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to purchase motor fuel for the City departments and divisions; and

WHEREAS, the Purchasing Division has taken competitive bids as per bid documents #2012-62 and the City Council awarded the bid to Martin Eagle Oil Company, Incorporated on April 2, 2013; and

WHEREAS, the bid documents included options for two one-year renewal options; and

WHEREAS, the City of Rowlett, Texas desires to exercise the second of two one-year renewals for the annual motor fuel bid to Martin Eagle Oil Company, Incorporated.

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

Section 1: That the City Council of the City of Rowlett does hereby approve and exercise the second of two one-year renewal options for motor fuel to Martin Eagle Oil Company, Incorporated in the unit amounts bid for transporting and delivery per fuel gallon and type, attached hereto and incorporated herein by reference as Exhibit A, and in an estimated annual amount of \$380,312.

Section 2: That the City Manager is hereby authorized to issue purchase orders to conform to this resolution

Section 3: That this resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Bid Tabulation

City of Rowlett Bid Tabulation for Annual Contract for Motor Fuel

Bid No. 2012-62

August 23, 2012 2:00 PM

	Four Sisters Petroleum	Gold Star Petroleum	Lykins Oil Co.	Martin Eagle Oil Co.
	Riti Madugula	J. J. Rodriguez	Lisa Hare	Phillip Childers III
	2900 N. Quinlan Park	PO Box 11151	PO Box 7856	2700 James St.
	#B240	Spring, TX 77391	Naples, FL 34101	Denton, TX 76205
	Austin, TX 78732			
	512-538-0525	281-379-5928	239-455-0883	940-383-2351
Minimum Number of Gallons for Transport Loads	512-853-8690 F	281-379-5928 F	239-455-0883 F	940-382-9342 F
A. Unleaded	<u>7500</u>	<u>8500</u>	<u>8500</u>	<u>7500</u>
B. TX LED Diesel	<u>7500</u>	<u>7500</u>	<u>7500</u>	<u>7500</u>
C. Combination	<u>7500</u>	<u>8000</u>	<u>8000</u>	<u>7500</u>
	OPIS 8/17/12 – Handling fee is marked up/down from OPIS average			
1. Premium Unleaded – Handling Fee OPIS \$3.3267 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.5267	+ .02 = \$ 3.5467	+ .0199 = \$ 3.5466	+ .0179 = \$ 3.5446	+ .0207 = \$ 3.5474
2. Mid-Grade Unleaded – Handling Fee OPIS \$3.0999 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.2999	+ .02 = \$ 3.3199	+ .0199 = \$ 3.3198	+ .0179 = \$ 3.3178	+ .0207 = \$ 3.3206
3. Unleaded – Handling Fee OPIS \$3.0116 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.2116	+ .02 = \$ 3.2316	+ .0199 = \$ 3.2315	+ .0179 = \$ 3.2295	+ .0207 = \$ 3.2323
4. TX LED Diesel – Handling Fee OPIS \$3.2582 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.4582	+ .02 = \$ 3.4782	+ .0399 = \$ 3.4981	+ .0179 = \$ 3.4761	+ .0207 = \$ 3.4789
5. Brand of Fuel Bid	None given	None given	BP, Conoco, Flint Hills, Direct Fuel, Shell, Exxon, Marathon	None given
6. Current Texas State Gas Tax Rate	.20	.20	.20	.20
7. Current Texas Load Fee for Combination Load	8.65 comb/>8000 11.00	11.00	11.00	8.65 / >8000= 11.00
8. Delivery Time	<u>1 day ARO</u>	<u>2 days</u>	<u>1 day ARO</u>	<u>1 day</u>
9. Payment Terms	<u>.01/gal disc N10 ACH or EFT</u>	<u>Net 30</u>	<u>30 days/1%disc N10 EFT</u>	<u>Net 30; 1% disc N10</u>
10. Method for Temperature Adjustment	Y	Y	Y	Y
11. Analysis sheet for each product	Y	Y	Y	Y
12. Insurance Requirement Affidavit	Y	Y	Y	Y
Addenda No. 1 & 2 Acknowledged?	Y	N	Y	Y

City of Rowlett Bid Tabulation for Annual Contract for Motor Fuel

Bid No. 2012-62

PAGE 2 OF 3

August 23, 2012 2:00 PM

	Petroleum Traders	RKA Petroleum	Southern Counties Oil	Sun Coast Resources
	Linda Stephens	Rick Enright	Karen Koep	Terri Bateman
	7120 Pointe Inverness	28340 Wick Rd.	PO Box 4159	6922 Cavalcade
	Ft. Wayne, IN 46804	Romulus, MI 48174	Orange, CA 92863	Houston, TX 77028
	800-348-3705x1002	800-875-3835	805-389-3550	713-429-6702
Minimum Number of Gallons for Transport Loads	260-207-6347 F	734-946-4772 F	805-389-3554 F	713-429-8409 F
A. Unleaded	<u>6500</u>	<u>5000</u>	<u>8000</u>	<u>8000</u>
B. TX LED Diesel	<u>1000</u>	<u>5000</u>	<u>6000</u>	<u>7000</u>
C. Combination	<u>7500</u>	<u>7500</u>	<u>8000</u>	<u>7500</u>
OPIS 8/17/12 - Handling fee is marked up/down from OPIS average				
1. Premium Unleaded – Handling Fee OPIS \$3.3267 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.5267	+ .0116 = \$ 3.5383	+ .016 = \$ 3.5427	+ .0105 = \$ 3.5372	+ .0777 = \$ 3.6044
2. Mid-Grade Unleaded – Handling Fee OPIS \$3.0999 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.2999	+ .0341 = \$ 3.334	+ .0315 = \$ 3.3314	+ .0105 = \$ 3.3104	+ .0777 = \$ 3.3776
3. Unleaded – Handling Fee OPIS \$3.0116 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.2116	+ .0366 = \$ 3.2482	+ .016 = \$ 3.2276	+ .0105 = \$ 3.2221	+ .0777 = \$ 3.2893
4. TX LED Diesel – Handling Fee OPIS \$3.2582 +\$.20 state tax + handling fee Example of Total Cost Per Gallon = \$3.4582	+ .035 = \$ 3.4932	+ .0299 = \$ 3.4881	+ .0267 = \$ 3.4849	+ .0777 = \$ 3.5359
5. Brand of Fuel Bid	Various to include Valero, BP, Citgo, Marathon, etc	Motiva/Shell, Musket, Murphy, Flint Hills, Noble	None given	None given
6. Current Texas State Gas Tax Rate	.20	.20	.20	.20
7. Current Texas Load Fee for Combination Load	40.00	8.65	8.65/>8,000 11.00	8.65
8. Delivery Time	<u>1 day</u>	<u>1 day</u>	<u>1 day</u>	<u>1 day</u>
9. Payment Terms	<u>Net 30 day</u>	<u>N30 or .005/gal disc N15</u>	<u>Net 30</u>	<u>Net 30</u>
10. Method for Temperature Adjustment	Y	Y	Y	Y
11. Analysis sheet for each product	Y	Y	Y	Diesel only
12. Insurance Requirement Affidavit	Y	Y	Y	Y
Addenda No. 1 & 2 Acknowledged?	Y	Y	Y	Y



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7H

TITLE

Consider action to approve a resolution entering into an Interlocal Agreement with the City of Weatherford, which will allow both cities to cooperatively purchase goods and services under each other's competitively bid contracts.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer
Allyson Wilson, Purchasing Agent

SUMMARY

This item is to establish an Interlocal Agreement between the City of Rowlett and the City of Weatherford for cooperative purchasing of goods and services. Recently, the Assistant Director of Public Works requested to cooperatively purchase with the City of Weatherford's bid for micro-surfacing; therefore, City staff is requesting an Interlocal Agreement be established for this purpose.

BACKGROUND INFORMATION

Texas Local Government Code provides the opportunity for governmental entities to participate in Cooperative Purchasing Programs with each other as stated below. The City of Rowlett currently has 31 Interlocal Agreements established with other governmental entities, which serves to stretch taxpayer dollars.

DISCUSSION

Section 271.102, Texas Local Government Code, authorizes a local government to participate in a Cooperative Purchasing Program with another local government or a local cooperative organization, and such process satisfies the state law competitive bid requirements. Chapter 791 of the Texas Government Code also authorizes respective governing bodies and officials in accordance with the "Interlocal Cooperation Act" to participate in a Cooperative Purchasing Program with another government entity, and such process satisfies the state law competitive bid requirements.

The adoption of the above stated resolution will allow both parties, the City of Rowlett and the City of Weatherford, to purchase goods and services under each other's competitively bid contracts pursuant to Subchapter F, Chapter 271 of the Texas Local Government Code and Chapter 791 of the Texas Government Code. There is no fee involved for the Interlocal Agreement.

The City Manager or designee for each party is authorized to act on behalf of the respective party in all matters relating to this cooperative purchasing program. Each party shall make payments to the other party or directly to the vendor under the contract made pursuant to Subchapter F, Chapter 271 of the Texas Local Government Code and Chapter 791 of the Texas Government Code. Each party shall be responsible for the respective vendor's compliance with provisions relating to the quality of items and terms of delivery.

The City Attorney, David Berman, has reviewed and approved the Interlocal Agreement attached hereto and incorporated herein by reference as Exhibit A.

FINANCIAL/BUDGET IMPLICATIONS

None, since there is no fee involved to establish the Interlocal Agreement with the City of Weatherford.

RECOMMENDED ACTION

City staff recommends the City Council approve a resolution entering into an Interlocal Agreement with the City of Weatherford, which will allow both cities to cooperatively purchase goods and services under each other's competitively bid contracts.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF WEATHERFORD FOR THE COOPERATIVE BIDDING AND PURCHASING OF GOODS AND SERVICES UNDER COMPETITIVELY BID CONTRACTS PURSUANT TO SUBCHAPTER F, CHAPTER 271, OF THE TEXAS LOCAL GOVERNMENT CODE AND CHAPTER 791 OF THE TEXAS GOVERNMENT CODE FOR THE CITY OF ROWLETT, TEXAS; AUTHORIZING THE CITY MANAGER AS THE COORDINATOR FOR THE COOPERATIVE ENTITY UNDER SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett, Texas finds that the Texas Local Government Code Section 271.102, and Chapter 791 of the Texas Government Code allows local governments to participate in a Cooperative Purchasing Program with another local government or a local cooperative organization and allows both parties to purchase goods and services under each other's competitively bid contracts, and such process satisfies the State law competitive bid requirements; and

WHEREAS, the City of Rowlett desires to participate in an Interlocal Cooperation Agreement with the City of Weatherford to cooperatively purchase goods and services for each governmental entity.

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

Section 1: That the City Council of the City of Rowlett does hereby approve the Interlocal Cooperation Agreement with the City of Weatherford for cooperative bidding and the purchase of goods and services; a copy of said agreement being attached hereto and labeled "Exhibit A".

Section 2: That the City Manager is hereby authorized to execute the agreement with the City of Weatherford and such documents as may be necessary or appropriate pursuant thereto.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Interlocal Cooperation Agreement

STATE OF TEXAS §
COUNTY OF DALLAS § **INTERLOCAL COOPERATION AGREEMENT**
 §

This Interlocal Cooperation Agreement (“Agreement”) is by and between the City of Weatherford, Texas (“Weatherford”), and the City of Rowlett, Texas (“Rowlett”), acting by and through their authorized officers (Addison and Rowlett are sometimes referred to herein together as the “parties” and individually as a “party”).

RECITALS:

WHEREAS, this Agreement is authorized by Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271, Texas Local Government Code; and

WHEREAS, the parties are authorized by Chapter 791, Texas Government Code, to contract with one another to perform governmental functions and services, including purchasing functions; and

WHEREAS, Section 271.102 of the TEX. LOC. GOV’T CODE authorizes a local government to participate in a Cooperative Purchasing Program with another local government or a local cooperative organization; and

WHEREAS, a local government that purchases goods or services pursuant to a Cooperative Purchasing Program with another local government satisfies the requirement of the local government to seek competitive bids for the purchase of the goods or services; and

WHEREAS, each party has purchased, and will from time to time purchase, goods and services after first complying with the competitive bid process; and

WHEREAS, the parties desire to enter into this Agreement and to hereby establish between the parties a cooperative purchasing program which will allow each party to purchase goods and/or services utilizing the competitively bid contracts of the other party pursuant to Subchapter F, Chapter 271 of the TEX. LOC. GOV’T CODE;

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

ARTICLE I
PURPOSE

The purpose of this Agreement is to establish a cooperative purchasing program between the parties, which will allow each party to purchase goods and/or services utilizing the competitively bid contracts of the other party pursuant to Subchapter F, Chapter 271 of the TEX. LOC. GOV’T CODE and Chapter 791, Tex. Gov. Code.

Under this cooperative purchasing program, one party (the “Secondary City”) may purchase goods and/or services from a vendor (“vendor”) of the other party (the “Originating City”), which vendor has been selected by the Originating City in accordance with law. *For example*, the Originating City, pursuant to and in accordance with competitive bid laws, enters into an agreement with a vendor under which the Originating City will purchase particular goods. Following the Originating City’s selection of and execution of a contract with that vendor, the Secondary City may, pursuant to this Agreement, purchase the same goods from the same vendor in accordance with specifications and contract terms and pricing established by the Originating City.

ARTICLE II TERM

The term of this Agreement shall be for a period of one (1) year commencing on the last date of execution hereof (“Effective Date”). Thereafter this Agreement shall automatically renew for successive periods of one (1) year each under the terms and conditions stated herein, unless sooner terminated as provided herein.

ARTICLE III TERMINATION

Either party may terminate this Agreement by providing thirty (30) days prior written notice to the other party.

ARTICLE IV PURCHASING

The City Manager or other designee for each party is authorized to act on behalf of the respective party in all matters relating to this cooperative purchasing program. Each party shall make payments to the other party (if agreed to in writing by the other party) or directly to the vendor under the contract made by the Originating City (as described in Article I above) pursuant to Subchapter F, Chapter 271 of the TEX. LOC. GOV’T CODE. Each party that enters into a contract with a vendor shall be responsible for the vendor’s compliance with provisions relating to the quality of items and terms of delivery (e.g., if the Secondary City enters into an agreement with a vendor selected by the Originating City, the Secondary City, and not the Originating City, shall be responsible for the vendor’s compliance with provisions relating to the quality of items and terms of delivery).

Each of the parties shall make their respective payments to a vendor from current revenues available to the paying party.

ARTICLE V MISCELLANEOUS

EXECUTED this ____ day of _____, 2014.

CITY OF ROWLETT, TEXAS

By: _____
Brian Funderburk, City Manager
4000 Main Street
Rowlett, Texas 75088

ATTEST:

By: _____
Laura Hallmark, City Secretary

APPROVED AS TO FORM

David Berman, City Attorney



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 71

TITLE

Consider action to approve a resolution authorizing the final acceptance and release of retainage for the Springfield Estates Drainage Improvements in the amount of \$28,233.10 to A&M Construction and Utilities Incorporated and authorizing the Mayor to execute the necessary documents.

STAFF REPRESENTATIVE

Tim Rogers - Director of Public Works

Robbin Webber - Assistant Director of Public Works

SUMMARY

This project consists of the reconstruction of the drainage channel for Springfield Estates due to overgrown vegetation and maintenance issues. The Springfield Drainage Improvements consisted of acquiring the necessary rights-of-way and easements, installing storm drain pipe, a concrete flume, rock riprap and re-grading of the slopes.

BACKGROUND INFORMATION

The Springfield Estates Drainage improvements were developed and installed in 1996. Initially, the drainage easement was private, and, over the course of 16 years, the drainage infrastructure was not adequately maintained. This caused overgrown vegetation as well as detention storage and safety risk issues to the community. The drainage easement was converted to a public easement to eliminate the community issues and to provide for future improvements and maintenance of the infrastructure.

On September 3, 2013, the City Council adopted a resolution awarding the base bid to A&M Construction and Utilities Incorporated in the amount of \$167,800 for the reconstruction of the Drainage Channel at Springfield Estates and authorized the Mayor to execute the Standard Public Works Construction Contract for said service.

DISCUSSION

A&M Construction and Utilities has satisfactorily completed the project as designed in accordance with the contract plans and specifications. The following illustration depicts pre and post construction of the drainage infrastructure.



Before



After

Staff has inspected the construction ensuring compliance with the provisions of the contract and recommends acceptance of such improvements with a final payment and release of retainage in the amount of \$28,233.10. The total construction amount is \$164,223.50 which is \$3,576.50 less than the \$167,800 awarded for the project.

FINANCIAL/BUDGET IMPLICATIONS

Funding in the amount of \$28,233.10 has been encumbered in Project Code (DR2065) and Account Number (597-8201-532-80.02).

RECOMMENDED ACTION

Staff recommends City Council approve a resolution authorizing the final acceptance and release of retainage for the Springfield Estates Drainage Improvements Project in the amount of \$28,233.10 to A&M Construction and Utilities Incorporated and authorizing the Mayor to execute the necessary documents.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AUTHORIZING FINAL ACCEPTANCE OF AND RELEASE OF RETAINAGE FOR THE SPRINGFIELD ESTATES DRAINAGE IMPROVEMENTS PROJECT IN THE AMOUNT OF \$28,233.10 TO A&M CONSTRUCTION AND UTILITIES INCORPORATED; AUTHORIZING THE MAYOR TO EXECUTE THE NECESSARY DOCUMENTS FOR PAYMENT PURSUANT TO APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council adopted Resolution Number RES-079-13 awarding Bid # 2013-72 for the construction of Springfield Estates Drainage Improvements Project on September 3, 2013, in the amount of \$167,800 to A&M Construction and Utilities Incorporated; and

WHEREAS, A&M Construction and Utilities Incorporated has completed the project within the construction time frame and within budget; and

WHEREAS, City staff has inspected the construction ensuring that it complies with the provisions of the contract and recommends acceptance of such improvements as well as the release of retainage.

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

Section 1: That the City Council of the City of Rowlett, Texas, hereby accepts the completion of the Springfield Estates Drainage Improvement Project and approves the release of retainage to A&M Construction and Utilities Incorporated in the amount of \$28,233.10.

Section 2: That the City Council of the City of Rowlett hereby authorizes the Mayor to execute the necessary documents for payment to conform to this resolution as appropriate.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Final Payment Request



PAYMENT REQUEST (4.51)

PROJECT:	<u>Drainage Improvements for Springfield Estates</u>	PROJECT NUMBER
OWNER:	<u>City of Rowlett</u>	<u>2013-72</u>
CONTRACTOR:	<u>A&M CONSTRUCTION AND UTILITIES INC</u>	
ENGINEER:	<u>THE WALLACE GROUP</u>	

PAYMENT PERIOD FROM: _____ **TO** _____ **ESTIMATE NO.:** FINAL

SUMMARY OF PAYMENT ESTIMATE VALUES FROM ATTACHED TABULATIONS

Original Contract Amount	\$ 167,800.00
Approved Change Orders	\$ -
Current Contract Amount	\$ 167,800.00
Total Value of Original Contract Performed	\$ 167,800.00
(Attachment "A" consisting of __ pages)	\$ 164,223.50
Extra Work on Approved Change Orders	\$ -
(Attachment "B" consisting of __ pages)	
Materials on Hand	\$ -
(Attachment "C" consisting of __ pages)	
Total Value of Work to Date	\$ 164,223.50
Less Amount Retained at 10 %	\$ -
Net Amount Earned on Contract	\$ 164,223.50
Less Amount of Previous Payments	\$ (135,990.40)
BALANCE DUE THIS STATEMENT	\$ 28,233.10
Percentage of Contract Paid to Date	98%

The undersigned Contractor certifies that all work, including materials on hand, covered by this Periodical Payment has been completed and delivered and stored in accordance with the Contract Documents, that all amounts have been paid by him for work, materials, and equipment for which previous Periodical Payments were issued and received from the Owner, and that the current payment shown herein is now due.

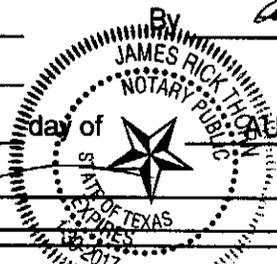
Contractor: A&M Construction and Utilities INC

Date: 8/14/2014

Subscribed and sworn to before me this 14 day of AUGUST, 20 14

Notary Public:

My Commission expires: 1/30/2017



Recommended for Payment by [ENGINEER]

Approved for Payment by [CITY INSPECTOR]

By _____ Date _____

By _____ Date _____

Approved for Payment by [CITY ENGINEER]

By [Signature] Date 09/02/14

EXHIBIT A

14	Supply, transport and compact select fill in accordance with Section 203.7 embankment of the NCTCOG specifications for the unit cost per CY of	2030	CY	11.00	22,330.00		2,030.00	2,030.00	22,330.00	100.00%
15	Supply and apply hydraulic seeding and mulching for the unit cost SF of	80325	SF	0.10	8,032.50	80,325.00		80,325.00	8,032.50	100.00%
16	Demo and dispose of existing concrete overflow structure for the unit cost EA of	1	EA	3,500.00	3,500.00		1.00	1.00	3,500.00	100.00%
17	Remove and dispose of existing trees and brush located within 10ft on either side of the new concrete drainage channel for the LS cost of	1	EA	18,500.00	18,500.00	0.20	0.80	1.00	18,500.00	100.00%
18	Furnish and construct concrete drainage pad for the unit cost SY of	89	SY	55.00	4,895.00	24.00	55.00	89.00	4,895.00	100.00%
19	Erosion and sedimentation control during construction	1	LS	5,000.00	5,000.00		1.00	1.00	5,000.00	100.00%
A-1	Replace 272 SY of concrete drainage channel with 68 CY of TXDOT Common Stone Rip Rap for the LS of	1	LS	8,500.00	8,500.00	0.00	1.00	1.00	8,500.00	100.00%
TOTAL FOR PAGE / PROJECT					167,800.50				164,223.50	0.98

**ATTACHMENT "A"
PAYMENT REQUEST
TABULATION OF VALUES FOR ORIGINAL CONTRACT WORK PERFORMED**

PROJECT: DRAINAGE IMPROVEMENTS FOR SPRINGFIELD ESTATES
OWNER: CITY OF ROWLETT
CONTRACTOR: A&M CONSTRUCTION AND UTILITIES INC
ENGINEER: THE WALLACE GROUP

PROJECT NUMBER
2013-72

PAYMENT PERIOD FROM: _____ **TO** _____ **ESTIMATE NO.:** FINAL

ITEM NO.	DESCRIPTION OF ITEM	QUANTITY ORIGINAL ESTIMATE	UNIT OF MEASURE	UNIT PRICE	TOTAL CONTRACT AMOUNT	QUANTITY THIS ESTIMATE	WORK COMPLETED FROM PREVIOUS ESTIMATE	Total Quantity Completed	BALANCE OF MATERIALS HANDLED	TOTAL VALUE OF WORK COMPLETED	% OF WORK COMPLETE
1	Mobilization & Project incidentals	1	LS	10,800.00	10,800.00		1.00	1.00		10,800.00	100.00%
2	Construct new concrete drainage channel 6' x 6' thick for the unit cost per SY	490	SY	55.00	26,950.00		307.00	307.00		16,885.00	62.65%
3	Supply and installation of TXDOT common stone RIP RAP for the unit cost of CY of	16	CY	125.00	2,000.00	17.00	16.00	33.00		4,125.00	206.25%
4	Construction and headwall for 48" RCP with energy dissipators for the unit cost EA of	1	EA	4,200.00	4,200.00		1.00	1.00		4,200.00	100.00%
5	Construction and new headwall for 24" RCP with energy dissipators for the unit cost EA	1	EA	2,800.00	2,800.00		1.00	1.00		2,800.00	100.00%
6	Supply and install 24" RCP for the unit cost per LF of	26	LF	52.00	1,352.00		50.00	50.00		2,600.00	192.31%
7	Remove and dispose of existing 24" headwall and tie into existing 24" RCP for the unit cost EA of	1	EA	400.00	400.00		1.00	1.00		400.00	100.00%
8	Supply and install 30" RCP for the unit cost	50	LF	54.00	2,700.00		50.00	50.00		2,700.00	100.00%
9	Supply and install 48" RCP for the unit cost LF of	369	LF	89.00	32,841.00		404.00	404.00		35,956.00	109.49%
10	Supply and install concrete inlet box for the unit cost EA of	1	EA	5,100.00	5,100.00		1.00	1.00		5,100.00	100.00%
11	Remove and dispose of existing 48" headwall and tie into existing 48" RCP for the unit cost EA of	1	EA	950.00	950.00		1.00	1.00		950.00	100.00%
12	Remove and dispose of existing 30" headwall and tie into existing 30" RCP for the unit cost EA of	1	EA	950.00	950.00		1.00	1.00		950.00	100.00%
13	Unclassified excavation in accordance with Section 203.5 unclassified channel excavation of the NCTCOG specifications for the unit cost per CY of	1000	CY	6.00	6,000.00		1,000.00	1,000.00		6,000.00	100.00%

EXHIBIT A

14	Supply, transport and compact select fill in accordance with Section 203.7 embankment of the NCTCOG specifications for the unit cost per CY of	2030	CY	11.00	22,330.00		2,030.00	2,030.00	22,330.00	100.00%
15	Supply and apply hydraulic seeding and mulching for the unit cost SF of	80325	SF	0.10	8,032.50	80,325.00		80,325.00	8,032.50	100.00%
16	Demo and dispose of existing concrete overflow structure for the unit cost EA of	1	EA	3,500.00	3,500.00		1.00	1.00	3,500.00	100.00%
17	Remove and dispose of existing trees and brush located within 10ft on either side of the new concrete drainage channel for the LS cost of	1	EA	18,500.00	18,500.00	0.20	0.80	1.00	18,500.00	100.00%
18	Furnish and construct concrete drainage pad for the unit cost SY of	89	SY	55.00	4,895.00	24.00	55.00	89.00	4,895.00	100.00%
19	Erosion and sedimentation control during construction	1	LS	5,000.00	5,000.00		1.00	1.00	5,000.00	100.00%
A-1	Replace 272 SY of concrete drainage channel with 68 CY of TXDOT Common Stone Rip Rap for the LS of	1	LS	8,500.00	8,500.00	0.00	1.00	1.00	8,500.00	100.00%
TOTAL FOR PAGE / PROJECT					167,800.50				164,223.50	0.98

**ATTACHMENT "B"
PAYMENT REQUEST
TABULATION OF VALUES FOR APPROVED CHANGE ORDERS**

PROJECT: _____ **PROJECT NUMBER** _____
OWNER: _____
CONTRACTOR: _____
ENGINEER: _____

PAYMENT PERIOD FROM: _____ **TO** _____ **ESTIMATE NO.:** FINAL _____

ITEM NO.	DESCRIPTION OF ITEM	QUANTITY ORIGINAL ESTIMATE	UNIT OF MEASURE	UNIT PRICE	TOTAL CONTRACT AMOUNT	QUANTITY THIS ESTIMATE	WORK COMPLETED FROM PREVIOUS ESTIMATE	BALANCE OF MATERIALS	TOTAL VALUE OF WORK COMPLETED	% OF WORK COMPLETE
TOTAL FOR PAGE / PROJECT										

**ATTACHMENT "C"
PAYMENT REQUEST
TABULATION OF VALUES FOR MATERIALS ON HAND**

PROJECT: _____ **PROJECT NUMBER** _____
OWNER: _____
CONTRACTOR: _____
ENGINEER: _____

PAYMENT PERIOD FROM: _____ **TO** _____ **ESTIMATE NO.:** FINAL _____

ATTACHMENT "A" OR "B" ITEM NO.	TOTAL SCHEDULED VALUE	NAME OF SUPPLIER	INVOICE NO.	TOTAL INVOICE AMOUNT THIS ESTIMATE	TOTAL STORED MATERIAL AT LAST PAY ESTIMATE	AMOUNT INSTALLED TO DATE	BALANCE OF MATERIALS ON HAND
TOTAL FOR PAGE / PROJECT							

**ATTACHMENT "D"
PROJECT SUMMARY**

PROJECT:	DRAINAGE IMPROVEMENTS FOR SPRINGFIELD	PROJECT NUMBER
OWNER:	CITY OF ROWLETT	2013-72
CONTRACTOR:	A&M CONSTRUCTION AND UTILITIES INC	
ENGINEER:	THE WALLACE GROUP	

PAYMENT PERIOD FROM: _____ **TO** _____ **MATE NO.:** FINAL

CONTRACT TIME SUMMARY

Date of Notice to Proceed	11/7/2013	
Original Contract Duration	150	Days
Original Date of Contract Substantial Completion	3/6/2014	
Original Date of Contract Final Completion	3/6/2014	
Approved Time Extensions	40	Days
Current Contract Duration		Days
Current Date of Contract Substantial Completion	4/16/2014	
Current Date of Contract Final Completion	4/16/2014	
Days Charged to Project to Date	122	Days
Days Remaining in Contract	28	Days
Percent of Current Project Duration	0.81	%
Current Scheduled Completion Date	3/6/2014	
Project is (Ahead/Behind) Schedule		

CONTRACT COST SUMMARY

Original Contract Amount	\$ 167,800.00	
Approved Change Orders	\$ -	
Current Contract Amount	\$ 167,800.00	
Contract Earnings to Date on Original Contract	\$ 164,223.50	
Earnings on Approve Change Orders	\$ -	
Materials on Hand	\$ -	
Total Current Project Amount Earned	\$ 164,223.50	
Percent of Contract Earned to Date	98.00	%
Retainage	\$ 16,422.35	
Amount Paid to Date	\$ 147,801.15	
Percent of Contract Paid to Date	98.00	%



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7J

TITLE

Consider action to approve a resolution to migrate from Verizon Southwest as the City's 9-1-1 provider to a hosted solution provided by the North Central Texas Council of Governments (NCTCOG) in the amount of \$49,047.16, utilizing Emergency Call Works for the customer premise equipment (CPE) in the amount of \$155,218.42 and Datamaster for 911 database management in the amount of \$18,500.00, resulting in a total cost of \$222,765.58.

STAFF REPRESENTATIVE

Beth English, Communications Director
Mike Brodnax, Chief of Police

SUMMARY

The purpose of this item is to discuss migration to a hosted solution for the provision of 9-1-1 service, and upgrading the 9-1-1 system to a Next Generation 9-1-1 (NG9-1-1) system, which can receive texts, video, etc.

BACKGROUND INFORMATION

The Communications Center in the Police Department and the EOC are utilizing disparate 911 systems. North Central Texas Council of Governments (NCTCOG) is providing a hosted solution for 911 call delivery and has partnered with Emergency Call Works as the Customer Premise Equipment (CPE) provider. This item was discussed and approved by Council on Tuesday, September 2, 2014.

DISCUSSION

Emergency Call Works (NCTCOG):

Emergency Call Works is currently being implemented in the NCTCOG region with several Public Safety Answering Points. It has also been implemented in the East Texas Council of Governments region, with 19 agencies utilizing the ETCOG host, and is being implemented in Port Aransas and Portland, Texas utilizing the Bexar County host.

With the NCTCOG providing the host, there will be two redundant data centers, completely monitored and maintained by the technical staff at NCTCOG. The database maintenance would be performed by 911 Datamaster, which would lower database costs significantly compared to what is charged by our current 911 database provider. The 911 system would be in line for true next generation 9-1-1 when the regional network is connected to the state network, and by going with the COG's model now, the City will receive the "early adopter" discount for network charges.

The hosted solution using Emergency Call Works for the call processing equipment came highly recommended by other users of the same model. In addition to the advantages of the hosted solution, Emergency Call Works has numerous other features to be considered:

- Additional call recording
- Reporting that includes all times from the time the call was received, transferred, and terminated
- Supports non-traditional communications, integrated messaging, and wireless calls
- 9-1-1 calls follow the call taker's login
- Enhanced reporting features
- Integrated mapping

The current 9-1-1 equipment in the Communications Center could be expected to last at least another budget year; however, it would need to be expanded to include equipment in the EOC, at great cost. The equipment maintenance on the system is also very costly and those funds could be better used purchasing a system that can carry the City of Rowlett forward.

After examining the price breakouts for the Patriot upgrade along with the integration of EOC at \$540,657.40 compared to the \$372,713.90 cost of the NCTCOG Emergency Call Works 911 System, it has been determined that there would be a cost savings of **\$167,943.50** in the first three (3) years. In year four, the \$30,000 Patriot payment drops off, which will provide additional savings going forward.

FINANCIAL/BUDGET IMPLICATIONS

The City could save \$167,944 in the next three years by switching to Emergency Call Works 911 System hosted by NCTCOG.

There is an up-front cost in year one of \$222,765.58. We currently have budgeted \$42,000 for an annual payment to Verizon services and \$30,000 for a total of \$72,000 for the annual financed cost for the current Patriot System until 2017.

The up-front cost of \$222,765.58 for year one minus the currently budgeted \$42,000 annual cost that will no longer be paid to Verizon leaves a balance of \$180,765.58. Police Federal Seizure funds will be used to pay the \$180,765.58.

Description	Emergency Callworks NCTCOG Option	Cassidian Vesta Option*	Savings
FY2015 Costs	\$252,766	\$270,428	\$ 17,662
FY2016 Costs	59,974	135,115	75,141
FY2017 Costs	59,974	135,115	75,141
Total Three Year Costs	\$372,714	\$540,658	\$167,944
*Rounding			

RECOMMENDED ACTION

It is recommended that Council approve a resolution that the City move to the NCTCOG hosted platform and purchase Emergency Call Works call processing solution.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, TO MIGRATE TO A HOSTED 9-1-1 EMERGENCY CALLING SYSTEM SOLUTION WITH NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS (NCTCOG) THROUGH AN INTERLOCAL AGREEMENT; AUTHORIZING THE PURCHASE OF CUSTOMER PREMISE EQUIPMENT FROM EMERGENCY CALL WORKS; AUTHORIZING A SERVICE CONTRACT WITH 911 DATAMASTER, INC. FOR 911 DATABASE MAINTENANCE; AUTHORIZING THE ISSUANCE OF PURCHASE ORDERS PURSUANT TO APPROVAL; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is necessary to replace or upgrade the current 911 system and provide equipment for the Emergency Operations Center; and

WHEREAS, the North Central Texas Council of Governments is able to host and maintain a networked IP 911 system; and

WHEREAS, Emergency Call Works is an IP 911 system partnering with NCTCOG; and

WHEREAS, NCTCOG utilizes 911 Datamaster, Inc. for 911 Database maintenance; and

WHEREAS, the Police Department has state seizure funds available for use to purchase the needed equipment;

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

Section 1: That the City Council of the City of Rowlett does hereby approve the migration to a hosted 9-1-1 emergency calling system solution through an interlocal agreement with North Central Texas Council of Governments in the amount of \$49,047.16, the purchase of customer premises equipment (CPE) from Emergency Call Works in the amount of \$155,218.42, and the acquisition of 9-1-1 database management services from 911 Datamaster, Inc., in the amount of \$18,500.00, resulting in a total cost of \$222,765.58.

Section 2: That the Council does hereby authorize the City Manager or his designee to issue purchase orders to conform to this resolution in accordance with the quotation attached hereto and incorporated herein by reference as Exhibit A.

Section 3: This resolution shall become effective immediately upon its passage.

ATTACHMENTS

Exhibit A – Quotation/Estimate

Attachment 1 - Future Needs Form NG911 System

Attachment 2 - Cost breakdown of upgrading current system

Attachment 3 - Cost breakdown of moving to host with new equipment

Attachment 4 - Diagram – current 9-1-1 system

Attachment 5 - Diagram – hosted 9-1-1 system

QEP # VB07113A-3
 Date: 7/10/13
 Sales Rep: Von Beals
 E-Mail: emergencycallworks.com
 Phone: 512-963-9193
 For: HGAC/Rowlett

Next Generation Solution
 From Emergency CallWorks, Inc.
Quotation / Estimate / Proposal
Schedule E

EMERGENCY
CALLWORKS
Innovation. Beyond Next Generation.

alt Disc. %
0.95

System Configuration:

Configured for Two (2) Positions of CallStation with Customer Supplied Laptops (Concurrent Use)
 Configured for up to Eight (8) 9-1-1 Trunks at NCTCOG Host

Site Name:
 Rowlett PD EOC - Off NCTC
Solution being Delivered:
 "CallStation"
Pos. Count
 2

REMOTE OFF OF NCTCOG HOST
 Three (3) Years of Software Support, 24/7/365 Remote Monitoring, Extended Hardware
 Warranty and Recommended Spares

Qty	Part Number	Telecom / Hardware Based Components (100)	Unit Price	U/M	Ext. Price	Disc. Price	Rowlett Cost	Alt. Disc
2	ECX100001-NS	AUDIO INTERFACE UNIT (AIU)	\$1,350.00	EA	\$2,700.00	\$1,755.00	\$1,667.25	
2	ECX100201	POLYCOM 650 SIP PHONE	\$468.00	EA	\$936.00	\$795.60	\$755.82	
1	ECX100312-1	Media Gateway, 4 Port FXS (Station Rec.)	\$610.00	EA	\$610.00	\$518.50	\$492.58	
1	ECX100315	Rack Shelf, Media Gateway, 2 GW per Shelf	\$32.00	EA	\$32.00	\$27.20	\$25.84	
Hardware Sub-Total					\$4,278.00	\$3,096.30	\$2,941.49	
Qty	Part Number	Software Components (200)	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price	
2	ECX200001	CALLSTATION License	\$13,000.00	EA	\$26,000.00	\$16,900.00	\$0.00	
1	ECX200004	DECISIONSTATION, SITE License	\$0.00	EA	\$0.00	\$0.00	\$0.00	
1	ECX200006	ADMINISTRATION, SITE License	\$0.00	EA	\$0.00	\$0.00	\$0.00	
Software Sub-Total					\$26,000.00	\$16,900.00	\$0.00	

Qty	Part Number	Recurring Maintenance Charges (900)	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
1	ECX900002	SYSTEM SUPPORT, 3 YEAR	\$14,300.00	EA	\$14,300.00	\$14,300.00	\$14,300.00
2	ECX900005	EXTENDED WARRANTY, Per YEAR	\$472.00	EA	\$944.00	\$896.80	\$896.80
Sub-Total Recurring Charges:					\$15,244.00	\$15,196.80	\$15,196.80
TOTAL COST OF OWNERSHIP (3 years):					\$63,098.00	\$51,128.60	\$33,277.01

Qty	Part Number	OPTIONAL SPARES	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
1	ECX100001-NS	AUDIO INTERFACE UNIT (AIU)	\$1,350.00	EA	\$1,350.00	\$877.50	\$833.63
1	ECX100201	POLYCOM 650 SIP PHONE	\$468.00	EA	\$468.00	\$397.80	\$377.91
Total Optional Spares:					\$1,818.00	\$1,275.30	\$1,211.54

Solutions Powered by Emergency CallWorks, Inc.

No order based on this Quotation/Estimate/Proposal (QEP) shall be accepted in the absence of a signed purchase agreement or other purchase contract with Emergency CallWorks, Inc. governing the specific terms of sale.

Lead Time: Call or consult purchase agreement/RFP response

Quotation/Proposal is valid for 120 days from Proposal Date

Payment Terms: (Milestone)

- 30% Due on Signing
- 30% Due on Shipment
- 30% Due on Physical Installation Completion
- 10% Due on Acceptance

Rev. 73

QEP # VB071013A-1
 Date: 7/10/13
 Sales Rep: Von Beals
 E-Mail: emergencycallworks.com
 Phone: 512-363-9193
 For: HGAC/Rowlett

Next Generation Solution
 From Emergency CallWorks, Inc.
Quotation / Estimate / Proposal
Schedule E

EMERGENCY
CALLWORKS
Innovation. Beyond Next Generation.

alt Disc. %
0.95

System Configuration:

Four (4) Positions of CallStation with Customer Supplied Workstations and Monitors
 Configured for up to Eight (8) 9-1-1 Trunks at NCTCOG Host

Site Name:
 Rowlett PD - off NCTCOG
Solution being Delivered:
 "CallStation"
Pos. Count
 4

REMOTE SITE OFF OF NCTCOG
 Three (3) Years of Software Support, 24/7/365 Remote Monitoring, Extended Hardware
 Warranty and Recommended Spares

Rowlett Cost

Qty	Part Number	Telecom / Hardware Based Components (100)	Unit Price	U/M	Ext. Price	Disc. Price	Alt. Disc
4	ECX100001-NS	AUDIO INTERFACE UNIT (AIU)	\$1,350.00	EA	\$5,400.00	\$3,510.00	\$3,334.50
4	ECX100201	POLYCOM 650 SIP PHONE	\$468.00	EA	\$1,872.00	\$1,591.20	\$1,511.64
2	ECX100312	Media Gateway, 4 Port FXS or (CAMA) to SIP	\$610.00	EA	\$1,220.00	\$1,037.00	\$985.15
1	ECX100312-1	Media Gateway, 4 Port FXS (Station Rec.)	\$610.00	EA	\$610.00	\$518.50	\$492.58
2	ECX100315	Rack Shelf, Media Gateway, 2 GW per Shelf	\$32.00	EA	\$64.00	\$54.40	\$51.68

Hardware Sub-Total **\$9,166.00** **\$6,711.10** **\$6,375.55**

Qty	Part Number	Software Components (200)	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
4	ECX200001	CALLSTATION License	\$13,000.00	EA	\$52,000.00	\$33,800.00	\$32,110.00
1	ECX200004	DECISIONSTATION, SITE License	\$0.00	EA	\$0.00	\$0.00	\$0.00
1	ECX200006	ADMINISTRATION, SITE License	\$0.00	EA	\$0.00	\$0.00	\$0.00
1	ECX200008	SIPWORKS, B/IP INTERFACE, PSAP License	\$9,995.00	EA	\$9,995.00	\$6,496.75	\$6,171.91

Software Sub-Total **\$61,995.00** **\$40,296.75** **\$38,281.91**

Qty	Part Number	Custom Services - Interfaces - Map Data (400)	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
1	ECX400001	MAP CONFIG, CUSTOMER PROVIDED DATA	\$2,995.00	EA	\$2,995.00	\$2,545.75	\$2,418.46
1	ECX400002	911 TELECOM CONFIG/STAGING	\$2,995.00	EA	\$2,995.00	\$2,545.75	\$2,418.46
1	ECX400002-A	ADMIN CONFIG/STAGING	\$3,995.00	EA	\$3,995.00	\$3,395.75	\$3,225.96
Custom Services Sub-Total					\$9,985.00	\$8,487.25	\$8,062.89
Qty	Part Number	Peripheral-Miscellaneous Equipment (500)	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
1	ECX500001-8CHWall	WALL MNT ASSM, 19", RMTE	\$1,500.00	EA	\$1,500.00	\$1,275.00	\$1,211.25
1	ECX500002-PR	POS. BASED REC KIT	\$350.00	EA	\$350.00	\$297.50	\$282.63
2	ECX500003	SWITCH, CISCO, 24-PORT POE, 10/100/1000	\$2,694.00	EA	\$5,388.00	\$4,579.80	\$4,350.81
1	ECX500005-1	ROUTER, CISCO, 2 WAN SINGLE/RMTE/2901	\$2,278.00	EA	\$2,278.00	\$1,936.30	\$1,839.49
1	ECX500007-R	MISC. MAT., CABLES, RMTE., LOT	\$600.00	EA	\$600.00	\$510.00	\$484.50
1	ECX500009-1	PRINTER, HP LaserJet Pro 200	\$486.00	EA	\$486.00	\$413.10	\$392.45
1	ECX500017-1	IP to Serial Dist., 2 Port, Remote	\$477.00	EA	\$477.00	\$405.45	\$385.18
1	ECX500101	UPS, APC 800VA, IWS pos.	\$265.00	EA	\$265.00	\$225.25	\$213.99
Peripherals / Network Sub-Total					\$11,344.00	\$9,642.40	\$9,160.28
Qty	Part Number	System Services (600, 700, 800)	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
1	ECX600001	CS USER/ADMIN OPPS TRN (up to 8 students)	\$5,000.00	EA	\$5,000.00	\$4,750.00	\$4,512.50
5	ECX700001	PROJECT MANAGEMENT, UNIT	\$900.00	EA	\$4,500.00	\$4,275.00	\$4,061.25
1	ECX700002	SYSTEM INSTALLATION	\$12,948.60	UN	\$12,948.60	\$12,301.17	\$11,686.11
1	ECX800001	SYSTEM ENGINEERING, (1) Lot	\$2,774.70	UN	\$2,774.70	\$2,635.97	\$2,504.17
1	ECX800005	RECOMMENDED SPARES (see below)	\$1,818.00	EA	\$1,818.00	\$1,727.10	\$1,640.75
Professional Services Sub-Total					\$27,041.30	\$25,689.24	\$24,404.77
***** TOTAL NR Charges:					\$119,531.30	\$90,826.74	\$86,285.40

Qty	Part Number	Recurring Maintenance Charges (900)	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
1	ECX900002	SYSTEM SUPPORT, 3 YEAR	\$34,097.25	EA	\$34,097.25	\$34,097.25	\$34,097.25
2	ECX900005	EXTENDED WARRANTY, Per YEAR	\$820.40	EA	\$1,640.80	\$1,558.76	\$1,558.76
Sub-Total Recurring Charges:					\$35,738.05	\$35,656.01	\$35,656.01

***** **TOTAL COST OF OWNERSHIP (3 years):** **\$155,269.35** **\$126,482.75** **\$121,941.41**

Qty	Part Number	OPTIONAL SPARES	Unit Price	U/M	Ext. Price	Disc. Price	Disc. Price
1	ECX100001-NS	AUDIO INTERFACE UNIT (AIU)	\$1,350.00	EA	\$1,350.00	\$877.50	\$833.63
1	ECX100201	POLYCOM 650 SIP PHONE	\$468.00	EA	\$468.00	\$397.80	\$377.91
Total Optional Spares:					\$1,818.00	\$1,275.30	\$1,211.54

Solutions Powered by Emergency CallWorks, Inc.

No order based on this Quotation/Estimate/Proposal (QEP) shall be accepted in the absence of a signed purchase agreement or other purchase contract with Emergency CallWorks, Inc. governing the specific terms of sale.

Lead Time: Call or consult purchase agreement/RFP response

Quotation/Proposal is valid for 120 days from Proposal Date

Payment Terms: (Milestone)

- 30% Due on Signing
- 30% Due on Shipment
- 30% Due on Physical Installation Completion
- 10% Due on Acceptance



May 4, 2014

Prepared for:

Beth English
Director of Communications
Rowlett Police Department
Office: (972) 412-6148
Email: benglish@rowlett.com

Submitted by:

Clay Dilday
Technical Program Supervisor
North Central Texas Council of Governments
Office: (817) 695-9202
Email: cdilday@nctcog.org

Cost Estimate for Software as a Service 911 CPE, Network Connectivity and ESInet Services (See Appendix A for details)

Total Cost Estimate \$ 49,047.16

NOTE

Budgetary pricing provided assumes Software as a Service (SaaS) model for one primary PSAP with 4 call taker positions with 4 SS7 trunks and 4 POTS admin lines integrated into the call taker work stations. This quote also includes a back-up PSAP (Emergency Operations Center) with "Dark License" for a 2 call taker position system utilizing 2 SS7 trunks and 2 POTS admin lines integrated into the call taker work stations. Dark License is for a non-active PSAP, which is only used in the case primary PSAP is not available. Both PSAPs are remote clusters off the NCTCOG Host located in Arlington. Installation services are provided by NCTCOG and ECW and Onsite Maintenance services provided by the NCTCOG technical team. Pricing does not include CAMA modules as Next Generation 9-1-1 services are not available via CAMA. Prices are subject to change and do not include actual trunk costs. ESInet service discount is limited and provided on a first come first serve basis.

Quoted Price is applicable to orders received within 30 days of quotation date.
Orders are subject to the terms and conditions of this quotation. (see description and comments)

DIRECT ALL INQUIRIES TO:
Clay Dilday: (817) 695-9202
e-mail : cdilday@nctcog.org



Appendix A

Budgetary pricing provided assumes Software as a Service (SaaS) model for one primary PSAP with 4 call taker positions with 4 SS7 trunks and 4 POTS admin lines integrated into the call taker work stations. This quote also includes a back-up PSAP (Emergency Operations Center) with "Dark License" for a 2 call taker position system utilizing 2 SS7 trunks and 2 POTS admin lines integrated into the call taker work stations. Dark License is for a non-active PSAP, which is only used in the case primary PSAP is not available. Both PSAPs are remote clusters off the NCTCOG Host located in Arlington. Pricing does not include CAMA modules as Next Generation 9-1-1 services are not available via CAMA. Prices are subject to change and do not include actual trunk costs. ESI-net service discount is limited and provided on a first come first serve basis.

	Initial Cost	Annual Recurring
ECW Remote*		
Rowlett (5 Position)	\$ -	\$ -
Rowlett (2 Position Dark License)	\$ -	\$ -
NCTCOG Installation Discount	\$ -	\$ -
Sub-Total CPE Hardware, Software and Installation	\$ -	\$ -
Network Services		
Network Gear (Routers, Firewall, Wireless)	\$ 8,016.00	\$ -
MPLS Circuit Costs	\$ 5,796.00	\$ 5,796.00
ESInet Cost Recovery	\$ 4,022.41	\$ 4,022.41
Network Equipment Maintenance	\$ 2,836.00	\$ 2,836.00
Total Site Hardware and Services	\$ 20,670.41	\$ 12,654.41
Next Generation 9-1-1 Services		
NG91-1-1 ESInet Services	\$ 47,914.00	\$ 26,357.00
NCTCOG ESInet Discount (While Available)	\$ (19,537.25)	\$ (19,537.25)
Total Next Gen 9-1-1 Services	\$ 28,376.75	\$ 6,819.75
Other Optional Services (Not Included in Totals)		
UPS and Structured Wiring	TBD	TBD
Database Services Migration	TBD	TBD
GIS Services	TBD	TBD
Total Cost	Year 1 \$ 49,047.16	Years 2 /3 \$ 19,474.16

Quoted Price is applicable to orders received within 30 days of quotation date.
Orders are subject to the terms and conditions of this quotation. (see description and comments)
DIRECT ALL INQUIRIES TO:
Clay Dilday: (817) 695-9202
e-mail : cdilday@nctcog.org

**CITY OF ROWLETT
FUTURE NEEDS REQUEST FORM
ANALYSIS SHEET AND EVALUATION EXERCISE**

Date: 5/15/2014	Fiscal Year Needed: 2015
Department: Police	Submitter: W.M. Brodnax

What is this request for? (i.e. technology, equipment, building repairs or other)

Next Generation 911 system and maintenance replacement for current 911 system at the Police Department and replacement for end of life 911 system at the EOC. The 911 system is used to process all emergency calls for police, fire and EMS service in the city of Rowlett.

Description:

The current 911 system, the Cassidian Patriot, at the Public Safety Answering Point (PSAP) must have support and software upgrades in order to continue functioning. The Microsoft 2003 servers will reach end of service agreements with Microsoft in July 2015. The Emergency Operations Center (EOC) 911 system, the Plant Vesta Pallas, which is a different platform than that at the PSAP, is at end of life and no longer manufactured nor will it be supported after September 2014. This request is to upgrade our current PSAP platform, the Cassidian Patriot, and replace the EOC Plant Vesta Pallas platform or to switch to a hosted solution for both our PSAP and EOC. The cost to replace the Plant Vesta Pallas platform at the EOC would be a three year total of \$189,474.47. To bring the Cassidian Patriot 911 system at the PSAP to a serviceable system, that would be Next Generation 911 capable, would require equipment, software and maintenance contracts, server, hardware and software upgrades, and annual Verizon 911 charges. We would also be required to continue the payment for the original contract on the Patriot for the next three years. The cost for this system over the next three years would be \$350,782.93. The cost to upgrade our current 911 system for both the PSAP and the EOC would be in excess of \$540,657.40 for three years. See attached spreadsheet for three year price breakout.

If we were to change our current 911 system to a hosted Next Generation ready platform through the North Central Texas Council of Governments (NCTCOG) and third party vendor, Emergency Call Works (ECW), it would cost \$372,713.90 for the next three years. This price includes the \$90,000 payout for the current Patriot system and all hardware, software, installation and maintenance agreements for the PSAP and EOC. See attached spreadsheet for three year price breakout.

After examining the price breakouts for the Patriot update (\$350,782.93) and Vesta Pallas replacement (\$189,474.47) compared to the hosted NCTCOG solution (\$372,713.90) for both PSAP and EOC, it is my recommendation that we move to the NCTCOG hosted platform.

**CITY OF ROWLETT
FUTURE NEEDS REQUEST FORM
ANALYSIS SHEET AND EVALUATION EXERCISE**

One-time cost:		Recurring cost:	
\$192,791		\$59,974	
TOTAL COST:			
FY 2015	FY 2016	FY 2017	TOTAL
\$252,766	\$59,974	\$59,974	\$372,714

Questions:
<p>Is this a replacement purchase? We have the ability to upgrade our current systems but I am recommending a complete replacement</p>
<p>How often will this purchase be used? Continuously 24 hours a day, 7 days a week, 365 days a year</p>
<p>How many employees will be positively impacted? The majority of employees for this organization are somehow affected by or use our PSAP and/or EOC.</p>
<p>How will this purchase affect our customers? It will impact all citizens as it will allow the city to maintain a working 911 system in order to respond to emergency calls from citizens needing police, fire or EMS response.</p>
<p>Describe the nature of the job for which this purchase is used, and describe the benefits that will be gained from this request. Try to answer questions such as how often it is needed, what is its purpose, how many days a year is it used, is use only seasonal or sporadic versus ongoing or constant?</p> <p>The PSAP is the 24-hour call center for all first responders and the after hours customer service contact for the rest of the City services. All citizens who contact the City, whether via 911 or 10-digit phone number, will benefit from the new system. There's also a cost benefit due to less money for maintenance fees and upgrades, and a safety benefit for all citizens as it will allow the PSAP to receive 911 calls for service at any location where 4G service is available. This means that the Mobile Command Post could be staffed at events/incidents with the ability to process 911 calls at the scene. In the case of a major disaster it would also allow us to expand our PSAP by utilizing the EOC in addition to the PSAP, providing two more positions at which 911 could be answered.</p>

Add attachments (i.e. pictures, data, quotes, etc.)

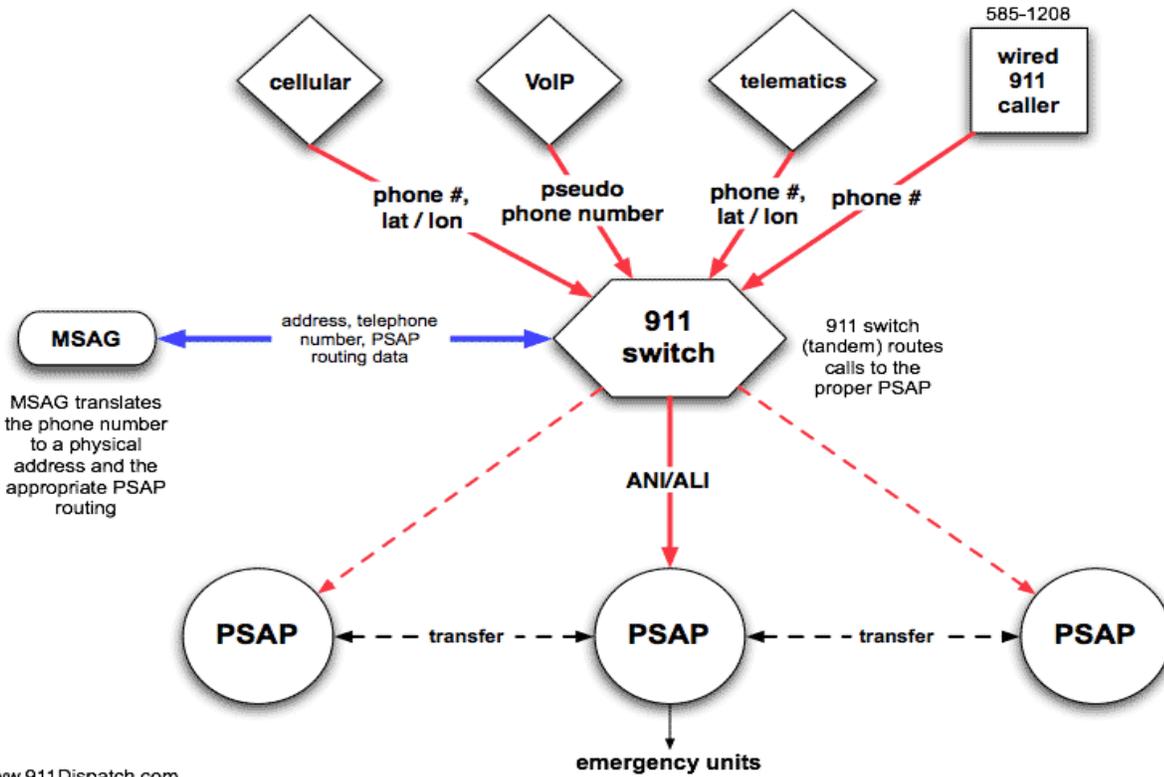
PSAP AND EOC PATRIOT (VERIZON)					
	3 Year Total	Year 1	Year 2	Year 3	Monthly Recurring
Equipment Maintena	\$43,546.36	\$14,515.45	\$14,515.45	\$14,515.45	
Software Maintenanc	\$40,265.18	\$13,421.73	\$13,421.73	\$13,421.73	
SmartNet Maintenanc	\$5,971.39	\$1,990.46	\$1,990.46	\$1,990.46	
Subtotal	\$89,782.93	\$29,927.64	\$29,927.64	\$29,927.64	
Patriot Payment	\$90,000.00	\$30,000.00	\$30,000.00	\$30,000.00	
Subtotal	\$179,782.93	\$59,927.64	\$59,927.64	\$59,927.64	
Server Upgrade	\$45,000.00	\$45,000.00	\$0.00	\$0.00	
Subtotal	\$224,782.93	\$104,927.64	\$59,927.64	\$59,927.64	
Verizon 911 Charges	\$126,000.00	\$42,000.00	\$42,000.00	\$42,000.00	\$3,500.00
Subtotal	\$350,782.93	\$146,927.64	\$101,927.64	\$101,927.64	
EOC Patriot Equipme	\$101,074.47	\$92,298.77	\$4,387.85	\$4,387.85	
Network Costs (conn	\$88,800.00	\$31,200.00	\$28,800.00	\$28,800.00	\$2,400.00
Subtotal	\$189,874.47	\$123,498.77	\$33,187.85	\$33,187.85	
TOTAL	\$540,657.40	\$270,426.41	\$135,115.49	\$135,115.49	

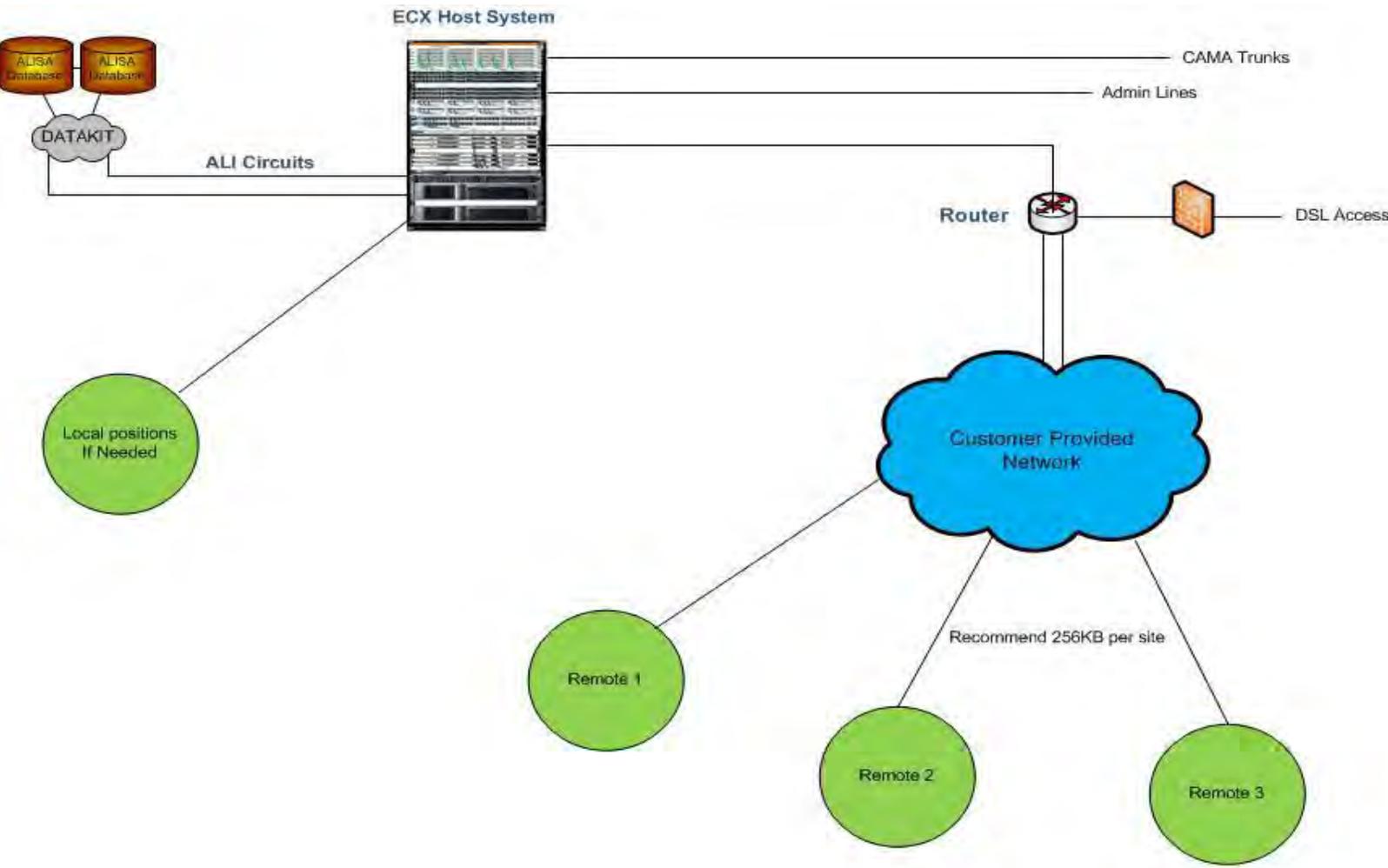
PSAP AND EOC

NCTCOG AND EMERGENCY CALL WORKS (ECW)

	3 Year Total	Year 1	Year 2	Year 3
NCTCOG	\$87,995.48	\$49,047.16	\$19,474.16	\$19,474.16
Datamaster	\$39,500.00	\$18,500.00	\$10,500.00	\$10,500.00
Patriot Payment	\$90,000.00	\$30,000.00	\$30,000.00	\$30,000.00
ECW PSAP	\$121,941.41	\$121,941.41	\$0.00	\$0.00
EOC	\$33,277.01	\$33,277.01	\$0.00	\$0.00
TOTAL	\$372,713.90	\$252,765.58	\$59,974.16	\$59,974.16

Typical 9-1-1 System





NOTE: This drawing is intended to provide general system design and network topology. This drawing may be subject to change and must be considered a draft document until such time as the project SOW is completed.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75030-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7K

TITLE

Consider a resolution amending the Rowlett Boards and Commissions Handbook related to appointments and term limits.

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary

SUMMARY

Each year, at the second meeting in September, City Council makes their appointments to the various City of Rowlett Boards and Commissions. If the need arises due to a high number of vacancies, Council may also make appointments at different times throughout the year. Council requested that the process – including applications, interviews, and appointments, be reviewed prior to their upcoming appointments.

BACKGROUND INFORMATION

The process for Board and Commission appointments is outlined in the *Rowlett Boards and Commissions Handbook*, which specifies: applications, eligibility requirements, multiple memberships, timing of appointments/terms of office, term limits, annual appreciation dinner, sunset provisions, and ex-officio and alternate members. The Handbook excerpt is attached as Attachment 1.

DISCUSSION

At their Work Session of September 2nd, Council considered suggestions provided by staff and a proposed resolution by Councilmember Bobbitt. Staff suggestions were to: seek additional information from each Board/Commission's staff liaison and Chairperson regarding currently serving regular and alternate members relating to level of service, attendance, etc.; and provide up-to-date attendance records for each of the Boards/Commissions.

Councilmember Bobbitt consulted with David Berman, City Attorney, regarding updates to the applications process as outlined in Section 2 of the *Rowlett Boards and Commissions Handbook*.

Suggested additions are listed below:

“2.1 APPLICATIONS

- c. Applicants may apply for more than one board by indicating 1st, 2nd, 3rd, etc., preferences. Individuals currently serving on a city board, commission or committee are not prevented from applying for a different board. However,

since one person may not preside on more than one board, that person would be required to resign from the previous board if appointed to a new board.

...

- f. Applications will be evaluated by the council based on the following criteria:
 - i. Experience and background in relevant fields. The council will consider professional or personal qualifications and backgrounds in relevant areas to provide a greater depth of knowledge and understanding to the board.
 - ii. Knowledge of City Processes – When ranking equally qualified applicants, the council will consider background experience as a city official and knowledge of the municipal process as appropriate to the position in reaching its decisions.
 - iii. Contributive Potential – The council will evaluate the potential contribution that each applicant may make if appointed to a board or commission. Factors the council may use in its evaluation include the ability to effectively communicate, to express ideas, concepts, or philosophies, and a desire to perform public service.
 - iv. Leadership Potential – Since each appointee may be called upon to serve as a chair, and since membership on boards and commissions is the proving ground for future service as a city council member, the council will evaluate and consider leadership abilities, such as past or present leadership experience (current employment, special interests, etc.) and past or present participation in community services.

The foregoing criteria are not exclusive and the council need not assign ratings to or rank applications.

...”

Council was agreeable to include evaluation of applicants based on experience and background in relevant fields and their contributive potential. However, opted to remove “knowledge of City processes” and “leadership potential” from the proposed resolution.

During the course of the conversation, Council considered term limits and reached a consensus that 12 years was quite lengthy and that six years, which is in line with Council term limits, would be more appropriate. This change causes the need to address those current members who have served between six and 12 years. Those members will be eligible for reappointment for one additional two-year term. This timeline is also addressed in the proposed resolution.

When considering Alternate members for appointment to fill a Regular vacancy, Council decided that each Alternate member should be judged on their own merits and not strictly based on tenure as outlined in Section 2.9 “Alternate Members”, which will be deleted:

“In the event of an opening on the Board, the alternate with the most tenure, who also meets attendance requirements, shall be moved to the position of regular member. The City Secretary is to be notified of the change.”

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

Based upon previous Council discussion, staff recommends Council approve a resolution amending the Rowlett Boards and Commissions Handbook.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AMENDING THE CITY OF ROWLETT BOARDS AND COMMISSIONS HANDBOOK TO AMEND SUBSECTION 2.1 (“APPOINTMENTS”), SUBSECTION 2.5 (“TERM LIMITS”), AND SUBSECTION 2.9 (“ALTERNATE MEMBERS”) OF SECTION 2 (“BOARD & COMMISSION APPOINTMENT PROCESS”) RELATING TO THE MANNER AND MEANS OF SELECTING AND APPOINTING MEMBERS TO VARIOUS CITY BOARDS AND COMMISSIONS; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Rowlett has previously adopted by resolution a Boards and Commissions Handbook to establish policy guidelines for the operations of the City’s various boards and commissions, which handbook has been amended from time to time; and,

WHEREAS, the City Council desires to amend and supplement the Boards and Commissions Handbook to revise certain provisions as described hereinafter.

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

SECTION 1. That subsection 2.1 (“Applications”) of Section 2 (“Board and Commission Appointment Process”) of the City of Rowlett Boards and Commissions Handbook be and is hereby repealed, without amendment, repeal or change to any other part or provision of Section 2, and replaced with a new subsection 2.1, to read in its entirety as follows:

“CITY OF ROWLETT BOARDS AND COMMISSIONS HANDBOOK

...

SECTION 2: BOARD & COMMISSION APPOINTMENT PROCESS

2.1 APPLICATIONS

- a. Persons wishing to serve on any standing citizen board, committee or commission shall submit a complete application to the City Secretary's office in accordance with the published deadline.
- b. Individuals wishing to apply for appointment should carefully review the requirements of each board and commission and specify those in which they have a special interest and for which they are fully qualified.
- c. Applicants may apply for more than one board by indicating 1st, 2nd, 3rd, etc., preferences. Individuals currently serving on a city board, commission or committee are not prevented from applying for a different board. However, since one person may not preside on more than one board, that person would be required to resign from the previous board if appointed to a new board.
- d. City Councilmembers need not apply for membership to a board or commission, but may instead be appointed directly by the City Council for membership only on separate entity boards and ad-hoc committees.
- e. Applications will be evaluated by the council based on the following criteria:
 - i. Experience and background in relevant fields. The council will consider professional or personal qualifications and backgrounds in relevant areas to provide a greater depth of knowledge and understanding to the board.
 - ii. Contributive Potential – The council will evaluate the potential contribution that each applicant may make if appointed to a board or commission. Factors the council may use in its evaluation include the ability to effectively communicate, to express ideas, concepts, or philosophies, and a desire to perform public service.
 - iii. Applicants for appointment to boards and commissions may be reviewed by City Council for any outstanding debt owed to the City including, but not limited to, tax delinquency and/or pending litigation with the City.

The foregoing criteria are not exclusive and the council need not assign ratings to or rank applications.

- f. If an applicant is not selected, the City Secretary will keep the application on file.
- g. Appointments by the council are made in open meetings by simple majority vote of those present, and should generally follow Robert's Rules of Order.

...”

SECTION 2. That subsection 2.5 (“Term Limits”) of Section 2 (“Board and Commission Appointment Process”) of the City of Rowlett Boards and Commissions Handbook be and is hereby repealed, without amendment, repeal or change to any other part or provision of Section 2, and replaced with a new subsection 2.5, to read in its entirety as follows:

“CITY OF ROWLETT BOARDS AND COMMISSIONS HANDBOOK

...

SECTION 2: BOARD & COMMISSION APPOINTMENT PROCESS

2.5 TERM LIMITS

Members shall be re-evaluated at the end of each term and serve no more than a maximum of six (6) years. This provision shall be effective without regard to the date of approval or revision of this handbook.”

SECTION 3. That the foregoing amendment to subsection 2.5 (“Term Limits”) of Section 2 (“Board and Commission Appointment Process”) of the City of Rowlett Boards and Commissions Handbook requires a transitional provision for current members who have served more than the revised six years. As a transitional provision, any member who has currently served for at least six (6) years shall be eligible to serve one (1) additional two-year term. At the conclusion of which, they shall be considered term limited.

SECTION 4. That subsection 2.9 (“Alternate Members”) of Section 2 (“Board and Commission Appointment Process”) of the City of Rowlett Boards and Commissions Handbook be and is hereby amended, to remove reference to consideration of tenure for alternate appointments, and is to read in its entirety as follows:

“CITY OF ROWLETT BOARDS AND COMMISSIONS HANDBOOK

...

SECTION 2: BOARD & COMMISSION APPOINTMENT PROCESS

2.9 ALTERNATE MEMBERS

If the City Council deems it appropriate or beneficial, the City Council may, by a majority vote, create and appoint one or more alternate members to any board or commission that does not currently have alternates, provided that such appointment is not inconsistent with applicable laws, rules or procedures. In addition, the council may, by simple majority vote, appoint additional alternates in excess of the number provided for in this Handbook as the council may deem advisable without formal amendment to these guidelines, and these additional alternates will have the same

privileges and obligations as other alternates. Alternate members' term lengths are determined by the City Council but, absent a specified term, alternates shall serve terms of two years. Upon City Council appointment, alternate members are encouraged to attend every meeting. Alternates will be allowed to participate in discussion during the meeting with or without regular members being absent. Alternates will have voting privileges only if there are regular members absent. (One alternate can participate and vote per each regular member absent.) The chair of the board or commission will determine which alternate(s) present at the meeting will serve to fill any vacancy(ies) as needed. Alternate members should be appointed to fill vacancies on a rotating basis whenever possible, except as prohibited by state law. Time served as an alternate member will not be calculated when applying term limits. In the event of two alternate positions being unfilled, the matter is to be placed on the City Council agenda and an appointment of new alternates are to be made from existing applications on file with the City Secretary. Youth members who wish to apply for advisory Boards and/or Commissions will be appointed as Junior Alternate Members and may participate as non-voting members. Youth applicants must be Rowlett citizens in the ninth, tenth, eleventh or twelfth grade.

..."

SECTION 5. That all provisions of the resolutions of the City of Rowlett in conflict with the provisions of this resolution be and the same are hereby repealed and all other provisions of the ordinances and resolutions of the City of Rowlett not in conflict with the provisions hereof shall remain in full force and effect.

SECTION 6. That if any section, sentence, clause, or phrase of this resolution is for any reason held to be unconstitutional or otherwise invalid or unenforceable by a court of competent jurisdiction, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this resolution, it being the legislative intent that the provisions of this resolution are severable and that the resolution shall continue in effect notwithstanding the invalidity of such section, sentence, clause, or phrase.

SECTION 7. This Resolution shall take effect immediately from and after its passage and the publication of the caption as the law and Charter in such cases provide.

ATTACHMENT

Attachment 1 – Rowlett Boards and Commissions Handbook (excerpt)

SECTION 2: BOARD & COMMISSION APPOINTMENT PROCESS

The Rowlett City Council generally makes all of the appointments to the City's boards and commissions. Therefore, it is incumbent on members of the City Council to seek out highly qualified individuals to serve as volunteer members of citizen boards and commissions.

2.1 Applications

- a. Persons wishing to serve on any standing citizen board, committee or commission shall submit a complete application to the City Secretary's office in accordance with the published deadline.
- b. Individuals wishing to apply for appointment should carefully review the requirements of each board and commission and specify those in which they have a special interest and for which they are fully qualified.
- c. City Councilmembers need not apply for membership to a board or commission, but may instead be appointed directly by the City Council for membership only on separate entity boards and ad-hoc committees.
- d. Applicants for appointment to boards and commissions shall be reviewed by City staff for any outstanding debt owed to the City including, but not limited to, tax delinquency and/or pending litigations with the City.

2.2 Eligibility Requirements

- a. No person may serve on any citizen board or commission unless that person is a legal resident of the City of Rowlett, unless otherwise provided by law. Failure to maintain this residency requirement at any time during a member's term of office will cause membership to be forfeited. This requirement shall not apply to the Rowlett Chamber of Commerce appointments to the Economic Development Advisory Board.
- b. No person may serve or remain on any citizen board or commission unless that individual is a registered voter of the City of Rowlett. This provision shall not apply to any Rowlett Chamber of Commerce appointments to the Economic Development Advisory Board that are not Rowlett residents (see above) or to Junior Alternate Members under 18 years old..

Certain boards and commissions have very specific requirements for membership in regard to profession, expertise, etc. All appointments to boards and commissions having such requirements must be made in strict compliance with those requirements and members must continue to comply with all membership qualifications throughout their terms of office to avoid forfeiting membership.

- c. City Councilmembers shall not be eligible for membership on a board or commission unless specifically required by the ordinance or resolution establishing the board or commission or by provision of this handbook.

2.3 Multiple Memberships

A person may not serve on more than one advisory or decision-making board or commission at a time unless specifically authorized by the City Council. However, an individual may serve on the board of a separate entity or an ad-hoc board, committee or commission even though that person maintains membership on an advisory or decision-making board or commission, provided that law does not otherwise prohibit such duplicate membership(s).

2.4 Timing of Appointments/Terms of Office

- a. A Volunteer Fair is to be held in July or August of each year to invite current and prospective volunteers to attend. Application forms can be completed on-site.
- b. The Council will review the applications and will make appointments at the second meeting in September, or as soon thereafter as is practical.
- c. Appointments to advisory and decision-making boards and commissions shall be effective on October 1 of each year. Appointments to ad-hoc committees shall vary in timing depending on the issue(s) and the amount of time anticipated for its resolution.
- d. Upon appointment by the City Council, the City Secretary will determine the eligibility of the appointee, as outlined in Section 2 above. If the appointee meets requirements, the City Secretary shall notify each appointee, in writing, of the appointment. Staff liaisons or board chairs will then contact the new appointees about specific meeting dates and responsibilities.
- e. All appointed and reappointed members of advisory and decision-making boards and commissions shall attend board and commission mandatory training to be conducted by appropriate City staff or appointed officials. This requirement for training applies to regular, alternate members and junior alternate members of standing boards and commissions. Members are appointed to, and continue their service on, boards or committees contingent upon attendance/completion of the required training provided by the City through the City Attorney, City staff and/or through the Internet training found on the Texas Attorney General's website (www.oag.state.tx.us/open/og_training.shtml). Completion of the Attorney General's program requires a certificate to be printed and submitted to the board liaisons or to the City Secretary's office for safekeeping. Any appointed or reappointed member of any standing board or commission who does not participate in the training will forfeit their membership. Each member has 45 days to complete the required training once they have been appointed or reappointed. The requirement does not apply to ex-officio members, although they are encouraged to attend. The City Manager will determine the participation of City staff members, whether they serve as ex-officio, staff liaison, board secretary or other positions.

2.5 Term Limits

No individual shall serve on a single board or commission for a period of more than twelve (12) consecutive years. This provision shall be effective without regard to the date of approval or revision of this handbook.

2.6 Annual Appreciation Dinner

The City Council should host an annual appreciation dinner/banquet to express its appreciation to those citizens who have been appointed by the City Council as members of any boards and commissions (including ad-hoc and ex-officio members) and to distribute awards to out-going members. All members, including those recently appointed, currently serving and out-going shall be invited to attend. Attendance is not mandatory.

2.7 Sunset Provisions

Any board or commission created by the City Council shall cease to exist upon the accomplishment of the special purpose for which it was created or when abolished by a majority vote of the City Council, whichever is earlier. No board or commission so appointed shall have powers other than advisory to the City Council, except as otherwise specified by the City Charter or ordinance.

2.8 Ex-Officio Member

If the City Council deems it appropriate or beneficial, the City Council may, by a majority vote, create and appoint specific ex-officio, non-voting members to a board or commission, provided that such appointment is not inconsistent with applicable laws, rules or procedures. (An example of this provision might be the appointment of a representative of the school district or utility company as an ex-officio member of the Economic Development Advisory Board, due to the school district's and utility company's interest in economic development activities).

2.9 Alternate Members

If the City Council deems it appropriate or beneficial, the City Council may, by a majority vote, create and appoint one or more alternate members to any board or commission that does not currently have alternates, provided that such appointment is not inconsistent with applicable laws, rules or procedures. In addition, the council may, by simple majority vote, appoint additional alternates in excess of the number provided for in this Handbook as the council may deem advisable without formal amendment to these guidelines, and these additional alternates will have the same privileges and obligations as other alternates. Alternate members' term lengths are determined by the City Council but, absent a specified term, alternates shall serve terms of two years. Upon City Council appointment, alternate members are encouraged to attend every meeting. Alternates will be allowed to participate in discussion during the meeting with or without regular members being absent. Alternates will have voting privileges only if there are regular members absent. (One alternate can participate and vote per each regular member absent.) The chair of the board or commission will determine which alternate(s) present at the meeting will serve to fill any vacancy(ies) as needed. Alternate members should be appointed to fill vacancies on a rotating basis whenever possible, except as prohibited by state law. Time served as an alternate member will not be calculated when applying the twelve year maximum term. **In the event of an opening on the Board, the alternate with the most tenure, who also meets attendance requirements, shall be moved to the position of regular member.** The City Secretary is to be notified of the change. In the event of two alternate positions being unfilled, the matter is to be placed on the City Council agenda and an appointment of new alternates are to be made from existing applications on file with the City Secretary. Youth members who wish to apply for advisory Boards and/or Commissions will be appointed as Junior Alternate Members and may participate as non-voting members. Youth applicants must be Rowlett citizens in the ninth, tenth, eleventh or twelfth grade.

SECTION 3: RESPONSIBILITIES OF BOARDS AND COMMISSIONS

3.1 Attendance

- a. In order to be fully aware of issues that may arise at a board, commission or committee meeting, and to ensure that the board, commission or committee can conduct business in an effective manner, it is imperative that appointed members



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7L

TITLE

Consider appointments to all of the various boards and commissions.

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary

BACKGROUND / HISTORY

City Council makes appointments to Boards and Commissions annually and when vacancies occur. Over a period of two evenings in September, Council interviewed 17 applicants to match their desire to serve with the appropriate board or commission. On September 9th, Council met in Executive Session to discuss the appointments to Planning and Zoning Commission and Board of Adjustment. Council met in open session to discuss appointments to all remaining boards and commissions.

POLICY EXPLANATION

The Boards and Commissions to be considered for appointment at this meeting are as follows:

- Animal Shelter Advisory Board – 2 Regulars and 2 Alternates
- Arts and Humanities Commission – 3 Regulars and 2 Alternates
- Board of Adjustment – 2 Regulars and 5 Alternates
- Economic Development Advisory Board – 1 Regular and 1 Member – Mayor’s Designee
- Golf Advisory Board – 2 Regulars and 4 Alternates
- Library Advisory Board – 3 Regulars and 3 Alternates
- Parks and Recreation Advisory Board – 6 Regulars and 3 Alternates and 1 Junior Alternate
- Planning and Zoning Commission – 4 Regulars and 3 Alternates
- Senior Advisory Board – 4 Regulars and 2 Alternates
- Traffic and Safety Advisory Commission – 4 Regulars and 2 Alternates

A total of 31 Regular Appointments and 27 Alternate Appointments are needed.

FISCAL IMPACT

N/A

STAFF RECOMMENDATION

To approve the recommended slate of Board and Commission appointees for FY 2014-2015.

ATTACHMENT

Attachment 1 – List of Proposed Appointments

Animal Shelter Advisory Board

REGULAR MEMBERS

Jeri Fontenot
Dawna Carbabajal

ALTERNATE MEMBERS

Kelli Keath

VACANT

Arts & Humanities Commission

REGULAR MEMBERS

Cynthia Baxter
Jeff Hendrickson
Gary Alexander

ALTERNATE MEMBERS

Jim Katzenberger
Deborah Crosby
Janet Gonzalez

Board of Adjustment & Building Code Board of Review & Appeals

REGULAR MEMBERS

Raymond Moyer
Chris Kizziar

ALTERNATE MEMBERS

Robert Vickers
Tony Brown
Kellie McKee

VACANT

Economic Development Advisory Board

MAYOR'S DESIGNEE

VACANT

REGULAR MEMBER

Kevin Lawson

Golf Advisory Board

REGULAR MEMBER

Barbara Hoist
Jerry Daniels

ALTERNATE MEMBER

Charles Alexander
Brent Dorenbecker
Michael Daffin

VACANT

Library Advisory Board

REGULAR MEMBER

Deborah Smith
Pat Harris
Jerry Hickman

ALTERNATE MEMBER

Linda Maki
Cassie Wilson

VACANT

Parks and Recreation Advisory Board

REGULAR MEMBER

Wayne Baxter
Ken Romaine
Matt Grubisich
Eric Bonilla
E.C. Umberger III
Zabrina Martinson

ALTERNATE MEMBER

Linda Fugitt
Michael Moreno
Bruce Hargrave

Planning & Zoning Commission

REGULAR MEMBER

Michael Lucas
Karl Crawley
James Moseley
Thomas Finney

ALTERNATE MEMBER

Lisa Cain
Christe Cavaness
Gabriela Borcoran

Senior Advisory Board

REGULAR MEMBER

Darrell Test
Susan Bell
Bobbie Jo Kelly
Michael Britt

ALTERNATE MEMBER

Pauline Dedrick
Charles Gaugler

VACANT

Traffic & Safety Advisory Commission

REGULAR MEMBER

Leisa Peebles
Alejandro Coss
Michael Rassmusen
Luigi Doronzo

ALTERNATE MEMBER

Carole Dodd
Tiffany Smith



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7M

TITLE

Consider action to appoint a Chair and Vice Chair for the Community Investment Program Task Force (CIPTF), an ad-hoc committee established by the City Council.

STAFF REPRESENTATIVE

Jim Proce, Assistant City Manager

SUMMARY

The CIPTF held its first meeting on September 9, 2014. One order of business was to determine the seats to be filled for Chair and Vice Chair. The Board and Commission Handbook states that the City Council shall appoint chairpersons for ad-hoc committees. This being the case, the CIPTF has arrived at a consensus to make a recommendation to the City Council for consideration for such appointments.

BACKGROUND INFORMATION

On August 19, 2014, the City Council established the CIPTF for the purpose of providing a recommendation to the City Council for the proposed May 2015 bond election.

In order to facilitate the business of the task force, it is necessary to appoint a chair and vice chair. In accordance with the Rowlett Boards and Commissions Handbook, such appointments are at the discretion of the City Council.

DISCUSSION

The CIPTF discussed the interest, willingness, and capabilities of the members and reached a consensus to recommend the following slate of officers to serve as Chair and Vice Chair.

CHAIR	VICE CHAIR
Erik Ernst	Martha Brown

The applications of the task force members are attached herein. (See Attachment 1)

FINANCIAL/BUDGET IMPLICATIONS

There is no financial implication to this action.

RECOMMENDED ACTION

It is recommended by the CIPTF that Council approve the appointment of Erik Ernst as Chair and Martha Brown as Vice Chair, of the CIPTF, in accordance with the Rowlett Boards and Commissions Handbook requirements.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING THE APPOINTMENTS OF OFFICERS FOR THE COMMUNITY INVESTMENT PROGRAM TASK FORCE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council enacted an ad-hoc committee entitled as the “Community Investment Program Task Force” (CIP Task Force); and

WHEREAS, the CIP Task Force has been charged with making a recommendation to City Council on matters regarding a bond election in May of 2015; and

WHEREAS, the City Council has chosen seven representatives and a Council Liaison and Council Alternate to serve on the CIP Task Force; and

WHEREAS, the CIP Task Force will stand down upon the completion of tasks put before them by the City Council; and

WHEREAS, the Task Force has made a recommendation on a slate of officers to the City Council for the Task Force to conduct its business; and

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

Section 1: The City Council of the City of Rowlett does hereby approve the appointment of Erik Ernst as the Chair and Martha Brown as the Vice Chair of the Community Investment Program Task Force until the Task Force stands down upon the completion of their charge.

Section 2: This resolution shall become effective immediately upon its passage.

ATTACHMENT

Attachment 1 – Task Force member applications

City of Rowlett BOARDS AND COMMISSIONS APPLICATION

(Please Print)

Today's Date: <u>8/7/2014</u>	
Please choose from the following boards and commissions:	
<ul style="list-style-type: none"> •Animal Shelter Advisory Board •Board of Adjustment •Golf Advisory Board •Parks and Recreation Advisory Board •Senior Advisory Board •Traffic and Safety Advisory Commission 	<ul style="list-style-type: none"> •Arts and Humanities Commission •Economic Development Advisory Board •Library Advisory Board •Planning and Zoning Commission •Tax-Increment Financing District Board •Community Investment Program Task Force (Board Contracted)
Board or Commission First Choice: <u>COM. INV. TASK FORCE</u> Board or Commission Second Choice:	
Last name: <u>BROWN</u>	First Name: <u>MARTHA</u>
Street address: <u>8013 PICKARD DR.</u>	ZIP Code: <u>75088</u>
Home phone no.: <u>972 412 7606</u>	Business phone no.: <u>972 463 3929</u> Cell phone no.: <u>214-998-9203</u>
Length of Residency in Rowlett: <u>23 YEARS</u>	
Are you a registered voter:	Voter's Registration No.:
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>1081046345</u>
All members of citizen boards and commissions must be registered voters, residing in the City of Rowlett.	Birthdate (mm/dd/yyyy):
	(Birthdate information is needed only if you do not know your Voter's Registration Number)
Briefly describe your past two places of employment:	
Company name: <u>KEEP ROWLETT BEAUTIFUL</u>	Job title: <u>EXECUTIVE DIRECTOR</u>
Dates of employment: <u>2/12/13 - to PRESENT</u>	Location of job: <u>4701 ROWLETT RD. ROWLETT, TX 75088</u>
Typical duties: <u>MANAGE THE DAY TO DAY OPERATIONS OF ENVIRONMENTAL NON-PROFIT. DUTIES INCLUDE GRANT WRITING, FUND RAISING, VOLUNTEER MANAGEMENT, EVENT PLANNING AND COORDINATION. ALSO SERVE AS SEC. ON BOARD OF DIRECTORS.</u>	
Company name: <u>TEXAS BOND Co, INC.</u>	Job title: <u>PRESIDENT</u>
Dates of employment: <u>1/2000 - 8/2010</u>	Location of job: <u>3810 INDUSTRIAL ST STE 100, ROWLETT, TX 75088</u>
Typical duties: <u>EXECUTIVE DUTIES INCLUDED - CONTRACT NEGOTIATION, HIRING/RECRUITING - OFFICE, SALES, AND SUPPORT STAFF (14 EMPLOYEES) PROJECT MANAGEMENT, PURCHASING, BUDGETING, DEVELOPING AND IMPLEMENTING SAFETY PROGRAM TRAINING, SALES SEMINARS, ETC.</u>	

Please describe your educational background, including the highest level attained and all college degrees, technical training, certifications, etc. that are relevant:

HIGH SCHOOL
 REAL ESTATE/MULTI-FAMILY
 MANAGEMENT (15 YEARS)
 PRODUCTS & SERVICES COUNCIL
 CHAIR - AAGD (Apt. Assoc. of Greater Dallas)
 V.P. - MERCY + TRUTH FOR 20 YRS
 (RELIGIOUS NON-PROFIT)

List any specific skills, abilities, and qualifications that are relevant to the position(s) applied for:

LONG-TIME RESIDENT OF ROWLETT
 CURRENTLY CONDUCTING ON-GOING FUND-
 RAISING TO RE-BUILD KID'S KINGDOM.
 HAVE A WORKING RELATIONSHIP WITH
 SEVERAL CITY OF ROWLETT OFFICIALS &
 DEPTS., AM AVAILABLE FOR PUBLIC SPEAKING

Are you currently serving on other Boards or Commission?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, which one:
Have you served on a Board or Commission before?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, which one:

Please describe your reason for applying on a citizen board or commission. Please include any particular goals you have for the board or commission, and any unique talents, experiences, or interests that would help make you an excellent member:

I CARE ABOUT OUR CITY AND THE
 QUALITY OF LIFE WE HAVE TO OFFER-
 BELIEVE THAT ROWLETT SHOULD HAVE
 PARKS & RECREATIONAL OPPORTUNITIES/
 PUBLIC SERVICES & AMENITIES 2ND TO NONE.

Please provide names and phone numbers of three references, other than relatives.

1.	LEE SHAW	214-293-9744
2.	VICKIE KING	214-229-8109
3.	PEGGY CROOK	469-222-1558

City of Rowlett BOARDS AND COMMISSIONS APPLICATION

(Please Print)

Today's Date: August 1, 2014		
BOARDS AND COMMISSIONS		
Please choose from the following boards and commissions:		
<ul style="list-style-type: none"> •Animal Shelter Advisory Board •Board of Adjustment •Golf Advisory Board •Parks and Recreation Advisory Board •Senior Advisory Board •Traffic and Safety Advisory Commission 	<ul style="list-style-type: none"> •Arts and Humanities Commission •Economic Development Advisory Board •Library Advisory Board •Planning and Zoning Commission •Tax-Increment Financing District Board *Community Investment Program Task Force (Bond Committee) 	
Board or Commission First Choice: Community Inv. Program	Board of Commission Second Choice: Community Inv. Program	
PERSONAL INFORMATION		
Last name: Ernst		First Name: Erik
Street address: 8614 Fairfax Avenue		ZIP Code: 75089
Home phone no.: 972-348-9174	Business phone no.: 214-709-3078	Cell phone no.: 214-709-3078
RESIDENCY INFORMATION		
Length of Residency in Rowlett: 10 years		
Are you a registered voter:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Voter's Registration No.:
All members of citizen boards and commissions must be registered voters, residing in the City of Rowlett.		Birthday (mm/dd/yyyy):
		(Birthday information is needed only if you do not know your Voter's Registration Number)
EMPLOYMENT		
Briefly describe your past two places of employment:		
Company name: Tyler Technologies		Job title: Project Manager
Dates of employment: October 2005-Present		Location of job: Plano, Texas
<p>Typical duties:</p> <p>Project Manager for the Tyler Technologies Courts and Justice Division. Responsibilities include management of a project team for implementing integrated justice solutions for Texas Counties. Teams include implementation specialists, conversion teams, and business analysts. Directly manage schedules, relationships, risk, budget, business processes and development projects for District and County Courts, District and County Attorneys, Justice Courts (JP)Adult and Juvenile Probation Offices, and Sheriff's Office Law Enforcement and Detention Centers in an integrated, hosted, software system.</p>		
Company name: Telvista		Job title: Business Analyst
Dates of employment: January 1999 - October 2005		Location of job: Plano Texas
<p>Typical duties:</p> <p>Telvista is an outsourced technology provider. As a Business Analyst my role was to review contract and service level metrics for providers and develop the business processes, measurement tools, and analysis tools to meet contract deliverables. During the production phase of the contract, the focus would switch to quality controls and process improvement using Six Sigma and Agile protocols.</p>		

EDUCATION

Please describe your educational background, including the highest level attained and all college degrees, technical training, certifications, etc. that are relevant:

High School: Valley Forge Military Academy, Wayne, PA

Undergraduate: William Paterson University, Wayne, NJ - approximately 90 credits in Fine Art

Logistics Management Certification: George Washington University, Fairfax Virginia

NJ School Transportation Director Certification: NJASBO / NJASTC, Sussex, New Jersey

SKILLS AND QUALIFICATIONS

List any specific skills, abilities, and qualifications that are relevant to the position(s) applied for:

My client base is County Governments and I am proficient in budget and expenditure analysis, forecasting, project management, and over site of large government projects.

MEMBERSHIP INFORMATION

Are you currently serving on other Boards or Commission?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, which one:
Have you served on a Board or Commission before?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, which one:

REASON FOR APPLYING

Please describe your reason for applying on a citizen board or commission. Please include any particular goals you have for the board or commission, and any unique talents, experiences, or interests that would help make you an excellent member:

When I moved my family to Rowlett 10 years ago, I realized that I had found the community in which we wanted to raise our children and then retire. I have been an active member of the Rowlett Citizens Corps Council for seven years and in that capacity I have served as: a CERT member, training coordinator, deputy director, and the current director; Fire Corps member; founder and advisor of Explorer Post 1. I have been a Den Leader and Cubmaster for Pack 244 at Pearson Elementary School and I am the current Scoutmaster for Troop 1188 at First Christian Church. I am heavily invested in Rowlett and feel I bring a strong passion for the future direction of the City with a pragmatic approach from working with government entities.

REFERENCES

Please provide names and phone numbers of three references, other than relatives.

1. Whitney Laning, President, Rowlett Citizens Corps Council: 214-417-4857
2. Michael Gallops, Mayor Pro Tem, Rowlett City Council: 469-628-7926
3. Neil Howard, Fire Chief, Rowlett Fire Rescue: 972-412-6230



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 7N

TITLE

Consider action to approve a resolution authorizing the Mayor to sign utility easement documents to amend previously approved easement language associated with a previously approved cellular communications tower to be constructed at Community Park.

STAFF REPRESENTATIVE

Marc Kurbansade, Director of Development Services

SUMMARY

The purpose of this item is to authorize signatory authority to grant an easement for utility placement along Raney Road associated with a previously approved cell tower to be located in Community Park. The primary users of the easement, at this time, will be AT&T and Oncor Electric.

This item was previously approved by City Council on June 17, 2014, and is being brought forward to amend language that would prohibit Oncor from placing their infrastructure in this easement. The revised language has been reviewed by the City Attorney after correspondence with legal counsel representing Oncor.

BACKGROUND INFORMATION

On June 4, 2013, the City Council approved a Community Facilities License Agreement for installation of a telecommunications tower on property located at 8500 St. Andrews Lane. AT&T is now ready to construct the tower, and they have determined they need additional easements for placement of the fiber and electric lines. The requested easements are located on the park property and then parallel to the existing right-of-way along Raney Road.

On June 17, 2014, City Council approved an easement; however, there was language in that prior easement that would preclude Oncor from placing their infrastructure in the easement. This language is modified in the attached amended easement.

DISCUSSION

The approved license agreement shows a utility easement from the existing parking lot to the tower site as shown in Figure 1. At the time of building permit submittal, the contractor became aware that they would need additional easements for placement of utilities as shown in Figure 2.

Staff contacted American Golf to discuss and get approval of the proposed easement locations. Approval was received, and a copy of the site access agreement is included as Attachment 1, along with a copy of the proposed easements (Exhibit A).

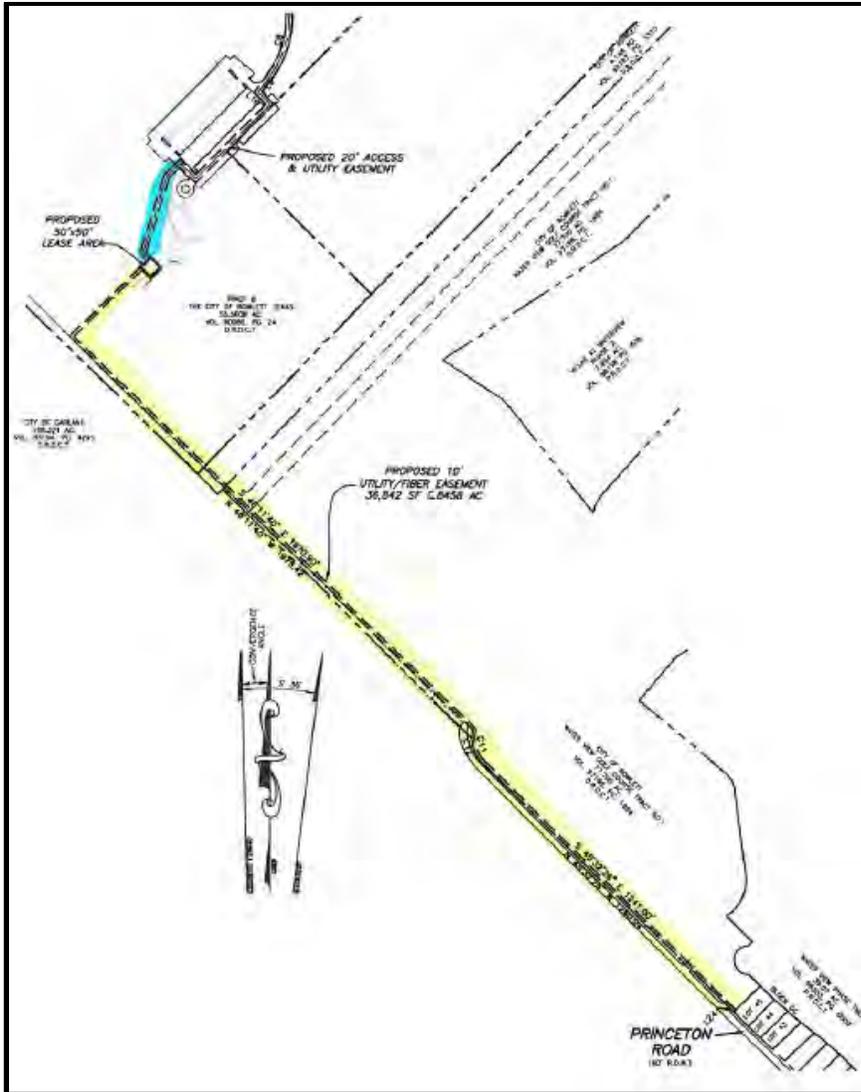


Figure 2

The specific changes to the easement are shown below in strikeout/underline format for paragraphs (b) and (d):

(b) GRANTOR, its successors and assigns, shall have the right to use the surface of the Easement herein granted insofar as such use does not, in the reasonable judgment of the GRANTEE, impair, interfere with or obstruct the use of the Easement by GRANTEE, or its successors, assigns, and utility companies providing service. ~~GRANTOR may require the removal or relocation of any Facilities, which shall be done solely at GRANTEE's cost.~~

...

(d) NOTWITHSTANDING ANY PROVISION OF THIS EASEMENT TO THE CONTRARY, IN NO EVENT SHALL GRANTOR BE LIABLE TO GRANTEE FOR ANY DAMAGES, WHETHER DIRECT, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, RELIANCE OR CONSEQUENTIAL, WHETHER FORESEEABLE OR NOT,

INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL, COST OF REPLACEMENT SERVICES, OR CLAIMS OF ANY OTHER THIRD PARTIES, OCCASIONED BY ANY CAUSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, OR BREACH OF WARRANTY, ~~NEGLIGENCE OR STRICT LIABILITY.~~

FINANCIAL/BUDGET IMPLICATIONS

Per the license agreement, the City will receive \$42,000 annually for an initial term of five years. There is an option to renew the license for two additional five-year terms. These easements will have no additional budgetary impact.

RECOMMENDED ACTION

Staff recommends that the Council approve a resolution authorizing the Mayor to sign easement documents that will allow public and private utilities to be placed in an easement, adjacent to the right-of-way, along Raney Road.

RESOLUTION

A RESOLUTION OF THE CITY OF ROWLETT, TEXAS, AMENDING A UTILITY EASEMENT CREATING AND DEDICATING A UTILITY EASEMENT FOR PUBLIC AND PRIVATE UTILITIES WITHIN AND NEAR COMMUNITY PARK, RANEY ROAD AND THE WATERVIEW GOLF COURSE; AUTHORIZING THE MAYOR TO EXECUTE A UTILITY EASEMENT DEED ON THE CITY'S BEHALF; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City owns certain property within and near Community Park and the Waterview Golf Course and adjacent to Raney Road; and

WHEREAS, the City Council finds and determines that an easement is required in order to enable the City to enter into a lease agreement for the construction of a cell tower within Community Park and to enable the installation and maintenance of electrical and communication lines from Community Park and along Raney Road; and

WHEREAS, a utility easement deed has previously been approved by the City Council, which deed should be amended in accordance with the form attached hereto; and

WHEREAS, the City Council finds and determines that the easement contemplated herein and as amended hereby will not interfere with the use and operations of Community Park, the Waterview Golf Course or Raney Road; and

WHEREAS, by this resolution, the Council intends to authorize the mayor of the City to execute an amended utility easement deed which is intended to create a utility easement in the locations designated in Exhibit "A," attached hereto and incorporated herein.

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

Section 1: That the City Council of the City of Rowlett, Texas, hereby creates, dedicates and conveys to public and private utilities the tracts of real property more particularly described in Exhibit "A" attached hereto and incorporated herein, and authorizes the Mayor to execute the Amended Utility Easement Deed conveying said property to the public use for utility purposes.

Section 2: This Resolution shall take effect immediately from and after its passage and the publication of the caption as the law and Charter in such cases provide.

ATTACHMENTS

Exhibit A – Easement Document

Attachment 1 – Site Access Agreement

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

AMENDED UTILITY EASEMENT DEED

**THE STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DALLAS §**

THAT The City of Rowlett, Texas (hereinafter referred to as "GRANTOR," in consideration of the sum of Ten and no/100 Dollars (\$10.00), and other good and valuable consideration, receipt of which is hereby acknowledged, does hereby GRANT and CONVEY to AT&T, OnCor Electric, and public and private utilities, their affiliates, subsidiaries, successors, and assignees, (hereinafter collectively referred to as "GRANTEE"), for use by GRANTEE, its employees, agents, contractors, an easement and license over, upon, under, and across the easement area (described hereinbelow as the "Premises") on a permanent basis for ingress and egress to and from the Premises as described in Exhibit "A," attached hereto and incorporated herein, for the purposes hereinafter set forth, within a strip of land fifteen (15) feet in width, across GRANTOR'S tract of land located in Dallas County, Texas, (hereinafter called "the Property"), and described as follows, to wit:

See Survey and Field Notes that are attached as Exhibit "A"

This Easement does not constitute a conveyance of the Property, nor of the minerals therein and thereunder, but grants only an easement and license subject to the following:

(a) This Easement is granted for the purpose of permitting GRANTEE to install, construct, reconstruct, operate, alter, relocate, improve, and perpetually maintain public and private utility underground lines, laterals, services, connections, facilities and appurtenances, together with all incidental improvements (the "Facilities") in, upon, under and across the Premises, together with the right and privilege to enter upon the Property, subject to GRANTOR'S ordinances, local laws, and regulations, for the purpose of installing, constructing, reconstructing, operating, altering, relocating and maintaining the Facilities and for making connections therewith. GRANTEE shall not have the right to remove stone, earth, gravel, caliche or any part of the mineral estate, which is herein reserved to GRANTOR, which may be excavated in the opening, installation, construction, or maintenance of the said Facilities.

(b) GRANTOR, its successors and assigns, shall have the right to use the surface of the Easement herein granted insofar as such use does not, in the reasonable judgment of the GRANTEE, impair, interfere with or obstruct the use of the Easement by GRANTEE, or its successors assigns, and utility companies providing service.

(c) The easement and license granted herein is subject to all subsisting oil, gas, sulfur, and mineral leases and estates, unitization agreements, deeds, easements, rights-of-way, restrictive covenants, mineral and royalty grants and reservations, or other instruments now of record which affect the easement.

(d) NOTWITHSTANDING ANY PROVISION OF THIS EASEMENT TO THE CONTRARY, IN NO EVENT SHALL GRANTOR BE LIABLE TO GRANTEE FOR ANY DAMAGES, WHETHER DIRECT, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, RELIANCE OR CONSEQUENTIAL, WHETHER FORESEEABLE OR NOT, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, COST OF CAPITAL, COST OF REPLACEMENT SERVICES, OR CLAIMS OF ANY OTHER THIRD PARTIES, OCCASIONED BY ANY CAUSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, OR BREACH OF WARRANTY.

(e) GRANTEE and utility companies utilizing this easement and license hereby agree to save and hold harmless GRANTOR from and against any and all claims, demands, or causes of action of whatever nature, asserted by others which are caused by or arise in any manner out of acts or omissions of GRANTEE, its employees, or any other persons acting under its control, in the use and occupancy of the Easement herein granted.

TO HAVE AND TO HOLD the above described Easement, together with all and singular the rights and appurtenances thereto belonging, unto GRANTEE, its successors and assigns, forever, and GRANTOR does hereby bind itself, and its heirs and assigns, to warrant and forever defend all and singular the Easement unto GRANTEE and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

SIGNED this ____ day of _____, 2014.

GRANTOR:

CITY OF ROWLETT, TEXAS

By: _____
Todd W. Gottel, Mayor

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me, the undersigned authority, by Todd W. Gottel, Mayor, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the ___ day of _____, 20__.

Commission Expires: _____

Notary Public in and for the State of Texas

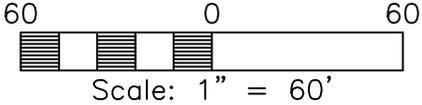
AFTER RECORDING, RETURN TO:

City of Rowlett, Texas
4000 Main Street
Rowlett, TX 75088
ATTN: Director, Public Works

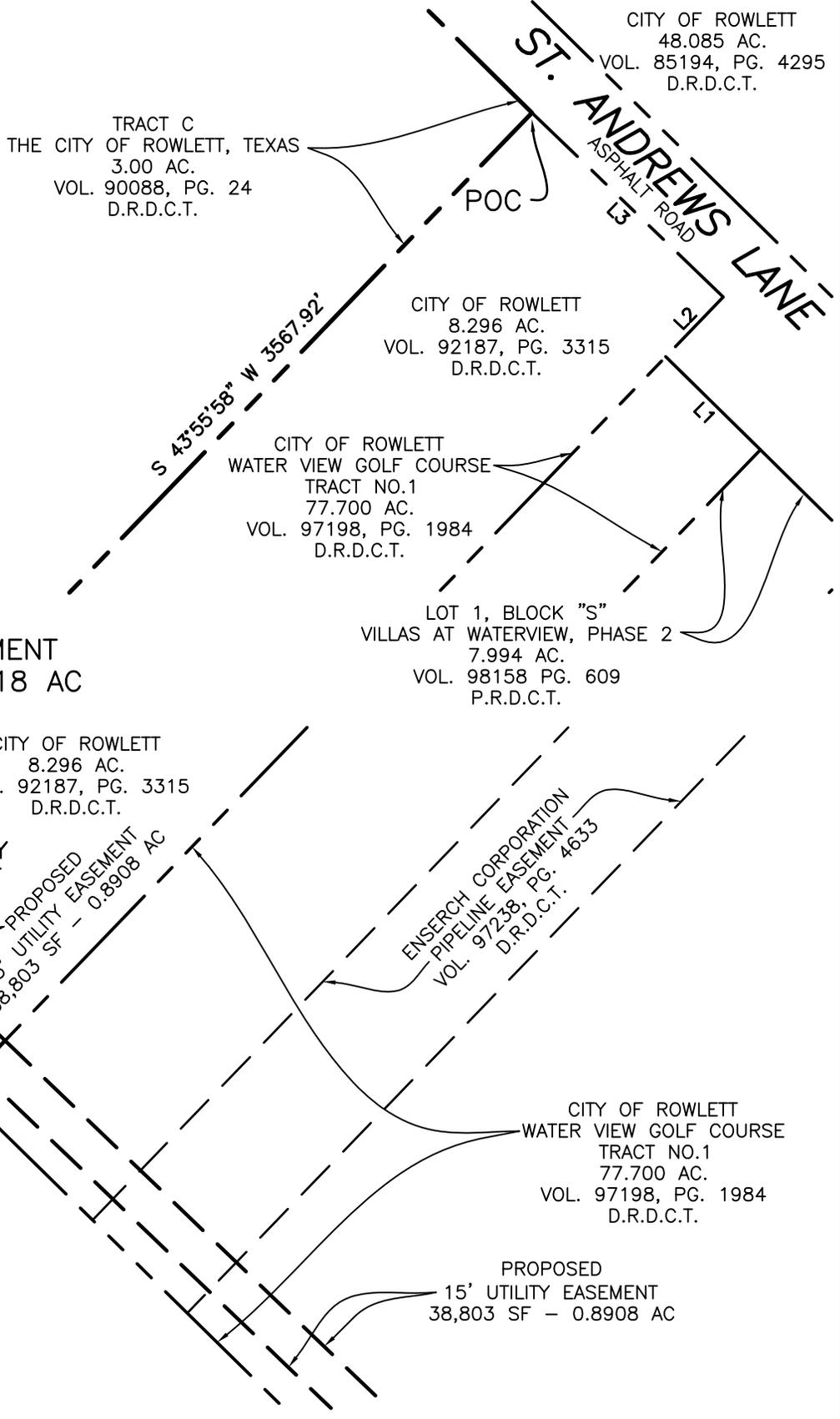
Webb Surveying, Inc.
 6313 Preston Road
 Suite 200
 Plano, TX 75024

Land Surveyors
 Phone: (972) 781-6600
 Fax: (972) 781-6700
 mail@webbsurveying.com

EXHIBIT A
ONCOR ELECTRIC DELIVERY
COMPANY EASEMENT
TRACT B
THE CITY OF ROWLETT, TEXAS
CITY OF ROWLETT, DALLAS COUNTY, TEXAS



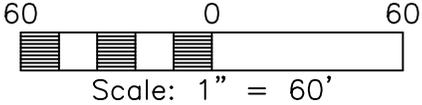
NUMBER	DIRECTION	DISTANCE
L1	N 45°25'54" W	50.00'
L2	N 43°55'58" E	31.19'
L3	N 46°04'02" W	100.00'



Webb Surveying, Inc.
6313 Preston Road
Suite 200
Plano, TX 75024

Land Surveyors
Phone: (972) 781-6600
Fax: (972) 781-6700
mail@webbsurveying.com

EXHIBIT A
ONCOR ELECTRIC DELIVERY
COMPANY EASEMENT
TRACT B
THE CITY OF ROWLET, TEXAS
CITY OF ROWLET, DALLAS COUNTY, TEXAS



PROPOSED
50'x50' LEASE AREA

S 44°29'03" E
15.00'

N 45°30'57" E 350.19'
S 45°30'57" W 334.73'

TRACT B
THE CITY OF ROWLETT, TEXAS
55.5608 AC.
VOL. 90088, PG. 24
D.R.D.C.T.

PROPOSED
15' UTILITY EASEMENT
14,888 SF - 0.3418 AC

N 46°11'40" W 657.78'
S 46°11'40" E 642.36'

CITY OF GARLAND
108.321 AC.
VOL. 85194, PG. 4295
D.R.D.C.T.

SEE MATCHLINE A
ON SHEET 1 OF 3

Webb Surveying, Inc.
6313 Preston Road
Suite 200
Plano, TX 75024

**EXHIBIT A
ONCOR ELECTRIC DELIVERY
COMPANY EASEMENT
TRACT B
THE CITY OF ROWLET, TEXAS
CITY OF ROWLET, DALLAS COUNTY, TEXAS**

Land Surveyors
Phone: (972) 781-6600
Fax: (972) 781-6700
mail@webbsurveying.com

LEGAL DESCRIPTION

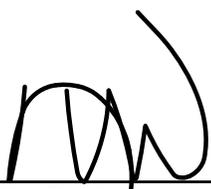
BEING a tract of land situated in the James M. Hamilton Survey, Abstract No. 544, Dallas County, Texas, and being a portion of that certain Tract B conveyed to The City of Rowlett, Texas, according to that Special Warranty Deed dated May 02, 1990 and recorded in Volume 90088, Page 0024, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a the intersection of the southwesterly right-of-way line of St. Andrews Lane and the most east northeast corner of said Tract C, also being the northwest corner of a 8.296 acre tract owned by the City of Rowlett, recorded in Volume 92187, Page 3315, Deed Records, Dallas County, Texas, same point bears North 45 degrees 25 minutes 54 seconds West, a distance of 50.00 feet, North 43 degrees 55 minutes 58 seconds East, a distance of 31.19 feet and North 45 degrees 24 minutes 22 seconds West, a distance of 100.00 feet to from a 5 /8 inch iron rod found at the northwest corner of Lot 1, Block S of the Villas at Waterview Phase 2, as recorded in Volume 98158, Page 609, Plat Records, Dallas County, Texas, same point being the northeast corner of a pipeline easement owned by Enserch Corporation, recorded in Volume 97238, Page 4633, Deed Records, Dallas County, Texas;

THENCE South 44 degrees 35 minutes 38 seconds West, along the northwest line of said 8.296 acre tract, a distance of 3567.68 feet to the POINT OF BEGINNING hereof;

THENCE through the interior of said Tract B, the following six (6) courses;

1. South 43 degrees 55 minutes 58 seconds West, a distance of 15.00 feet to a Point;
2. North 46 degrees 11 minutes 40 seconds West, a distance of 657.78 feet to a Point;
3. North 45 degrees 30 minutes 57 seconds East, a distance of 350.19 feet to a 5/8" iron rod set with cap marked "WEBB-4125" for the West corner of the herein described Lease Area;
4. South 44 degrees 29 minutes 03 seconds East, along the southwest line of the herein described Lease Area, a distance of 15.00 feet to a Point;
5. South 45 degrees 30 minutes 57 seconds West, departing said southwest line, a distance of 334.73 feet to a Point;
6. South 46 degrees 11 minutes 40 seconds East, a distance of 642.36 feet to the POINT OF BEGINNING hereof and containing 0.3418 acres or 14,888 square feet of land, more or less.

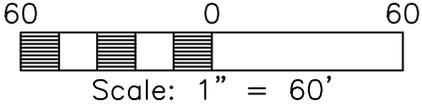

Kurtis R. Webb
RPLS #4125
January 31, 2014



Webb Surveying, Inc.
 6313 Preston Road
 Suite 200
 Plano, TX 75024

**EXHIBIT A
 ONCOR ELECTRIC DELIVERY
 COMPANY EASEMENT
 CITY OF ROWLET
 CITY OF ROWLET, DALLAS COUNTY, TEXAS**

Land Surveyors
 Phone: (972) 781-6600
 Fax: (972) 781-6700
 mail@webbsurveying.com



NUMBER	DIRECTION	DISTANCE
L1	N 45°25'54" W	50.00'
L2	N 43°55'58" E	31.19'
L3	N 46°04'02" W	100.00'
L4	N 43°55'58" E	15.00'
L5	S 46°11'40" E	100.00'
L6	S 43°55'58" W	15.00'
L7	N 46°11'40" W	100.00'

TRACT C
 THE CITY OF ROWLET, TEXAS
 3.00 AC.
 VOL. 90088, PG. 24
 D.R.D.C.T.

CITY OF ROWLET
 48.085 AC.
 VOL. 85194, PG. 4295
 D.R.D.C.T.

CITY OF ROWLET
 8.296 AC.
 VOL. 92187, PG. 3315
 D.R.D.C.T.

CITY OF ROWLET
 WATER VIEW GOLF COURSE
 TRACT NO.1
 77.700 AC.
 VOL. 97198, PG. 1984
 D.R.D.C.T.

LOT 1, BLOCK "S"
 VILLAS AT WATERVIEW, PHASE 2
 7.994 AC.
 VOL. 98158 PG. 609
 P.R.D.C.T.

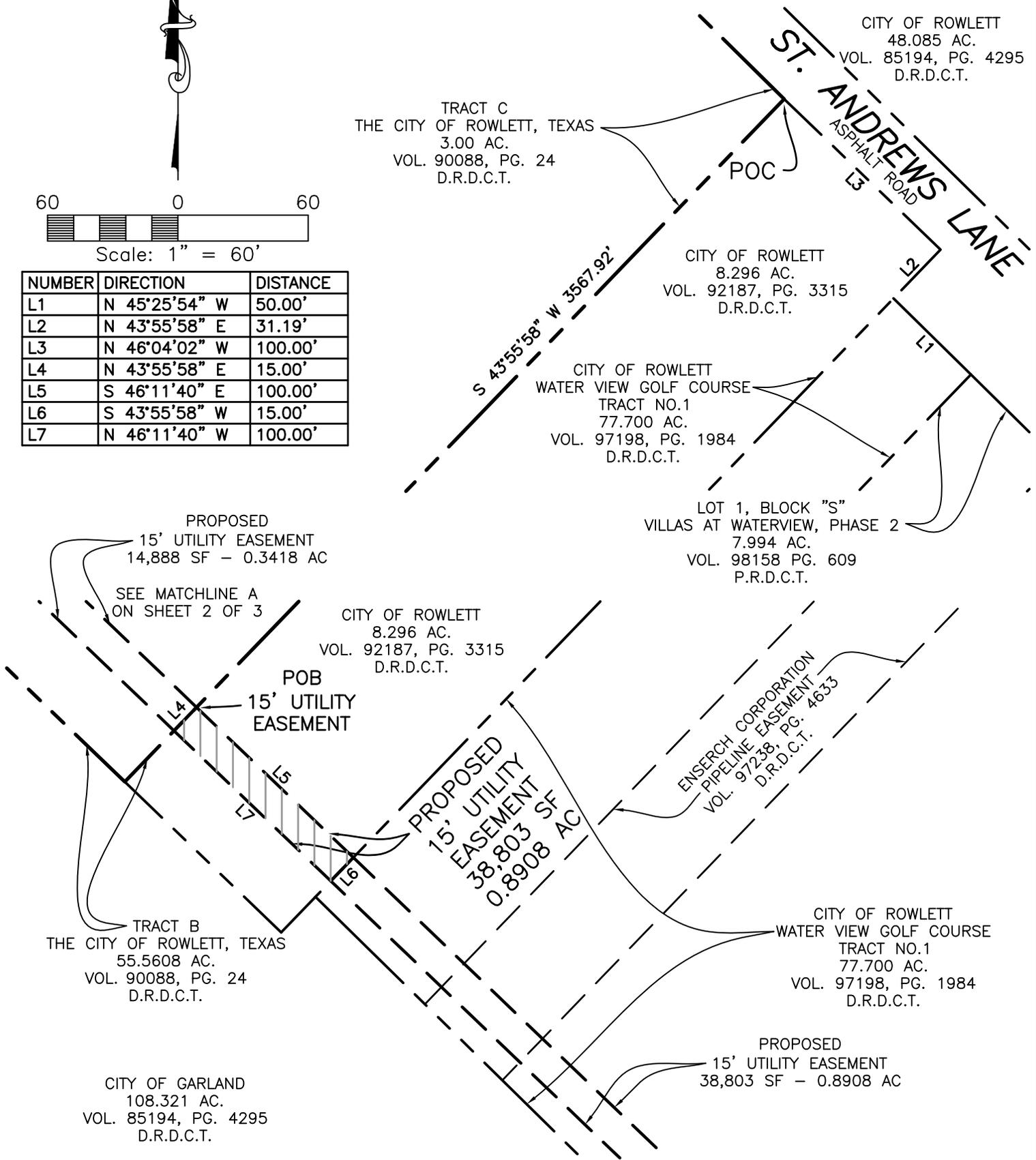
CITY OF ROWLET
 8.296 AC.
 VOL. 92187, PG. 3315
 D.R.D.C.T.

ENSERCH CORPORATION
 PIPELINE EASEMENT
 VOL. 97238, PG. 4633
 D.R.D.C.T.

CITY OF ROWLET
 WATER VIEW GOLF COURSE
 TRACT NO.1
 77.700 AC.
 VOL. 97198, PG. 1984
 D.R.D.C.T.

CITY OF GARLAND
 108.321 AC.
 VOL. 85194, PG. 4295
 D.R.D.C.T.

PROPOSED
 15' UTILITY EASEMENT
 38,803 SF - 0.8908 AC



Webb Surveying, Inc.
6313 Preston Road
Suite 200
Plano, TX 75024

EXHIBIT A
ONCOR ELECTRIC DELIVERY
COMPANY EASEMENT
CITY OF ROWLET
CITY OF ROWLET, DALLAS COUNTY, TEXAS

Land Surveyors
Phone: (972) 781-6600
Fax: (972) 781-6700
mail@webbsurveying.com

LEGAL DESCRIPTION

BEING a tract of land situated in the James M. Hamilton Survey, Abstract No. 544, Dallas County, Texas, and being a portion of that certain tract conveyed to the City of Rowlett by Special Warranty Deed dated September 23, 1992, and recorded in Volume 92187, Page 3315, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at a the intersection of the southwesterly right-of-way line of St. Andrews Lane and the most east northeast corner of said Tract C, also being the northwest corner of a 8.296 acre tract owned by the City of Rowlett, recorded in Volume 92187, Page 3315, Deed Records, Dallas County, Texas, same point bears North 45 degrees 25 minutes 54 seconds West, a distance of 50.00 feet, North 43 degrees 55 minutes 58 seconds East, a distance of 31.19 feet and North 45 degrees 24 minutes 22 seconds West, a distance of 100.00 feet to from a 5 /8 inch iron rod found at the northwest corner of Lot 1, Block S of the Villas at Waterview Phase 2, as recorded in Volume 98158, Page 609, Plat Records, Dallas County, Texas, same point being the northeast corner of a pipeline easement owned by Enserch Corporation, recorded in Volume 97238, Page 4633, Deed Records, Dallas County, Texas;

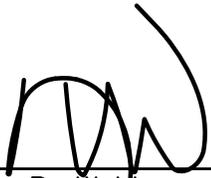
THENCE South 44 degrees 35 minutes 38 seconds West, along the northwest line of said 8.296 acre tract, a distance of 3567.68 feet to the POINT OF BEGINNING hereof;

THENCE South 46 degrees 11 minutes 40 seconds East, a distance of 100.00 feet to a Point in the southeast line of said 8.296 acre tract;

THENCE South 43 degrees 55 minutes 58 seconds West, along said southeast line, a distance of 15.00 feet to a Point;

THENCE North 46 degrees 11 minutes 40 seconds West, a distance of 100.00 feet to a Point in the northwest line of said 8.296 acre tract;

THENCE North 43 degrees 55 minutes 58 seconds East, along the northwest line of said 8.296 acre tract, a distance of 15.00 feet to the POINT OF BEGINNING hereof and containing 0.0344 acres or 1,500 square feet of land, more or less.

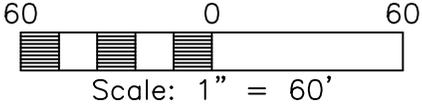

Kurtis R. Webb
RPLS #4125
January 31, 2014



Webb Surveying, Inc.
 6313 Preston Road
 Suite 200
 Plano, TX 75024

**EXHIBIT A
 ONCOR ELECTRIC DELIVERY
 COMPANY EASEMENT
 CITY OF ROWLETT
 WATER VIEW GOLF COURSE TRACT NO. 1
 CITY OF ROWLETT, DALLAS COUNTY, TEXAS**

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NUMBER	DIRECTION	DISTANCE
L1	N 45°25'54" W	50.00'
L2	N 43°55'58" E	31.19'
L3	N 46°04'02" W	100.00'

TRACT C
 THE CITY OF ROWLETT, TEXAS
 3.00 AC.
 VOL. 90088, PG. 24
 D.R.D.C.T.

CITY OF ROWLETT
 48.085 AC.
 VOL. 85194, PG. 4295
 D.R.D.C.T.

CITY OF ROWLETT
 8.296 AC.
 VOL. 92187, PG. 3315
 D.R.D.C.T.

CITY OF ROWLETT
 WATER VIEW GOLF COURSE
 TRACT NO.1
 77.700 AC.
 VOL. 97198, PG. 1984
 D.R.D.C.T.

LOT 1, BLOCK "S"
 VILLAS AT WATERVIEW, PHASE 2
 7.994 AC.
 VOL. 98158 PG. 609
 P.R.D.C.T.

CITY OF ROWLETT
 8.296 AC.
 VOL. 92187, PG. 3315
 D.R.D.C.T.

ENSERCH CORPORATION
 PIPELINE EASEMENT
 VOL. 97238, PG. 4633
 D.R.D.C.T.

CITY OF ROWLETT
 WATER VIEW GOLF COURSE
 TRACT NO.1
 77.700 AC.
 VOL. 97198, PG. 1984
 D.R.D.C.T.

TRACT B
 THE CITY OF ROWLETT, TEXAS
 55.5608 AC.
 VOL. 90088, PG. 24
 D.R.D.C.T.

CITY OF GARLAND
 108.321 AC.
 VOL. 85194, PG. 4295
 D.R.D.C.T.

PROPOSED
 15' UTILITY EASEMENT
 38,803 SF - 0.8908 AC

SEE MATCHLINE A
 ON SHEET 2 OF 3

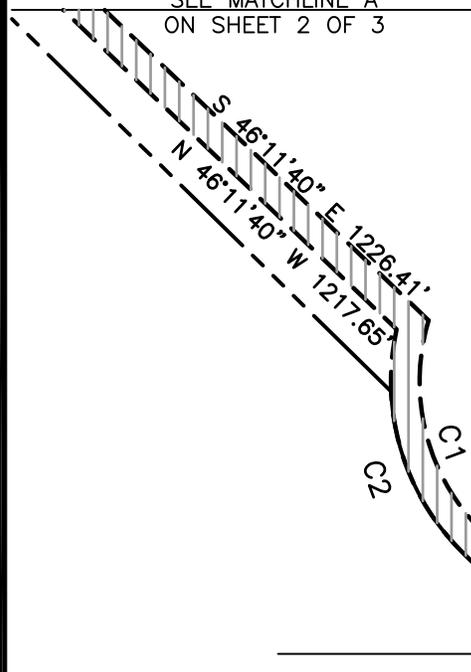
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 COMPANY EASEMENT
 CITY OF ROWLET**

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**WATER VIEW GOLF COURSE TRACT NO. 1
 CITY OF ROWLET, DALLAS COUNTY, TEXAS**

SEE MATCHLINE A
 ON SHEET 2 OF 3

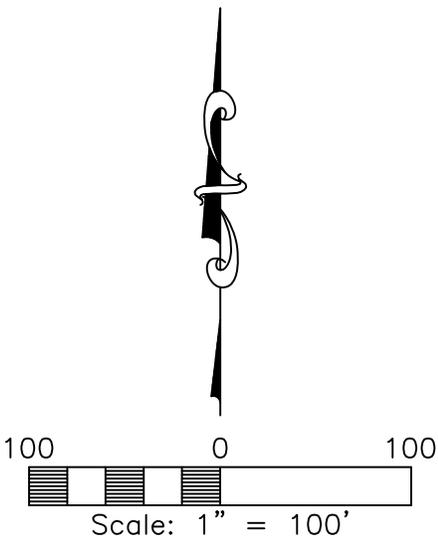
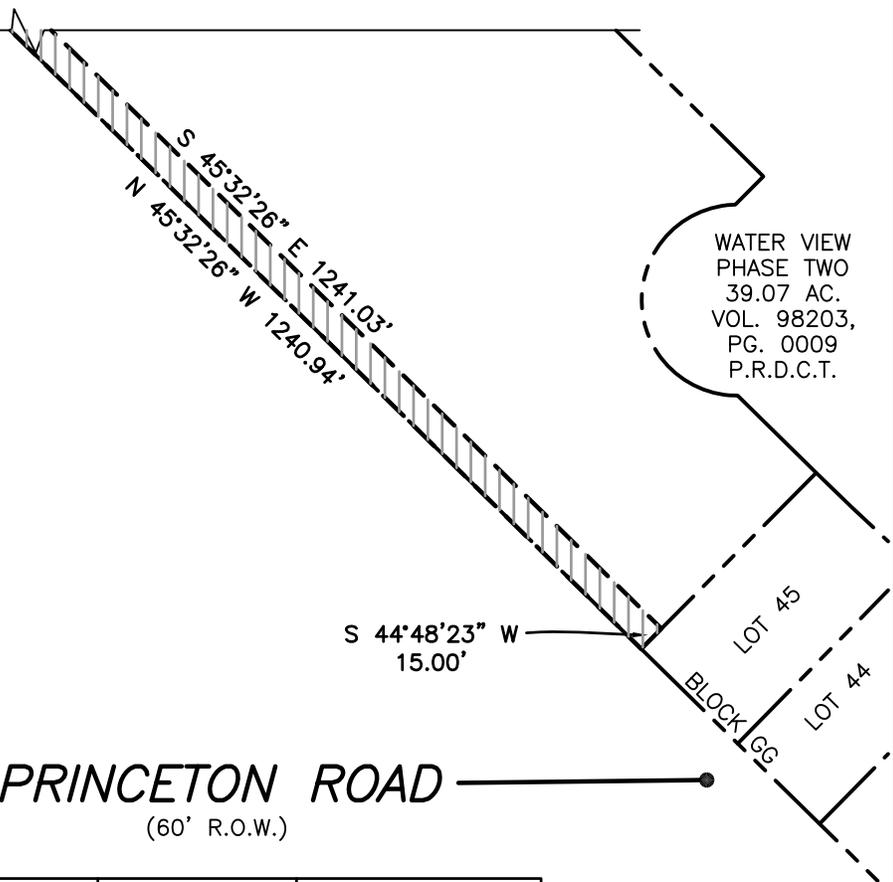


CITY OF ROWLETT
 WATER VIEW GOLF COURSE
 TRACT NO.1
 77.700 AC.
 VOL. 97198, PG. 1984
 D.R.D.C.T.

PROPOSED
 15' UTILITY EASEMENT
 38,803 SF – 0.8908 AC

CITY OF GARLAND
 108.321 AC.
 VOL. 85194, PG. 4295
 D.R.D.C.T.

WATER VIEW
 PHASE TWO
 39.07 AC.
 VOL. 98203,
 PG. 0009
 P.R.D.C.T.



PRINCETON ROAD
 (60' R.O.W.)

NUMBER	DELTA ANGLE	RADIUS	TANGENT	ARC LENGTH	CHORD LENGTH	CHORD DIRECTION
C1	62°22'37"	110.59	66.95	120.40	114.54	S 14°22'04" E
C2	58°05'49"	125.59	69.75	127.35	121.96	N 16°30'28" W

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WATER VIEW GOLF COURSE TRACT NO. 1
CITY OF ROWLET, DALLAS COUNTY, TEXAS

LEGAL DESCRIPTION

BEING a tract of land situated in the James M. Hamilton Survey, Abstract No. 544, Dallas County, Texas, and being a portion of that certain tract conveyed to the City of Rowlett and described as Golf Course Tract No. 1 in Special Warranty Deed with Right of Reverter dated September 22, 1997, and recorded in Volume 97198, Page 1984, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

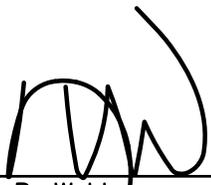
COMMENCING at a the intersection of the southwesterly right-of-way line of St. Andrews Lane and the most east northeast corner of said Tract C, also being the northwest corner of a 8.296 acre tract owned by the City of Rowlett, recorded in Volume 92187, Page 3315, Deed Records, Dallas County, Texas, same point bears North 45 degrees 25 minutes 54 seconds West, a distance of 50.00 feet, North 43 degrees 55 minutes 58 seconds East, a distance of 31.19 feet and North 45 degrees 24 minutes 22 seconds West, a distance of 100.00 feet to from a 5 /8 inch iron rod found at the northwest corner of Lot 1, Block S of the Villas at Waterview Phase 2, as recorded in Volume 98158, Page 609, Plat Records, Dallas County, Texas, same point being the northeast corner of a pipeline easement owned by Enserch Corporation, recorded in Volume 97238, Page 4633, Deed Records, Dallas County, Texas;

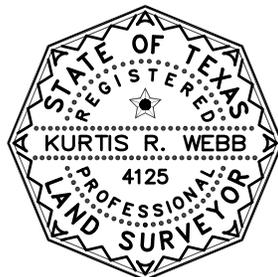
THENCE South 44 degrees 35 minutes 38 seconds West, along the northwest line of said 8.296 acre tract, a distance of 3567.68 feet to a Point;

THENCE South 46 degrees 04 minutes 02 seconds East, a distance of 100.00 feet to the POINT OF BEGINNING hereof;

THENCE through the interior of said 77.700 acre tract, the following eight (x) courses;

1. South 46 degrees 11 minutes 40 seconds East, a distance of 1226.41 feet to a Point;
2. Along a curve to the left having a radius of 110.59 feet, an arc distance of 120.40 feet, through a central angle of 62 degrees 22 minutes 37 seconds, and whose chord bears South 14 degrees 22 minutes 04 seconds East, a distance of 114.54 feet to a Point;
3. South 45 degrees 32 minutes 26 seconds East, a distance of 1241.03 feet to a Point in the northwest line of Lot 45, Block GG of the Water View Phase Two, as recorded in Volume 98203, Page 0009, Plat Records, Dallas County, Texas;
4. South 44 degrees 48 minutes 23 seconds West, along said northwest line, a distance of 15.00 feet to a Point in the southwest corner of said Lot 45, Block GG, same point being the southwest corner of said 77.700 acre tract;
5. North 45 degrees 32 minutes 26 seconds West, along a southwesterly line of said 77.700 acre tract a distance of 1240.94 feet to a Point in said southwesterly line;
6. Along a curve to the right having a radius of 125.59 feet, an arc distance of 127.35 feet, through a central angle of 58 degrees 05 minutes 49 seconds, and whose chord bears North 16 degrees 30 minutes 28 seconds West, a distance of 121.96 feet to a Point;
7. North 46 degrees 11 minutes 40 seconds West, a distance of 1217.65 feet to a Point in the southwest line of said 8.296 acre tract;
8. North 43 degrees 55 minutes 58 seconds East, along said southwest line, a distance of 15.00 feet to the POINT OF BEGINNING hereof and containing 0.8908 acres or 38,803 square feet of land, more or less.


Kurtis R. Webb
RPLS #4125
January 31, 2014



SITE ACCESS AGREEMENT

THIS SITE ACCESS LICENSE ("Agreement") is entered in to this ____ day of April 2014, by and between American Golf Corporation, a California corporation ("AGC") and New Cingular Wireless PCS, LLC, a Delaware limited liability company ("COMPANY").

Recitals

A. AGC operates certain real property located at 9509 Waterview parkway, Rowlett, Texas, commonly known as Waterview Golf Course (the "Golf Course Property"), pursuant to a lease agreement with the City of Rowlett (the "Owner").

B. COMPANY desires to obtain from Owner certain easement rights across certain portions of the Golf Course Property to install certain utility lines. COMPANY and Owner are working on the easement documents (the "Easement").

C. COMPANY further desires to request access from AGC to perform the work relating to the Easement in the areas depicted in the diagram attached hereto as Exhibit A and incorporated herein by reference.

C. The Work is expected to commence on April 21, 2014 and expected to be completed by June 21, 2014 (the "Completion Date"); provided, however, in no event should the Work commence before the Easement is fully executed between COMPANY and Owner.

E. In reliance on the terms and conditions contained in this Agreement, AGC agrees to grant COMPANY access to the Golf Course Property as specified in this Agreement.

Agreement

AGC and COMPANY agree as follows:

1. Upon the Easement being fully executed between COMPANY and Owner, AGC grants to COMPANY permission to enter the Golf Course Property for the sole purpose of performing the Work.

2. Access to and use of the Golf Course Property is conditioned as follows:

A. COMPANY shall comply with all applicable federal, state and local laws, ordinances and regulations while conducting the Work. COMPANY shall bring upon the Golf Course Property only its employees, agents, subcontractors, consultants or government agency representatives whose presence on the Golf Course Property is necessary to accomplish the Work and who agree to be bound by the terms of this Agreement

B. The Work shall be conducted in such manner as not to interfere with AGC's use of the Golf Course Property. COMPANY will coordinate the Work with AGC's on site representative and will use its best efforts to minimize interference with AGC's business operations during normal business hours.

C. COMPANY acknowledges that the Work will require the use of heavy equipment/machinery. COMPANY shall place barricades and all safety equipment and devices around the areas where the Work would be performed as necessary to avoid danger to persons. COMPANY shall consult with AGC's on site representative to address all safety issues and COMPANY shall implement at its sole cost and expense, all reasonable preventive safety measures that AGC recommends.

3. COMPANY agrees to notify AGC's on site representative with at least 48 hours notice whenever COMPANY desires access to the Golf Course Property, with the scheduling of the Work to be coordinated with AGC's on site representatives. Upon AGC's request, COMPANY will inform AGC's on site representatives of the specific work to be performed and provide AGC's on site representatives with the opportunity to discuss with COMPANY the work and the manner in which it will be performed prior to the commencement of the work activities.

4. COMPANY, for itself, its employees, consultants, COMPANYs, agents, representatives and invitees hereby acknowledges and assumes the risks arising from errand golf balls, golf cart crossings in, on or around the Golf Course Property, and all other customary golf course operations.

5. COMPANY shall indemnify, protect, defend and hold harmless AGC and its officers, directors, employees, agents, representatives and landlord, from and against any and all claims, demands, lawsuits, liabilities, damages, costs (including reasonable attorneys' fees), losses, and expenses, including, but not limited to liabilities relating to bodily injury, illness or death, property or other damage which arise out of or in connection with: (i) the matters set forth in paragraph 4 of this Agreement; (ii) COMPANY's alleged or actual act, omission, or willful conduct or those of its authorized representatives in performing the Work; and or (iii) any breach or violation by COMPANY of any term of this Agreement. The indemnification provided for in Paragraph 5 shall survive the expiration of this Agreement.

6. Before COMPANY enters the Golf Course Property to perform the Work, COMPANY must provide to AGC a certificate of insurance showing that COMPANY or its authorized representatives have the following insurance coverage: (a) Worker's Compensation Insurance in compliance with applicable Texas law; (b) Comprehensive Automobile and Truck Liability Insurance covering owned, hired and non-owned vehicles with combined bodily injury and property damage minimum limit of \$2,000,000 per occurrence; and (c) Commercial General Liability Insurance covering COMPANY's Work on the Golf Course Property in an amount of not less than \$2,000,000 per occurrence. If written with an annual aggregate limit, the policy

Liability Insurance covering COMPANY's Work on the Golf Course Property in an amount of not less than \$2,000,000 per occurrence. If written with an annual aggregate limit, the policy limit shall be two times the above required occurrence limit. The Comprehensive Automobile Liability Insurance and Commercial General Liability Insurance must name AGC as additional insured and must state that such insurance is primary as regards any other insurance carried by AGC. All insurance certificates provided by COMPANY shall contain a provision that coverage afforded under the policies evidenced by such certificates will not be cancelled or materially changed without at least 30 days prior written notice to AGC. Such insurance shall be maintained in force throughout the term of this Agreement.

7. This Agreement shall commence on the date COMPANY enters the Golf Course Property to perform the Work (the "Commencement Date") and shall terminate on the Completion Date. COMPANY shall give AGC at least a 48-hour notice of the Commencement Date and Completion Date.

8. Upon the Completion Date, the Golf Course Property shall be returned to AGC in a playable condition substantially similar to the condition as of the Commencement Date. If the Golf Course Property or any improvements, including without limitation, the irrigation system, landscaping, shall be damaged by the Work, then, the Golf Course Property and/or the improvements shall promptly be restored and repaired by COMPANY prior to the Completion Date. COMPANY shall consult with AGC's on site representative on all repairs and the damage shall be repaired to the satisfaction and approval of AGC, which shall not be unreasonably withheld or delayed. As promptly as possible, COMPANY shall fill in any holes dug or remove debris off the Golf Course Property.

9. COMPANY shall assume full responsibility for the proper removal and disposal of all hazardous and non-hazardous wastes generated as a result of the Work.

10. Notwithstanding any other provision in this Agreement to the contrary, AGC may terminate this Agreement at any time upon fifteen (15) days' written notice to COMPANY.

11. Any notice to be given under this Agreement shall be in writing, unless otherwise agreed to by the parties, and mailed or faxed to the representative listed below:

AGC

WATERVIEW GOLF COURSE
9509 Waterview Parkway
Rowlett, TX 75089
Attn: General Manager
Tel: (972) 463-8900
Fax: (972) 463-6310

With a copy to:

COMPANY

NEW CINGULAR WIRELESS PCS, LLC
575 Morosgo Drive, Suite 13-F W Tower
Atlanta, GA 30324
Attn: Network Real Estate Admin
Site#:DX3262; Scooner/Victory St (TX)
FA#: 10552499

With a copy to:

AMERICAN GOLF CORPORATION
6080 Center Drive, Suite 500
Los Angeles, CA 90045
Attn: Legal Department
Telephone: (310) 664-4000
Facsimile: (310) 410-9347

New Cingular Wireless PCS, LLC
Attn: AT&T Legal Department
208 S. Akard Street
Dallas, Texas 75202-4206
Site #: DX3262; Site Name:

12. This document represents the entire agreement of between the parties, and no modification of the covenants and agreements herein shall be effective unless in writing and duly executed by the authorized representatives of the respective parties.

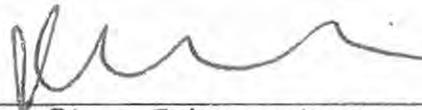
13. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.

14. This Agreement may be executed in counterparts. Each party represents that the person signing this Agreement is authorized to do so on behalf of that party.

cc
AMERICAN GOLF CORPORATION
~~limited liability company~~ a California corporation

New Cingular Wireless PCS, LLC, a Delaware

By: 
Name: Christina Cheng
Title: Cap. Secretary

By: 
Name: PAUL BAUMGARDNER III
Title: AREA MANAGER CONST & ENG

15' UTILITY/FIBER EASEMENT

BEING a tract of land situated in the James M. Hamilton Survey, Abstract No. 544, Dallas County, Texas, and being a portion of that certain tract conveyed to the City of Rowlett and described as Golf Course Tract No. 1 in Special Warranty Deed with Right of Reverter dated September 22, 1997 and recorded in Volume 47195, Page 1984, Deed Records, Dallas County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING at the intersection of the southwesterly right-of-way line of St. Andrews Lane and the most east-northeast corner of said Tract 1, also being the northwest corner of a 8.996 acre tract owned by the City of Rowlett, recorded in Volume 92187, Page 3115, Deed Records, Dallas County, Texas, same point bears North 43 degrees 25 minutes 54 seconds West, a distance of 50.00 feet, North 43 degrees 55 minutes 58 seconds East, a distance of 31.19 feet and North 45 degrees 24 minutes 22 seconds West, a distance of 104.00 feet to from a 5/8 inch iron rod found at the northwest corner of Lot 1, Block S of the Villas at WaterView Phase 2, as recorded in Volume 95158, Page 809, Plat Records, Dallas County, Texas, same point being the northeast corner of a pipeline easement owned by Enserch Corporation, recorded in Volume 97238, Page 4633, Deed Records, Dallas County, Texas;

THENCE South 44 degrees 33 minutes 35 seconds West, along the northwest line of said 8.98 acre tract, a distance of 3567.68 feet to a Point;

THENCE South 46 degrees 04 minutes 02 seconds East, a distance of 100.00 feet to the POINT OF BEGINNING hereof;

THENCE through the interior of said 77.700 acre tract, the following eight (x) course:

1. South 41 degrees 11 minutes 40 seconds East, a distance of 1226.41 feet to a Point;
2. Along a curve to the left having a radius of 110.59 feet, an arc distance of 117.75 feet, through a central angle of 62 degrees 22 minutes 15 seconds, and whose chord bears South 14 degrees 20 minutes 04 seconds East, a distance of 114.54 feet to a Point;
3. South 43 degrees 27 minutes 25 seconds East, a distance of 1241.03 feet to a point in the northwest line of Lot 45, Block GG of the WaterView Phase Two, as recorded in Volume 95203, Page 0009, Plat Records, Dallas County, Texas;
4. South 44 degrees 48 minutes 23 seconds West, along said northwest line, a distance of 15.00 feet to a Point in the southwest corner of said Lot 45, Block GG, same point being the southwest corner of said 77.700 acre tract;
5. North 45 degrees 32 minutes 26 seconds West, along a southwesterly line of said 77.700 acre tract a distance of 1240.94 feet to a Point in said southwesterly line;
6. Along a curve to the right having a radius of 125.59 feet, an arc distance of 127.35 feet, through a central angle of 58 degrees 05 minutes 49 seconds, and whose chord bears North 16 degrees 30 minutes 28 seconds West, a distance of 121.96 feet to a Point;
7. North 46 degrees 11 minutes 40 seconds West, a distance of 1217.85 feet to a Point in the southwest line of said 8.296 acre tract;
8. North 43 degrees 55 minutes 58 seconds East, along said southwest line, a distance of 15.00 feet to the POINT OF BEGINNING hereof and containing 0.5908 acres or 38,503 square feet of land, more or less.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 70

TITLE

Consider action to approve a resolution to amend the City's Personnel Policies regarding Payout provisions for Employee Vacation Leave.

STAFF REPRESENTATIVE

John Murray, Director of Human Resources & Risk Management

SUMMARY

The purpose of this item is to obtain Council approval to reduce the maximum number of Vacation Leave hours for which a non-Fire shift employee departing City service can be paid from 480 hours to 240 hours with proportionate changes for part-time employees. This action grandfathers employees who currently exceed the maximum payout threshold as of September 30, 2014, and gives them five years, until September 30, 2019, to reduce those balances below the threshold. This amendment does not affect Fire Department shift personnel.

BACKGROUND INFORMATION

During FY2014, the City chartered a Comprehensive Compensation and Benefits Study by Evergreen Solutions, LLC. Just as the compensation study conducted by Evergreen determined that the City's pay was below market, it also recognized that our vacation leave payout policy was above the market.

Currently, per policy, the City allows non-Fire shift employees to accrue up to 480 hours and be paid for those hours upon departure from the City (regardless of the reason). Market results (excluding obvious outliers) indicate that 100 percent of cities do payout unused vacation hours, which is normally calculated at number of hours multiplied by the employee's hourly salary rate. Evergreen also reported that 280 hours is the standard level of maximum payout—this is the equivalent of 35 workdays. Fire employees have a maximum accrual of 720 hours, which provides only 30 days. The current outstanding liability is \$1.8 million.

The current payout policy under Section 8.2 is as follows:

Tenure in Years	Pay Out %	Max Payout Part-time	Max Payout Full-time	Max Payout Fire
<1	100.0%	40	80	360
1-10	100.0%	180	360	540
>10	100.0%	240	480	720

DISCUSSION

Vacation leave is a benefit provided by employers to give their employees a much needed break from the tedium of work. The goal is that employees return reenergized and ready to work, something on which this City is keenly focused based on biometric screening results reflecting a 72 percent “hypertensive/pre-hypertensive” rate. Sometimes employees take fewer hours off than allowed and a balance begins to accrue. Unless strictly monitored and mandatorily enforced by policy, balances can sometime exceed any useful purpose. From a public policy perspective, there can be a significant cost differential between the rate of pay at the time the hours were earned versus the rate of pay upon separation of employment.

What makes this issue more complex for Rowlett is that existing policy has been in place for at least a decade. Because of this, long-tenured employees have accrued vacation leave balances well in excess of a 240-hour threshold. As of June 1, 2014, 59 non-Fire employees had vacation leave balances in excess of 240 hours. The average leave balance was 371 hours - essentially, more than 3 complete work weeks over the threshold. Because of how lean the City staff is (many critical positions are 1-2 deep), and factoring vacation leave balances will continue to accrue, forcing a “mandatory burn down” of vacation leave balances in a relatively short (1-2 years) amount of time is neither economically nor operationally viable.

Economically, overtime costs (time and a half) will jump considerably as Departments will have no choice but to fill gaps with existing resources who are already working full schedules. Operationally, the impact on City missions and direct citizen support will be adversely affected through understaffed work crews and the extended absence of subject matter experts.

Approval of this resolution will result in the following:

1. Reduce the maximum payout for non-Fire shift employees to 240 hours, which will provide the same 30 day maximum as Fire employees.
2. Grandfather employees who currently exceed the maximum payout balances until September 30, 2019. These employees would be maxed out at their current individual vacation leave balances and would not be allowed to exceed that balance during the grandfathering period.

FINANCIAL/BUDGET IMPLICATIONS

There are no costs associated with this action. However, once implemented, the City’s overall financial liability will be reduced over time.

RECOMMENDED ACTION

Staff recommends that the Council approve a resolution authorizing an amendment to policy reducing the maximum amount of hours eligible for payout upon a non-Fire shift employee’s departure from City service from 480 hours to 240 hours.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AN AMENDMENT TO THE CITY PERSONNEL POLICY MANUAL REGARDING PAYOUT PROVISIONS FOR EMPLOYEE VACATION LEAVE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett has conducted a comprehensive study and analysis of employee compensation and benefits; and

WHEREAS, the study has determined that the City of Rowlett is at or below the market in terms of employee pay and benefits;

WHEREAS, the study has also determined that the payout of employee vacation leave balances exceeds the market.

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

Section 1: That the City's Personnel Policy Manual regarding the payout of employee vacation leave be and is hereby amended in accordance with Exhibit A, attached hereto and incorporated herein.

Section 2: That the foregoing amendment to the City's Personnel Policy Manual shall become effective on October 1, 2014.

Section 3: That this resolution shall become effective immediately upon its passage.

ATTACHMENT

Exhibit A – Updated Vacation Leave Payout Policy

CHAPTER 8 LEAVE

8.2 VACATION

....

F. PAYMENT UPON TERMINATION

Eligible employees leaving City service will be compensated for unused accrued vacation leave in accordance with the table below. Terminated employees on introductory status (excluding promotional) are ineligible for vacation pay out.

Tenure in Years	Pay Out %	Max Payout Part-time (in hours)	Max Payout Full-time (in hours)	Max Payout Fire* (in hours)
<1	100.0%	40	80	360
1-10	100.0%	90	180	540
>10	100.0%	120	240	720

*Part-time hours are proportionate based on hours worked.

Those non-fire shift employees hired prior to October 1, 2014, who exceed the maximum vacation leave payouts as of September 30, 2014, will have until September 30, 2019 to bring their vacation leave balances below the maximum payout threshold. On and after September 30, 2019, such employees will no longer be entitled to receive, on separation, accrued vacation leave in excess of the amounts in the foregoing table.

Those non-fire shift employees hired prior to October 1, 2014, whose balances do not exceed the maximum vacation leave payouts as of September 30, 2014, will not be paid in excess of the maximum payout threshold reflected above, and will only receive payment for actual accrued hours.

*The September 16, 2014, amendment to this policy does not and is not intended to modify vacation leave accrual or pay-out on separation as existed prior to the amendment.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 8A

TITLE

Consider action to approve an ordinance approving and adopting the budget for Fiscal Year 2014-2015.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer

SUMMARY

The budget process culminates in the final adoption of a document and financial plan. By Charter, the City Manager is responsible for recommending a budget to the City Council. The City Council then adjusts this document to make it fit their desire for what is appropriate for the City. Finally, it is then reviewed by the citizens directly, who may give their input for final adjustments to make this budget the right budget for the City.

BACKGROUND INFORMATION

The City Manager presented the proposed budget for Fiscal Year 2014-2015 on August 5, 2014. The City Council held Budget Work Sessions on August 14 and 15, 2014. Public hearings on the proposed budget were held on August 19 and September 2, 2014.

DISCUSSION

The budget process culminates in the final adoption of a document and financial plan. By Charter, the City Manager is responsible for recommending a budget to the City Council. The City Council then adjusts this document to make it fit their desire for what is appropriate for the City. Finally, it is then reviewed by the citizens directly, who may give their input for final adjustments to make this budget the right budget for the City. Each step is designed to make adjustments to make the final plan better. The City Manager proposes a budget that is adjusted by the City Council that becomes the City Council's budget. The City Council offers this to the public, gathers input, makes adjustments, and it is adopted as the City's budget.

Since presenting the recommended plan on August 5, 2014, City staff has continued to research, analyze, and refine the proposed recommendations. Incorporating input from the City Council and further analysis, City staff presents the final recommended options of the City Manager today, September 16, 2014.

The items revised from the initial proposed budget of August 5, 2014 thru the final adopted budget on September 16, 2014 are as follows:

Description	Proposed	Final	\$Change
Reduce the proposed tax rate and subsequent revenue to the General Fund by \$0.01 per \$100 valuation	\$18,816,525	\$18,489,122	(\$327,403)
Increase estimated revenue from sales tax	\$5,576,653	\$5,631,653	\$55,000
Eliminate increase to Police budget for next generation 911 (may be purchased out of Police Seizure Fund)	\$10,501,007	10,248,241	(\$252,766)
Increase contribution to Rowlett Citizen Corp	\$10,000	\$15,000	\$5,000
Increase contribution to Keep Rowlett Beautiful	\$5,000	\$10,000	\$5,000
Reduce \$0.01 per \$100 valuation property tax allocation for enhanced park standards to \$0.0075	\$327,403	\$245,552	(\$81,851)
Reduce \$0.01 per \$100 valuation property tax allocation for community enhancement programs to \$0.0075	\$327,403	\$245,552	(\$81,851)
Add \$0.005 per \$100 valuation property tax allocation for alley improvements	\$0	\$163,701	\$163,701

The FY2015 budget makes a significant departure from those adopted over the past seven years. We will not experience a decline in our property tax values for the first time in five straight years. Instead, tax values from annual assessments will increase. And while new growth from projects like The Homestead at Liberty Grove, Terra Lago and others will bring additional revenue to the City in the future, as indicated several times in this budget memo, revenue from this new growth will not help the City's budget until two to three years from now. This necessitates an increase in the property tax rate that, combined with the increase in taxable assessed value, will allow the City to finally address structural imbalances and deferred maintenance. However, all decisions regarding revenue projections follow the same fiscally conservative approach that was utilized in prior years and expenditures were evaluated with priority given to programs and services that address organizational sustainability.

For the upcoming year, the FY2015 budget continues to remain focused on "citizen-centered" government while continuing to create a level of affordable sustainability for the organization.

- Personnel costs will increase as a result of the implementation of the new pay plan effective April 1, 2015, and due to an increase in health insurance rates effective October 1, 2014.
- Funding to enhance park maintenance standards, including ball fields, parks, shade structures for playgrounds and additional irrigation to improve field conditions has been added to the budget based on a proposed three quarters of a cent increase to the property tax rate.
- Funding to enhance community amenities in the City, including screening walls, entrance features and median improvements has been added to the budget based on a proposed three quarters of a cent increase to the property tax rate.

- Funding to enhance alleys in the City has been added to the budget based on a proposed one half of a cent increase to the property tax rate.
- Funding is allocated for the first-year transition of the Library to leased space and the relocation of the Chamber building to make way for the Village of Rowlett development.
- The cost of water acquisition from NTMWD will increase due to planned cost increases for their capital reinvestment.

The proposed budget also includes rate increases for water and sewer utilities and refuse collection. The proposed water rate change increases the average utility customer bill (assuming 10,000 gallons per month) by \$10.84 or 16.7 percent per month in FY2015. The model passes on the 10 percent increase from North Texas Municipal Water District (NTMWD), and includes a temporary surcharge of \$6.97 per month in order to recoup revenue lost due to the Stage 3 water restrictions.

The NTMWD has relaxed Stage 3 restrictions for September and October. It is estimated that this easing of restrictions may provide an additional \$78,000 in October based on historical usage trends. The amount the surcharge is expected to generate in FY2015, if it remains in effect through the entire year, is \$1.7 million, or \$142,000 per month. Therefore, it is recommended that the full surcharge be included starting in October. Staff will monitor actual performance and report to Council. If any reduction or early withdrawal of the surcharge is warranted, staff will bring that recommendation forward at a later date. The overall rate change affects residential customers as shown in the chart below.

Water Residential Customers Only	Adopted FY2014	Proposed FY2015
Beginning Base Rate	\$22.30	\$22.30
Increase in Base Rate from NTMWD	\$3.49	\$5.66
Temporary Surcharge	n/a	\$6.97
New Base Rate	\$25.79	\$34.93
Volume Rate	\$3.90	\$4.07
Total Monthly Fee @ 10,000 gallons per month	\$64.79	\$75.63
Dollar change	n/a	\$10.84
Percent change	n/a	16.7%

Sewer rates are proposed to rise by \$0.25 per month and refuse rates are proposed to increase by 1.04 percent per the contract with Waste Management.

As we have previously noted, budgets do not build themselves. Staff appreciated all of the input provided by City Council and our citizens. The City of Rowlett should also be extraordinarily proud of the Executive Team and their staff who have diligently reviewed processes and found ways to better leverage existing resources and improve efficiencies on a daily basis. Their work all year

long has provided the time needed to educate and engage our citizens on the financial decisions to be made in the coming year.

FINANCIAL/BUDGET IMPLICATIONS

This agenda item will adopt the Fiscal Year 2014-2015 Budget.

RECOMMENDED ACTION

City staff recommends the City Council consider and adopt the Fiscal Year 2014-2015 Budget.

ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015; AND PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR BE MADE IN ACCORDANCE WITH SAID BUDGET; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2014 and ending September 30, 2015 has been duly created by the budget officer of the City of Rowlett, Texas in accordance with Chapter 102 of the Texas Local Government Code; and

WHEREAS, the City Manager for the City of Rowlett filed the proposed budget in the office of the City Secretary on August 5, 2014 and the proposed budget was made available for public inspection in accordance with Chapter 102 of the Local Government Code; and

WHEREAS, one public hearing was held, in accordance with the applicable State law, by the City of Rowlett on August 19, 2014, in accordance with Chapter 102 of the Local Government Code, following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed 2014-2015 fiscal year budget; and

WHEREAS, after full and final consideration, it is the opinion of the City Council of the City of Rowlett that the 2014-2015 fiscal year budget of revenues and expenditures as hereinafter set forth should be adopted and approved.

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

Section 1: That the annual budget of revenues and expenditures necessary for conducting affairs of the City of Rowlett for the Fiscal Year 2014-2015 (attached hereto and incorporated herein as Exhibit A), providing for a financial plan for the ensuing fiscal year is hereby approved and adopted.

Section 2: That expenditures during the fiscal year shall be made in accordance with this budget, unless otherwise authorized by proper amendment; said budget document shall be on file for public inspection in the office of the City Secretary.

Upon approval of the budget, the budget officer shall file a true copy thereof with the County Clerk.

Section 3: That unless modified otherwise by the City Council, the remaining budget for all capital improvements from fiscal year 2013-2014 (attached hereto and incorporated herein as Exhibit B) not completed or started as of September 30, 2014, will be automatically carried over into fiscal year 2014-2015. Furthermore, funds for the capital improvements listed for fiscal year 2014-2015 (attached hereto and incorporated herein as Exhibit B) are hereby appropriated and the entire Capital Improvements Program for fiscal years ending 2014-2015 is hereby adopted.

Section 4: That all budget amendments and transfers of appropriations budgeted from one account or activity to another for the prior fiscal year be and are hereby ratified, and the budget ordinances, heretofore enacted by the City Council, be and are hereby amended to the extent of such transfers and amendments, for all purposes.

Section 5: That any word, sentence, section, subsection, subdivision, paragraph, clause, phrase or provision of this ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this ordinance as a whole or any part of the provision hereof, other than the part so decided to be invalid or unconstitutional.

Section 6: That all provisions of the ordinances of the City of Rowlett in conflict with the provisions of this ordinance be and the same are hereby repealed, and all other provisions of the ordinances of the City of Rowlett not in conflict with the provisions of this ordinance shall remain in full force and effect.

Section 7: This ordinance shall become effective immediately upon its passage.

ATTACHMENTS

Exhibit A – City of Rowlett FY 2014 – 2015 Combined Fund Summary

Exhibit B – City of Rowlett Three Year Capital Improvements Plan FY 2015 - 2017

FY 2015 CITY OF ROWLETT BUDGET

FY 2015 COMBINED FUND SUMMARY

Description	Governmental Funds				Enterprise Funds			Impact Fees Fund	Police Seizure Fund
	General Fund	Economic Development	Debt Service Fund	Capital Projects Funds	Utility Fund	Refuse Fund	Drainage Fund		
Beginning Resources	\$ 4,526,776	\$ 266,695	\$ 452,569	\$ 250,000	\$ 7,608,008	\$ 226,057	\$ 1,365,041	\$ 871,881	\$ 1,171,812
Current Revenues:									
Tax Revenues	24,179,696	-	7,283,150	-	-	-	-	-	-
Franchise Fees	3,077,967	-	-	-	-	-	-	-	-
Licenses and Permits	722,933	1,500	-	-	-	-	-	31,000	-
Charges for Service	2,806,768	-	-	-	28,454,087	4,693,402	1,346,205	-	-
Fines and Forfeitures	1,008,407	-	-	-	-	-	-	-	-
Other	741,584	250	5,130	-	11,976	5,695	734	13,357	100,550
Total Current Revenues	32,537,355	1,750	7,288,280	-	28,466,063	4,699,097	1,346,939	44,357	100,550
Other Sources:									
Transfers In	4,560,112	314,944	494,952	3,409,254	139,397	-	-	-	-
Total	37,097,467	316,694	7,783,232	3,409,254	28,605,460	4,699,097	1,346,939	44,357	100,550
Current Expenditures:									
Personnel Costs	24,775,943	225,668	-	118,290	2,184,764	-	135,908	-	-
Supplies	1,714,727	5,850	-	-	304,197	-	51,770	-	100,550
Purchase Services	8,060,816	205,075	131,437	-	12,296,266	3,389,316	66,060	-	-
Capital Outlay	903,599	-	-	-	287,628	-	-	-	250,000
Capital Improvements	-	-	-	3,290,964	2,800,000	-	335,502	916,238	-
Debt Service	-	-	7,651,795	-	4,712,956	-	375,383	-	-
Total Current Expenditures	35,455,085	436,593	7,783,232	3,409,254	22,585,811	3,389,316	964,623	916,238	350,550
Other Uses:									
Transfers Out	1,565,976	-	-	-	5,476,331	1,267,916	353,877	-	-
Total	37,021,061	436,593	7,783,232	3,409,254	28,062,142	4,657,232	1,318,500	916,238	350,550
Ending Resources	\$ 4,603,183	\$ 146,796	\$ 452,569	\$ 250,000	\$ 8,151,326	\$ 267,922	\$ 1,393,480	\$ -	\$ 921,812
% of Expenditures	13.0%	33.6%	5.8%	7.3%	36.1%	7.9%	144.5%	0.0%	263.0%

Special Revenue Funds									Internal Service Funds	Combined Total
Hotel/Motel Fund	PEG Fund	Grants Fund	CDBG Fund	Inspection Fees Fund	Juvenile Diversion Fund	Court Technology Fund	Court Security Fund	Golf Course Fund	Employee Benefits Fund	
\$ 12,187	\$ 83,632	\$ -	\$ -	\$ 23,189	\$ 149,045	\$ 81,183	\$ 18,107	\$ 557,461	\$ 25,026	\$ 17,688,670
47,175	-	-	-	-	-	-	-	-	-	31,510,021
-	85,042	-	-	-	-	-	-	-	-	3,163,009
-	-	-	-	-	-	-	-	-	-	755,433
-	-	31,954	-	169,333	-	-	-	-	4,403,869	41,905,618
-	-	-	-	-	33,281	26,936	20,035	-	-	1,088,659
577	-	41,838	186,209	-	-	-	-	256,564	1,248	1,365,712
47,752	85,042	73,792	186,209	169,333	33,281	26,936	20,035	256,564	4,405,117	79,788,452
-	-	-	-	-	-	-	-	-	-	8,918,659
47,752	85,042	73,792	186,209	169,333	33,281	26,936	20,035	256,564	4,405,117	88,707,111
11,484	73,142	71,434	-	115,760	29,399	-	23,989	-	75,317	27,841,098
6,300	-	-	-	-	700	-	-	-	-	2,184,094
24,965	-	-	186,209	-	4,300	49,005	-	10,000	4,262,206	28,685,655
-	-	-	-	-	-	-	-	-	-	1,441,227
-	-	-	-	-	-	-	-	294,466	-	7,637,170
-	-	-	-	-	-	-	-	-	-	12,740,134
42,749	73,142	71,434	186,209	115,760	34,399	49,005	23,989	304,466	4,337,523	\$ 80,529,378
-	-	-	-	-	-	-	-	254,559	-	8,918,659
42,749	73,142	71,434	186,209	115,760	34,399	49,005	23,989	559,025	4,337,523	89,448,037
\$ 17,190	\$ 95,532	\$ 2,358	\$ -	\$ 76,762	\$ 147,927	\$ 59,114	\$ 14,153	\$ 255,000	\$ 92,620	\$ 16,947,744
40.2%	130.6%	3.3%	0.0%	0.0%	430.0%	120.6%	59.0%	83.8%	2.1%	21.0%

FY 2015 CITY OF ROWLETT BUDGET

THREE YEAR CAPITAL IMPROVEMENTS PLAN SUMMARY

Project Number	Project Title	Budget to Date 9/30/2013	Expended to Date 9/30/2013	New Funding	Amendments	Budget FY2014	Proposed 2015	Proposed 2016	Proposed 2017	Four Year Total
				2014						
CO2100	Villages of Rowlett				775,550	775,550				775,550
DR2065	Misc. Drainage Imp. Per Storm Drain MP	627,923	(261,677)	305,502	73,917	745,665	335,502	335,502	335,502	1,752,171
DR2104	Westwood Circle Drainage Improvements				150,000	150,000				150,000
PK2100	Scenic Point Park	705,000	(120,165)			584,835				584,835
PK2101	Kids Kingdom				100,000	100,000				100,000
SP2087	Downtown TOD Projects	2,536,150	(158,333)			2,377,817				2,377,817
SP2089	Library Improvements					-	200,000	200,000		400,000
SP2090	Chamber Building Relocation					-	400,000			400,000
SP2091	Community enhancement projects					-	245,552	245,552	245,552	736,656
SS1102	Misc. Sewer Line Repair & Replacement	945,300	(392,520)	590,000	(465,000)	677,780	456,000	456,000	456,000	2,045,780
SS1134	SH 66 E. Sewer Line	180,600	(1,155)			179,445				179,445
SS1158	Westside Lift Station	1,127,990	(1,006,125)		22,933	144,798				144,798
SS1159	Eastside Lift Station	1,614,687	(150,111)		238,204	1,702,780				1,702,780
SS1160	Schrade Lift Station	800,000			(143,746)	656,254				656,254
SS2088	Manhole Rehabilitation	1,120,000	(881,930)	400,000	(200,000)	438,070	400,000	400,000	400,000	1,638,070
SS2093	18" Merritt Road Sewer Line	1,119,653	(933,665)		(98,467)	87,521				87,521
SS2094	Backup power	93,000	-	50,000		143,000	50,000	50,000	50,000	293,000
SS2095	Lift & Pump Stations	465,000	(13,313)	465,000	(193,500)	723,187	365,000	365,000	365,000	1,818,187
SS2097	SCADA	110,000				110,000				110,000
SS2102	Capital Maintenance Crew			200,000		200,000	200,000	200,000	200,000	800,000
SS2103	Northshore Sanitary Sewer				947,967	947,967				947,967
SS2104	24 inch Force Main & Inspection				434,000	434,000				434,000
SS2105	SH-66 Force Main						781,000		3,419,000	4,200,000
SS2106	36" Westside Sewer Line								1,400,000	1,400,000
SS2107	Northside Lift Station Upgrade								537,000	537,000
SS2108	12" Enclave Sewer Line								291,000	291,000

FY 2015 CITY OF ROWLETT BUDGET

THREE YEAR CAPITAL IMPROVEMENTS PLAN SUMMARY

Project Number	Project Title	Budget to Date 9/30/2013	Expended to Date 9/30/2013	New Funding	Amendments	Budget FY2014	Proposed	Proposed	Proposed	Four Year Total
				2014			2015	2016	2017	
SS2109	Enclave Sewer Lift Station								220,000	220,000
ST2052	Misc. Concrete/Asphalt >60 PCI	8,828,958	(8,474,756)	1,370,000		1,724,202	670,000	1,070,000	1,270,000	4,734,202
ST2056	Martin/Freedom Drive Extension	2,345,426	(2,052,330)		(143,096)	150,000				150,000
ST2074	Merritt Road Interconnector	15,292,905	(13,143,640)		(294,945)	1,854,320				1,854,320
ST2075	Alley panel replacement	2,085,000	(1,651,189)	335,000	(50,000)	718,811	335,000	335,000	335,000	1,723,811
ST2076	Traffic Management Projects	450,000	(210,330)			239,670				239,670
ST2077	Asphalt Rehabilitation/Overlay	1,973,988	(1,912,924)	500,000		561,064	500,000	500,000	500,000	2,061,064
ST2078	Crack Seal	600,000	(397,156)	150,000		352,844	150,000	150,000	150,000	802,844
ST2080	Foam Injection	575,000	(570,457)	125,000		129,543	125,000	125,000	125,000	504,543
ST2084	Screening Wall Rehabilitation	375,000	(337,744)	50,000		87,256	50,000	50,000	50,000	237,256
ST2085	Sign Replacement/Pavement Marking	395,000	(333,040)	90,000		151,960	90,000	90,000	90,000	421,960
ST2086	Traffic Signal Repair/Maintenance	135,000	(61,667)	30,000		103,333	30,000	30,000	30,000	193,333
ST2097	Sidewalk Replacement	170,000	(158,000)	55,000		67,000	55,000	55,000	55,000	232,000
ST2099	Southbound Dalrock @66 turn lane design	120,000	(1,888)		940,629	1,058,741				1,058,741
ST2100	Miller Road/Rowlett Creek Bridge	623,443				623,443				623,443
ST2102	Alley Improvements			295,000	1,319,349	1,614,349	558,702	558,702	558,702	3,290,455
WA1108	Misc. Water Line Repair & Replacement	1,036,695	(668,958)	590,000	(625,000)	332,737	456,000	456,000	456,000	1,700,737
WA1118	Water Tank Refurbishing	924,182	(572,941)		(166,320)	184,921				184,921
WA1156	16" water line Main Street	651,400			(160,000)	491,400				491,400
WA1157	16" water line Miller RR-PGBT	892,400	(35,520)			856,880				856,880
WA2091	Castle Hills 12" waterline (including easements)	532,665	(558,114)		25,449	-				-
WA2092	36" Merritt Road Waterline	3,203,797	(2,744,676)		(367,865)	91,256				91,256
WA2095	Rowlett Road Pump Station and associated work	5,919,236	(668,537)		(650,000)	4,600,699				4,600,699
WA2098	12" Water Miller east of Chiesa	50,000				50,000				50,000
WA2099	Utility Appurtenances (valves & hydrants)	60,000	(41,052)	42,500		61,448	42,500	42,500	42,500	188,948
WA2100	Martha Elevated Tank Refurbishment	100,000	(12,886)			87,114				87,114

FY 2015 CITY OF ROWLETT BUDGET

THREE YEAR CAPITAL IMPROVEMENTS PLAN SUMMARY

Project Number	Project Title	Budget to Date 9/30/2013	Expended to Date 9/30/2013	New Funding	Amendments	Budget FY2014	Proposed	Proposed	Proposed	Four Year Total
				2014			2015	2016	2017	
WA2101	PGBT Water & Miller Heights to RHS	49,295	(9,954)			39,341				39,341
WA2102	PGBT Utility Reimbursement	3,400,000	(780)			3,399,220				3,399,220
WA2103	Preventative Maintenance	242,000	(64,377)	292,500	(259,500)	210,623	292,500	292,500	292,500	1,088,123
WA2104	Tower/Tank Maintenance	50,000	(5,000)	50,000	(50,000)	45,000	50,000	50,000	50,000	195,000
WA2105	Tools & Equipment	55,000				55,000				55,000
WA2106	Capital Equipment Leasing	93,000		120,000	(67,000)	146,000	438,000	438,000	438,000	1,460,000
WA2107	1.25MG elevated tank for upper pressure plan @ Main Street and associated work	2,700,000	(233,566)		1,067,110	3,533,544	1,200,000			4,733,544
WA2108	24" water line lower pressure plane	1,500,000				1,500,000				1,500,000
WA2109	UPP 16" water line enhancements	750,000			(265,449)	484,551				484,551
WA2110	Big A Water Line Improvements				160,000	160,000				160,000
WA2111	12" Water Line Dalrock-Miller-Schrade						2,700,000			2,700,000
WA2112	Additional pump for UPP						330,000			330,000
WA2113	Capital Equipment Replacement						50,000	50,000	50,000	150,000
Total All Projects		67,624,693	(38,840,476)	6,105,502	2,055,220	36,944,939	11,555,756	6,544,756	12,411,756	67,457,207

FY 2015 CITY OF ROWLETT BUDGET

THREE YEAR CAPITAL IMPROVEMENTS PLAN SUMMARY

Project Number	Project Title	Budget to Date 9/30/2013	Expended to Date 9/30/2013	New Funding	Amendments	Budget FY2014	Proposed 2015	Proposed 2016	Proposed 2017	Four Year Total
				2014			2015	2016	2017	

FUNDING SOURCES (ALL FUNDS):

SOURCES OF FUNDS:

Current Revenues			6,105,502	(1,750,000)	4,355,502	6,544,756	6,544,756	6,544,756	23,989,770
Previous Resources	20,619,990	(16,406,929)		1,259,518	5,472,579				5,472,579
Debt Financing - CO's	5,492,318	(2,115,855)		1,791,038	5,167,501				5,167,501
Debt Financing - GO's	1,001,572	(464,310)			537,262				537,262
Debt Financing - Revenue Bonds	24,540,007	(6,355,089)		754,664	18,939,582	5,011,000		5,867,000	29,817,582
Federal Sources	11,015,730	(10,416,551)			599,179				599,179
NCTCOG	3,150,000	(1,276,666)			1,873,334				1,873,334
County	1,805,076	(1,805,076)			-				-
Impact Fees					-				-
Donations					-				-
Other					-				-
Total Sources	67,624,693	(38,840,476)	6,105,502	2,055,220	36,944,939	11,555,756	6,544,756	12,411,756	67,457,207

USES OF FUNDS:

Alley Improvements	2,085,000	(1,651,189)	630,000	1,269,349	2,333,160	893,702	893,702	893,702	5,014,266
Streets & Roadways	34,420,870	(27,812,265)	2,370,000	1,170,180	10,148,785	1,915,552	2,315,552	2,515,552	16,895,441
Park Improvements	705,000	(120,165)	-	100,000	684,835	-	-	-	684,835
Library	-	-	-	-	-	200,000	200,000		400,000
Utility Improvements	30,320,823	(9,256,857)	2,985,502	(417,309)	23,632,159	7,658,502	2,647,502	8,514,502	42,452,665
Other	93,000	-	120,000	(67,000)	146,000	888,000	488,000	488,000	2,010,000
Total Uses	67,624,693	(38,840,476)	6,105,502	2,055,220	36,944,939	11,555,756	6,544,756	12,411,756	67,457,207



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 09/16/14

AGENDA ITEM: 8B

TITLE

Consider an ordinance approving and adopting the proposed ad valorem tax rate of \$0.787173 per \$100 of taxable value for FY 2014-2015.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer

SUMMARY

Adoption of the tax rate is an important part of the budget process. Adoption of the tax rate per state law must be a separate item on the agenda and occurs after the adoption of the budget. The budget process culminates in the final adoption of a document and financial plan. By Charter, the City Manager is responsible for recommending a budget to the City Council. The City Council then adjusts this document to make it fit their desire for what is appropriate for the City. Finally, it is then reviewed by the citizens directly, who may give their input for final adjustments to make this budget and tax rate the right choice for the City.

BACKGROUND INFORMATION

The City Manager presented the proposed budget for Fiscal Year 2014-2015 on August 5, 2014. The City Council held Budget Work Sessions on August 14 & 15, 2014. Public hearings on the proposed tax rate were held on August 19 and September 2, 2014.

DISCUSSION

City staff presented the Proposed Budget for Fiscal Year 2014-2015 on August 5, 2014, during a City Council Work Session. Ad valorem, or property taxes, are collected by local governments in two components: (1) operations and maintenance (O & M); (2) interest and sinking fund (I & S). The proposed budget was prepared with an operations and maintenance tax rate of \$0.559770 and a debt service tax rate of \$0.237403 for a total tax rate of \$0.797173 per \$100 of taxable value.

The City Manager's proposed FY2015 budget included a tax rate increase of five (5) cents. This recommendation was based on the preliminary property value information provided by the appraisal districts. Once the final property values were provided, Council was informed and, after discussion during the Budget Work Sessions held on August 14 & 15, agreed that a smaller increase, a penny less, would be needed due to higher than expected increases in value.

The State of Texas "Truth in Taxation" law requires that the City Council conduct two public hearings on its proposed ad valorem tax rate each year if such rate exceeds the rollback rate or the effective tax rate, whichever is lower. The effective tax rate shows the relation between prior

year's revenue and the current year's value. The rollback rate is the maximum rate that can be applied and not be subjected to a rollback petition.

The effective tax rate and rollback rate have been calculated and the Notice of Proposed Tax Rate has been published in the local newspaper and on the City's website as required by law. The following table illustrates the proposed tax rate, the rollback tax rate, and the effective tax rates appropriately split between the I & S rate and the O & M rate. The proposed tax rate to be considered is \$0.787173, which is more than the effective tax rate.

	FY 2013-2014 Adopted	FY 2014-2015 Proposed *Revised	FY 2014-2015 Effective	FY 2014-2015 Rollback
O & M	0.504773	0.549770	0.475520	0.520152
Debt	0.242400	0.237403	0.237403	0.237403
Total	0.747173	0.787173	0.712923	0.757555

FINANCIAL/BUDGET IMPLICATIONS

This item is the annual ad valorem tax assessment.

RECOMMENDED ACTION

City staff recommends the City Council consider and adopt the ad valorem tax rate. According to the revisions to Sec. 26.05 of the Property Tax Code enacted by the 2013 Legislature, a motion to adopt an ordinance setting a tax rate that exceeds the effective tax rate must be made in the following form:

“I move that the property tax rate be increased by the adoption of a tax rate of 0.787173, which is effectively a 10.4 percent increase in the tax rate.”

ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ADOPTING THE TAX RATE AND LEVYING AD VALOREM TAXES FOR THE FISCAL YEAR 2014-2015 TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, following public notice duly posted and published in all things as required by law, public hearings were held, by and before the City Council of the City of Rowlett, the subject of which was the proposed tax rate for the City of Rowlett for Fiscal Year 2014-2015; and

WHEREAS, the City Council, upon full consideration of the matter, is of the opinion that the tax rate hereinafter set forth is proper and should be approved and adopted.

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

Section 1: That there is hereby levied and shall be assessed for the tax year 2014 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Rowlett, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.787173 on each and every \$100 assessed valuation of taxable property apportioned and distributed as follows:

(a) \$0.549770 on each and every \$100 valuation of said property is hereby reviewed and assessed to provide revenue for maintenance and operations of the City government and current expenses thereof; and

(b) \$0.237403 on each and every \$100 valuation of said property is hereby reviewed and assessed for the purpose of creating a sinking fund to pay the interest principal on all outstanding bonds of the City, not otherwise provided for.

(c) THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 15.61 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$74.25.

Section 2: That all ad valorem taxes shall become due and payable on October 1, 2014 and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2015.

Section 3: That a delinquent tax shall incur all penalty and interest authorized by law including a penalty of six percent (6%) on the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. A tax delinquent on July 1, 2015 incurs a total penalty of twelve percent (12%) of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes that remain delinquent on July 1, 2015 incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest due; such additional penalty is to defray costs of collection due to a contract with the City's tax collection attorney pursuant to Section 33.07 of the Texas Property Tax Code, as amended.

Section 4: That the City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

Section 5: That the tax roll as presented to the City Council, together with any supplements hereto, be and the same are hereby approved.

Section 6: That should any word, sentence, section, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

Section 7: All ordinances of the City of Rowlett, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

Section 8: This ordinance shall become effective immediately upon its passage.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
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AGENDA DATE: 09/16/14

AGENDA ITEM: 8C

TITLE

Consider an ordinance amending section 58-52 of the Code of Ordinances exempting from ad valorem taxation disabled persons and persons over the age of 65 to the extent as provided herein; providing a repealing clause; providing a severability clause and providing an effective date.

STAFF REPRESENTATIVE

Alan Guard, Chief Financial Officer

SUMMARY

In 2004, the Rowlett City Council adopted an ordinance setting the tax exemption for seniors and people with disabilities at \$67,000. Due to the Senior/Disabled Property Tax Exemption and the Senior Property Tax Freeze, property taxes paid to the City of Rowlett have been reduced by \$3.8 million, which is equivalent to 12 cents on the property tax rate. The City is only one of seven out of 31 cities in Dallas County that has adopted the freeze.

City Council has had discussions regarding a reduction in the exemption amount at a number of meetings over the past three years. At the City Council retreat held on June 20-21, 2014, the Council reached consensus and provided direction to the City Manager to change the exemption from \$67,000 to \$50,000 for people with disabilities and \$30,000 for persons over the age of 65. The proposed reduction in the exemption will slow down, not eliminate the reduction of property tax revenue collected.

The proposed change in the amount of the exemption (\$30,000 for seniors and \$50,000 for people with disabilities) will have no impact on those seniors or people with disabilities who currently receive the exemption, due to the property tax freeze. It will only impact people who will turn 65 after tax year 2015, or FY2016.

BACKGROUND INFORMATION

The Section 11.13 of the Texas Tax Code sets forth the various residence homestead exemptions allowed by law. Within this section of the code, it identifies the exemptions allowable for homeowners age 65 and older and for people with disabilities. The code allows cities and other taxing authorities to set the amount of the exemption. In 2004, the Rowlett City Council adopted an ordinance setting the tax exemption for seniors and people with disabilities at \$67,000. Due to the Senior/Disabled Property Tax Exemption, property taxes paid to the City of Rowlett have been reduced by \$1.7 million, which is equivalent to five (5) cents on the property tax rate. If the exemption is allowed to stay at the \$67,000 level, it is projected that an additional reduction of \$100,000,000 of taxable value over the next five years will occur. This is estimated to be an

additional \$790,000 reduction in property tax revenue annually. This reduction in revenue is further exacerbated by the Senior/Disabled Property Tax Freeze.

Homeowners may apply to the appraisal district up to one year after the date they become age 65 or qualify for disability, or up to one year after the taxes are due, whichever is later. If the application is approved, they will receive the exemption for the entire year in which they become age 65 or become disabled and for subsequent years as long as they own a qualified homestead. Beginning in 2005, if the date of birth was on the original homestead application or other written correspondence to the appraisal district about the homestead, the person will automatically receive the age 65 or older exemption without applying, if they are entitled to the general homestead exemption.

A person is eligible if he or she qualifies to receive disability benefits under the Federal Old-Age, Survivors and Disability Insurance Program administered by the Social Security Administration. Disability benefits from any other program do not automatically qualify you. To prove eligibility, an applicant may need to provide the appraisal district with information on the disability.

DISCUSSION

The Senior/Disabled Tax Exemption has caused an annual reduction in property tax revenue of \$1.7 million. According to records from the Rockwall and Dallas Appraisal Districts (combined) there are 389 exemptions for people with disabilities and 2,847 exemptions for people age 65 or older. The total value being exempted is \$218,812,000. If the exemption were to stay at \$67,000 it is projected that the City would lose an additional \$100,000,000 of taxable value over the next five years equal to an additional annual loss of approximately \$790,000 of property tax revenue, representing an additional 3.7 percent reduction in overall values by FY2019.

As identified as Challenge #4 in the FY2015 Budget Message (shown below), the tax exemption coupled with the tax freeze has had the combined effect of a reduction of \$3.8 million in revenue, or 12 cents on the property tax levy. Furthermore, staff's recommendation to delay the implementation for one year will provide an opportunity to educate residents before the change.

City Council has had discussions regarding a reduction in the exemption amount at a number of meetings over the past three years. At the City Council retreat held on June 20-21, 2014, Council was presented with information regarding the exemption including comparative data of other cities in Dallas County. After considering the median average of the cities and considering that Rowlett was only one of seven cities that also provided the Senior/Disabled Tax Freeze, Council reached consensus and provided direction to the City Manager to change the exemption from \$67,000 to \$50,000 for people with disabilities and \$30,000 for persons over the age of 65. The proposed reduction in the exemption will slow down, not eliminate the reduction of property tax revenue collected.

To be clear, the revised tax exemption for seniors will provide a benefit of \$236 annually once they reach 65. Fully disabled residents would receive a benefit of \$394 annually.

CHALLENGE #4: OVER 65/DISABLED TAX EXEMPTIONS

The City of Rowlett is one of only seven cities out of 31 in Dallas County that has adopted the tax freeze. In addition, Rowlett has the third highest exemption in the County. For FY2014, the value in lost tax revenue to the City is \$3.8 million or equivalent to 12 cents on the tax rate. For those over 65, the exemption is not based on financial need or hardship, simply on age. While the freeze is permanent for those who already receive it, the exemption can be lowered for future generations. The freeze creates a secondary benefit in that it cannot be increased above its original amount even if the market value increases. Therefore, since the tax exemption is higher than most other cities and Rowlett also offers the freeze, the exemption should be lowered.

CHART 16

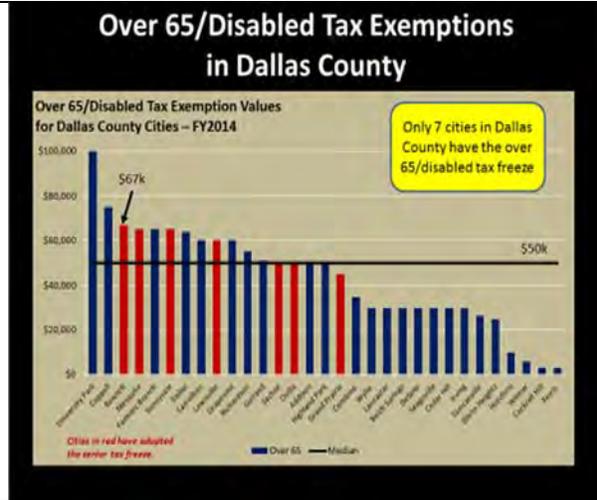
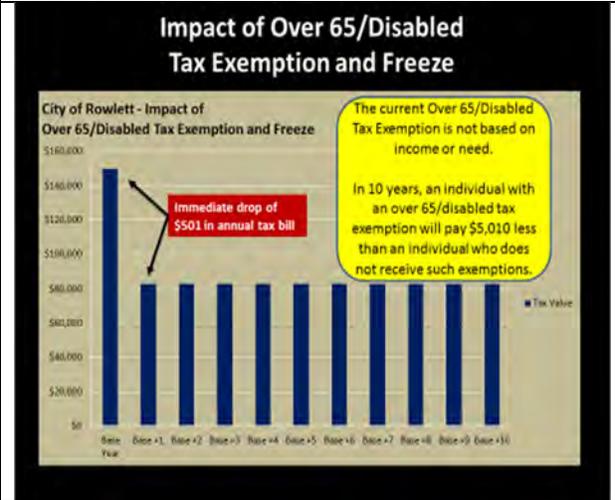


CHART 17



FINANCIAL/BUDGET IMPLICATIONS

The proposed change in the amount of the exemption (\$30,000 for seniors and \$50,000 for people with disabilities) will have no impact on those seniors or people with disabilities who currently receive the exemption, due to the property tax freeze. It will only impact people who will turn 65 after 2015, and then instead of a tax break of \$527 (based on the proposed tax rate of \$0.78713/\$100 of taxable value), they will receive a tax break of \$236, a difference of \$291, or \$24 per month. And again, once they receive the exemption, they also receive the freeze and their City taxes will not increase due to increases in their property values or the tax rate.

It is estimated that at the \$67,000 level, the exemption would reduce property tax revenues an additional \$790,000 per year by FY2019. With the proposed reduction in the exemption the estimated amount of reduced revenue by FY2019 will be approximately \$375,000.

RECOMMENDED ACTION

It is recommended that Council approve an ordinance amending section 58-52 of the Code of Ordinances exempting from ad valorem taxation disabled persons and persons over the age of 65 to the extent as provided herein; providing a repealing clause; providing a severability clause and providing an effective date.

ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, AMENDING SECTION 58-52 OF THE CODE OF ORDINANCES EXEMPTING FROM AD VALOREM TAXATION DISABLED PERSONS AND PERSONS OVER THE AGE OF 65 TO THE EXTENT AS PROVIDED HEREIN; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rowlett, Texas is a home rule city acting under its charter and Chapter 9 of the Local Government Code; and

WHEREAS, Section 11.13 of the Texas Tax Code governs the procedure under which a municipality or other taxing entity may adopt an ad valorem tax exemption for disabled persons and persons over the age of 65; and

WHEREAS, the City Council believes it would be in the best interest of the citizens of Rowlett to provide a tax exemption on the homesteads of disabled individuals or individuals age sixty-five or older, beginning with the tax year 2015.

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

Section 1: That the Code of Ordinances of the City of Rowlett, Texas, be and is hereby amended by amending Section 58-52 of Division 2 (“Exemptions”) of Article II (“Ad Valorem Tax”) of Chapter 58 (“Taxation”) by revising subparts (1) and (2) to modify the homestead exemption levels stated therein, such that Section 58-52 of Division 2 of Article II of Chapter 58 of the Code of Ordinances shall read in its entirety as follows:

**“CHAPTER 58
TAXATION**

...

ARTICLE II. AD VALOREM TAX

...

DIVISION 2. EXEMPTIONS

...

Section 58-52. Disabled and elderly person’s homestead.

The city, pursuant to the applicable provisions of V.T.C.A., Tax Code § 11.13(d), (e), hereby exempts the following from ad valorem property taxation in the amounts stated

- | | |
|----------------------|----------|
| (1) Disabled persons | \$50,000 |
|----------------------|----------|

(2) Persons over the age of 65 \$30,000”

Section 2: That the City Secretary shall forward to the Comptroller of the State of Texas by United States Mail a certified copy of this ordinance.

Section 3: That all provisions of the Ordinances of the City of Rowlett, Texas, in conflict with the provisions of this ordinance be, and the same are hereby repealed, and all other provisions of the Ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

Section 4: That this ordinance shall become effective immediately from and after its passage and the publication of the caption, as the law and charter in such cases provide.