

PLANO CITY COUNCIL

WILL CONVENE INTO EXECUTIVE SESSION AT 5:00 P.M. ON JANUARY 8, 2007, FOLLOWED BY PRELIMINARY OPEN MEETING IMMEDIATELY THEREAFTER, IN THE PLANO MUNICIPAL BUILDING, 1520 K AVENUE, IN COMPLIANCE WITH VERNON'S TEXAS CODES ANNOTATED, GOVERNMENT CODE CHAPTER 551 (OPEN MEETINGS ACT), AS FOLLOWS:

Mission Statement: The mission of the City of Plano is to provide outstanding services and facilities, through cooperative efforts with our citizens, that contribute to the quality of life in our community.

EXECUTIVE SESSION

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

PRELIMINARY OPEN MEETING

- | | | | |
|------|---|-----------------|---------|
| I. | Consideration and action resulting from Executive Session discussion: | Council | 5 min. |
| II. | Personnel Appointments | Council | 5 min. |
| | A. Senior Citizens Advisory Board | | |
| III. | Update re Proposed City Logo | Susan Helt | 10 min. |
| IV. | Comprehensive Monthly Financial Report | John McGrane | 5 min. |
| V. | Update re Sustainability Program | Nancy Nevil | 10 min. |
| VI. | Discussion and Direction re Neighborhood Roundtable Meetings | Bruce Glasscock | 10 min. |
| VII. | Consent and Regular Agenda | Council | 5 min. |

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|-------|---|---------|--------|
| VIII. | Council Reports | Council | 5 min. |
| A. | Council May Receive Information, discuss and provide direction on the following reports: | | |
| B. | Council may receive reports from its other members who serve as liaisons to boards, commissions, and committees | | |

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

Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Avenue L, with specially marked parking spaces nearby. Access and special parking are also available on the north side of building. The Council Chamber is accessible by elevator to the lower level. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 972-941-7120.



CITY COUNCIL

1520 AVENUE K

DATE: January 8, 2007

CALL TO ORDER: 7:00 p.m.

INVOCATION: Sr. Pastor Randy Bailey
Four Corners Church

PLEDGE OF ALLEGIANCE:

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p>THE MISSION OF THE CITY OF PLANO IS TO PROVIDE OUTSTANDING SERVICES AND FACILITIES, THROUGH COOPERATIVE EFFORTS WITH OUR CITIZENS THAT CONTRIBUTE TO THE QUALITY OF LIFE IN OUR COMMUNITY.</p> <p>The City Council may convene into Executive Session to discuss posted items in the regular meeting as allowed by law.</p> <p style="text-align: center;"><u>THE CITY SECRETARY RECEIVES SPEAKER CARDS AT THE BEGINNING OF THE MEETING</u></p> <p>* <u>PROCLAMATIONS AND SPECIAL RECOGNITION</u></p> <p>Special Recognition: City of Plano Employee, Clarence Boyd – 25 Years of Services</p> <p>* <u>COMMENTS OF PUBLIC INTEREST</u></p> <p><u>This portion of the meeting is to allow up to five (5) minutes per speaker with thirty (30) total minutes on items of interest or concern and not on items that are on the current agenda. The Council may not discuss these items, but may respond with factual or policy information. The Council may choose to place the item on a future agenda.</u></p> <p>* <u>BOARD AND COMMISSION REPORT</u></p> <p>Library Advisory Board – James Akers, Chair</p> <p><u>CONSENT AGENDA</u></p> <p><u>The Consent Agenda will be acted upon in one motion and contains items which are routine and typically noncontroversial. Items may be removed from this agenda for individual discussion by a Council Member, the City Manager or any citizen. Citizens are limited to two (2) items and discussion time of three (3) minutes each.</u></p> <p>(a) <u>Approval of Minutes</u></p> <p>December 11, 2006 December 19, 2006</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p><u>Approval of Expenditures</u></p> <p>Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)</p> <p>(b) Bid No. 2007-31-C for Fire Department Winter Coats to GST Public Safety Supply LLC in the estimated annual amount of \$24,892. This will establish an annual fixed price contract with three optional one-year renewals.</p> <p>(c) Bid No. 2007-11-C for Traffic Calming Devices to Professional Pavement Products, Inc. and 3M in the estimated annual amount of \$171,436. This will establish an annual fixed price contract with three optional one-year renewals.</p> <p>Purchase from Existing Contract/Agreement: (Purchase of products/services through Cooperative Purchasing Interlocal Contract with another governmental/quasi-governmental agency or an additional purchase from current City of Plano annual purchase agreement).</p> <p>(d) To approve the purchase of Emergency Light Bars and Siren Units in the amount of \$69,125 from Emergency Vehicle Equipment Company through an existing contract/agreement with Tarrant County, and authorizing the City Manager to execute all necessary documents. Contract #2005-139</p> <p>(e) To approve the purchase of two (2) Unmarked Dodge Charger Police Sedans in the amount of \$40,258 from Dallas Dodge through an existing contract/agreement with HGAC Cooperative Purchase Program, and authorizing the City Manager to execute all necessary documents. (#VE03-06)</p> <p><u>Adoption of Resolutions</u></p> <p>(f) To ratify and approve the expenditure of \$47,361 to Southwest Parks & Playgrounds LP for the emergency purchase of replacement playground equipment that was destroyed by fire at Cheyenne Park and authorizing the execution of all documents in connection therewith by the City Manager and providing an effective date.</p> <p>(g) To approve a Memorandum of Understanding between the City of Murphy and the City of Plano to provide automatic fire and EMS aid to an area of the City of Plano that immediately abuts the City of Murphy and provides for training opportunities for the City of Murphy Fire-Rescue; authorizing its execution by the City Manager; and providing an effective date.</p> <p>(h) To approve and authorize the refunds of property tax overpayments; and providing an effective date.</p> <p>(i) To ratify the expenditure of funds in the amount of \$59,315 to Mohawk Ltd. for a Communications Trailer with Supporting Tower; authorizing the execution of any and all documents in connection therewith by the City Manager; and providing an effective date. (2007-30-G)</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p><u>Adoption of Ordinances</u></p> <p>(j) To amend the Plano Code of Ordinances, Chapter 12, Motor Vehicles and Traffic, Article V, Stopping, Standing, and Parking, Section 12-101, Prohibited on certain streets at all times, to prohibit stopping, standing, or parking of motor vehicles on the north side of Streamwood Lane between Shetland Road and Winding Hollow Lane within the City limits of the City of Plano; declaring it unlawful and a misdemeanor to stop, stand, or park motor vehicles upon such sections of such roadway within the limits herein defined; providing a fine for criminal penalties not to exceed \$200.00 for each offense; and providing a repealer clause, a severability clause, a savings clause, and an effective date.</p> <p>(k) To amend Section 1-5 of Chapter 1. General Provisions of the Code of Ordinances of the City of Plano regarding corporation and association liability for criminal offenses; providing a repealer clause, a savings clause; a severability clause; and providing an effective date.</p> <p><u>ITEMS FOR INDIVIDUAL CONSIDERATION:</u></p> <p><u>Public Hearing Items: Applicants are limited to fifteen (15) minutes presentation time with a five (5) minute rebuttal, if needed. Remaining speakers are limited to thirty (30) total minutes of testimony time, with three (3) minutes assigned per speaker. The presiding officer may extend these times as deemed necessary.</u></p> <p><u>Non-Public Hearing Items: The Presiding Officer may permit limited public comment for items on the agenda not posted for a Public Hearing. The Presiding Officer will establish time limits based upon the number of speaker requests, length of the agenda, and to ensure meeting efficiency, and may include a cumulative time limit. Speakers will be called in the order cards are received until the cumulative time is exhausted.</u></p> <p>(1) A resolution to accept the findings and opinions of the Annual Audit; authorizing the City Manager to publish the results thereof; and providing an effective date.</p> <p>(2) Public Hearing and an ordinance to designate a certain area within the City of Plano as Reinvestment Zone No. 105 for a tax abatement consisting of a 7.5250 acre tract of land located approximately at the northwest corner of Wynwood Drive and Wyngate Boulevard, in the City of Plano, Texas establishing the boundaries of such zone; ordaining other matters relating thereto; and providing an effective date.</p> <p>(3) A resolution to approve the terms and conditions of an agreement by and between the City of Plano, Texas, the County of Collin Texas, the Collin County Community College District, Wynwood Resources, Ltd., a Texas Limited Partnership and Morgan Newton Company L.P., a Texas Limited Partnership, and providing for a business personal property and real property tax abatement, and authorizing its execution by the City Manager; and providing an effective date.</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
(4)	<p>Public Hearing and an ordinance as requested in Zoning Case 2006-30 – To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, so as to amend Specific Use Permit No. 256 for Commercial Antenna Support Structure on 0.1± acre out of the Daniel Rowlett Survey, located at the northeast corner of Old Alma Drive and Alma Drive in the City of Plano, Collin County, Texas, to increase the height of the antenna support structure to 120 feet; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: Maray Adams</p>	
(5)	<p>Public Hearing and an ordinance as requested in Zoning Case 2006-32 – To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, so as to rezone 14.8± acres out of the D. M. Tucker Survey, Abstract No. 913, located on the northwest corner of Parker Road and Parkwood Boulevard in the City of Plano, Collin County, Texas, from Regional Employment to Planned Development-185-Regional Commercial; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: Cencor Realty Services</p>	
(6)	<p>A resolution to repeal Resolution No. 2006-12-15(R) approving a grant and maintenance agreement for the construction and maintenance of a water fountain at Legacy Town Center by and between the Shops at Legacy (North), L.P. and the City of Plano; and providing an effective date.</p>	
(7)	<p>An ordinance to repeal Ordinance No. 2006-12-16 transferring the sum of \$1,000,000 from the General Fund Unappropriated Fund Balance to the General Fund Operating Appropriation for Fiscal Year 2006-07 for the purpose of providing partial funding for the construction and maintenance of a water fountain within Legacy Town Center; and providing an effective date.</p> <p><u>Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of the building. Training Room A/Building Inspections Training Room are located on the first floor. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 972-941-7120.</u></p>	



Pat Evans
Mayor

Scott Johnson
Mayor Pro Tem

Sally Magnuson
Deputy Mayor Pro Tem

Shep Stahel
Place 1

Loretta Ellerbe
Place 3

Harry LaRosiliere
Place 5

Jean Callison
Place 7

Lee Dunlap
Place 8

Thomas H. Muehlenbeck
City Manager

January 3, 2007

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

Honorable Mayor and City Council:

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

The Preliminary Open Meeting agenda will begin with one personnel appointment to the Senior Citizens Advisory Board. Susan Helt will provide an update regarding the proposed City logo and John McGrane will present the Comprehensive Monthly Financial Report. Nancy Nevil will provide an update regarding the City's Sustainability Program, followed by Bruce Glasscock leading discussion regarding revisions to the Neighborhood Roundtable Meeting format.

I look forward to seeing you Monday.

Sincerely yours,

Thomas H. Muehlenbeck
City Manager

THM/cp

MEMO

DATE: January 2, 2007

TO: Honorable Mayor and City Council
City Manager Muehlenbeck
City Secretary Bealke

FROM: Di Zucco, Assistant City Secretary 

RE: Personnel Appointments/Reappointments
Executive and Worksession Meetings

The following personnel appointments/reappointments will be considered at the January 8, 2007 Council Meeting.

<u>Executive Session</u>	<u>Worksession Meeting</u>
No items to consider	<u>Senior Citizens Advisory Board</u> Resignation of James D. Williams (Term Expires 10-07)

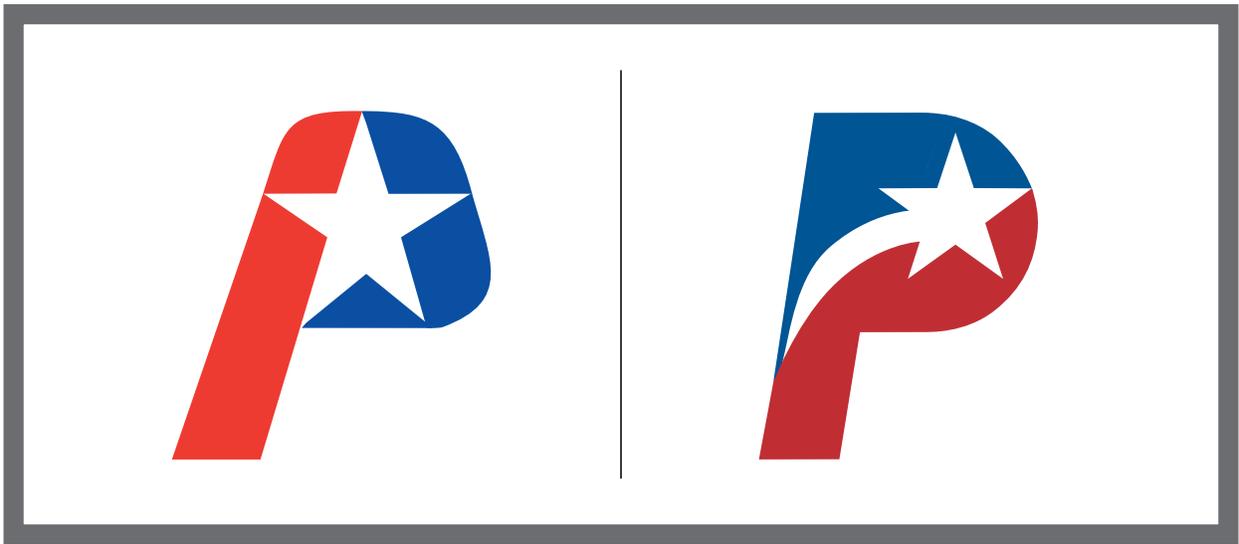
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Preliminary Open Meeting Agenda Item III

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Helt

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Preliminary Open Meeting Agenda Item IV

Comprehensive Monthly Financial Report

McGrane

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PLANO

Fire

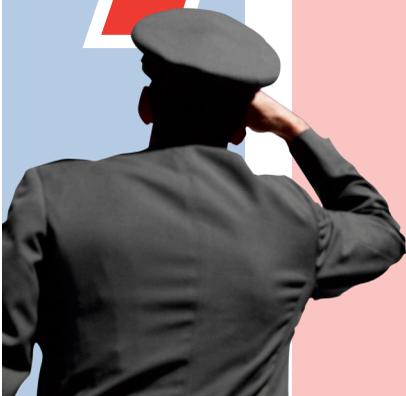
Station



Comprehensive Monthly
FINANCE REPORT
November 30, 2006

All American

All the Time



ABOUT THIS REPORT

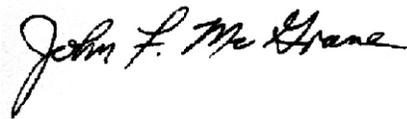
The City of Plano Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Comprehensive Monthly Finance Report (CMFR) is a unique document, directed at providing our audience (internal and external users), with the general awareness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

This report is comprised of four sections:

1. The **Financial Analysis** reports the performance of the major operating funds of the City. Narrative disclosures are used to highlight any significant changes or fluctuations.
- 1A. The **Financial Summary** provides comparative data for major revenue sources and expenditure items.
2. The **Economic Analysis** section contains a summary of the key economic indicators and an in-depth review with graphic illustrations.
3. The **Investment Report** provides a description of investment activity during the month and a summary of interest earnings.

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

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



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



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SECTION 1

FINANCIAL ANALYSIS

City of Plano
Comprehensive Monthly Finance Report

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

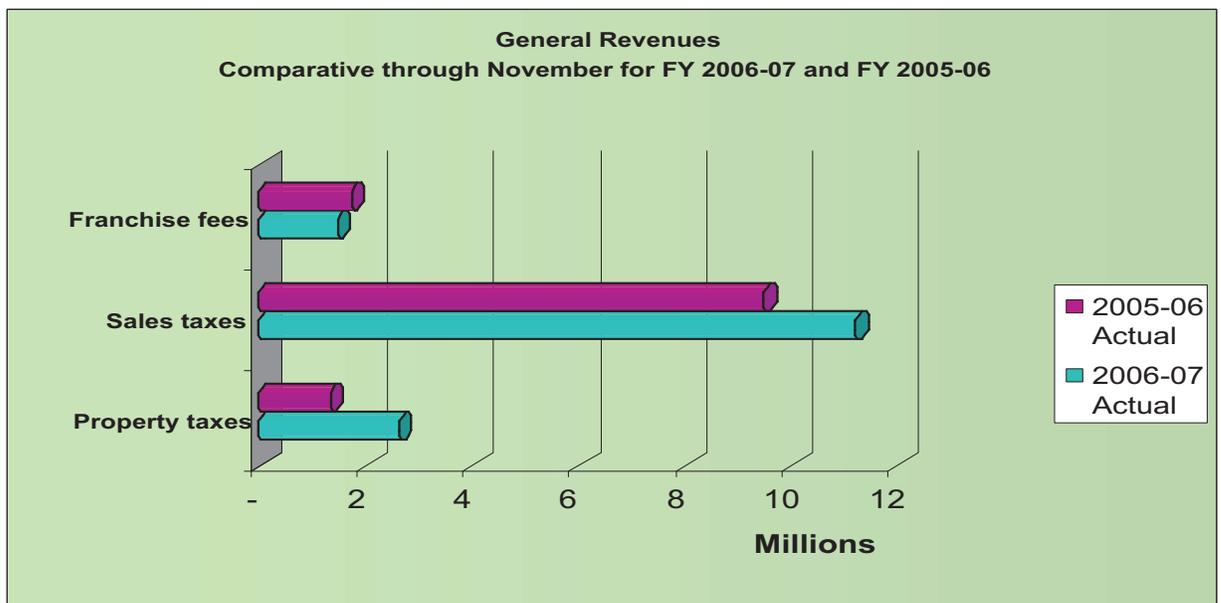
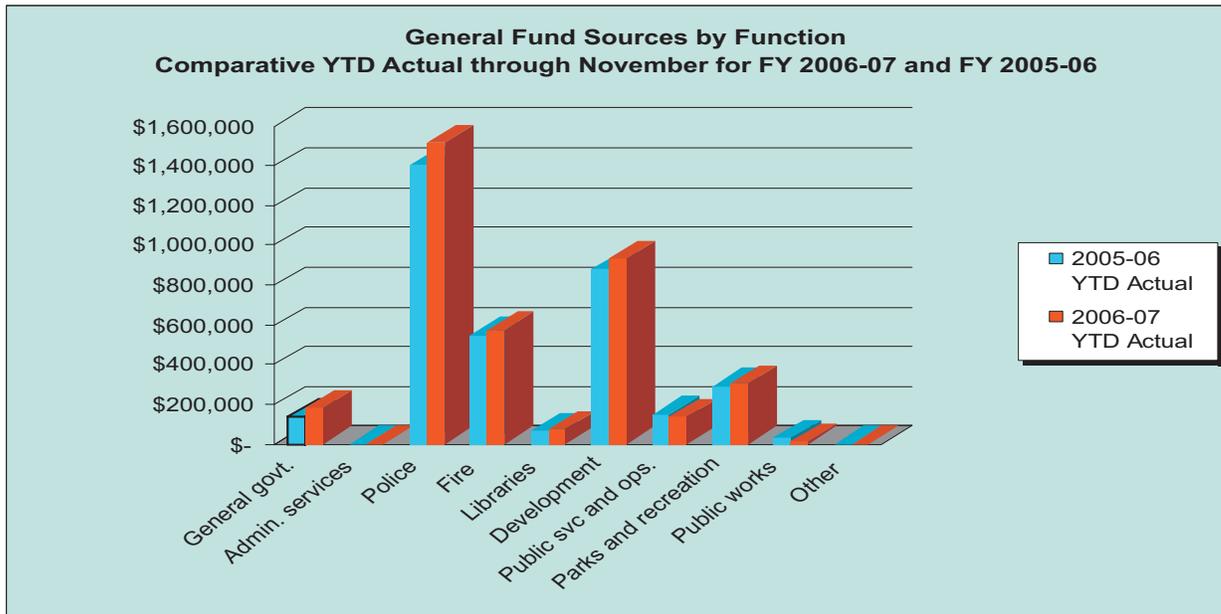


REPORT NOTES NOVEMBER, 2006

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

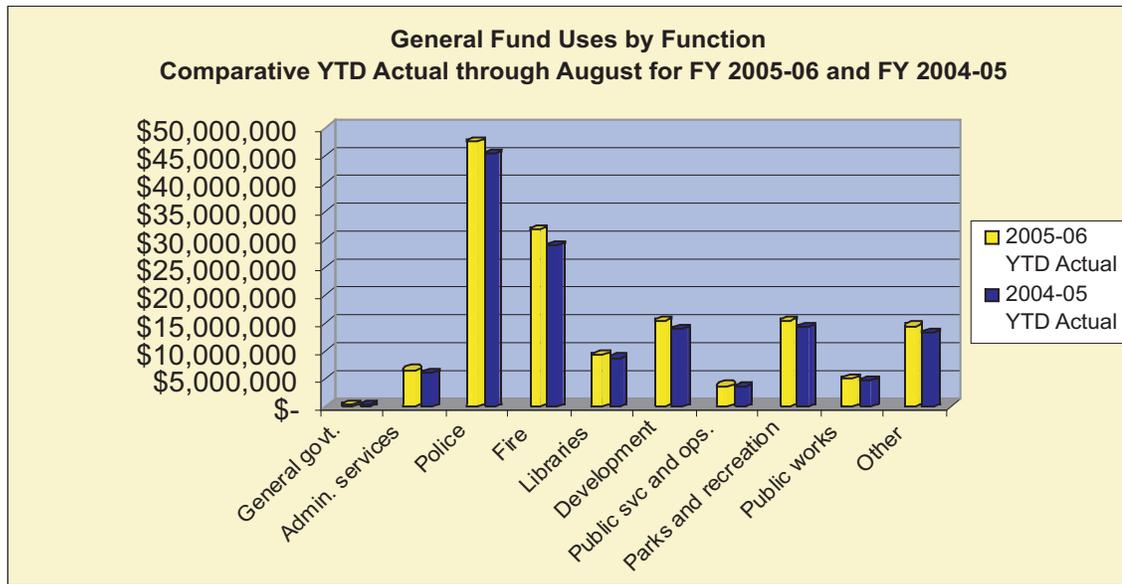
The information in this section compares year to date activity in the current fiscal year to the same time period in prior year. Please note that beginning fund balances in all funds are subject to final audit adjustments.

HIGHLIGHTS OF GENERAL FUND VARIANCES



REPORT NOTES CONTINUED

NOVEMBER, 2006



GENERAL GOVERNMENT

- The City received reimbursement from Nextel in October in the amount of \$46,450 to cover employees' salaries in the Legal and Radio Shop departments working on the Nextel rebanding project.
- Personal services for the Professional Development department increased over prior year in the amount of \$15,185 attributed to a job grade upgrade.

ADMINISTRATIVE SERVICES

- Payment for City Council members' services increased over prior year in the amount of \$19,940 attributed to the approved increase in the current year stipend amount.
- Personal services for administrative service departments increased over prior year in the amount of \$263,550 attributed to salary increases and mid-year increases in fiscal year 2005-06 to correct compression issues within salary ranges.
- Audit fees for the City's annual audit, performed by Deloitte & Touche LLP, were lower by \$15,000 in the current month attributed to timing of receipt of an invoice. The current year contract is for \$115,607 which is 6% higher than prior year.
- The Human Resource Department has had an increase of \$38,186 in encumbrances in the current year for professional consulting services to provide direction to the deferred compensation steering committee regarding contractual issues with the new 457 provider. The new contract began in February 2006 and concludes in February 2008.
- In the current year, the Human Resource Department has services rendered in the amount of \$9,999 to assist in the selection for health benefits assistance.

POLICE

- Court fines and forfeitures increased over prior November in the amount of \$96,433 due to increased collections as a result of the Collections and Compliance Unit in the Courts department. This section of the Courts department is a state mandated function that began in April 2006.



REPORT NOTES CONTINUED

NOVEMBER, 2006

POLICE

- Personal services increased over prior year by \$1,963,028 attributed to increased salary and benefit related expenditures.
- Municipal garage charges to maintain police fleet increased over prior year by \$44,374 attributed to a larger volume of rolling stock serviced by the Equipment Services department in the current year in addition to increased fuel rates.
- Replacement charges for police rolling stock have increased over prior year by \$67,987 due to timing of vehicles received and placed into service.
- The annual contract for radio and mobile data system maintenance, related to public safety communications, increased over prior year attributed to timing of encumbered funds. The order for the current year was encumbered in October 2006, while the majority of the order pertaining to last fiscal year was placed January 2006. The contractual amount for this current year is comparable to prior year.

FIRE

- Ambulance service revenues increased \$66,783 as compared to prior year primarily due to increased usage of ambulatory services.
- Personal services increased \$1,357,315 over prior year primarily attributed to increased salary and benefit related expenditures in the current year.
- The Fire department has encumbered funds in the amount of \$45,000 for bunker gear cleaning, inspection and repair. The amount of these services in the prior fiscal year was \$30,000. The purchase order for this service was placed in October 2006 while the order last fiscal year was encumbered in May 2006.
- Replacement charges for fire equipment increased \$59,861 over prior year due to an increase in budgeted amounts to repay the equipment replacement fund for equipment purchased in prior years.

LIBRARY

- Revenues collected for library book fines increased over prior year by \$6,298 primarily due to the renovation of Haggard Library during the months of July 2004 through December 2005. The amount of revenues collected for library fines for Haggard Library in the current year is \$12,175.
- Personal services increased \$354,853 over prior year primarily attributed to increased salary and benefit related expenditures in the current year.
- Maintenance agreement costs decreased \$41,449 due to timing of payment to 3M Library Systems for the annual maintenance agreement pertaining to the self-check systems at the five libraries. Payment in the current year was made in December 2006 in the amount of \$44,734 while last year, payment in the amount of \$41,449 was made in November 2005.
- The amount spent on periodicals decreased over prior year by \$75,026 due to timing of payment made for periodical subscriptions for the libraries. In the prior year, the City paid \$73,693 in November 2005 for periodical subscriptions while payment in the amount of \$76,272 was made in December 2006.
- The amount of expenditures and encumbrances for purchase of books in the current year decreased \$184,691 over last year. The budget for library books in fiscal years 2007 and 2006 are comparable at \$800,000.



REPORT NOTES CONTINUED

NOVEMBER, 2006

DEVELOPMENT

- Building inspection fee revenues increased over prior year by \$55,845 due to an increased number of permit applications for commercial building developments and multi-family dwelling units.
- Personal services increased \$400,933 over prior year primarily attributed to increased salary and benefit related expenditures in the current year.
- Facilities Services experienced a decrease in expenditures and encumbrances of \$567,231 due to the expiring of one of the existing janitorial contracts in December 2006. Until a new contract is awarded, the City will utilize the existing supplier on a month to month basis at the current rate.

PUBLIC SERVICES AND OPERATIONS

- Personal services increased \$110,083 over prior year primarily attributed to increased salary and benefit related expenditures in the current year.

PARKS AND RECREATION

- Personal cost increased over prior year by \$509,585 primarily attributed to increased salary and benefit related costs.

PUBLIC WORKS

- Personal cost increased over prior year by \$131,037 primarily attributed to increased salary and benefit related costs.
- In the prior year, the streets department has received \$25,042 in insurance and damage receipts from the Property Liability Loss Fund pertaining to events that have resulted in damage to City property. As compared to the current year, this is an increase of \$24,862.

OTHER

- Payments made to support social service agencies increased over prior year by \$144,211 due to timing of payments made in the current year. The budget for this current year increased \$4,334 over prior year's budget.
- Encumbrances in the amount of \$104,475 are designated for a street light audit conducted by an external contractor. The contractor is verifying all street lights that TXU Electric has billed the City including confirmation of the lights condition, type and location.
- Expenditures for interdepartmental water billings have decreased \$240,036 due to compliance with drought restrictions.

PROPERTY TAX REVENUES

- Ad valorem tax revenues increased \$1,304,051 over prior year attributed to tax payment notices mailed later in prior year by the County.

PROPERTY TAX REVENUES

- Sales tax revenues increased over prior year by \$1,716,482. When comparing the months of November 2006 and November 2005, an increase of 14.4% was noted in sales tax revenues.



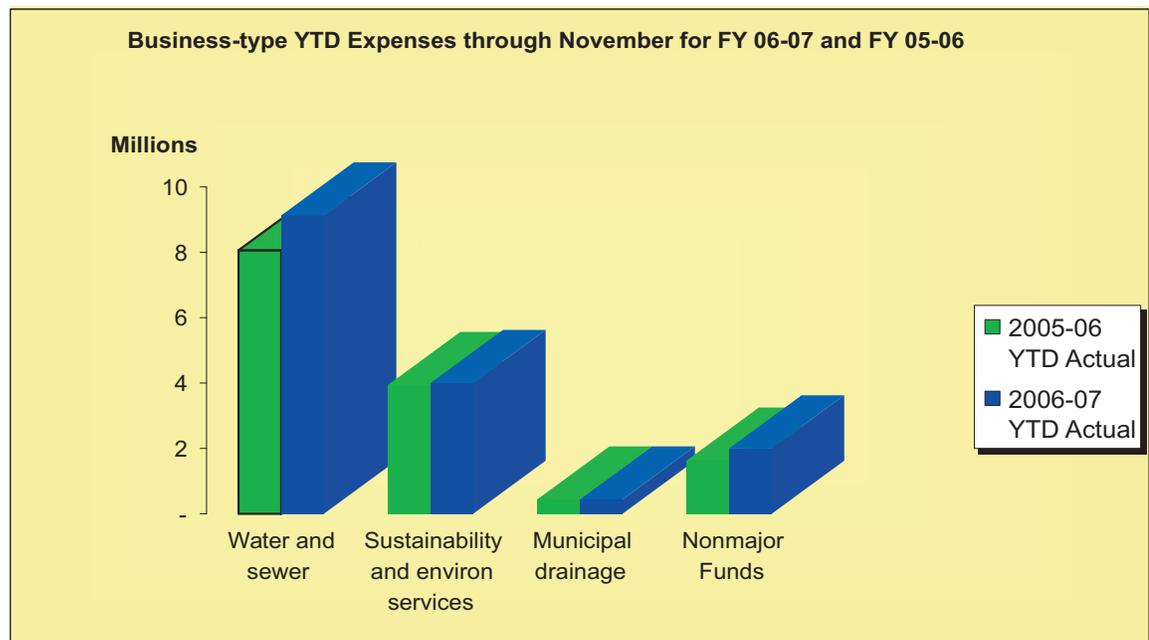
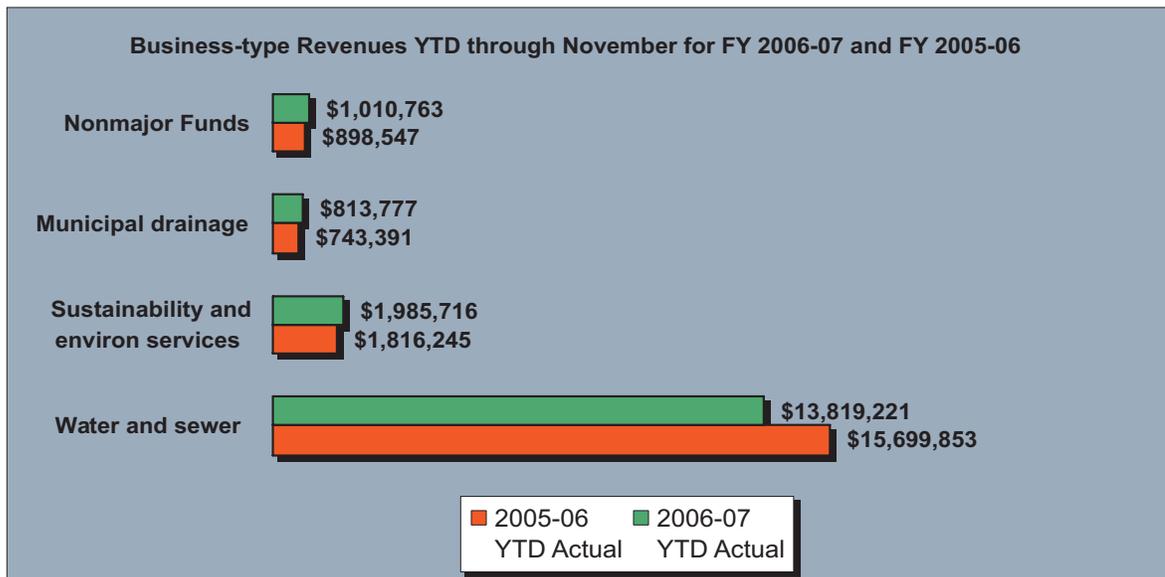
REPORT NOTES CONTINUED

NOVEMBER, 2006

FRANCHISE FEE REVENUES

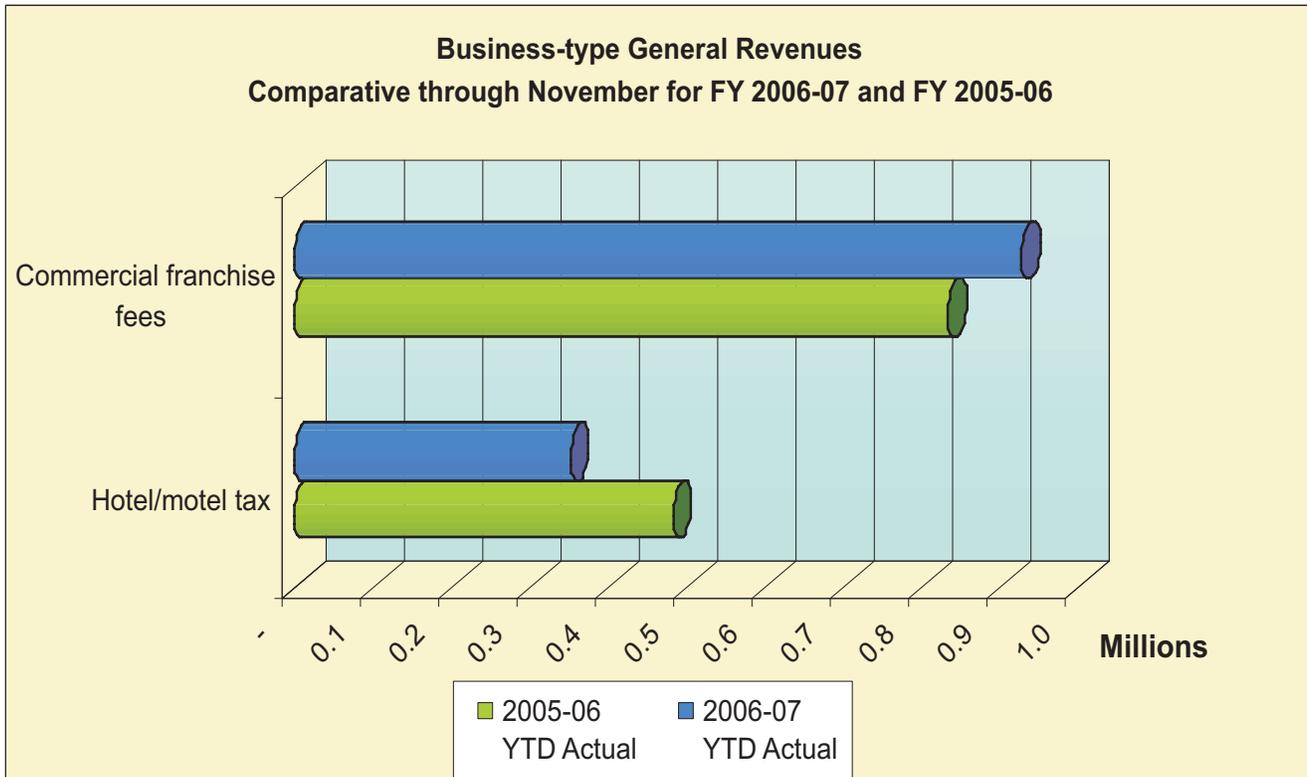
- Franchise fee revenues decreased over prior year by \$422,261 attributed to cable television franchise third quarter receipts being collected in October 2005.
- General Fund interest income increased \$106,119 through November 2006 as compared to prior year due to an increase in interest on investments.

HIGHLIGHTS OF BUSINESS-TYPE



REPORT NOTES CONTINUED

NOVEMBER, 2006



WATER & SEWER

- Water revenues decreased \$2,598,254 while sewer income increased \$772,492 over prior year. Overall water consumption through November 2006 is down 2.1 billion gallons as compared to the same time period in the prior year due to water restrictions in the current year. Sewer income increased due to an increase in winter consumption, which raised the residential winter quarter average for sewer income.
- Personal services increased \$295,899 over prior year primarily attributed to increased salary and benefit related expenditures in the current year.
- Payment to North Texas Municipal Water District (NTMWD) for services such as wastewater and pre-treatment increased over prior year by \$238,594 due to an increase in contractual amounts. In addition, payment to NTMWD increased \$109,801 for monthly water services. The increase to NTMWD is due to the structure of the contracts in that the City has to pay for the highest utilization although consumption has decreased due to water restrictions.
- Capital outlay and operating expenses and encumbrances have increased over prior year by \$264,067, due to the automated meter reading project. The project will be on-going and maintenance and purchases of replacement FireFly units will be expensed in future years.
- Expenses and encumbrances associated with the Environmental Education Complex have been incurred in the current year in the amount of \$127,858.



REPORT NOTES CONTINUED

NOVEMBER, 2006

SUSTAINABILITY AND ENVIRONMENTAL SERVICES

- Commercial franchise fee revenues increased over prior year by \$94,186. These franchise revenues are based upon commercial tonnage disposed, which has increased over prior year, in addition to an increase in the number of commercial entities serviced. The budgeted amount has increased \$596,249 over prior year.
- Residential solid waste revenues are higher than prior year due to an increase in rates for use of 95-gallon carts. The rate increased from \$11.25 per month in the prior year to \$13.85 per month in the current year. Approximately 98% of customers utilize the 95-gallon cart.
- Personal services increased \$223,607 over prior year primarily attributed to increased salary and benefit related expenditures in the current year.
- Capital outlay decreased due funds encumbered in the prior year to purchase a trommel screen in the amount of \$307,549.

MUNICIPAL DRAINAGE

- Municipal drainage revenues increased primarily due to billing of large commercial construction projects that have been on-going since December 2005.
- Expenses and encumbrances for debris hauling services decreased over prior year due to timing of encumbering funds. The budgeted amount for these services is comparable to the prior year.

CIVIC CENTER

- Since the ratification by voters at an election in May 2005 for the legal sale of mixed beverages in restaurants by food and beverage certificate holders only, revenues for mixed beverages have increased \$30,091 as compared to prior year.
- Although hotel/motel utilization and room rates have increased over prior year, the hotel/motel tax revenues decreased \$131,072 due to timing of collections received from area hotels.
- Inside catering revenues have increased \$79,284 attributed to a larger volume of events held at Plano Center. The social and corporate events are spending more on catering and equipment rentals than in prior year as last year's market did not use as much of the ancillary services. The types of events primarily held last year were local trade shows, start up business and minor socials.
- Contractual services in support of the arts and historic preservation have increased \$92,901 and \$16,545, respectively. The increase is primarily due to funding for each these services increasing \$89,630 over prior year.
- The Civic Center has purchased \$39,760 in chairs in the current fiscal year.

GOLF COURSE

- Golf revenues are lower by \$16,524 primarily due to being down approximately 300 rounds of golf as compared to prior year, as well as golfers buying punch cards prior to last January's fee increase.



REPORT NOTES CONTINUED

NOVEMBER, 2006

PROPERTY MANAGEMENT

- Rents collected in the Property Management fund have decreased \$1,372 due to timing of collections. The budget for the current year remains unchanged from the prior year's budget of \$68,500.
- Contractual services have increased primarily due to encumbered funds in the amount of \$37,724 for parking improvements at Municipal Center North.

RECREATION REVOLVING

- While recreation fee revenues increased over prior year by \$3,449, contractual services for class instructors have increased \$23,618. The Recreation department has a target of maintaining 80% of classes offered. In order to meet that goal, it may be necessary to offer a class at the minimum, or slightly below, the attendance requirement which increases expenses for contractual services.



SECTION 1A

FINANCIAL SUMMARY

City of Plano
Comprehensive Monthly Finance Report



CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDED NOVEMBER 30, 2006

Function/Program Activities General Fund	Expenses/Expenditures		Actual & Encumb. /Budget	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Budget	Actual/Encumb.		Budget	Actual	Budget	Actual
General Fund Activities:							
General government	\$ 706,486	\$ 110,613	15.7%	\$ 818,088	\$ 182,670	22.3%	\$ 72,057
Administrative services	8,000,232	1,558,945	19.5%	-	-	-	(1,558,945)
Police	61,354,148	9,998,839	16.3%	10,967,882	1,518,218	13.8%	(8,480,621)
Fire	41,442,164	6,661,633	16.1%	3,569,434	574,692	16.1%	(6,086,941)
Libraries	11,113,037	2,054,545	18.5%	561,541	73,018	13.0%	(1,981,527)
Development	20,141,080	3,080,971	15.3%	5,247,015	930,125	17.7%	(2,150,846)
Public services and operations	4,650,284	713,793	15.3%	1,011,775	139,465	13.8%	(574,328)
Parks and recreation	20,119,481	2,924,007	14.5%	2,098,738	301,834	14.4%	(2,622,173)
Public works	6,032,186	1,099,725	18.2%	52,349	9,114	17.4%	(1,090,611)
Other	16,690,484	2,694,848	16.1%	326,059	-	-	(2,694,848)
Total General Fund	190,249,582	30,897,919	16.2%	24,652,881	3,729,136	15.1%	(27,168,783)
Business-type Activities:							
Water and sewer	63,889,634	9,160,340	14.3%	95,790,224	13,819,221	14.4%	4,658,881
Sustainability and environ services	18,843,094	4,019,422	21.3%	13,623,028	1,985,716	14.6%	(2,033,706)
Municipal drainage	2,709,621	434,273	16.0%	4,700,197	813,777	17.3%	379,504
Civic center	6,754,704	1,405,392	20.8%	2,388,813	401,089	16.8%	(1,004,303)
Municipal golf course	902,706	159,579	17.7%	965,000	124,460	12.9%	(35,119)
Property management	55,360	40,513	73.2%	88,500	5,507	8.0%	(35,006)
Recreation revolving	2,763,148	328,885	11.9%	2,750,327	479,457	17.4%	150,572
Downtown center development	45,000	42,668	94.8%	67,678	250	0.4%	(42,418)
Total business-type activities	95,963,267	15,591,072	16.2%	120,353,767	17,629,477	14.6%	2,038,405
Total	\$ 286,212,849	\$ 46,488,991		\$ 145,006,648	\$ 21,358,613		(25,130,378)

Function/Program Activities General Fund	Expenses/Expenditures		Actual & Encumb. /Budget	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Budget	Actual/Encumb.		Budget	Actual	Budget	Actual
General Fund Activities:							
General government	\$ 706,486	\$ 110,613	15.7%	\$ 818,088	\$ 182,670	22.3%	\$ 72,057
Administrative services	8,000,232	1,558,945	19.5%	-	-	-	(1,558,945)
Police	61,354,148	9,998,839	16.3%	10,967,882	1,518,218	13.8%	(8,480,621)
Fire	41,442,164	6,661,633	16.1%	3,569,434	574,692	16.1%	(6,086,941)
Libraries	11,113,037	2,054,545	18.5%	561,541	73,018	13.0%	(1,981,527)
Development	20,141,080	3,080,971	15.3%	5,247,015	930,125	17.7%	(2,150,846)
Public services and operations	4,650,284	713,793	15.3%	1,011,775	139,465	13.8%	(574,328)
Parks and recreation	20,119,481	2,924,007	14.5%	2,098,738	301,834	14.4%	(2,622,173)
Public works	6,032,186	1,099,725	18.2%	52,349	9,114	17.4%	(1,090,611)
Other	16,690,484	2,694,848	16.1%	326,059	-	-	(2,694,848)
Total General Fund	190,249,582	30,897,919	16.2%	24,652,881	3,729,136	15.1%	(27,168,783)
Business-type Activities:							
Water and sewer	63,889,634	9,160,340	14.3%	95,790,224	13,819,221	14.4%	4,658,881
Sustainability and environ services	18,843,094	4,019,422	21.3%	13,623,028	1,985,716	14.6%	(2,033,706)
Municipal drainage	2,709,621	434,273	16.0%	4,700,197	813,777	17.3%	379,504
Civic center	6,754,704	1,405,392	20.8%	2,388,813	401,089	16.8%	(1,004,303)
Municipal golf course	902,706	159,579	17.7%	965,000	124,460	12.9%	(35,119)
Property management	55,360	40,513	73.2%	88,500	5,507	8.0%	(35,006)
Recreation revolving	2,763,148	328,885	11.9%	2,750,327	479,457	17.4%	150,572
Downtown center development	45,000	42,668	94.8%	67,678	250	0.4%	(42,418)
Total business-type activities	95,963,267	15,591,072	16.2%	120,353,767	17,629,477	14.6%	2,038,405
Total	\$ 286,212,849	\$ 46,488,991		\$ 145,006,648	\$ 21,358,613		(25,130,378)

General revenues:
 Property taxes -
 Sales taxes -
 Other taxes -
 Hotel/Motel tax -
 Franchise fees -
 Investment income -
 Total general revenues -
 Change in net assets -
 Net assets - beginning -
 Net assets - ending -



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH NOVEMBER 30 OF FISCAL YEARS 2007, 2006, AND 2005
 GENERAL FUND

	Fiscal Year	Annual Budget	2 Months Actual	Actual/ Budget	Performance Index
REVENUES:					
Ad valorem tax	2007	\$ 69,461,000	2,632,000	3.8%	22.74
	2006	61,823,000	1,328,000	2.1%	12.89
	2005	58,007,000	2,044,000	3.5%	21.14
Sales tax	2007	57,606,000	11,208,000	19.5%	116.74
	2006	50,590,000	9,492,000	18.8%	112.58
	2005	48,668,000	8,416,000	17.3%	103.76
Other revenue	2007	46,259,000	5,499,000	11.9%	71.32
	2006	44,632,000	5,417,000	12.1%	72.82
	2005	<u>44,335,000</u>	<u>4,942,000</u>	11.1%	66.88
TOTAL REVENUE	2007	173,326,000	19,339,000	11.2%	66.95
	2006	157,045,000	16,237,000	10.3%	62.03
	2005	<u>151,010,000</u>	<u>15,402,000</u>	10.2%	61.20
EXPENDITURES & ENCUMBRANCES:					
Current operating	2007	\$ 188,784,000	30,436,000	16.1%	N/A
	2006	173,594,000	24,984,000	14.4%	N/A
	2005	165,432,000	23,521,000	14.2%	N/A
Capital outlay	2007	1,466,000	462,000	31.5%	189.09
	2006	1,697,000	643,000	37.9%	227.34
	2005	<u>1,458,000</u>	<u>754,000</u>	51.7%	310.29
Total expenditures and encumbrances	2007	190,250,000	30,898,000	16.2%	97.44
	2006	175,291,000	25,627,000	14.6%	87.72
	2005	<u>166,890,000</u>	<u>24,275,000</u>	14.5%	87.27
Excess (deficiency) of revenues over (under) expenditures	2007	(16,924,000)	(11,559,000)	-	-
	2006	(18,246,000)	(9,390,000)	-	-
	2005	(15,880,000)	(8,873,000)	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	2007	16,397,000	2,733,000	16.7%	100.01
	2006	15,153,000	2,525,000	16.7%	99.98
	2005	13,789,000	2,298,000	16.7%	99.99
Transfers out	2007	(21,055,000)	(3,602,000)	17.1%	102.65
	2006	(13,270,000)	(2,295,000)	17.3%	103.77
	2005	<u>(13,339,000)</u>	<u>(2,223,000)</u>	16.7%	99.99
NET CHANGE IN FUND BALANCES	2007	(21,582,000)	(12,428,000)		
	2006	(16,363,000)	(9,160,000)		
	2005	(15,430,000)	(8,798,000)		
FUND BALANCES-BEGINNING	2007		48,805,000		
	2006		39,224,000		
	2005		<u>39,497,000</u>		
FUND BALANCES-ENDING NOVEMBER 30	2007		36,377,000		
	2006		30,064,000		
	2005		<u>30,699,000</u>		



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH NOVEMBER 30 OF FISCAL YEARS 2007, 2006, AND 2005
 WATER AND SEWER FUND

	<u>Fiscal Year</u>	<u>Annual Budget</u>	<u>2 Months Actual</u>	<u>Actual/ Budget</u>	<u>Performance Index</u>
REVENUES:					
Water and sewer revenue	2007	\$ 93,434,000	13,447,000	14.4%	86.35
	2006	83,000,000	15,278,000	18.4%	110.44
	2005	80,656,000	12,665,000	15.7%	94.21
Other fees and service charges	2007	2,556,000	430,000	16.8%	100.94
	2006	2,360,000	448,000	19.0%	113.90
	2005	<u>2,188,000</u>	<u>315,000</u>	14.4%	86.38
TOTAL REVENUE	2007	95,990,000	13,877,000	14.5%	86.74
	2006	85,360,000	15,726,000	18.4%	110.54
	2005	<u>82,844,000</u>	<u>12,980,000</u>	15.7%	94.01
EXPENSES & ENCUMBRANCES:					
Capital outlay	2007	80,000	150,000	187.5%	1125.00
	2006	70,000	348,000	497.1%	2982.86
	2005	1,064,000	420,000	39.5%	236.84
Other expenses & encumbrances	2007	63,810,000	9,010,000	14.1%	84.72
	2006	58,788,000	7,752,000	13.2%	79.12
	2005	<u>57,630,000</u>	<u>7,562,000</u>	13.1%	78.73
Total expenses and encumbrances	2007	63,890,000	9,160,000	14.3%	86.02
	2006	58,858,000	8,100,000	13.8%	82.57
	2005	<u>58,694,000</u>	<u>7,982,000</u>	13.6%	81.60
Excess (deficiency) of revenues over (under) expenses	2007	32,100,000	4,717,000	-	-
	2006	26,502,000	7,626,000	-	-
	2005	24,150,000	4,998,000	-	-
TRANSFERS IN (OUT)					
Transfers in	2007	417,000	45,000	10.8%	64.75
	2006	230,000	38,000	16.5%	99.13
	2005	469,000	78,000	16.6%	99.79
Transfers out	2007	(32,008,000)	(5,039,000)	15.7%	94.46
	2006	(28,082,000)	(4,680,000)	16.7%	99.99
	2005	<u>(28,413,000)</u>	<u>(4,735,000)</u>	16.7%	99.99
CHANGE IN NET ASSETS	2007	\$ 509,000	(277,000)		
	2006	(1,350,000)	2,984,000		
	2005	(3,794,000)	341,000		
TOTAL NET ASSETS-BEGINNING	2007		324,871,000		
	2006		317,131,000		
	2005		<u>319,626,000</u>		
TOTAL NET ASSETS-ENDING NOVEMBER 30	2007		324,594,000		
	2006		320,115,000		
	2005		<u>319,967,000</u>		



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH NOVEMBER 30 OF FISCAL YEARS 2007, 2006, AND 2005
 SUSTAINABILITY AND ENVIRONMENTAL SERVICES FUND

	Fiscal Year	Annual Budget	2 Months Actual	Actual/ Budget	Performance Index
REVENUES:					
Commerical solid waste franchise	2007	\$ 5,901,000	928,000	15.7%	94.36
	2006	5,307,000	833,000	15.7%	94.18
	2005	5,161,000	802,000	15.5%	93.24
Refuse collection revenue	2007	12,078,000	1,892,000	15.7%	93.99
	2006	11,106,000	1,712,000	15.4%	92.49
	2005	11,035,000	1,782,000	16.1%	96.89
Other fees and service charges	2007	1,545,000	91,000	5.9%	35.34
	2006	1,367,000	109,000	8.0%	47.84
	2005	<u>1,113,000</u>	<u>61,000</u>	5.5%	32.88
TOTAL REVENUE	2007	19,524,000	2,911,000	14.9%	89.46
	2006	17,780,000	2,654,000	14.9%	89.56
	2005	<u>17,309,000</u>	<u>2,645,000</u>	15.3%	91.69
EXPENSES & ENCUMBRANCES:					
Capital outlay	2007	312,000	-	-	-
	2006	532,000	308,000	57.9%	347.37
	2005	436,000	2,000	0.5%	2.75
Other expenses & encumbrances	2007	18,531,000	4,019,000	21.7%	130.13
	2006	17,043,000	3,649,000	21.4%	128.46
	2005	<u>15,683,000</u>	<u>3,261,000</u>	20.8%	124.76
Total expenses and encumbrances	2007	18,843,000	4,019,000	21.3%	127.97
	2006	17,575,000	3,957,000	22.5%	135.09
	2005	<u>16,119,000</u>	<u>3,263,000</u>	20.2%	121.46
Excess (deficiency) of revenues over (under) expenses	2007	681,000	(1,108,000)	-	-
	2006	205,000	(1,303,000)	-	-
	2005	1,190,000	(618,000)	-	-
TRANSFERS IN (OUT):					
Operating transfers in	2007	85,000	14,000	16.5%	-
	2006	-	-	-	-
	2005	-	-	-	-
Operating transfers out	2007	(1,354,000)	(201,000)	14.8%	89.07
	2006	(1,176,000)	(196,000)	16.7%	100.00
	2005	<u>(1,160,000)</u>	<u>(193,000)</u>	16.6%	99.83
CHANGE IN NET ASSETS	2007	\$ (588,000)	(1,295,000)		
	2006	(971,000)	(1,499,000)		
	2005	30,000	(811,000)		
TOTAL NET ASSETS-BEGINNING	2007		1,759,000		
	2006		2,578,000		
	2005		<u>2,902,000</u>		
TOTAL NET ASSETS-ENDING NOVEMBER 30	2007		464,000		
	2006		1,079,000		
	2005		<u>2,091,000</u>		



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH NOVEMBER 30 OF FISCAL YEARS 2007, 2006, AND 2005
 MUNICIPAL DRAINAGE FUND

	Fiscal Year	Annual Budget	2 Months Actual	Actual/ Budget	Performance Index
REVENUES:					
Fees and service charges	2007	\$ 4,700,000	814,000	17.3%	103.91
	2006	4,812,000	743,000	15.4%	92.64
	2005	4,788,000	786,000	16.4%	98.50
Miscellaneous revenue	2007	109,000	28,000	25.7%	154.13
	2006	47,000	19,000	40.4%	242.55
	2005	35,000	10,000	28.6%	171.43
TOTAL REVENUE	2007	4,809,000	842,000	17.5%	105.05
	2006	4,859,000	762,000	15.7%	94.09
	2005	4,823,000	796,000	16.5%	99.03
EXPENSES & ENCUMBRANCES:					
Capital outlay	2007	28,000	-	-	-
	2006	27,000	2,000	7.4%	44.44
	2005	-	-	-	-
Other expenses & encumbrances	2007	2,682,000	434,000	16.2%	97.09
	2006	2,561,000	398,000	-	-
	2005	1,969,000	338,000	-	-
Total expenses and encumbrances	2007	2,710,000	434,000	16.0%	96.09
	2006	2,588,000	400,000	15.5%	92.74
	2005	1,969,000	338,000	17.2%	103.00
Excess (deficiency) of revenues over (under) expenses	2007	2,099,000	408,000	-	-
	2006	2,271,000	362,000	-	-
	2005	2,854,000	458,000	-	-
TRANSFERS OUT:					
Operating transfers out	2007	(2,559,000)	(426,000)	16.6%	99.88
	2006	(2,441,000)	(406,000)	16.6%	99.80
	2005	(2,514,000)	(419,000)	16.7%	100.00
CHANGE IN NET ASSETS					
	2007	(460,000)	(18,000)		
	2006	(170,000)	(44,000)		
	2005	340,000	39,000		
TOTAL NET ASSETS-BEGINNING					
	2007		20,754,000		
	2006		17,924,000		
	2005		14,995,000		
TOTAL NET ASSETS-ENDING NOVEMBER 30					
	2007		20,736,000		
	2006		17,880,000		
	2005		15,034,000		



MONTHLY FINANCIAL SUMMARY REPORT
 THROUGH NOVEMBER 30 OF FISCAL YEARS 2007, 2006, AND 2005
 NONMAJOR BUSINESS-TYPE FUND

	<u>Fiscal Year</u>	<u>Annual Budget</u>	<u>2 Months Actual</u>	<u>Actual/ Budget</u>	<u>Performance Index</u>
REVENUES:					
Hotel/motel tax	2007	\$ 4,009,000	353,000	0.09	-
	2006	3,411,000	484,000	14.2%	85.14
	2005	2,936,000	282,000	0.10	-
Other revenue	2007	6,325,000	1,041,000	16.5%	98.75
	2006	6,071,000	916,000	15.1%	90.53
	2005	6,243,000	790,000	12.7%	75.93
TOTAL REVENUE	2007	10,334,000	1,394,000	13.5%	80.94
	2006	9,482,000	1,400,000	14.8%	88.59
	2005	9,179,000	1,072,000	11.7%	70.07
EXPENSES & ENCUMBRANCES:					
Capital outlay	2007	52,000	15,000	0.29	-
	2006	5,000	-	-	-
	2005	6,000	13,000	216.7%	1300.00
Other expenses & encumbrances	2007	10,469,000	1,963,000	18.8%	112.50
	2006	9,521,000	1,588,000	16.7%	100.07
	2005	9,069,000	1,594,000	17.6%	105.46
Total expenses and encumbrances	2007	10,521,000	1,978,000	18.8%	112.80
	2006	9,526,000	1,588,000	16.7%	100.02
	2005	9,075,000	1,607,000	17.7%	106.25
Excess (deficiency) of Revenues over (under) expenses	2007	(187,000)	(584,000)	-	-
	2006	(44,000)	(188,000)	-	-
	2005	104,000	(535,000)	-	=
TRANSFERS IN (OUT):					
Operating transfers in	2007	-	-	-	-
	2006	-	-	-	-
	2005	-	-	-	-
Operating transfers out	2007	(671,000)	(112,000)	16.7%	100.15
	2006	(558,000)	(93,000)	16.7%	100.00
	2005	(619,000)	(103,000)	16.6%	99.84
CHANGE IN NET ASSETS	2007	(858,000)	(696,000)		
	2006	(602,000)	(281,000)		
	2005	(515,000)	(638,000)		
TOTAL NET ASSETS-BEGINNING	2007		12,926,000		
	2006		11,317,000		
	2005		11,620,000		
TOTAL NET ASSETS-ENDING NOVEMBER 30	2007		12,230,000		
	2006		11,036,000		
	2005		10,982,000		



EQUITY IN TREASURY POOL

NOVEMBER, 2006

FUND NO.	FUND NAME	CASH	EQUITY IN TREASURY POOL	TOTAL 11/30/06	TOTAL 10/01/06	TOTAL 11/30/05
GENERAL FUND:						
01	General	\$ 84,000	28,999,000	29,083,000	42,608,000	25,067,000
77	Payroll	-	3,675,000	3,675,000	1,709,000	1,915,000
994	Plano All-America City	-	-	-	-	(29,000)
24	City Store	-	8,000	8,000	8,000	7,000
		84,000	32,682,000	32,766,000	44,325,000	26,960,000
DEBT SERVICE FUND:						
03	G.O. Debt Service	-	3,187,000	3,187,000	2,165,000	2,126,000
		-	3,187,000	3,187,000	2,165,000	2,126,000
CAPITAL PROJECTS:						
22	Recreation Center Facilities	-	470,000	470,000	467,000	428,000
23	Street Enhancement	-	1,350,000	1,350,000	1,340,000	1,227,000
25	1991 Police & Courts Facility	-	1,450,000	1,450,000	1,445,000	897,000
27	1991 Library Facility	-	349,000	349,000	346,000	179,000
28	1991 Fire Facility	-	1,280,000	1,280,000	1,271,000	919,000
29	Technology Improvements	-	86,000	86,000	85,000	-
31	Municipal Facilities	-	383,000	383,000	379,000	356,000
32	Park Improvements	-	4,133,000	4,133,000	4,166,000	3,345,000
33	Street & Drainage Improvement	-	1,766,000	1,766,000	1,399,000	(1,087,000)
35	Capital Reserve	-	33,953,000	33,953,000	33,347,000	26,957,000
38	DART L.A.P.	-	711,000	711,000	706,000	681,000
39	Spring Creekwalk	-	21,000	21,000	21,000	21,000
52	Park Service Areas	-	5,246,000	5,246,000	5,166,000	4,266,000
53	Creative & Performing Arts	-	1,718,000	1,718,000	1,733,000	1,386,000
54	Animal Control Facilities	-	197,000	197,000	195,000	189,000
59	Service Center	-	120,000	120,000	119,000	(16,000)
60	Joint Use Facilities	-	537,000	537,000	533,000	504,000
85	Public Arts	-	16,000	16,000	15,000	-
110	G.O. Bond Clearing - 1999	-	1,542,000	1,542,000	1,531,000	2,484,000
190	G.O. Bond Clearing - 2000	-	3,668,000	3,668,000	3,641,000	3,662,000
230	Tax Notes Clearing - 2001	-	2,472,000	2,472,000	2,454,000	2,573,000
240	G.O. Bond Clearing - 2001-A	-	184,000	184,000	182,000	183,000
250	Tax Notes Clearing - 2001-A	-	197,000	197,000	207,000	255,000
92	G.O. Bond Refund/Clearing - 2002	-	-	-	-	118,000
270	G.O. Bond Refund/Clearing - 2003	-	1,384,000	1,384,000	1,403,000	1,828,000
310	G.O. Bond Refund/Clearing - 2005	-	972,000	972,000	1,170,000	25,868,000
093	G.O. Bond Clearing - 2006	-	30,237,000	30,237,000	36,075,000	-
089	C.O. Bond Clearing - 2006	-	2,897,000	2,897,000	3,108,000	-
		-	97,339,000	97,339,000	102,504,000	77,223,000
ENTERPRISE FUNDS:						
26	Municipal Drainage CIP	-	132,000	132,000	131,000	67,000
34	Sewer CIP	-	4,425,000	4,425,000	4,492,000	4,073,000
36	Water CIP	-	4,420,000	4,420,000	4,571,000	5,225,000
37	Downtown Center Development	-	63,000	63,000	69,000	35,000
41	Water & Sewer - Operating	271,000	6,671,000	6,942,000	8,154,000	11,387,000
42	Water & Sewer - Debt Service	-	2,609,000	2,609,000	2,051,000	2,228,000
43	Municipal Drainage - Debt Service	-	2,484,000	2,484,000	2,579,000	2,387,000
44	W & S Impact Fees Clearing	-	2,641,000	2,641,000	2,447,000	1,300,000
45	Sustainability & Environmental Services	37,000	(925,000)	(888,000)	219,000	892,000
46	Convention & Tourism	4,000	2,728,000	2,732,000	3,054,000	1,764,000
81	Friends of Plano Centre	-	4,000	4,000	4,000	3,000
47	Municipal Drainage	13,000	3,736,000	3,749,000	3,705,000	3,581,000
48	Municipal Golf Course	-	138,000	138,000	119,000	60,000
49	Property Management	-	374,000	374,000	365,000	300,000
51	Recreation Revolving	-	723,000	723,000	934,000	617,000
95	W & S Bond Clearing - 1990	-	186,000	186,000	184,000	178,000
96	W & S Bond Clearing - 1991	-	103,000	103,000	102,000	98,000
101	W & S Bond Clearing - 1993A	-	277,000	277,000	275,000	265,000
103	Municipal Bond Drain Clearing-1995	-	263,000	263,000	261,000	252,000
104	Municipal Drain Bond Clearing-1996	-	165,000	165,000	164,000	158,000
107	Municipal Drain Bond Clearing-1997	-	234,000	234,000	232,000	224,000
108	Municipal Drain Bond Clearing-1998	-	78,000	78,000	78,000	75,000
210	Municipal Drain Bond Clearing-1999	-	146,000	146,000	145,000	140,000
260	Municipal Drain Rev Bond Clearing - 2001	-	122,000	122,000	121,000	117,000
280	Municipal Drain Rev Bond Clearing - 2003	-	32,000	32,000	32,000	31,000
320	Municipal Drain Rev Bond Clearing - 2005	-	1,004,000	1,004,000	1,359,000	2,197,000
094	Municipal Drain Rev Bond Clearing - 2006	-	1,472,000	1,472,000	1,461,000	-
		325,000	34,305,000	34,630,000	37,308,000	37,654,000



EQUITY IN TREASURY POOL

NOVEMBER, 2006

FUND NO.	FUND NAME	CASH	EQUITY IN TREASURY POOL	TOTAL 11/30/06	TOTAL 10/01/06	TOTAL 11/30/05
SPECIAL REVENUE FUNDS:						
2	Sproles Library	-	270,000	270,000	268,000	258,000
4	TIF-Mall	-	40,000	40,000	40,000	30,000
5	TIF-East Side	-	5,891,000	5,891,000	5,891,000	4,374,000
11	LLEBG-Police Grant	-	70,000	70,000	70,000	37,000
12	Criminal Investigation	-	852,000	852,000	811,000	714,000
13	Grant	-	(128,000)	(128,000)	-	(309,000)
14	Wireline Fees	-	310,000	310,000	286,000	343,000
15	Judicial Efficiency	-	104,000	104,000	99,000	83,000
16	Industrial	-	17,000	17,000	16,000	16,000
17	Intergovernmental	-	417,000	417,000	285,000	271,000
18	Government Access/CATV	-	180,000	180,000	225,000	276,000
19	Teen Court Program	-	33,000	33,000	31,000	23,000
20	Municipal Courts Technology	-	1,267,000	1,267,000	1,252,000	1,089,000
55	Municipal Court-Building Security Fees	-	1,164,000	1,164,000	1,143,000	1,020,000
56	911 Reserve Fund	-	6,021,000	6,021,000	5,815,000	4,916,000
57	State Library Grants	-	22,000	22,000	23,000	-
67	Disaster Relief	-	1,087,000	1,087,000	1,067,000	456,000
68	Animal Shelter Donations	-	82,000	82,000	75,000	35,000
73	Memorial Library	-	186,000	186,000	189,000	162,000
86	Juvenile Case Manager	-	107,000	107,000	95,000	-
87	Traffic Safety	-	361,000	361,000	298,000	-
88	Child Safety	-	560,000	560,000	552,000	-
		-	18,913,000	18,913,000	18,531,000	13,794,000
INTERNAL SERVICE FUNDS:						
6	Public Safety Technology	-	2,073,000	2,073,000	1,612,000	1,954,000
9	Technology Infrastructure	-	3,875,000	3,875,000	3,846,000	3,847,000
58	PC Replacement	-	1,195,000	1,195,000	1,089,000	937,000
61	Equipment Maintenance	-	(71,000)	(71,000)	-	(3,806,000)
62	Information Technology	-	2,153,000	2,153,000	2,137,000	2,964,000
63	Office Services	-	13,000	13,000	-	(413,000)
64	Warehouse	-	251,000	251,000	301,000	248,000
65	Property/Liability Loss	-	5,150,000	5,150,000	5,338,000	5,553,000
66	Technology Services	-	10,172,000	10,172,000	9,960,000	9,537,000
71	Equipment Replacement	-	5,257,000	5,257,000	4,954,000	9,408,000
78	Health Claims	-	20,249,000	20,249,000	18,934,000	13,356,000
79	Parkway Service Ctr. Expansion	-	(12,000)	(12,000)	173,000	1,442,000
		-	50,305,000	50,305,000	48,344,000	45,027,000
FIDUCIARY FUNDS:						
7	Unclaimed Property	-	46,000	46,000	46,000	35,000
8	Library Training Lab	-	7,000	7,000	9,000	11,000
69	Collin County Seized Assets	-	325,000	325,000	299,000	229,000
74	Developers' Escrow	-	3,893,000	3,893,000	3,866,000	6,865,000
76	Economic Development	-	2,188,000	2,188,000	1,134,000	1,003,000
84	Rebate	-	1,166,000	1,166,000	1,181,000	1,666,000
		-	7,625,000	7,625,000	6,535,000	9,809,000
TOTAL		\$ 409,000	244,356,000	244,765,000	259,712,000	212,593,000
TRUST FUNDS						
		CASH	TRUST INVESTMENTS	TOTAL 11/30/06	TOTAL 10/01/06	TOTAL 11/30/05
42	Water & Sewer Reserve	\$ -	960,000	960,000	957,000	935,000
72	Retirement Security Plan	-	58,403,000	58,403,000	58,403,000	53,866,000
TOTAL TRUST FUNDS		\$ -	59,363,000	59,363,000	59,360,000	54,801,000

A Treasury Pool fund has been created for the purpose of consolidating cash and investments. All City funds not restricted or held in trust are included in this consolidated fund. Each fund's "Equity in Treasury Pool" represents the fund's proportionate share of the Treasury Pool Fund. At November 30, 2006 the Treasury Pool, including an adjustment to Fair Value as required by GASB 31, consisted of the following:

Cash	4,236,000
Local Government Investment Pool	29,613,000
Federal Securities	186,410,000
Certificates of Deposit	25,000,000
Fair Value Adjustment	(2,810,000)
Interest Receivable	1,907,000
	<u>244,356,000</u>



HEALTH CLAIMS FUND THROUGH NOVEMBER 30 OF FISCAL YEARS 2007 AND 2006

Health Claims Fund	1 month Variance Favorable			1 month Variance Favorable			Year to Date Variance Favorable		
	FY 06-07 October	FY 05-06 October	(Unfavorable)	FY 06-07 November	FY 05-06 November	(Unfavorable)	FY 06-07 Total	FY 05-06 Total	(Unfavorable)
Revenues									
Employees Health Ins. Contributions	\$ 183,000	\$ 173,000	10,000	186,000	\$ 173,000	13,000	\$ 369,000	\$ 346,000	23,000
Employers Health Ins. Contributions	1,526,000	1,460,000	66,000	1,543,000	1,460,000	83,000	3,069,000	2,920,000	149,000
Contributions for Retirees	44,000	39,000	5,000	44,000	39,000	5,000	88,000	78,000	10,000
Cobra Insurance Receipts	3,000	2,000	1,000	3,000	1,000	2,000	6,000	3,000	3,000
Retiree Insurance Receipts	34,000	20,000	14,000	26,000	23,000	3,000	60,000	43,000	17,000
City Council Receipts	-	1,000	(1,000)	-	1,000	(1,000)	-	2,000	(2,000)
Plano Housing Authority	6,000	4,000	2,000	2,000	3,000	(1,000)	8,000	7,000	1,000
Interest	75,000	36,000	39,000	71,000	38,000	33,000	146,000	74,000	72,000
Total Revenues	1,871,000	1,735,000	136,000	1,875,000	1,738,000	137,000	3,746,000	3,473,000	273,000
Expenses									
Insurance	122,000	95,000	(27,000)	122,000	95,000	(27,000)	244,000	190,000	(54,000)
Contracts- Professional Svc.	8,000	9,000	1,000	34,000	22,000	(12,000)	42,000	31,000	(11,000)
Contracts- Other	65,000	60,000	(5,000)	81,000	82,000	1,000	146,000	142,000	(4,000)
Health Claims Paid Reinsurance	(15,000)	(1,000)	14,000	-	(194,000)	(194,000)	(15,000)	(195,000)	(180,000)
Health Claims - Prescription	114,000	105,000	(9,000)	269,000	236,000	(33,000)	383,000	341,000	(42,000)
Health Claims Paid -UHC	875,000	752,000	(123,000)	788,000	1,128,000	340,000	1,663,000	1,880,000	217,000
Cobra Insurance Paid	-	-	-	1,000	1,000	-	1,000	1,000	-
Retiree Insurance Paid	9,000	7,000	(2,000)	9,000	7,000	(2,000)	18,000	14,000	(4,000)
Plano Housing Authority	1,000	1,000	-	-	-	-	1,000	1,000	-
Total Expenses	1,179,000	1,028,000	(151,000)	1,304,000	1,376,000	73,000	2,483,000	2,405,000	(78,000)
Net increase (decrease)	\$ 692,000	\$ 707,000	(15,000)	571,000	362,000	210,000	\$ 1,263,000	\$ 1,068,000	195,000
Health Claims Fund Balance - Cumulative	\$ 16,794,000	\$ 10,500,000	6,294,000	\$ 17,365,000	\$ 10,862,000	6,503,000			

ANALYSIS OF PROPERTY LIABILITY LOSS FUND THROUGH NOVEMBER 30 OF FISCAL YEARS 2007, 2006, AND 2005

	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005
<u>PROPERTY LIABILITY LOSS FUND</u>			
Claims Paid per General Ledger	\$ 146,000	244,000	287,000
Net Judgments/Damages/Attorney Fees	75,000	61,000	118,000
Total Expenses	\$ 221,000	305,000	405,000
Fund Balance	\$ 1,349,000	1,522,000	2,082,000



CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
NOVEMBER 30, 2006

<u>Project Description</u>	Construction Start (Est.) Complete (Est.)	2006-07 Budget (thousands)	Total Project Budget (thousands)	Inception to Date Cost (thousands)	Encumbrances (thousands)	Comments:
<u>15th STREET – G Avenue to I Avenue</u>	01/07 10/07	1,450	1,766	269	6	The contract is set for award at the December 11 th Council meeting.
<u>15th STREET AND MISCELLANEOUS DRAINAGE IMPROVEMENTS</u>	08/07 02/08	1,320	1,470	52	80	Design proceeding. Utility contacts have been made to locate existing facilities. Field survey work complete. Field subsurface test boring complete. Concept plans reviewed and returned to consultant.
<u>ALMA & PARKER DRAINAGE</u>	11/07 11/08	410	962	-	105	Design contract approved by Council October 23 rd . Engineer authorized to proceed with design November 10 th .
<u>ALMA ROAD WHITETOPPING - Plano Parkway to 15th Street</u>	07/06 11/06	700	1,850	1,807	26	The work is complete and the roadway is opened to traffic. The project is complete.
<u>ANIMAL SHELTER EXPANSION</u>	03/07 12/07	1,155	3,755	160	14	Preliminary design is underway.
<u>CLOISTERS WATER REHAB</u>	09/07 09/08	50	1,820	77	38	Engineering survey work began the week of July 3 rd . The preliminary engineering plans have been reviewed by staff.
<u>COMMUNICATIONS -Falls to Parker</u>	04/06 12/06	-	641	411	200	Paving and street light conduit/foundation construction is complete. Pavement marking work is complete. Landscaping work is delayed due to City water conservation regulations.
<u>COMMUNICATIONS Spring Creek to Tennyson</u>	01/07 12/07	1,550	3,470	138	68	Field survey work is complete. Preliminary plans have been reviewed by City staff and returned to the consultant for correction. 404 Environmental issue being evaluated. Right of way negotiations are underway.
<u>COMMUNICATIONS Parker to Spring Creek Parkway</u>	11/07 11/08	200	2,200	-	162	Design contract approved by Council October 23 rd . Engineer authorized to proceed with design November 10 th .
<u>DOMINION PARKWAY – Hedgcoxe to Headquarters</u>	11/06 04/07	475	522	-	454	Construction is underway.
<u>FIRE STATION 11</u>	01/05 11/06	-	3,322	2,654	234	Station is complete.



CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
NOVEMBER 30, 2006

<u>Project Description</u>	Construction Start (Est.) Complete (Est.)	2006-07 Budget (thousands)	Total Project Budget (thousands)	Inception to Date Cost (thousands)	Encumbrances (thousands)	Comments:
<u>FIRE STATION 12/LOGISTICS FACILITY & Emergency Operations Center</u>	03/07 05/08	2,000	12,902	1,880	913	Design development underway.
<u>HAYFIELD, MORTON VALE, THUNDERBIRD & CLOVERHAVEN</u>	06/07 06/08	462	1,100	-	132	Engineering design contract was approved at the October 23 rd Council meeting with Jones & Carter, Inc. Design work started just before Thanksgiving.
<u>HEADQUARTERS – Preston to Parkwood</u>	07/07 11/07	100	1,000	-	61	Design services began November 22 nd with Jaster Quintanilla. Project will widen Headquarters from four to six lanes from Parkwood Blvd. to Preston Road.
<u>INTERSECTION IMPROVEMENTS – 2004</u>	01/07 01/08	660	1,236	147	32	Final plans for three intersection locations are complete: Ohio/Park, Lookout/Spring Creek and Commerce/Plano Parkway. Bids were opened November 28 th . Contract award is scheduled for December 11 th . Pre-final plans for the Coit/Legacy intersection have been reviewed by City staff and returned to the consultant. Another consultant is preparing ROW descriptions for Coit/Legacy.
<u>INTERSECTION IMPROVEMENTS – 2005</u>	03/07 10/07	649	997	195	23	City staff review comments have been returned to the consultant for plan completion.
<u>INTERSECTION IMPROVEMENTS - JUPITER/PLANO PARKWAY</u>	09/07 02/08	198	723	93	29	Final revised schematics and ESA (Categorical Exclusion) approved by TxDOT Dallas. Schematics and CatEx sent to TxDot Austin. TransSystems is preparing 60% plans for State review.
<u>INTERSECTION IMPROVEMENTS – Preston and Legacy</u>	12/07 10/08	239	2,502	87	256	Parsons is working on design schematic and Environmental Categorical exclusion. Design will begin after approval by TxDot Dallas.
<u>INTERSECTION IMPROVEMENTS - PRESTON/PLANO PARKWAY</u>	12/07 10/08	436	2,190	70	219	Parsons Brinkerhoff is working on Categorical Exclusion and design schematic. Design will begin after approval by TxDot Dallas.



CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
NOVEMBER 30, 2006

<u>Project Description</u>	Construction Start (Est.) Complete (Est.)	2006-07 Budget (thousands)	Total Project Budget (thousands)	Inception to Date Cost (thousands)	Encumbrances (thousands)	Comments:
<u>INTERSECTION IMPROVEMENTS – Spring Creek Parkway and K Avenue</u>	10/06 03/07	296	668	73	3	Contractor was given Notice to Proceed at the Preconstruction Meeting October 3 rd . Work is being slowed due to franchise utility conflicts.
<u>INTERSECTION IMPROVEMENTS – Spring Creek Parkway and Coit</u>	04/08 01/09	160	2,000	84	232	The design contract was awarded by City Council October 9 th . Engineer authorized to proceed with design October 24 th .
<u>LOS RIOS - Parker to Jupiter</u>	07/04 05/07	-	7,345	5,464	194	Landscaping and ground stabilization operations are on hold due to water restrictions.
<u>MCDERMOTT – Coit To Custer</u>	07/06 04/07	1,505	2,204	1,305	684	All of the main lane paving is complete. Work on the right turn lanes is proceeding and pavement spot repairs are nearing completion.
<u>MCDERMOTT – Coit To Ohio</u>	03/07 03/08	3,650	4,086	361	7	90% plans have been reviewed by City staff and TXDOT McKinney. The engineer is working on our comments. The schematic has been approved. The CADEX has also been resubmitted for final review. Minor revisions to the schematic are necessary to reflect a temporary work easement for the bridge construction.
<u>MIDWAY ROAD WIDENING - Parker to Spring Creek Parkway</u>	07/06 05/07	1,322	2,084	982	651	Construction continues with median paving and right turn lane improvements at Windhaven Parkway and Spring Creek Parkway.
<u>TOM MUEHLENBECK RECREATION CENTER</u>	04/06 07/07	11,346	23,000	8,915	12,402	Site work is underway. Block walls being erected. Roofing on gym being installed.
<u>OAK POINT PARK VISITOR CENTER COMPLEX</u>	02/07 02/08	4,000	8,000	428	450	Design development underway.
<u>P AVENUE – 18th to Park</u>	03/06 02/07	-	2,574	1,627	741	Southbound paving began this month. Traffic control is one way south for P Avenue.
<u>PARKER ROAD – K Ave. to P Ave.</u>	04/07 04/08	3,073	4,190	354	52	Pre-final plans have been reviewed by City staff and returned to the consultant for correction. Right of way acquisition and utility adjustments are now underway.



CURRENT CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT
NOVEMBER 30, 2006

<u>Project Description</u>	<u>Construction Start (Est.) Complete (Est.)</u>	<u>2006-07 Budget (thousands)</u>	<u>Total Project Budget (thousands)</u>	<u>Inception to Date Cost (thousands)</u>	<u>Encumbrances (thousands)</u>	<u>Comments:</u>
<u>PARKER ROAD ELEVATED TANK REPAINT</u>	11/07 06/08	700	735	3	36	Project bid August 31 st . Bids were higher than expected and were rejected. Project will re-bid next year..
<u>PARKER ROAD ESTATES WEST WATER REHAB</u>	10/06 07/07	1,850	2,002	606	1,241	Pavement repairs have started on Deep Valley and the water main is installed.
<u>PARKWOOD BOULEVARD - Park Boulevard to Spring Creek Parkway</u>	10/06 10/07	3,900	4,200	161	74	Preliminary plans have been reviewed and returned to the engineer.
<u>PLANO PARKWAY - Los Rios to 14th</u>	06/05 08/06	257	3,852	3,434	324	Plano Parkway opened to traffic on August 14 th . Contract will be held open for maintenance of parkways pending removal from water restrictions.
<u>PLANO PARKWAY - Tollroad to Park</u>	11/06 06/07	1,861	2,628	310	2,326	The project was awarded to Tiseo Paving Company at the November 13 th Council meeting. Contracts are being processed and are with Tiseo now.
<u>POLICE ACADEMY RANGE EXPANSION</u>	11/06 06/07	930	3,759	607	12	Schematic design prepared. Design/build team preparing a proposal.
<u>RAILROAD CROSSINGS -Quiet Zones</u>	11/06 03/07	-	1,197	679	73	Bids withdrawn pending agreement with the Railroads.
<u>RASOR BOULEVARD - Ohio to SH 121</u>	8/07 4/08	800	2,189	40	-	Huitt-Zollars Inc. has started on design. Alignment schematic has been submitted by the design engineer and is being reviewed.
<u>RIDGEVIEW DRIVE Custer to Independence</u>	08/05 11/06	-	2,849	2,621	-	All lane widening, paving and bridge work is complete. Irrigation is installed. We will be processing a partial acceptance of the project.
<u>SH 121 WATER LINE - Spring Creek Parkway to Dallas North Tollway</u>	03/07 07/07	-	525	-	-	Preliminary plans have been reviewed.
<u>SPRINGBROOK - Quill to Janwood</u>	02/08 09/08	75	825	-	-	Design contract awarded November 27 th . Contracts are being executed by the City.
<u>SPRING CREEK PARKWAY (SHILOH) - Royal Oaks to Parker</u>	10/05 12/06	-	2,603	2,305	267	The road was opened to traffic June 29 th . We will be processing a partial acceptance of the project.
<u>STEWART MAIN Capital to Plano Parkway</u>	09/06 12/06	-	522	142	253	Contractor is working on the pavement repairs.



CURRENT CAPITAL IMPROVEMENT PROJECTS
 STATUS REPORT
 NOVEMBER 30, 2006

<u>Project Description</u>	Construction Start (Est.) Complete (Est.)	2006-07 Budget (thousands)	Total Project Budget (thousands)	Inception to Date Cost (thousands)	Encumbrances (thousands)	Comments:
<u>US 75 RAMP IMPROVEMENTS</u>	01/06 01/07	-	3,429	2,108	-	Problems with design held up work for about two weeks. A revised design has been completed and work has resumed.
<u>US 75/PARKER ROAD INTERCHANGE</u>	06/07 10/08	5,000	6,250	945	579	Comments on the environmental document have been received from TXDOT. TXDOT has approved the schematic. Design work is proceeding.
<u>WHIFFLETREE WATER REHAB</u>	02/06 12/06	200	1,723	1,553	139	All work is complete. We are waiting for final pay request.
<u>WYATT NORTH ADDITION PAVING & WATER</u>	03/07 03/08	2,130	2,369	143	69	Preliminary plans reviewed and returned to Huitt Zollars for revision. Second review set returned for corrections November 22 nd .



SECTION 2

ECONOMIC ANALYSIS

City of Plano

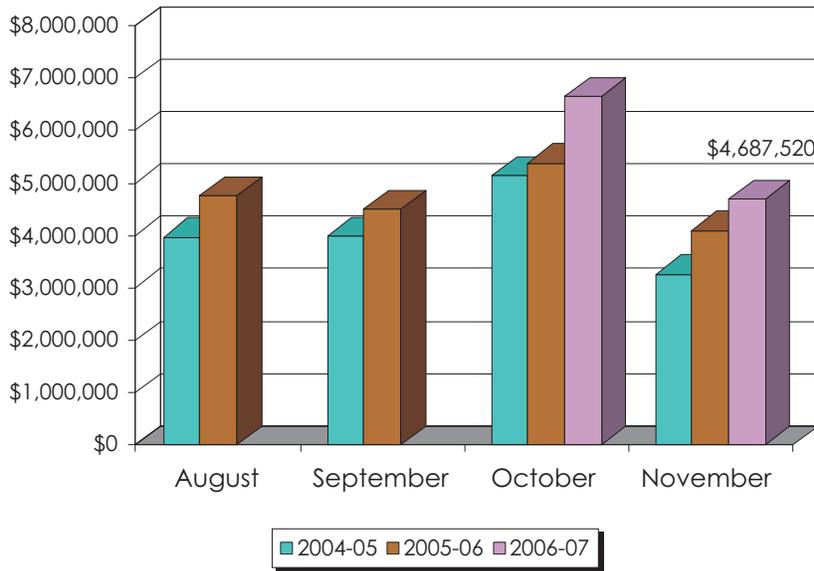
Comprehensive Monthly Finance Report



ECONOMIC ANALYSIS

Sales tax of \$4,687,520 was reported in November for the City of Plano. This amount represents an increase of 14.37% over the amount reported in November 2005.

SALES TAX
ACTUAL MONTHLY REVENUE
FIGURE I



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

Figure I represents actual sales and use tax receipts for the months of August through November for fiscal years 2004-2005 and 2005-2006, and the months of October and November in fiscal year 2006-2007.

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

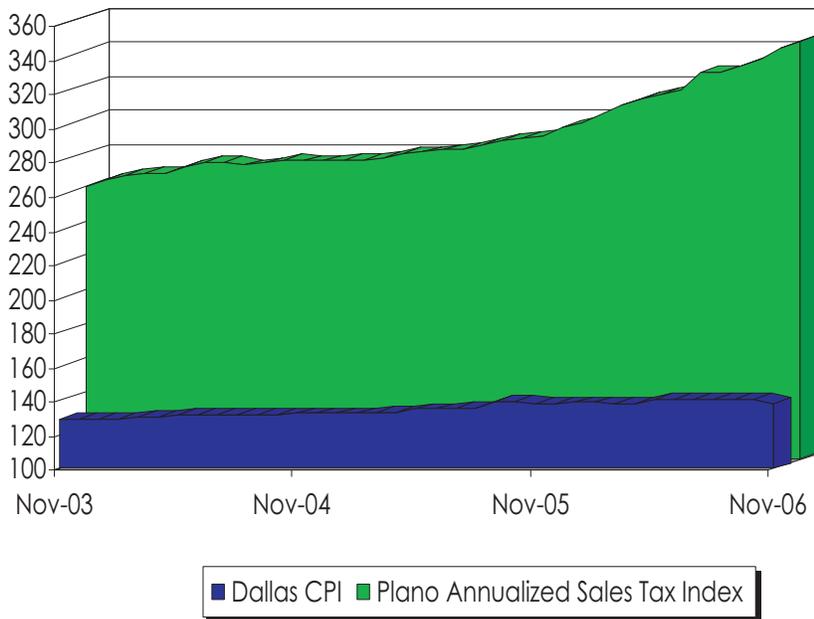


Figure II, left, tracks the percentage change in annualized sales tax revenues compared to the percentage change in the Dallas-area CPI, using 1982-84 as the base period. For November 2006, the adjusted CPI was 138.43 and the Sales Tax Index was 344.84.

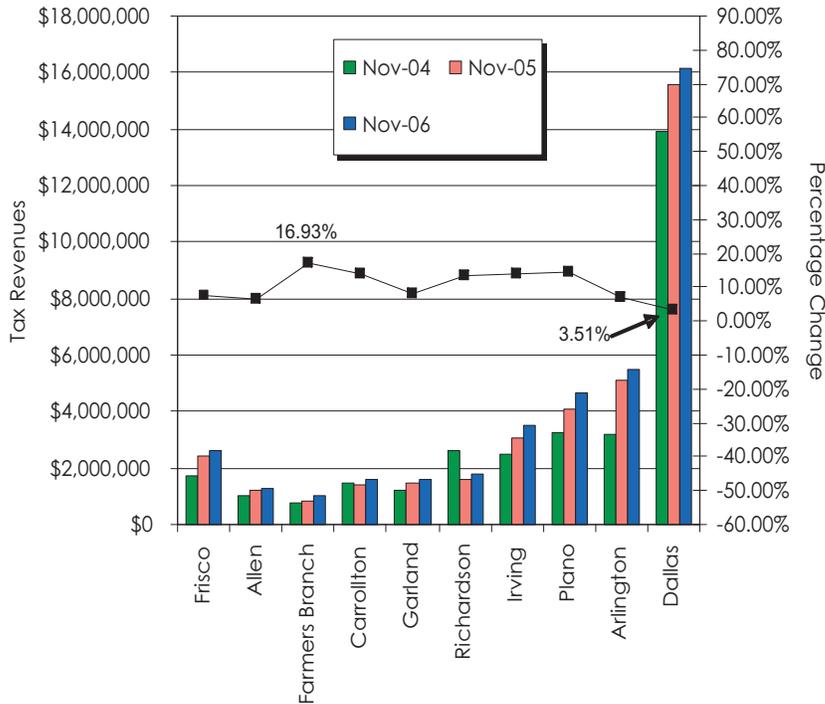
Since January 1998, the BLS has moved the Dallas-Area pricing cycle for CPI computation to odd-numbered months.



ECONOMIC ANALYSIS

Figure III shows sales tax receipts in the months of November 2004, November 2005 and November 2006 for the City of Plano and nine area cities. Each of the cities shown has a sales tax rate of 1%,

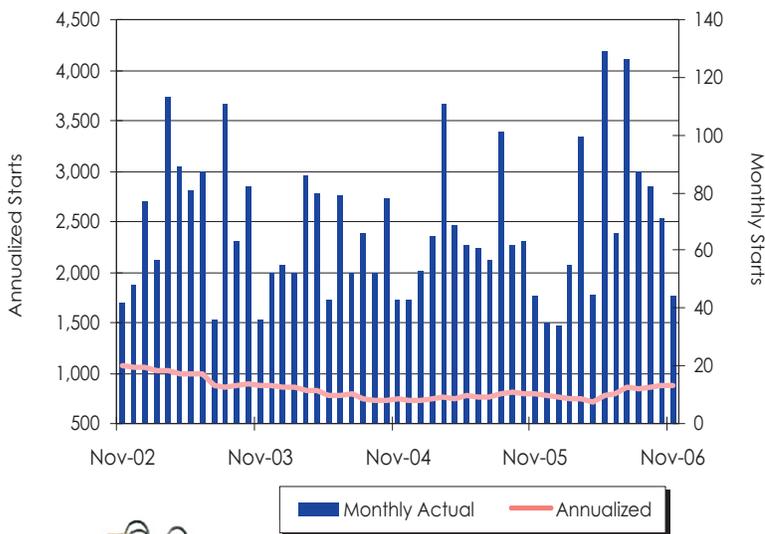
SALES TAX COMPARISONS
CITY OF PLANO AND AREA CITIES
FIGURE III



except for the cities of Allen and Frisco, which have a 2% rate, but distribute half of the amount shown in the graph to 4A and 4B development corporations within their respective cities, and the City of Arlington which has a 1.75% sales tax rate with .25% dedicated to road maintenance and .50% for funding of the Dallas Cowboys Complex Development Project. For the November reporting month, the City of Plano received \$4,687,520 from this 1% tax.

The percentage change in sales tax collections for the area cities, comparing November 2005 to November 2006, ranged from 16.93% for the City of Farmers Branch to 3.51% for the City of Dallas.

SINGLE FAMILY HOUSING STARTS
FIGURE IV



In November 2006, a total of 44 actual single-family housing permits, representing a value of \$11,507,196, were issued. This value represents a 27.57% increase from the same period a year ago. Annualized single-family housing starts of 873 represent a value of \$175,403,694.

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



ECONOMIC ANALYSIS

YIELD CURVE
FIGURE V

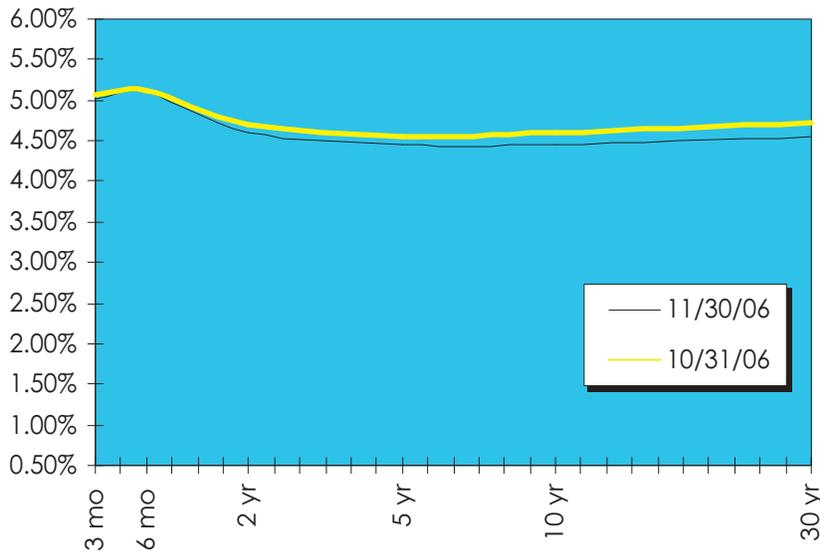


Figure V, left, shows the U.S. Treasury yield curve for November 30, 2006 in comparison to October 31, 2006. All reported treasury yields decreased in the month of November, with the greatest decrease in reported rates occurring in the 30-year sector at -12 basis points.

UNEMPLOYMENT RATES
UNADJUSTED RATE COMPARISON
FIGURE VI*

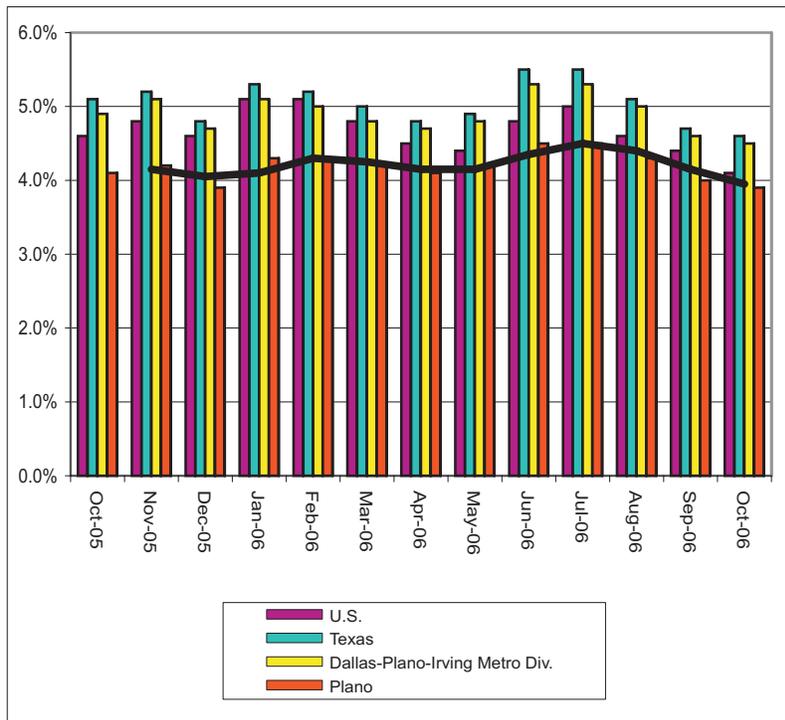


Figure VI shows unadjusted unemployment rates based on the BLS U.S. City Average, and LAUS estimates for the State of Texas, the Dallas-Plano-Irving Metropolitan Division and the City of Plano from October 2005 to October 2006.

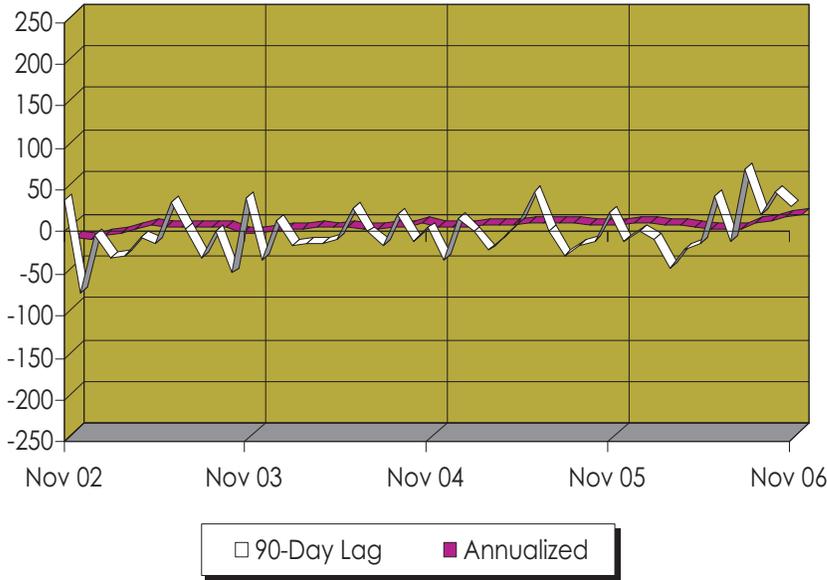
*Due to recent changes in labor force estimation methodology by the BLS and the TWC, sub-state unemployment rate data prior to January 2005 are no longer comparable with current estimates. As a result, statistically significant changes in the reported unemployment rates may have occurred.



ECONOMIC ANALYSIS

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

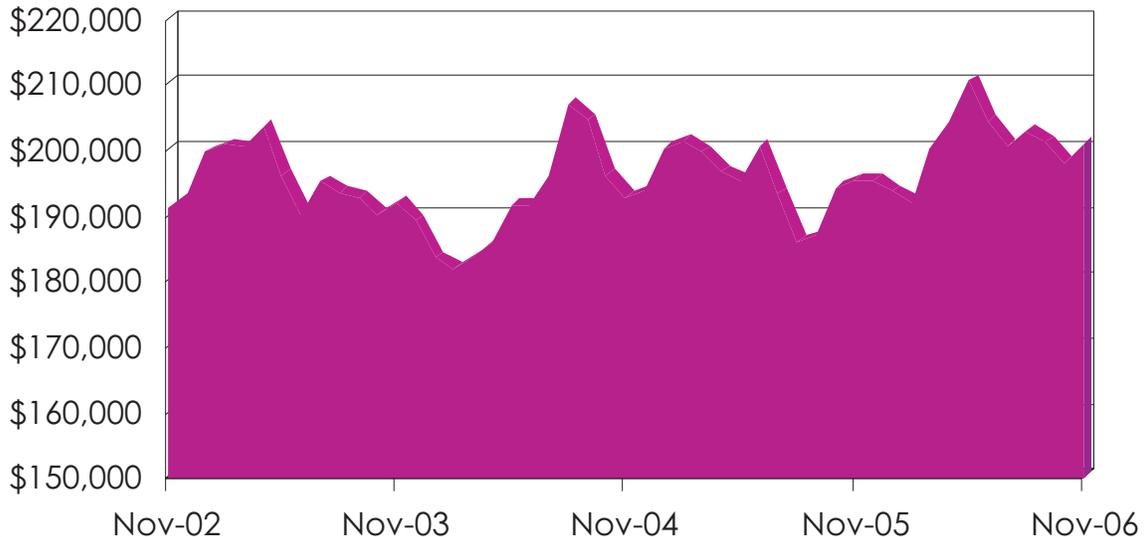
HOUSING ABSORPTION
90-DAY LAG FROM PERMIT DATE
FIGURE VII



For the current month, the 90-day lag is 29 homes, meaning that in August 2006 there were 29 more housing starts than new refuse customers in November 2006. The annualized rate is 7 which means there was an average of 7 more housing starts than new garbage customers per month over the past year.

The annualized average declared construction value of new homes increased 2.84% to \$200,921 when compared to November 2005.

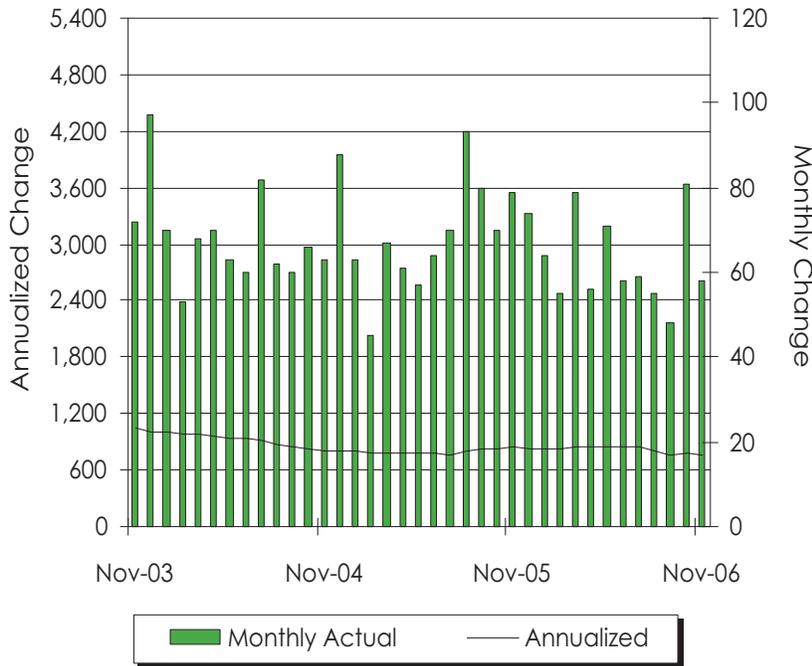
SINGLE-FAMILY NEW HOME VALUE
FIGURE VIII



ECONOMIC ANALYSIS

REFUSE COLLECTIONS ACCOUNTS NET GAINS/LOSSES

Figure IX

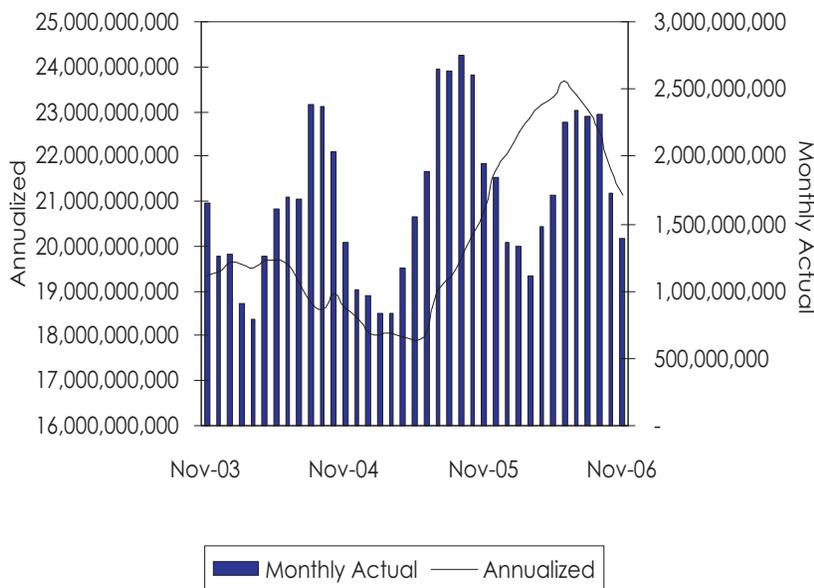


In November, net new refuse collection accounts totaled 58, in comparison to 79 new accounts in November of 2005. This change represents a decrease of 26.58% year-to-year. Annualized new refuse accounts totaled 758, showing a decrease of 79, or a 9.44% change when compared to the same time last year.

Figure IX shows actual versus annualized new refuse collection accounts.

LOCAL WATER CONSUMPTION (GALLONS)

FIGURE X



In November, the City of Plano pumped 1,588,331,000 gallons of water from the North Texas Municipal Water District (NTMWD). Consumption was 1,387,161,000 gallons among 77,150 billed water accounts while billed sewer accounts numbered 73,435. The minimum daily water pumpage was 39,817,000 gallons, which occurred on Sunday, November 5th. Maximum daily pumpage was 65,845,000 gallons and occurred on Thursday, November 2nd. This month's average daily pumpage was 52,944,000 gallons.

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

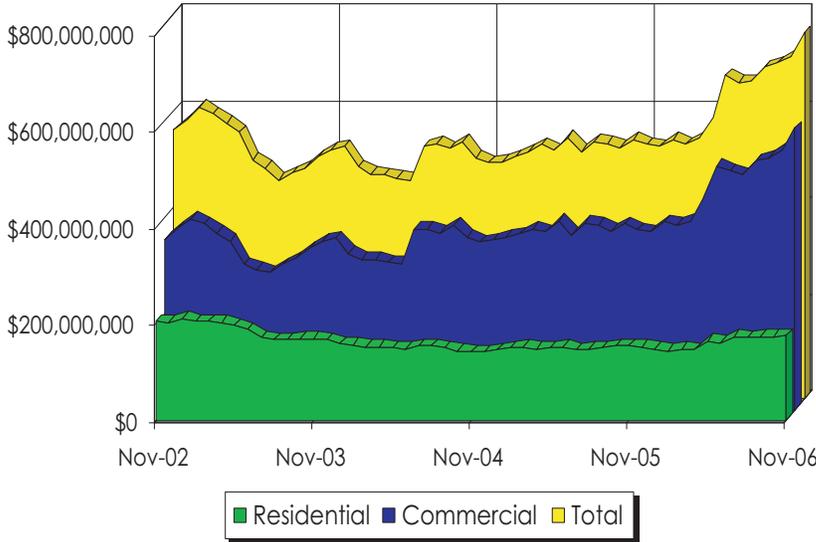


ECONOMIC ANALYSIS

In November, a total of 121 new construction permits were issued, for properties valued at \$75,656,907. This includes 44 single-family residences, 1 parking garage, 2 office/bank buildings, 2 retail/restaurant/other, 3 other, 35 commercial additions/alterations, and 34 interior finish-outs. There were 16 permits issued for pools/spas.

ANNUALIZED BUILDING PERMIT VALUES

FIGURE XI



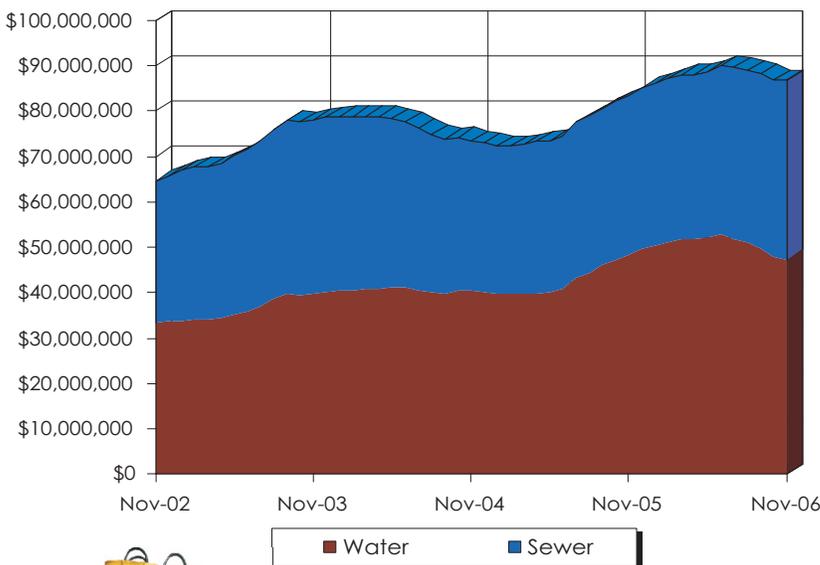
The overall annualized value was \$759,194,045, up 43.72% from the same period a year ago. The annualized value of new residential construction increased to a value of \$175,403,694, up 13.51% from a year ago. The annualized value of new commercial construction increased 56.22% to \$583,790,351.*

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

The actual water and sewer customer billing revenues in November were \$3,193,578 and \$3,428,481, representing a decrease of 15.00% and an increase of 21.88% respectively, compared to November 2005 revenues. The aggregate water and sewer accounts netted \$6,622,059 for an increase of 0.79%.

ANNUALIZED WATER & SEWER BILLINGS

FIGURE XII



November consumption brought annualized revenue of \$47,319,930 for water and \$39,580,814 for sewer, totaling \$86,900,744. This total represents an increase of 4.32% compared to last year's annualized revenue.

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



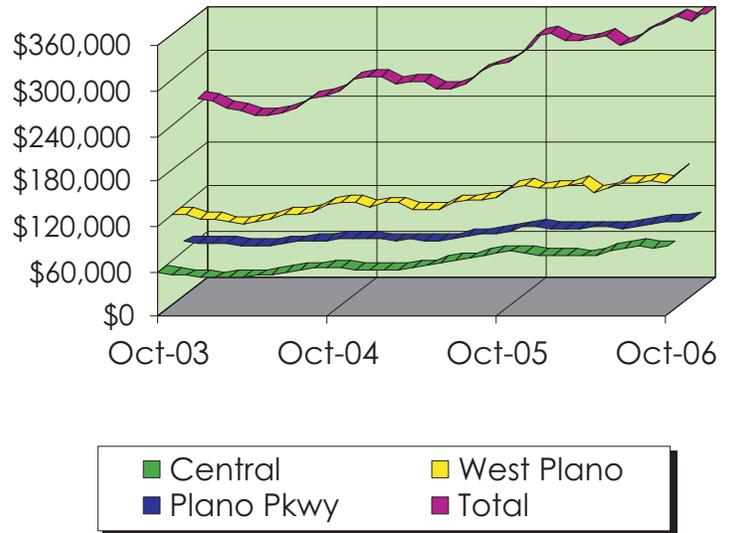
ECONOMIC ANALYSIS

October revenue from hotel/motel tax was \$454,781¹. This represents an increase of \$43,119 or 10.47% compared to October 2005. The average monthly revenue for the past six months (see graph) was \$371,412, an increase of 12.34% from the previous year's average. The six-month average for the Central area increased to \$91,073, the West Plano average increased to \$178,169, and the Plano Pkwy average increased to \$102,171 from the prior year.

¹This amount will not always equal the hotel/motel taxes reported in the financial section. The economic report is based on the amount of taxes earned during a month, while the financial report indicates when the City received the tax.

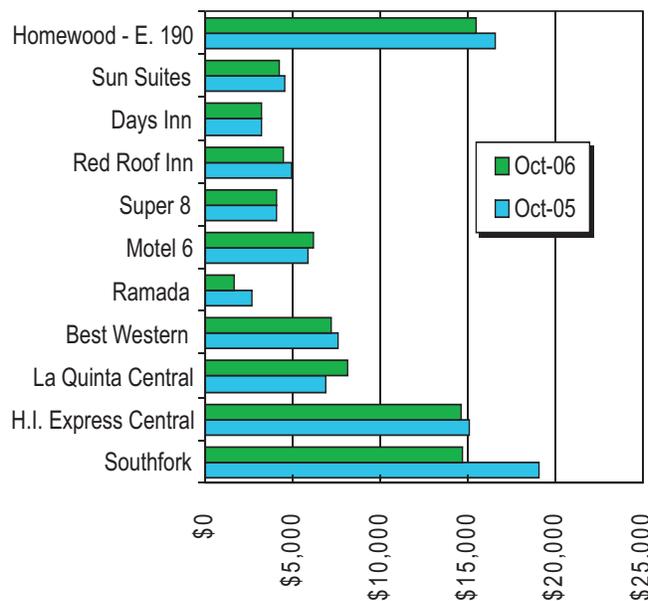
HOTEL/MOTEL OCCUPANCY TAX SIX MONTH TREND

FIGURE XIII

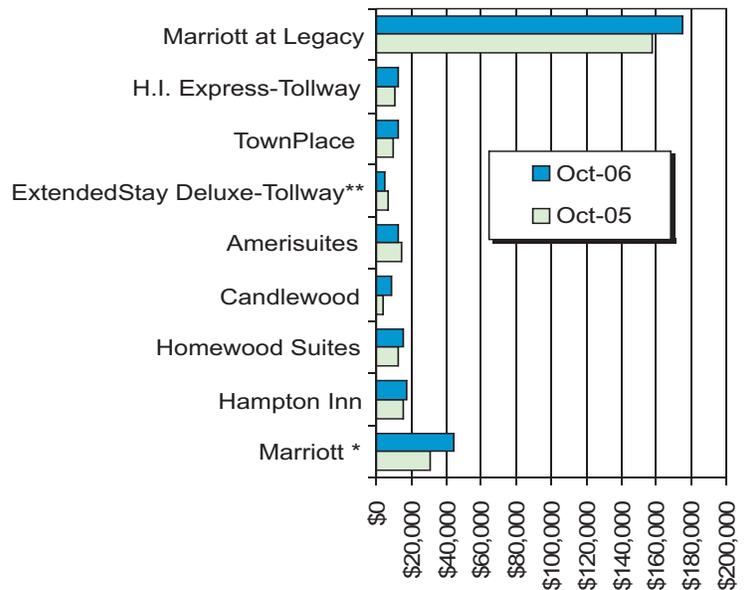


Figures XIV, XV and XVI show the actual occupancy tax revenue from each hotel/motel in Plano for October 2006 compared to the revenue received in October 2005.

HOTEL/MOTEL OCCUPANCY TAX MONTHLY COMPARISON BY HOTEL - CENTRAL FIGURE XIV



HOTEL/MOTEL OCCUPANCY TAX MONTHLY COMPARISON BY HOTEL - WEST PLANO FIGURE XV



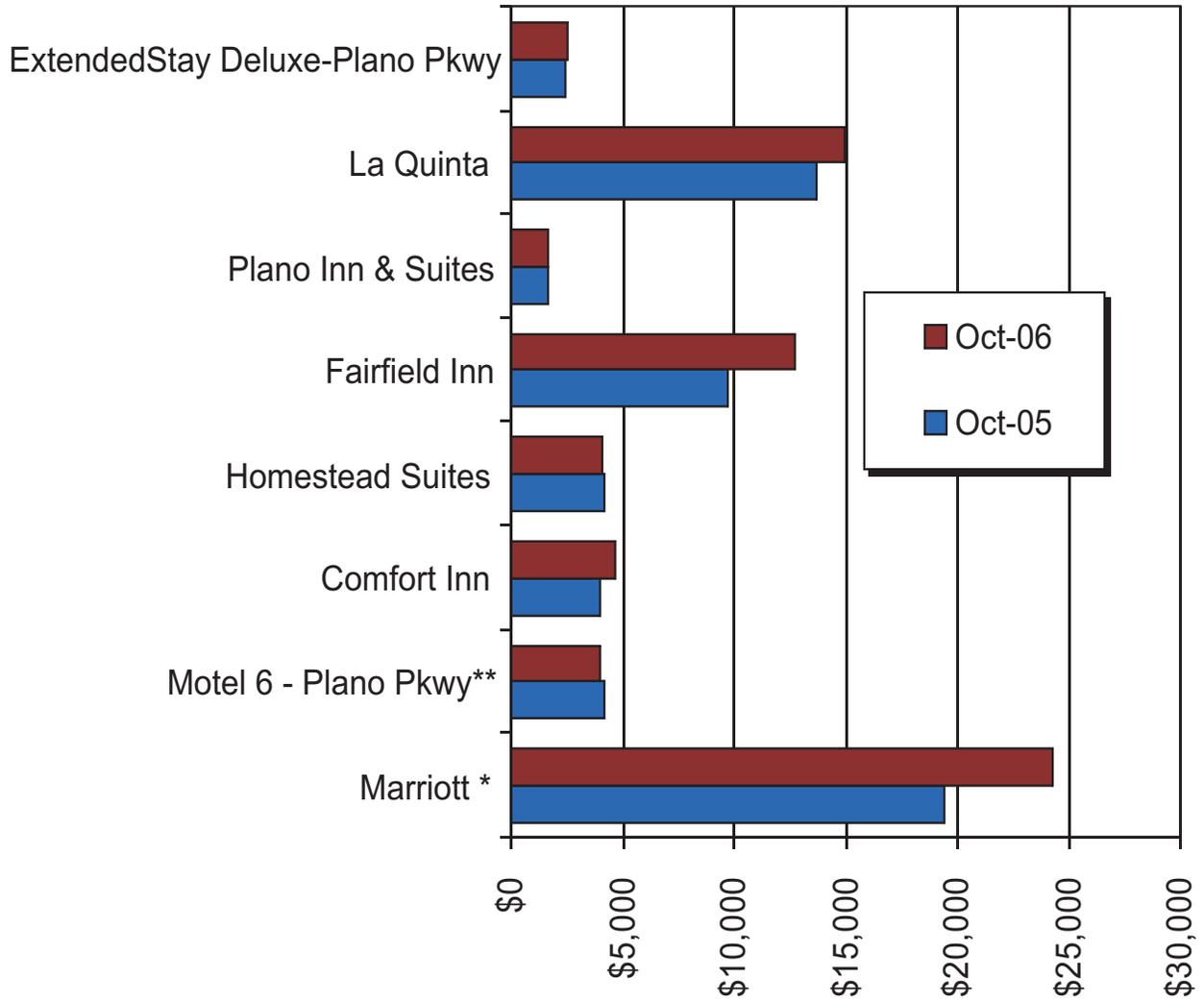
* Since August 2005, Marriott International Tax Revenue Numbers On This Graph Represent Two (2) Marriott-Owned Hotels (Courtyard By Marriott 1ND and Residence Inn #323)



ECONOMIC ANALYSIS

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

FIGURE XVI



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



SECTION 3

INVESTMENT REPORT

City of Plano

Comprehensive Monthly Finance Report

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



INVESTMENT REPORT

NOVEMBER, 2006

Interest received during November totaled \$847,515 and represents interest paid on maturing investments and coupon payments on investments. Interest allocation is based on average balances within each fund during the month.

During November, the two-year Treasury note yield varied widely throughout the month, starting at 4.64 and ending at 4.62.

As of November 30, a total of \$233.9 million was invested in the Treasury Fund. Of this amount, \$55.6 million was General Obligation Bond Funds, \$.6 million was Water & Sewer Revenue Bond Funds, and \$177.7 million was in the remaining funds.

Investments	Current Month Actual	Fiscal Y-T-D	Prior Fiscal Y-T-D	Prior Fiscal Year Total
(1) Funds Invested	\$19,000,000	\$47,560,000	\$22,000,000	\$184,140,000
(2) Interest Received	\$847,515	\$1,791,826*	\$1,189,049	\$10,076,585
(3) Earnings Potential Factor	108.5%	109.0%	135.1%	124.4%
(4) Investment Potential	104.9%	104.7%	104.2%	104.7%
(5) Actual Aggressive Dividend	\$139,598	\$133,898	\$102,437	\$147,956
(6) Average 2 Year T-Note Yield	4.75		4.41	

* See interest allocation footnote on Page C-3.

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

Month-to-Month Comparison

	Oct 06	Nov 06	Difference
Portfolio Holding Period Yield	4.28	4.26	-.02 (-2 basis point)
Avg. 2-Year T-Note Yield	4.78	4.75	-.03 (-3 basis points)

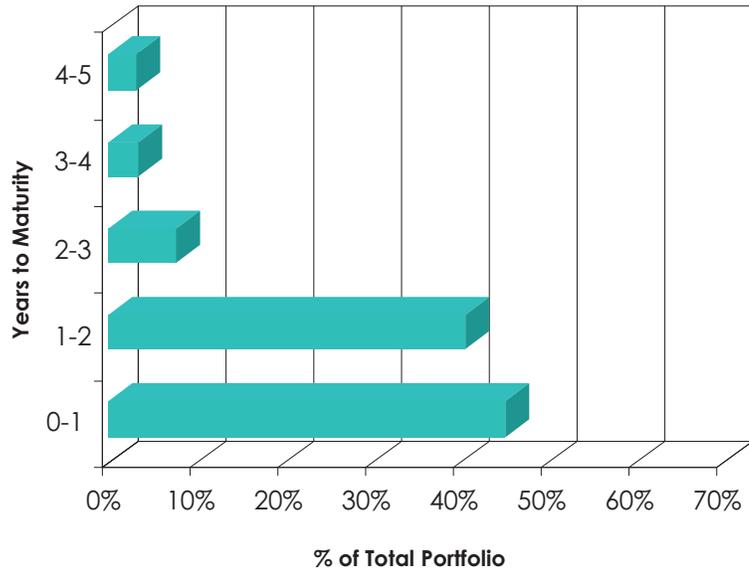


INVESTMENT REPORT

Portfolio Maturity Schedule

Figure I

Years to Maturity*	Face Value	% Total
0-1	\$ 111,415,463	45.26%
1-2	100,070,000	40.65%
2-3	19,010,000	7.72%
3-4	8,060,000	3.27%
4-5	7,595,000	3.09%
Total	<u>\$ 246,150,463</u>	100.00%

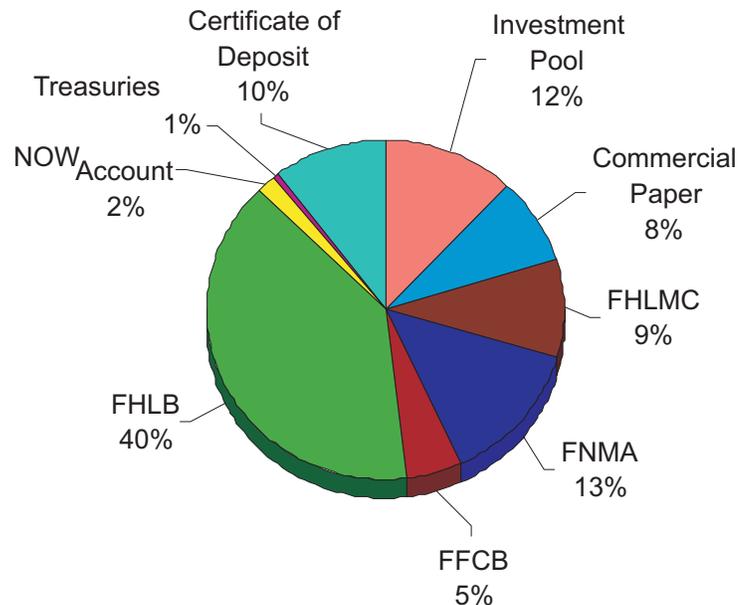


*Does not take into consideration callable issues that can, if called, significantly shorten the Weighted Average Maturity.

Portfolio Diversification

Figure II

Type	Face Value	% Total
Investment Pool	\$ 29,613,155	12.03%
Commercial Paper	20,500,000	8.33%
FHLMC	22,665,000	9.21%
FNMA	33,045,000	13.42%
FFCB	12,255,000	4.98%
FHLB	96,965,000	39.39%
NOW Account	4,107,308	1.67%
Treasuries	2,000,000	0.81%
Certificate of Deposit	25,000,000	10.16%
Total	<u>\$ 246,150,463</u>	100.00%



INVESTMENT REPORT

Allocated Interest/Fund Balances November 2006

Fund	Allocated Interest		Fund Balance	
	Current Month	Fiscal Y-T-D	End of Month	% of Total
General	117,055.75	271,961.56	\$ 28,882,399.87	12.35%
G.O. Debt Service	9,962.06	18,880.06	3,176,899.01	1.36%
Street & Drainage Improvements	6,293.45	12,472.08	1,759,151.32	0.75%
Sewer CIP	16,041.61	33,752.39	4,408,711.38	1.88%
Capital Reserve	120,232.53	250,802.17	33,833,190.51	14.47%
Water & Sewer Operating	25,992.22	57,376.48	6,645,400.46	2.84%
Water & Sewer Debt Service	8,819.66	17,397.10	2,600,239.92	1.11%
W & S Impact Fees Clearing	9,330.82	19,175.16	2,632,127.42	1.13%
Park Service Area Fees	18,678.11	38,988.30	5,227,578.71	2.24%
Property / Liability Loss	18,994.81	40,178.95	5,130,870.14	2.19%
Information Services	36,359.81	75,788.84	10,135,527.09	4.33%
Equipment Replacement	18,659.88	38,514.70	5,238,295.32	2.24%
Developers' Escrow	13,880.52	29,038.74	3,879,459.75	1.66%
G.O. Bond Funds	205,401.55	442,667.85	55,552,778.05	23.75%
Municipal Drainage Bond Clearing	12,808.52	27,502.60	3,504,289.29	1.50%
Other	220,971.27	460,512.77	61,189,037.38	26.16%
Total	\$ 857,042.65	\$ 1,830,129.91	\$ 233,893,099.72	100.00%

Footnote: All City funds not restricted or held in trust are included in the Treasury Pool. As of November 30, 2006, allocated interest to these funds may include an adjustment to fair value as required by GASB 31.

Portfolio Statistics

Month	Total Invested (End of Month)	Portfolio Yield	# Securities Purchased*	Maturities/ Sold/Called	Weighted Avg Maturity (Days)	# Securities
Jun-05	253,295,488	3.04%	4	4	544	143
Jul-05	248,309,619	3.08%	7	3	534	147
Aug-05	256,490,797	3.16%	4	12	491	139
Sep-05	220,697,804	3.15%	3	6	550	136
Oct-05	213,238,232	3.18%	3	4	549	135
Nov-05	206,838,872	3.22%	8	4	571	139
Dec-05	231,473,520	3.40%	13	3	507	149
Jan-06	259,337,641	3.57%	5	5	437	149
Feb-06	282,073,077	3.70%	6	3	429	152
Mar-06	318,399,324	3.89%	13	4	383	161
Apr-06	311,430,085	3.91%	9	5	374	165
May-06	303,581,868	3.98%	4	7	363	162
Jun-06	294,605,647	4.12%	5	15	352	152
Jul-06	289,698,938	4.14%	4	5	350	151
Aug-06	299,366,214	4.34%	12	19	370	144
Sep-06	263,471,841	4.27%	4	11	416	137
Oct-06	255,697,996	4.28%	9	11	432	135
Nov-06	246,150,463	4.26%	5	12	410	128

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



INVESTMENT REPORT

**Equity in Treasure Pool
By Major Category
Figure IV**

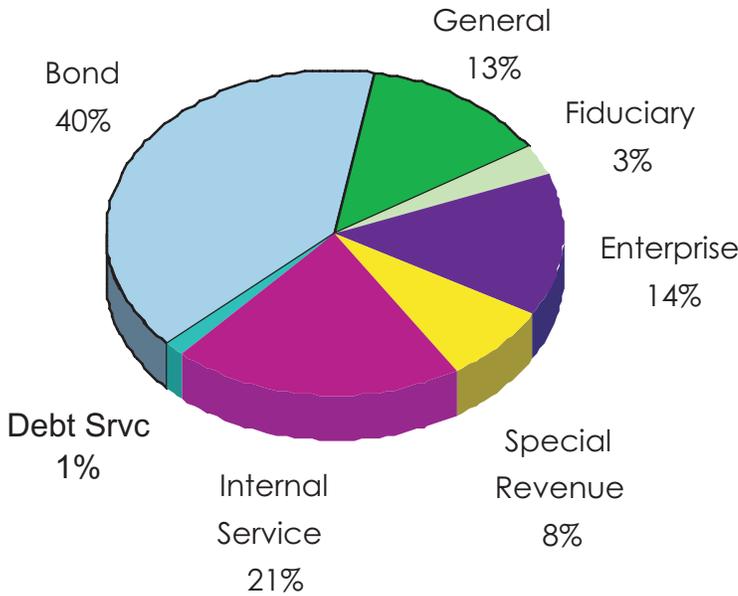
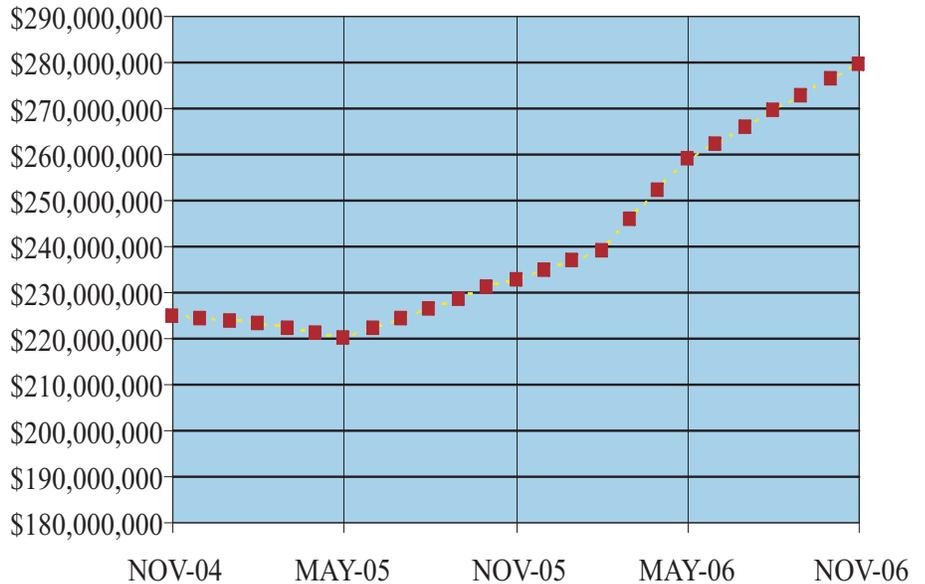


Figure IV shows a breakdown of the various sources of funds for the City's Treasury Pool as of November 30, 2006. The largest category are the Bond Funds in the amount of \$97.3 million. Closest behind are the Internal Service Funds with a total of \$50.3 million, and the Enterprise Funds with \$34.3 million.

**Annualized Average Portfolio
Figure V**

The annualized average portfolio for November 30, 2006 was \$279,537,881. This is an increase of \$46,734,474 when compared to the November 2005 average of \$232,803,407.



Preliminary Open Meeting Agenda Item V

Update re Sustainability Program

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P.O. Box 860358
Plano, Texas 75086-0358
Phone: 972-769-4264
Fax: 972-769-4172



MEMORANDUM

DATE: January 3, 2007

TO: Thomas H. Muehlenbeck, City Manager

FROM: Nancy Nevil, Director of Sustainability & Environmental Services

RE: LEED Certification Policy for City Facilities

The City of Plano Sustainability and Environmental Services Department is working with a Green Builder Committee to develop a Green Builder Program. The committee consists of representatives from the following departments: Planning, Engineering, Building Inspections, Parks, and Environmental Services Commercial Diversion.

The goal of the Green Builder Program is to incorporate sustainable design features and methods into all new commercial and residential development, as well as all future remodel and re-development projects. The sustainable features and methods targeted include the following five areas identified in the LEED (leadership in energy & environmental design) rating system developed by the U.S. Green Buildings Council:

- Sustainable Sites
- Water Efficiency
- Materials & Resources
- Indoor Environmental Quality
- Energy & Atmosphere

LEED is the rating system used in the United States that includes third-party verification. The assessors have been trained and must pass an assessor examination. It is the U.S. market leader and is the most widely used rating system by Federal and state agencies.

From early discussions regarding the City's adoption and promotion of green building standards, the need to incorporate the standards into existing city facilities was realized as a critical step. The attached policy requires the highest level of LEED Certification possible for all city facilities to demonstrate our commitment to the environment and to illustrate the effectiveness of sustainable practices and methods. LEED Certification points will be prioritized based on their ability to provide future energy savings, water conservation, waste reduction, and improved indoor air quality.

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This policy will provide adequate guidance to updating the Master Facilities Plan and will place the city in a better position to exemplify to the commercial developers the cost effectiveness and environmental benefits of a green builder program.

The following projects will be designed to be LEED Certified:

- Environmental Education Building
- Oak Point
- Fire Station 12/EOC/Logistics

Please let me know if you have any questions regarding the policy.

c: Rod Hogan, Executive Director
Alan Upchurch, City Engineer
Bill Morris, Facilities Manager

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CITY OF PLANO POLICIES AND PROCEDURES

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Department Name: Department
Procedure: Title

Effective Date:
Revision Date(s):
Review: Annual:

I. Purpose

The purpose of a Citywide policy on sustainable building is to demonstrate the City's commitment to environmental, economic, and social stewardship, to yield cost savings to the City taxpayers through reduced operating costs, to provide healthy work environments for staff and visitors, and to contribute to the City's goals of protecting, conserving, and enhancing the region's environmental resources. Additionally, the City helps to establish a community standard of sustainable building.

II. Policy

It shall be the policy of the City of Plano to finance, plan, design, construct, manage, renovate, and maintain its facilities and buildings to be sustainable. This applies to new construction and major remodels. The City will use the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system to determine what constitutes sustainable building by national standards. The City of Plano will require the highest level of LEED Certification possible for all city facilities.

LEED Certification points will be prioritized based on their ability to provide future energy savings, water conservation, waste reduction, and improved indoor air quality. Key factors to incorporate into the design include:

1. Use of passive solar energy
2. Natural lighting (day lighting) and adjustable lighting systems
3. Highly reflective roof and building exterior
4. Indoor Air Quality (low VOC materials and ventilation)
5. HVAC energy performance and efficiency
6. Use of on-site renewable energy
7. Waste minimization (recycling, reducing, reusing)
8. Water reclamation and conservation (rainwater harvesting, use of gray water, soil amendment, native or adapted landscape material, efficient irrigation system)

Return on investment will be considered when determining feasibility of implementing the above features.

While pursuing the highest level of LEED certification (certified, silver, gold or platinum) possible, the level will be determined by the points gained in incorporating the prioritized list of features into the design of the building.

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CITY OF PLANO POLICIES AND PROCEDURES

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Department Name: Department
Procedure: Title

Effective Date:
Revision Date(s):
Review: Annual:

Decisions will not be based on including features just to gain additional LEED points.

III. Definitions

Sustainable Building - Sustainable building integrates building materials and methods that promote environmental quality, economic vitality, and social benefit through the design, construction and operation of the built environment. Sustainable building merges sound, environmentally responsible practices into one discipline that looks at the environmental, economic and social effects of a building or built project as a whole. Sustainable design encompasses the following broad topics: efficient management of energy and water resources, management of material resources and waste, protection of environmental quality, protection of health and indoor environmental quality, reinforcement of natural systems, and integrating the design approach.

LEED Rating System - LEED stands for Leadership in Energy and Environmental Design, and is a voluntary, consensus-based, market-driven green building rating system. It is based on accepted energy and environmental principles and strikes a balance between established practices and emerging concepts; while evaluating environmental performance from a "whole-building perspective. LEED is a self-certifying system designed for rating new and existing commercial, institutional, and multi-family residential buildings. It contains prerequisites and credits in five categories: Sustainable Site Planning, Improving Energy Efficiency, Conserving Materials and Resources, Embracing Indoor Environmental Quality, and Safeguarding Water. There are four rating levels: Bronze, Silver, Gold, and Platinum.

IV. Procedures

A. Responsibility:

1. The Facilities Division Manager whose responsibilities include planning, designing, constructing or renovating City-owned facilities shall be responsible for ensuring that facilities and buildings comply with this policy. Directors of departments will be responsible for supporting this policy as they develop their facility needs.
2. The Facilities Management Division of the City's Engineering Department shall be responsible for oversight of the construction and reporting to the Green Builder Committee how well applicable City construction projects meet the goal of sustainability.

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CITY OF PLANO POLICIES AND PROCEDURES

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Department Name: Department
Procedure: Title

Effective Date:
Revision Date(s):
Review: Annual:

B. Coordination

1. The City's Green Builder Committee, under the Department of Sustainability and Environmental Services, shall serve as a resource for acceptable LEED practices and assist in the process of selecting and prioritizing sustainable features and their impact on the building costs.
2. The City will encourage appropriate departmental staff become LEED Accredited Professionals to help provide technical expertise on specific sustainable building issues.

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DATE: December 15, 2006

TO: Mayor and Members of City Council

FROM: Bruce D. Glasscock, Executive Director

SUBJECT: Proposed Changes to Neighborhood Roundtable Meetings

Based on input we have received in response to the November 28, 2006 memo the following format is recommended for 2007 Neighborhood Roundtable meetings:

Keep the current schedule below for Thursday evening meetings

District 1	Thursday, February 1, 2007	7-9 pm	Plano Centre – Northbrook Room
District 3	Thursday, May 24, 2007	7-9 pm	PSA Star Center
District 4	Thursday, August 23, 2007	7-9 pm	PSA Star Center
District 2	Thursday, October 18, 2007	7-9 pm	Sockwell Center (PISD)

Continue to prepare pre-meeting briefing paper for Council on issues related to the specific District where meeting is scheduled

Continue to provide citizens question cards they can turn in on issues for later response by staff.

As needed and depending on the District issues, staff can make a short (not to exceed 10 minutes) presentation on a specific topic to entire group prior to break out session. It would not be necessary to do this at every meeting.

Staff will work in advance of meeting with the Mayor and District Council member to identify 3-5 topics that can be used for the break out discussion groups.

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Topics will be posted around the room allowing citizens to self select which topic they wish to participate;

Staff familiar with the specific topics will be available to make a short presentation to the breakout group, if needed, and assist council members in facilitating the discussion;

Each group will report out the results of their discussion.

At conclusion of the reports a short Open Dialogue Q&A session would be held with citizens and council.

The suggested agenda for the meetings would be as follows:

7:00 pm	Mayor's Opening Comments and Introductions Staff Presentation, if needed
7:30 pm	Break into Discussion Groups by Issue Selected
8:00 pm	Groups Report Out
8:30 pm	General Q&A
9:00 pm	Adjourn

Several council members suggested that issues/topics be selected "on fly" as citizens arrive at the meetings. After further discussion with staff and City Attorney it was felt this would not be the most effective approach.

First, this would leave very little time that evening for staff to put the topics in a format that could be used in group setting;

Second, it would put staff in a difficult position of being prepared to respond to questions or act as a resource for council; and

Third, the City Attorney expressed a concern this approach might cause a conflict with issues associated with open meetings, postings and council deliberations, in light of past AG opinions.

Please let us know if this approach fits your direction.

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Discussion/Action Items for Future Council Agendas

2007

January 6 – Fire Station 11 Dedication, 9 a.m.

January 13 – MLK Parade, 10 a.m.

January 15 – MLK City Holiday

January 22

Consideration of a Long Term Power Contract – 4 p.m.

Tour of Fire Department Mobile Command Post – 4:45 p.m.

Senior Citizens Advisory Board

Mobility Report

DART Report

January 25 – Management Team Meeting, Council Chambers, 9:30 a.m.

February 1 – District 1 Neighborhood Roundtable, Plano Centre, 7 p.m.

February 12

Animal Shelter Advisory Committee

February 9 – 12, AMCC Conference, Austin

February 26

Keep Plano Beautiful Commission

Mobility Report

DART Report

Comprehensive Monthly Financial Report

March 5 – 9, PISD Spring Break

March 10 – 14, NLC Congressional Cities

March 20

Transportation Advisory Committee

March 26

Cultural Affairs Commission
Mobility Report
DART Report
Comprehensive Monthly Financial Report

April 9

Public Arts Committee

April 23

Community Relations Commission
Mobility Report
DART Report
Comprehensive Monthly Financial Report

May 14

Heritage Commission

May 24 – District 3 Neighborhood Roundtable, PSA StarCenter, 7 p.m.

May 28 – Memorial Day

May 29

Planning and Zoning Commission
Mobility Report
DART Report
Comprehensive Monthly Financial Report

June 11

Transition & Revitalization Commission

June 21 – 24, TCMA Conference, San Antonio

June 25

Board of Adjustment
Mobility Report
DART Report
Comprehensive Monthly Financial Report

July 4 – Independence Day

July 23

Building Standards Commission
Mobility Report
DART Report
Comprehensive Monthly Financial Report

July 25

(Budget Session)

August 13

Retirement Security Plan Committee

August 23 – District 4 Neighborhood Roundtable, PSA StarCenter, 7 p.m.

August 27

Parks and Recreation Planning Board
Mobility Report
DART Report
Comprehensive Monthly Financial Report

September 3 – Labor Day

September 10

Self Sufficiency Committee

September 24

Plano Housing Authority
Mobility Report
DART Report
Comprehensive Monthly Financial Report

October 7 – 10, ICMA Conference, Pittsburgh

October 8

TIF #1 & #2 Boards

October 18 – District 2 Neighborhood Roundtable, Sockwell Center, 7 p.m.

October 22

Youth Advisory Committee
Mobility Report
DART Report
Comprehensive Monthly Financial Report

November 7 – 9, TML Conference, Dallas

November 12

Technology Commission

November 13 – 17, NLC Conference, New Orleans

November 22 & 23 – Thanksgiving Holidays

November 27

Mobility Report
DART Report
Comprehensive Monthly Financial Report

December 10

December 18

Mobility Report
DART Report
Comprehensive Monthly Financial Report

December 24 & 25 – Christmas & Winter Holidays



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY			Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07			Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Department:	City Manager's Office			Initials	Date
Department Head	Tom Muehlenbeck		Executive Director		
Dept Signature:			City Manager	<i>[Signature]</i>	1/3/07
Agenda Coordinator (include phone #): Sharon Wright ext. 7107					
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input checked="" type="checkbox"/> OTHER					
CAPTION					
Special Recognition: City of Plano Employee, Clarence Boyd - 25 Years of Service					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS	
Budget	0	0	0	0	
Encumbered/Expended Amount	0	0	0	0	
This Item	0	0	0	0	
BALANCE	0	0	0	0	
FUND(S):					
COMMENTS:					
SUMMARY OF ITEM					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
December 11, 2006**

COUNCIL MEMBERS

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

STAFF

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

Mayor Evans called the meeting to order at 5:10 p.m., Monday, December 11, 2006, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present. Mayor Evans then stated that the Council would retire into Executive Session in compliance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated, in order to consult with an attorney and receive Legal Advice, Section 551.071, and to discuss Real Estate, Section 551.072, and to discuss Personnel, Section 551.074 for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor Evans reconvened the meeting back into the Preliminary Open Meeting at 6:32 p.m. in the Council Chambers where the following was discussed:

Consideration and Action Resulting From Executive Session Discussion

No items were brought forward.

Personnel Appointments

Self Sufficiency Committee - Chair

Upon a motion made by Council Member Dunlap and seconded by Council Member Stahel, the Council voted 8-0 to appoint Greg Huckaby as Chair.

TIF Reinvestment Zone No. 1 Chair

Upon a motion made by Deputy Mayor Pro Tem Magnuson and seconded by Council Member Callison the Council voted 8-0 to reappoint Mayor Pro Tem Johnson as Chair.

TIF Reinvestment Zone No. 1 Chair

Upon a motion made by Mayor Pro Tem Johnson and seconded by Council Member Callison the Council voted 8-0 to reappoint Council Member LaRosiliere as Chair.

Community Relations Commission – Chair and Member

Upon a motion made by Council Member LaRosiliere and seconded by Deputy Mayor Pro Tem Magnuson the Council voted 8-0 to appoint Pam Harvey. The appointment of Chair was deferred.

Council Items for Discussion/Action on Future Agendas

No items were brought forward.

Consent and Regular Agenda

Council Member Dunlap advised that due to possible conflicts of interests he will be stepping down on Consent Items “B,” bid for arterial concrete pavement rehabilitation project, “E,” bid for intersection improvements, and “F,” bid for 15th Street reconstruction street projects and will further be stepping down on Regular Item “5,” resolution to approve a maintenance agreement for the construction and maintenance of a water fountain at Legacy Town Center and Item “6,” ordinance to transfer \$1 million to the General Fund to partially fund the construction and maintenance of the fountain at Legacy Town Center.

Citizen Sonja Hammar requested that Consent Item “Q,” resolution to approve an Economic Development Program Agreement, and “S,” resolution to ratify and approve expenditure of Community Services Funds be removed for individual consideration.

Council Reports

Mayor Evans spoke to members of Council attending the National League of Cities meeting. Council Member Callison advised that she attended sessions regarding Finance Administration and Intergovernmental Relations, Deputy Mayor Pro Tem Magnuson advised that she attended sessions regarding Public Safety and Crime Prevention, Mayor Evans advised that she attended sessions regarding Environmental Governmental Resources, Mayor Pro Tem Johnson advised that he attended sessions regarding Community Economic Development, Council Member Ellerbe advised that she attended sessions regarding Transportation Infrastructure, and Council Member Stahel advised that he attended sessions regarding Advisory Council and Resolutions.

Council Member LaRosiliere advised that he attended sessions regarding Human Development, and Deputy Mayor Pro Tem Magnuson advised that sessions were attended on First Tier Suburbs.

Council Member Ellerbe advised that the Public Arts Committee is meeting to discuss the concept of Sculpture in the Park festivals.

There being no further discussion, Mayor Evans adjourned the meeting at 6:40 p.m.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, City Secretary

PLANO CITY COUNCIL
December 11, 2006

COUNCIL MEMBERS

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

Mayor Evans convened the Council into the Regular Session on Monday, December 11, 2006, at 7:00 p.m. in the Council Chamber of the Plano Municipal Center, 1520 K Avenue. All Council Members were present

The invocation was led by Pastor Dennis Tollison of Grace Community Church.

The Pledge of Allegiance was led by the Men of Note who then performed.

Mayor Evans presented the 2007 Great American Cleanup T-Shirt Design Contest Winner.

Mayor Evans presented Certificates of Appreciation to outgoing Community Relations Commission member Carol Moss and outgoing Planning and Zoning Commission member Lisette Briley.

Comments of Public Interest

Warner Richeson, citizen of the City, spoke regarding a referendum to come before the Council based on the passage of items related to a fountain at the Shops at Legacy.

CONSENT AGENDA

Upon the request of Council Member Dunlap, Consent Agenda Items "B," "E," and "F" were removed for individual consideration due to possible conflicts of interest. Mr. Dunlap further advised that he would be stepping down on Regular Agenda Items "5" and "6" due to possible conflicts of interest.

Upon the request of citizen Sonja Hammar, Consent Agenda Items “Q” and “S” were removed for individual consideration.

Upon a motion made by Deputy Mayor Pro Tem Magnuson and seconded by Council Member Callison, the Council voted 8-0 to adopt all remaining items as recommended and as follows:

Approval of Minutes [Consent Agenda Item (A)]

November 27, 2006

Approval of Expenditures

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

RFP No. 2007-3-C for an annual fixed price contract for Broker of Record and Supplemental Services to Arthur J. Gallagher Risk Management Services, Inc. in the estimated annual amount of \$182,975 and approval of expenditure for City insurance premiums. This will establish an annual contract with four City optional one year renewals. [Consent Agenda Item (C)] (See Exhibit “A”)

RFP No. 2007-4-C for an annual fixed price contract for Risk Control Services to Arthur J. Gallagher Risk Management Services, Inc. in the estimated annual amount of \$165,000. This will establish an annual contract with four City optional one year renewals. [Consent Agenda Item (D)] (See Exhibit “B”)

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

To approve the agreement with CaremarkPCS Health, L.P. for pharmacy benefit management services at the estimated cost of \$2,500,000 annually for pharmacy claims, entered into through an existing agreement with PEBA (Public Employee Benefits Alliance), and authorizing the City Manager to execute all necessary documents. [Consent Agenda Item (G)]

To approve the purchase and installation of infield conditioner in the amount of \$47,300 from Masterturf Products through an existing contract/agreement with PISD, and authorizing the City Manager to execute all necessary documents. PISD Contract #3708/City of Plano Interlocal Contract #2007-43-1. [Consent Agenda Item (H)]

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

To approve a contract by and between the City of Plano and JCW Electronics I Ltd., L.L.P. doing business as JCW Electronics Inc., for Jail Inmate Telephone System, and authorizing the City Manager to execute all necessary documents (RFO No. 2006-197-C). This will establish a three year contract with one City optional one year renewal. [Consent Agenda Item (I)]

To approve the terms and conditions of an Engineering Services Agreement by and between the City of Plano and Alliance Geotechnical Group, Inc. in the amount of \$26,894 for material testing on the Plano Parkway – Tollroad to Park Boulevard and West Plano Quiet Zone Improvements and authorizing the City Manager to execute all necessary documents. [Consent Agenda Item (J)]

Approval of Agreement

To approve a Boundary Adjustment Agreement for Plano Parkway between the Town of Hebron and the City of Plano which would relocate the common boundary to the west side of Plano Parkway adjacent to Air Park. [Consent Agenda Item (K)]

To approve a Boundary Adjustment Agreement for Parker Road and BNSF Railroad between the Town of Hebron and the City of Plano which would relocate the common boundary to the west side of the railroad so that the entire Parker Road crossing is within Plano jurisdiction. [Consent Agenda Item (L)]

To approve the terms and conditions of an Interlocal Agreement by and between the City of Plano and the Town of Hebron, Texas concerning the improvements to Parker Road west of the BNSF Railroad. [Consent Agenda Item (M)]

To approve a Geographic Information System (GIS) Annual Maintenance Agreement with Environmental Research Systems Institute (ESRI) in the amount of \$57,115. [Consent Agenda Item (N)]

Adoption of Resolutions

Resolution No. 2006-12-1(R): To authorize an expenditure of funds not to exceed \$49,880 to Macaulay Controls Company, the exclusive representative in the State of Texas of Marsh McBirney, Flo-Tote 3 Electromagnet Open Channel Flow Meters, a sole manufactured product and system of Marsh McBirney Hach Corporation; authorizing the City Manager to take such action and execute such documents as necessary to effectuate this expenditure; and providing an effective date. [Consent Agenda Item (O)]

Resolution No. 2006-12-2(R): To approve and authorize the refunds of property tax overpayments; and providing an effective date. [Consent Agenda Item (P)]

Resolution No. 2006-12-3(R): To approve a License Agreement by and between the City of Plano, Texas, and K & C Capital Partners, LTD., for use of an approximately nine by twenty foot portion of the public right-of-way for outdoor dining situated in front of the expanded space for Kelly's Eastside Restaurant located at 1424 Avenue K. [Consent Agenda Item (R)]

Resolution No. 2006-12-4(R): To approve the terms and conditions of a Real Estate Contract by and between the City of Plano, Texas, and Duyet H. and Hien Thi Nguyen for the purchase of 1,371.115 square feet of land for right of way for 15th Street and a temporary construction easement of 810 square feet, located at the southwest corner of K Avenue and Parker Road, in the George W. Barnett Survey, Abstract No. 45, being a part of Lot 1, Block A, of Glasgow Addition, an addition in the City of Plano, Collin County, Texas; authorizing its execution by the City Manager; and providing an effective date. [Consent Agenda Item (T)]

Resolution No. 2006-12-5(R): To approve the receipt of funds in the amount of \$62,773 from the Texas State Library and Archives Commission – Loan Star Libraries to fund the following for Plano Public Library System (PPLS): Rosetta Stone Database, OCLC World Language Sets, PPLS library cards, genealogy local history and Texana materials, large print materials, and English and Spanish computer class instructors; and authorizing the City Manager to execute all necessary documents for receipt of the funding. [Consent Agenda Item (U)]

Resolution No. 2006-12-6(R): To authorize the City of Plano to participate in and receive funding through the Texas Highway Traffic Safety Program for a “Drink. Drive. Go to Jail” Project, Contract No. 587XXF6121 to be conducted during four holiday periods from December 13, 2006 through September 30, 2007; authorizing the City Manager to execute the Grant Agreement and any other documents necessary to effectuate the action taken; and providing an effective date. [Consent Agenda Item (V)]

Resolution No. 2006-12-7(R): To approve the terms and conditions of a Local Transportation Project Advance Funding Agreement between the State of Texas and the City of Plano for bicycle route enhancements throughout the City of Plano; authorizing its execution by the City Manager; and providing an effective date. [Consent Agenda Item (W)]

Resolution No. 2006-12-8(R): To authorize an expenditure of funds not to exceed \$25,050.52 to the State of Texas – Texas Commission on Environmental Quality for the Fiscal Year 2007 Water System Fee; authorizing the City Manager to take such action and execute such documents as necessary to effectuate this expenditure; and providing an effective date. [Consent Agenda Item (X)]

Adoption of Ordinances

Ordinance No. 2006-12-9: To adopt and enact Supplement Number 76 to the Code of Ordinances for the City of Plano; providing for amendment to certain sections of the Code; and providing an effective date. [Consent Agenda Item (Y)]

END OF CONSENT

Due to possible conflicts of interest, Council Member Dunlap stepped down from the bench on the following three items.

Bid No. 2007-26-B for 2006-07 Arterial Concrete Pavement Rehabilitation Project, Custer Road between Wilson Drive and Spring Creek Parkway to Hencie International, Inc. in the amount of \$722,825. [Consent Agenda Item (B)] (See Exhibit "C")

Upon a motion made by Mayor Pro Tem Johnson and seconded by Council Member Ellerbe, the Council voted 7-0 to approve Bid No. 2007-26-B for 2006-07 Arterial Concrete Pavement Rehabilitation Project, Custer Road between Wilson Drive and Spring Creek Parkway to Hencie International, Inc. in the amount of \$722,825.

Bid No. 2007-28-B for Intersection Improvements 2004 to Jim Bowman Construction Co., L.P., in the amount of \$312,390. This project includes improvements at the following three locations: Spring Creek Parkway/Lookout Trail, Commerce Drive/Plano Parkway, West Park Boulevard/Ohio Drive. [Consent Agenda Item (E)] (See Exhibit "D")

Upon a motion made by Council Member Callison and seconded by Deputy Mayor Pro Tem Magnuson the Council voted 7-0 to approve Bid No. 2007-28-B for Intersection Improvements 2004 to Jim Bowman Construction Co., L.P., in the amount of \$312,390. This project includes improvements at the following three locations: Spring Creek Parkway/Lookout Trail, Commerce Drive/Plano Parkway, West Park Boulevard/Ohio Drive.

Bid No. 2006-237-B for 15th Street Reconstruction (Avenue G to Avenue I) street project to JRJ Paving L.P. in the amount of \$1,632,772 for the base bid. The project includes brick paved sidewalks, landscaping and irrigation. [Consent Agenda Item (F)] (See Exhibit "E")

Upon a motion made by Deputy Mayor Pro Tem Magnuson and seconded by Council Member Ellerbe, the Council voted 7-0 to approve Bid No. 2006-237-B for 15th Street Reconstruction (Avenue G to Avenue I) street project to JRJ Paving L.P. in the amount of \$1,632,772 for the base bid.

Council Member Dunlap resumed his place at the bench.

Resolution No. 2006-12-10(R): To approve the terms and conditions of an Economic Development Program Agreement by and between the City of Plano, Texas and Insight Direct USA, Inc., an Illinois corporation, to promote state and local economic development and to stimulate business and commercial activity in the City and County; authorizing its execution by the City Manager; and providing an effective date. [Consent Agenda Item (Q)]

Resolution No. 2006-12-10(R) (cont'd)

Sonja Hammar, citizen of the City, spoke to there being no application for this request, regarding the inclusion of a nondisclosure clause and the reduction in sales tax for the term of the agreement. City Manager Muehlenbeck advised that this item follows the model provided by previous agreements. City Attorney Wetherbee stated that the nondisclosure agreement included does not override the Public Information Act with regard to providing information to citizens.

Upon a motion made by Deputy Mayor Pro Tem Magnuson and seconded by Council Member LaRosiliere, the Council voted 8-0 to approve the terms and conditions of an Economic Development Program Agreement by and between the City of Plano, Texas and Insight Direct USA, Inc., an Illinois corporation, to promote state and local economic development and to stimulate business and commercial activity in the City and County; authorizing its execution by the City Manager; and providing an effective date; and further to adopt Resolution No. 2006-12-10(R).

Resolution No. 2006-12-11(R): To ratify and approve the expenditure of Community Services Funds in the amount of \$508,010 for the various community services and approving the terms and conditions of agreements between the City of Plano and various community organizations; authorizing its execution by the City Manager; and providing an effective date. [Consent Agenda Item (S)]

Sonja Hammar, citizen of the City, spoke to providing additional monies utilizing funds left over from the 2006 budget. Deputy Mayor Pro Tem Magnuson spoke to additional funding provided to organizations via Community Development Block Grants (CDBG), United Way and other sources. She spoke to the consideration given to the requests by the Community Relations Commission and the increase in dollars available. Mayor Evans spoke to the larger block of funds provided by CDBGs and Council Member LaRosiliere spoke to the City providing close to \$3.5 million in social service funding since 1990.

Upon a motion made by Council Member Callison and seconded by Council Member LaRosiliere, the Council voted 8-0 to ratify and approve the expenditure of Community Services Funds in the amount of \$508,010 for the various community services and approving the terms and conditions of agreements between the City of Plano and various community organizations; authorizing its execution by the City Manager; and providing an effective date; and further to adopt Resolution No. 2006-12-11(R).

Public Hearing and adoption of Ordinance No. 2006-12-12 to designate a certain area within the City of Plano as Reinvestment Zone No. 102 for a tax abatement consisting of a 6.2622 acre tract of land located approximately at the northeast corner of Summit Avenue and Klein Road, in the City of Plano, Texas establishing the boundaries of such zone; ordaining other matters relating thereto; and providing an effective date. [Regular Agenda Item (1)]

Ordinance No. 2006-12-12 (cont'd)

Director of Finance McGrane advised that this reinvestment zone would be for ten years at fifty percent of both real and business personal property. He further stated that the company, Luminator Holding, would be relocating and expects adding twenty new jobs during the abatement.

Mayor Evans opened the Public Hearing. Dwayne Clark, citizen of the City, requested information regarding the amount of abatement being provided and requested this information be included on the agenda. Director of Finance McGrane responded that it would be \$3,500 in City property taxes. No one spoke either for or against the request. The Public Hearing was closed.

Upon a motion made by Council Member Stahel and seconded by Council Member Ellerbe, the Council voted 8-0 to designate a certain area within the City of Plano as Reinvestment Zone No. 102 for a tax abatement consisting of a 6.2622 acre tract of land located approximately at the northeast corner of Summit Avenue and Klein Road, in the City of Plano, Texas establishing the boundaries of such zone; ordaining other matters relating thereto; and providing an effective date; and further to adopt Ordinance No. 2006-12-12.

Resolution No. 2006-12-13(R) to approve the terms and conditions of an agreement by and between the City of Plano, Texas, the County of Collin, Texas, the Collin County Community College District, RREEF America REIT II Portfolio, L.P., a Maryland limited partnership and Luminator Holding L.P., a Delaware limited partnership, and providing for a business personal property and real property tax abatement, and authorizing its execution by the City Manager; and providing an effective date. [Regular Agenda Item (2)]

Upon a motion made by Council Member Stahel and seconded by Deputy Mayor Pro Tem Magnuson, the Council voted 8-0 to approve the terms and conditions of an agreement by and between the City of Plano, Texas, the County of Collin, Texas, the Collin County Community College District, RREEF America REIT II Portfolio, L.P., a Maryland limited partnership and Luminator Holding L.P., a Delaware limited partnership, and providing for a business personal property and real property tax abatement, and authorizing its execution by the City Manager; and providing an effective date; and further to adopt Resolution No. 2006-12-13(R).

Public Hearing and an ordinance as requested in Zoning Case 2006-29 – To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, so as to rezone 75.5± acres located at the northwest corner of Spring Creek Parkway and Tennyson Parkway in the City of Plano, Denton and Collin Counties, Texas, from Commercial Employment to Single-Family Residence Attached, Patio Home, and Single-Family Residence-9; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, and an effective date. Applicant: Welwood-Hawkins Homes [Regular Agenda Item (3)]

Zoning Case 2006-29 (cont'd)

Director of Planning Jarrell advised that the applicant has requested this item be tabled until the January 22, 2007 Council meeting. She responded to Council Member Dunlap stating that Staff will work with the owner to resolve an issue of land-locked property.

Upon a motion made Council Member Dunlap and seconded by Council Member Ellerbe the Council voted 7-0 table until January 22, 2007 an amendment to the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, so as to rezone 75.5± acres located at the northwest corner of Spring Creek Parkway and Tennyson Parkway in the City of Plano, Denton and Collin Counties, Texas, from Commercial Employment to Single-Family Residence Attached, Patio Home, and Single-Family Residence-9 as requested in Zoning Case 2006-29. (Council Member Stahel was away from the bench.)

Resolution No. 2006-12-14(R) to accept and approve the “Workforce Housing Study” as a guide for the creation of future programs related to workforce housing in the City of Plano, Texas; and providing an effective date. [Regular Agenda Item (4)]

Senior Planner Perry advised the Council that the Planning and Zoning Commission recommended approval of the study as presented. She provided the definition for workforce housing and spoke regarding the importance of maintaining a competitive advantage as an employment center, reducing the cost burdens to households, traffic congestion, sprawl and environmental impacts. Ms. Perry spoke regarding the limited opportunities for development of new and the significant amount of existing workforce housing which needs updating. She advised that the Transition and Revitalization Commission suggests considering urban centers to provide a limited number of units, ensuring an adequate supply of workforce housing and preserving/enhancing Plano’s existing neighborhoods.

Ms. Perry spoke to five recommendations to ensure a supply in the future which include the creation of a Housing Trust Fund which would be a dedicated revenue source to facilitate down payment assistance, housing rehabilitation and renovation. She spoke to an information clearinghouse which would collect and distribute relevant program information to help people take advantage of existing programs, and an employer assisted housing program for City employees, creation of a “design book” to provide ideas to residents for renovation, reorganization and modernization and developing alternative funding.

Transition and Revitalization Commission Chair Kissick spoke to the time spent on development of the report, the importance of developing a strategy, the limited opportunities in urban centers and programs focused on the existing housing stock. Ms. Perry responded to Council Member Stahel that there would be a number of City employees who might utilize an assistance program. She spoke regarding the Plano Housing Authority primarily addressing a different segment of the population and Council Member Dunlap spoke to including this information in upcoming presentations. Ms. Perry responded to Council Member Callison, stating that with Council’s approval Staff would begin investigating the programs recommended in greater detail and creating their structure and specific objectives.

Resolution No. 2006-12-14(R) (cont'd)

Upon a motion made by Council Member Stahel and seconded by Council Member Dunlap, the Council voted 8-0 to accept and approve the "Workforce Housing Study" as a guide for the creation of future programs related to workforce housing in the City of Plano, Texas; and providing an effective date; and further to adopt Resolution No. 2006-12-14(R).

Council Member Dunlap stepped down from the bench due to a possible conflict of interest on the following two items which were presented concurrently and voted on as individually.

Resolution No. 2006-12-15(R) to approve the terms and conditions of a Grant and Maintenance Agreement for the construction and maintenance of a water fountain at Legacy Town Center by and between the Shops at Legacy (North), L.P. and the City of Plano; authorizing its execution by the City Manager; and providing an effective date. [Regular Agenda Item (5)]

Ordinance No. 2006-12-16 to transfer the sum of \$1,000,000 from the General Fund Unappropriated Fund Balance to the General Fund Operating Appropriation for Fiscal Year 2006-07 for the purpose of providing partial funding for the construction and maintenance of a water fountain within Legacy Town Center; amending the budget of the City and Ordinance 2006-9-9, as amended, to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date. [Regular Agenda Item (6)]

Mayor Evans stated appreciation for those in attendance and advised that the items are not Public Hearings but that input will be received.

Council Member Ellerbe spoke to funding provided to downtown developments in the amount of approximately \$3.5 million mostly for infrastructure improvements. City Manager Muehlenbeck spoke to the City not receiving rent or any portion of the sale of condominiums/townhouses, but stated that the developments have an effect on property valuation.

Fehmi Karahan of the Shops at Legacy spoke to the debate surrounding the request and the Legacy Business Park using a private water source and stated that it would not affect the supply of public water. He spoke to investments made by neighboring cities and the resultant expanded tax bases and revenues. Mr. Karahan spoke to the direct and indirect benefits that would be realized with the expansion of Legacy Town Center and to the City supporting responsible, well-planned growth. He spoke to supporting an investment in quality development and economic growth stating that the proposed fountain will help businesses in Legacy and the surrounding corporate campuses and office buildings and further spoke to an increase in the tax rolls, employment and to a demand for housing. Mr. Karahan spoke to the fountain providing a gathering place and to Chapter 380 providing for the promotion of local economic development and a stimulation of business and commercial activity.

Resolution No. 2006-12-15(R)/ Ordinance No. 2006-12-16 (cont'd)

Geoff LeMasters, Director of Sales and Marketing for Marriott Legacy Town Center, spoke to the fountain enhancing the visibility of the destination and requested Council support. Mike Zack, owner of a business at Legacy Town Center spoke to the property taxes generated in the area, the fountain drawing tourists and the benefits it can provide to the community. Denton Walker, Senior Management Director for Trammel Crow Company, spoke regarding the decision to locate in Plano and the City's long-term vision to create jobs and increase the tax base. He spoke to Legacy being a model for recruiting companies to the City. Sasha Kim, resident and business owner at Legacy Town Center spoke to the fountain increasing the economic and cultural growth of the City. She spoke to the area receiving national attention and responded to Council Member Stahel that she would do whatever was asked to assist with the fountain.

Harry Granoff spoke to the uniqueness and amenities of Legacy Town Center, to the fountain attracting those from other cities to bring tax dollars and jobs to the area. He spoke to it being an investment in economic development and to seizing the opportunity to be visionaries. Pam Vincent, citizen of the City and business owner at the Shops at Legacy spoke to the unique nature of shops, the atmosphere of restaurants and the area offering many things to both residents and visitors. Robert Shaw spoke to the efforts of Mr. Karahan in developing Legacy Town Center, the competitive marketplace, the area drawing in visitors and in support of the fountain. Lewis Shaw spoke to the efforts of Mr. Karahan to bring passion to the area and the inability to measure this in dollars, to the area becoming a destination and the resultant opportunities and interest.

Marilyn Kasko spoke to Plano as indivisible, the Council having the courage to vote their heart, the development of the Legacy area and to the availability of funding for social services due to the City's employment, sales and property tax revenues. She asked the Council to consider the goal of creating a world-class community. Dave Noble, Senior Vice President of Development for Trammel Crow Company, spoke to his company choosing Plano and to the fountain providing a gathering place. Dr. Robert Birenbaum, business owner in Legacy Town Center, spoke to the efforts of Mr. Karahan, to being open-minded as to what the fountain brings to the image of Plano and regarding the positive impression left on visitors to the area. Jason Moore, business owner at the Shops at Legacy, spoke to the vision of Mr. Karahan continuing to grow. Mr. Karahan spoke regarding fundraising events held at Legacy Town Center, the center belonging to the community and stated appreciation for the Council's time and consideration.

Rick Neudorff thanked the Council for their service to the City, spoke to the proponents having a vested interest in the Legacy area and to those in opposition being interested in all of Plano. He spoke to the fountain not benefiting the majority of citizens, to crafting numbers to influence support and to water restrictions in place for citizens and businesses. Mr. Neudorff spoke to the hotel being built with or without the fountain, economic development funds being used to help deteriorating parts of the City or those that need an economic boost and to the Council showing the citizens that they are looking out for the interest of the majority. Mr. Neudorff spoke regarding the recent tax increase and requested the Council vote against the \$1 million appropriation for the fountain.

Resolution No. 2006-12-15(R)/ Ordinance No. 2006-12-16 (cont'd)

Karen Marks, citizen of the City, spoke to the developer seeking ways to pay for the fountain at minimum cost to themselves, the lack of open bids on this item and to the lack of an economic impact study to support the projected increase in sales tax figures. She inquired whether or not figures include added revenue from the new hotel and asked about infrastructure costs and essential services. Ms. Marks spoke to developers considering a bank loan and to placing the request on the ballot. Danny Morris, citizen of the City, spoke to residents being conservative and looking for reduced government and wisdom before spending funds. He spoke to the City's funds coming from its citizens and saving some of the excess for future needs. Mr. Morris stated opposition to describing the item as a public necessity and spoke regarding the fountain improving the lives of only the property owners in the area. David Marks, citizen of the City, spoke to the tax increase which is now followed by a request to fund a private commercial property improvement. He spoke to the estimates of dollars that would be generated and inquired if there was an economic impact study to support the claims. Mayor Pro Tem Johnson spoke to the tax increase being dedicated solely for economic development and to maintain a competitive edge.

Sylvia Reid, citizen of the City, stated opposition to the item. Christine Coley, citizen of the City, spoke to utilizing surplus funds for other services such as scholarships or social services and not spending tax dollars on the project. Deputy Mayor Pro Tem Magnuson advised that the City cannot participate in school funding and spoke to the level of school taxes collected. Dr. Karen Dubrow, citizen and business owner in the City, spoke to providing a private businessman with funding plus two tax abatements along with monies for holiday lights. She spoke to this being an irresponsible use of water and stated that it will not produce the revenue projected. Ms. Dubrow requested the item be rescinded. Don Pinkos, citizen of the City, spoke in opposition to the request and to returning excess funds to taxpayers or utilizing them for another project that would provide more benefit to the citizens. He spoke to the Council taking a leadership role in water conservation and stated that if the request is not approved then a smaller project would be more fiscally responsible and more prudent in this time of pressing budget priorities, water shortages and over taxation.

A. J. Kaplan spoke to the companies at the Shops at Legacy providing financial resources and to not using tax payers' money. Dan Collins, citizen of the City, requested the Council be good stewards of taxes and not spend money on a fountain. He spoke further to the City supporting economic development and utilizing funding on other priorities. Gary Fleming, spoke to the use of water regardless of the source, setting a bad example and to this being poor policy. He stated agreement with providing economic benefits to attract business and to establishing tracking to determine if revenues offset the expenditure. Mr. Fleming spoke to placement of the fountain in a public park rather than at an intersection, to consideration of possible budget overruns, and to cutting back and changing plans to construct a more modest fountain. Robert A. Lynch, citizen of the City and owner of a downtown building stated concern that his tax dollars may be going toward the fountain and requested consideration for the downtown area.

Resolution No. 2006-12-15(R)/ Ordinance No. 2006-12-16 (cont'd)

Mary Compton, citizen of the City, spoke in opposition to City funds being used to build the fountain and regarding business owners who want to grow going to a lender. She spoke to the projects in the downtown area being necessities when a fountain is not and to the possibility of revitalizing the Collin Creek area. Mayor Evans spoke to Collin Creek Mall being the next area for consideration and to the monies spent in the downtown area.

Phil Staggs, citizen of the City, stated that the fountain will not become a tourist attraction or income producer and that if it would reduce his tax burden, he would support it but if not he would be in opposition. He spoke to considering the needs of those in the community. Phil Armstrong, citizen of the City, spoke to the need for assistance in other areas and Mayor Evans requested the Council be informed of projects that might be lacking in funding. Phil Raign, citizen of the City, stated he is impressed with the Legacy area, but stated opposition to the request.

David Fincanon, citizen of the City, spoke from a position of neutrality regarding the difficulties in running a business, increases in state taxes, balancing spending and regarding those establishments in other parts of the City that need assistance. Mayor Evans closed the floor to public comment.

Council Member Stahel spoke to the Shops at Legacy being a success without a fountain, to it being a benefit to the developer and being contrary to the water shortage. He spoke to listening carefully to those who have come to speak on the topic and to the large number in opposition. Mr. Stahel stated that those expressing support include builders, contractors, realtors and co-occupants who have a vested interest in the area. He spoke to there being interest in providing a jogging trail in the area, to the fountain not fulfilling a role as a job retention tool, and to the number of dollars that would need to be spent to provide a benefit in sales tax. Mr. Stahel spoke to the helping with infrastructure and providing tax abatements to companies that would guarantee investments in equipment and property along with jobs. He urged the Council to vote against the project.

Council Member LaRosiliere spoke to the City providing safe, clean streets along with libraries, parks and other services. He spoke to focusing on Legacy Town Center and its potential for sales tax revenues. Mr. LaRosiliere spoke to thinking of economic development in terms of high level executives coming to do business and seeing Legacy Town Center as a representation of the things Plano has to offer. He stated support for the request and for the business development aspect, spoke to the opportunity to create something unique and to aggressively pursuing opportunities to make Plano better, creating tax revenues and funding its quality of life. Council Member Callison spoke to the project being a boom for tourism, a gathering place and stated that it will help economic development. She spoke to consideration of the City by corporate leaders, giving Plano a sense of place and to having the vision to make sure the City is a place where future generations wish to live. Council Member Ellerbe spoke regarding the vision for the area and to continuing to move forward. She spoke regarding the funds spent on infrastructure in downtown Plano which would have come from developers if not from the City and stated support for the request.

Resolution No. 2006-12-15(R)/ Ordinance No. 2006-12-16 (cont'd)

Mayor Pro Tem Johnson spoke to the attributes of the Legacy area and to making Plano an attractive and desirable place to live, work and enjoy life. He spoke to the taxes paid by businesses in the City, to this project being an unusual version of economic development and to trying to attract citizens and businesses by making Plano different. Mr. Johnson spoke to continuing the level of success at the Shops at Legacy, school district property taxes, property tax discounts provided to homeowners and other cases where items such as screening walls and creek erosion may not necessarily be an issue of safety but one of appearance. He spoke to the improvements funded in the downtown area which otherwise would have been paid for by owners and tenants.

Deputy Mayor Pro Tem Magnuson spoke to the property owners and businesses in the Legacy area having a vested interest, other public/private partnerships, adapting an idea to enhance a retail/commercial area and to monies coming back to the City that were invested in the cattle sculpture and park. She spoke to the request being an investment in public art to enhance an extremely competitive business landscape, the level of sales and property taxes that will be realized and to the project being nationally recognized. Ms. Magnuson spoke to the Local Government Code allowing cities to invest in this type of project which is designed to stimulate business and commerce. She spoke to pride in the Police and Fire Departments, to not compromising on safety and to continuing to support the downtown area. Ms. Magnuson spoke to this request being an investment in a successful new urban development from which all will benefit and stated that increased taxes on the west side have an impact on the east side.

Mayor Evans spoke to being in competition with neighboring cities and to the City being open for business, asking for projects that are unique and forming a partnership that will be beneficial to the City, provide entertainment, cultural benefits and bring tax benefits. Mayor Evans spoke to providing gathering places and to partnering with those that bring forward these projects. She spoke to working towards expanding the tax base to keep citizen taxes low, talks with Collin Creek Mall and stated the Council is open to any other center that comes forward with a unique, great idea to benefit all of Plano.

A motion was made by Deputy Mayor Pro Tem Magnuson and seconded by Mayor Pro Tem Johnson to approve the terms and conditions of a Grant and Maintenance Agreement for the construction and maintenance of a water fountain at Legacy Town Center by and between the Shops at Legacy (North), L.P. and the City of Plano; authorizing its execution by the City Manager; and providing an effective date and further to approve Resolution No. 2006-12-15(R). The Council voted 6-1 with Council Member Stahel voting in opposition. The motion carried.

Resolution No. 2006-12-15(R)/ Ordinance No. 2006-12-16 (cont'd)

A motion was made by Deputy Mayor Pro Tem Magnuson and seconded by Council Member LaRosiliere to transfer the sum of \$1,000,000 from the General Fund Unappropriated Fund Balance to the General Fund Operating Appropriation for Fiscal Year 2006-07 for the purpose of providing partial funding for the construction and maintenance of a water fountain within Legacy Town Center; amending the budget of the City and Ordinance 2006-9-9, as amended, to reflect the actions taken herein; declaring this action to be a case of public necessity; and providing an effective date; and further to adopt Ordinance No. 2006-12-16. The Council voted 6-1 with Council Member Stahel voting in opposition. The motion carried.

There being no further discussion, Mayor Evans adjourned the meeting at 9:59 p.m.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, City Secretary

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
December 19, 2006**

COUNCIL MEMBERS

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

STAFF

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

Mayor Evans called the meeting to order at 5:08 p.m., Tuesday, December 19, 2006, in Training Room A of the Municipal Center, 1520 K Avenue. All Council Members were present. Council Member Callison arrived at 5:09 p.m. and Council Member LaRosilieri arrived at 5:11 p.m. Mayor Evans then stated that the Council would retire into Executive Session in compliance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated, in order to consult with an attorney and receive Legal Advice and to discuss Litigation, Section 551.071, and discuss Personnel, Section 551.074 for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor Evans reconvened the meeting back into the Preliminary Open Meeting at 6:47 p.m. in the Council Chambers where the following matters were discussed:

Consideration and Action Resulting From Executive Session Discussion

No items were brought forward.

Personnel Appointments

Senior Citizens Advisory Board

This item was passed over

Community Relations Commission - Chair

Upon a motion made by Council Member Magnuson and a second by Council Member LaRosiliere, the Council voted to appoint Robert Masengill as Chair.

Mobility Report

Traffic Engineering Manager Neal spoke to signal design at MapleShade Lane and Ohio Road meeting necessary warrants and to the Mission Ridge Road location north of Spring Creek Parkway providing an 81% response to reject a permanent traffic management plan. He spoke to work being done in conjunction with the Environmental Health Department and to finding ways to give the City of Plano national recognition in the workplace and to winning the Transportation Demand Management Award awarded by the Dallas Regional Mobility Coalition and also being mentioned as one of the best workplaces for commuters nationwide.

City Manager Muehlenbeck stated that while in Detroit, Mayor Evans had the opportunity to experience the Michigan Left Turn firsthand.

Continued Discussion and Direction Regarding City Employee Health Clinic

Executive Director Hogan spoke to the canvassing of employees to determine the feasibility of an employee health clinic and stated that Dr. vanOort is here from Practiva Health to provide information on their findings. He stated that direction will be sought regarding moving forward with a RFP to canvass a third party management company to run the facility.

Dr. VanOort stated that a five-question survey was developed to provide quantitative interest data from employees and was distributed to employees using various formats. He stated that questionnaires were anonymous, spoke to usable surveys returned, and stated that most were in favor of the clinic at a ratio of 90%. Dr. VanOort spoke to the \$5 co-pay, determining who would use the service, what the clinic would be used for, and stated that indications were that living further away would have an impact. He stated that employees are agreeable to use the clinic for work related medical services.

Dr. VanOort responded to the Council that the idea of the \$5 co-pay allows for a better determination of use and that prescription determinations will initially be run through the claim system. The Council gave a "thumbs up" on the clinic.

Mr. Hogan advised regarding a final decision on the Clinic, spoke to moving forward with RFP's in the private sector to run the program, and stated that future discussions on other issues regarding the clinic will take place before moving forward.

Mayor Evans convened directly into the Regular Meeting at 7:00 p.m. where remaining Preliminary Items were addressed.

Pat Evans, Mayor

ATTEST

Elaine Bealke, City Secretary

PLANO CITY COUNCIL
December 19, 2006

COUNCIL MEMBERS

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

STAFF

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

Mayor Evans convened the Council into the Regular Session Tuesday, December 19, 2006, at 7:00 p.m. in the Council Chamber of the Plano Municipal Center, 1520 K Avenue. All Council members were present.

The invocation was led by Council Member Callison.

The Pledge of Allegiance was led by Boy Scout Troop 285.

The Plano Senior High School Girl's Choir performed for the Council.

Mayor Evans presented a Special Award for the 2006 Christmas Parade to the Youth Advisory Commission Chairperson.

Mayor Evans administered the oath of office to Self Sufficiency Committee member Cathie Stanford Alexander. Pamela Harvey was not in attendance to receive her oath of office.

COMMENTS OF PUBLIC INTEREST

Karen Dubrow, citizen of the City, advised the Council of a circulating petition calling for a referendum on the issue of the fountain at the Shops at Legacy. She requested the Council delay action on the contract through the signing and verification periods. Ms. Dubrow spoke regarding the costs of doing business and regarding the petition giving the right to voters to decide whether tax dollars will be provided. James Lineback, citizen of the City, spoke to the collection of signatures on the petition and invited the Council to sign. He spoke to citizens being involved in the decision. Jack Lagos, citizen of the City, spoke to the time allotted for discussion of the fountain at the Shops at Legacy and the length of time taken by those in favor as compared to those in opposition.

City Manager Muehlenbeck read a letter into the record from Mr. Karahan advising of his decision to withdraw without prejudice the pending action before the City Council with respect to the fountain and the funds requested.

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

Discussion and Direction Regarding Combined Charitable Giving Campaign

Executive Director Hogan advised regarding an agenda item changing the process for the employee charitable giving campaign. He spoke to Staff exploring opportunities for including more federations in the campaign and to entering into an agreement to provide coordination of payroll deductions and administration. Mr. Hogan advised that the interlocal agreement would create a regional approach between the cities of Plano and Frisco for charitable giving. He spoke to the creation of a steering committee between the two cities and to the inclusion of a number of charities.

Council Items for Discussion/Action on Future Agendas

City Manager Muehlenbeck requested Council direction regarding any action that might be taken in response to Mr. Karahan's letter and City Attorney Wetherbee advised that Staff could prepare items to repeal the ordinance funding the fountain and the resolution setting for the agreement for consideration at the January 8, 2007 Council meeting.

Consent and Regular Agendas

Council Member Dunlap advised that due to a possible conflict of interest, he will be stepping down on Consent Agenda Item "D," Bid No. 2007-38-B for 2006-07 Arterial Concrete Pavement Rehabilitation Project, Jupiter Road and 18th Street to Jerusalem Corporation in the amount of \$596,975.

Council Member Stahel advised that due to possible conflicts of interest, he will be stepping down on Consent Agenda Items "H," to authorize the purchase of Altiris Total Management Suite software in the amount of \$188,436 from Dell Inc.; "I," to authorize the purchase of network servers in an amount not to exceed \$300,000 from IBM Direct and Hewlett Packard; and "O," a resolution to express intent to finance the purchase of equipment for the Technical Services Department including a Public Safety Wireless Mesh Network together with installation and maintenance in an amount not to exceed twenty one million dollars (\$21,000,000).

Staff requested that Consent Agenda Items "M," a resolution to approve the terms and conditions of an Interlocal Agreement by and between the City of Plano and the City of Frisco establishing the cities of Frisco and Plano Charitable Campaign Partnership and appointing the Community Health Charities as the Campaign Manager and "N," a resolution to approve the terms and conditions of a Settlement Agreement and Release by and between Jacobs Civil, Inc. and the City of Plano be removed for individual consideration

Citizen Dwayne Clark requested Consent Agenda Items “F,” to approve the purchase of thirty-four (34) Chevrolet Police Tahoes in the amount of \$1,034,549 from Caldwell Country Chevrolet through an existing contract/agreement with HGAC Cooperative Purchase Program and “J,” to approve a purchase of Wireless Mesh Network Extension in the amount of \$7,896,000 from Motorola, Inc. through an existing contract/agreement with Houston Galveston Area Council (HGAC) be removed for individual consideration.

Council Reports

Mayor Evans spoke to discussions held with the owners of the Willow Bend Mall and to continuing discussions with Collin Creek Mall regarding renovations and possible basic changes with the City as a partner.

CONSENT AGENDA

Upon a motion made by Council Member Ellerbe and seconded by Deputy Mayor Pro Tem Magnuson, the Council voted 8-0 to approve and adopt all remaining items on the Consent Agenda as recommended and as follows:

Approval of Expenditures

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

Bid No. 2007-19-B for Steel Signal Pole Assembly to Union Metal Corporation in the amount of \$67,968. [Consent Agenda Item (A)] (See Exhibit “A”)

Bid No. 2007-6-B for Steel Signal Pole Assembly to ReliaPOLE Solutions, Inc. in the amount of \$118,280. [Consent Agenda Item (B)] (See Exhibit “B”)

Bid No. 2007-29-P for the Sanitary Sewer Rehabilitation Requirements Contract 2006, Project No. 5766 to Miller Pipeline Company in the amount of \$1,992,370. [Consent Agenda Item (C)] (See Exhibit “C”)

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

To approve the purchase of six (6) Unmarked Police Chevrolet Impala Sedans in the amount of \$105,582 from Caldwell Country Chevrolet through an existing contract/agreement with Tarrant County Joint Venture Cooperative Purchase Program, and authorizing the City Manager to execute all necessary documents. (#2005-001) [Consent Agenda Item (E)]

To approve the purchase of police vehicle prisoner barriers and transport seats in the amount of \$39,152 from Big Country Supply through an existing contract/agreement with Tarrant County, and authorizing the City Manager to execute all necessary documents. (Contract #2005-139) [Consent Agenda Item (G)]

Approval of Change Order

To Barson Utilities, increasing the contract by \$29,105 for Whiffletree Water Rehabilitation, Change Order No. 2 (Bid No. 2006-38-B) [Consent Agenda Item (K)]

Adoption of Resolutions

Resolution No. 2006-12-17(R): To approve the terms and conditions of a Support and Maintenance Agreement with BIO-key International, Inc., a sole source vendor for the maintenance and support of BIO-key software applications; authorizing its execution by the City Manager; and providing an effective date. [Consent Agenda Item (L)]

Adoption of Ordinances

Ordinance No. 2006-12-18: To abandon all right, title and interest of the City, in and to that certain 20 foot wide alley right-of-way extending from 12th Street to 13th Street between Block 1 and Block 3 of the Aldridge Addition as recorded in the Land Records of Collin County, Texas and being situated in the Joseph Klepper Survey, Abstract No. 213, which is located in the City limits of Plano, Collin County, Texas; quitclaiming all right, title and interest of the City in such 20 foot right-of-way, 10 foot each, to the abutting property owners: Beverly A. Black, Margarita S. Cuevas, Dalton Davis, Ortiz Diego, Bartolo & Felipe Escandon, Sandra A. Gilstrap, Maurice Johnson Etal, Maceo & Willam F. & Robert McKinzie, Elmo Stimpson Estate, Norris Stimpson, R. T. Turner & The House of God, and Arthur Washington, to the extent of their interests; authorizing the City Manager to execute any documents deemed necessary; and providing an effective date. [Consent Agenda Item (P)]

END OF CONSENT

Due to possible conflicts of interest, Council Member Stahel stepped down from the bench on the following three items which were considered concurrently.

Purchase from Existing Contract/Agreement: To authorize the purchase of Altiris Total Management Suite software in the amount of \$188,436 from Dell Inc., through an existing Department of Information Resources (DIR) contract; and authorizing the City Manager to execute all necessary documents. (DIR-SDD-192) [Consent Agenda Item (H)]

Purchase from Existing Contract/Agreement: To authorize the purchase of network servers in an amount not to exceed \$300,000 from IBM Direct and Hewlett Packard through the Department of Information Resources (DIR) Contract, and authorizing the City Manager to execute all necessary documents. (IBM Direct DIR-SDD-190, HP DIR-VPC-03-006). [Consent Agenda Item (I)]

Resolution No. 2006-12-19(R): To express intent to finance the purchase of equipment for the Technical Services Department including a Public Safety Wireless Mesh Network together with installation and maintenance in an amount not to exceed twenty one million dollars (\$21,000,000); and providing an effective date. [Consent Agenda Item (O)]

Upon a motion made by Council Member LaRosiliere and seconded by Mayor Pro Tem Johnson, the Council voted 7-0 to authorize the purchase of Altiris Total Management Suite software in the amount of \$188,436 from Dell Inc.; to authorize the purchase of network servers in an amount not to exceed \$300,000 from IBM Direct and Hewlett Packard through the Department of Information Resources (DIR) Contract; and to adopt Resolution No. 2006-12-19(R) expressing intent to finance the purchase of equipment for the Technical Services Department including a Public Safety Wireless Mesh Network together with installation and maintenance in an amount not to exceed twenty one million dollars (\$21,000,000).

Council Member Stahel resumed his place at the bench.

Due to a possible conflict of interest Council Member Dunlap stepped down from the bench on the following item.

Bid No. 2007-38-B for 2006-07 Arterial Concrete Pavement Rehabilitation Project, Jupiter Road and 18th Street to Jerusalem Corporation in the amount of \$596,975. This project involves the replacement of arterial street paving, curb and gutter, sidewalk repair and barrier free ramp construction on Jupiter Road between Spring Creek Parkway and Park Boulevard and on 18th Street between G Avenue and P Avenue. [Consent Agenda Item (D)] (See Exhibit "D")

Upon a motion made by Deputy Mayor Pro Tem Magnuson and seconded by Council Member Callison, the Council voted 7-0 to approve Bid No. 2007-38-B for 2006-07 Arterial Concrete Pavement Rehabilitation Project, Jupiter Road and 18th Street to Jerusalem Corporation in the amount of \$596,975.

Council Member Dunlap resumed his place at the bench.

Purchase from Existing Contract/Agreement: To approve the purchase of thirty-four (34) Chevrolet Police Tahoes in the amount of \$1,034,549 from Caldwell Country Chevrolet through an existing contract/agreement with HGAC Cooperative Purchase Program, and authorizing the City Manager to execute all necessary documents. (#VE03-06) [Consent Agenda Item (F)]

Citizen Dwayne Clark stated concern regarding the upgrade to Tahoes citing fuel economy, added expenses and pollution. He spoke to these vehicles being less maneuverable and subject to rollover and to purchasing from a business outside of the City.

City Manager Muehlenbeck spoke to providing opportunities to local dealers and to purchasing through an interlocal agreement for the lowest and best bid. Police Chief Rushin spoke regarding the vehicle committee within the Police Department which reviewed information and provided the recommendation.

Chief Rushin spoke to advantages of the vehicles and stated they could be kept one additional year. Reid Choate of Equipment Services Operations spoke regarding evaluation, maintenance and the total life cycle of the vehicle. He spoke to consideration of the warranty and resale value. City Manager Muehlenbeck spoke to funding from the Equipment Replacement Fund which is part of the City's budget.

Upon a motion made by Council Member Stahel and seconded by Council Member Ellerbe, the Council voted 8-0 to approve the purchase of thirty-four (34) Chevrolet Police Tahoes in the amount of \$1,034,549 from Caldwell Country Chevrolet through an existing contract/agreement with HGAC Cooperative Purchase Program.

Due to a possible conflict of interest, Council Member Stahel stepped down from the bench on the following item.

Purchase from Existing Contract/Agreement: To approve a purchase of Wireless Mesh Network Extension in the amount of \$7,896,000 from Motorola, Inc. through an existing contract/agreement with Houston Galveston Area Council (HGAC), and authorizing the City Manager to execute all necessary documents. (HGAC Contract #RA01-06) [Consent Agenda Item (J)]

Citizen Dwayne Clark stated concern that the expenditure for this item may not be worth the expense. City Manager Muehlenbeck spoke to a pay off within four to five years and to the Public Hearing held during budget consideration. Mr. Clark spoke to waiting for the cost to decrease, possible cost overruns and to possibly being behind schedule on these types of projects. City Manager Muehlenbeck spoke to the cutting edge nature of the request, the applications it will provide, and the exceptional coverage. He responded to Mayor Pro Tem Johnson that it will assist in the area of emergency services as well.

Upon a motion made by Council Member LaRosiliere and seconded by Deputy Mayor Pro Tem Magnuson, the Council voted 7-0 to approve a purchase of Wireless Mesh Network Extension in the amount of \$7,896,000 from Motorola, Inc. through an existing contract/agreement with Houston Galveston Area Council (HGAC).

Council Member Stahel resumed his place at the bench.

Resolution No. 2006-12-20(R): To approve the terms and conditions of an Interlocal Agreement by and between the City of Plano and the City of Frisco establishing the cities of Frisco and Plano Charitable Campaign Partnership and appointing the Community Health Charities as the Campaign Manager; authorizing the City Manager to take such action and execute such documents as necessary to effectuate the agreement herein; and providing an effective date. [Consent Agenda Item (M)]

Resolution No. 2006-12-20(R) (cont'd)

Upon a motion made by Council Member Callison and seconded by Mayor Pro Tem Johnson, the Council voted 8-0 to approve the terms and conditions of an Interlocal Agreement by and between the City of Plano and the City of Frisco establishing the cities of Frisco and Plano Charitable Campaign Partnership and appointing the Community Health Charities as the Campaign Manager; authorizing the City Manager to take such action and execute such documents as necessary to effectuate the agreement herein; and providing an effective date; and further to adopt Resolution No. 2006-12-20(R).

Resolution No. 2006-12-21(R): To approve the terms and conditions of a Settlement Agreement and Release by and between Jacobs Civil, Inc. and the City of Plano; authorizing its execution by the City Manager; and providing an effective date. [Consent Agenda Item (N)]

Upon a motion made by Mayor Pro Tem Johnson and seconded by Council Member LaRosiliere, the Council voted 8-0 to approve the terms and conditions of a Settlement Agreement and Release by and between Jacobs Civil, Inc. and the City of Plano; authorizing its execution by the City Manager; and providing an effective date; and further to adopt Resolution No. 2006-12-21(R).

Public Hearing and adoption of Ordinance 2006-12-22 as stated in Disannexation Case D2006-01 - To disannex 5.2± acres of land located on the west side of Marsh Lane, 1,300± feet south of Plano Parkway, in the John Smith Survey, Abstract No. 1226, Denton County, Texas, and contracting the boundary limits of City limits of the City of Plano, Texas, so as to exclude said property from the City limits; relinquishing any and all extraterritorial jurisdiction the City of Plano may have in and to said tract of land; and providing a severability clause and an effective date. Applicant: Holigan Investment Group, LTD. [Regular Agenda Item (1)]

Director of Planning Jarrell advised the Council that the applicant has assembled land in the area with the intention of building a mixed-use development in the City of Carrollton. She advised that this tract is currently vacant and zoned Light Commercial and stated that if developed as townhouses, it would be beneficial for all services to be provided by one municipality. Ms. Jarrell stated that based on the difficulty of providing sanitary sewer service to the tract and the nature of the proposed residential development, Staff recommends disannexation. She responded to Mayor Pro Tem Johnson regarding other development in the area and stated that residential development poses a sewer capacity issue.

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

Ordinance No. 2006-12-22 (cont'd)

Upon a motion made by Council Member Stahel and seconded by Council Member Ellerbe, the Council voted 8-0 to disannex 5.2± acres of land located on the west side of Marsh Lane, 1,300± feet south of Plano Parkway, in the John Smith Survey, Abstract No. 1226, Denton County, Texas, and contracting the boundary limits of City limits of the City of Plano, Texas, so as to exclude said property from the City limits as stated in Disannexation Case D2006-01; relinquishing any and all extraterritorial jurisdiction the City of Plano may have in and to said tract of land; and providing a severability clause and an effective date; and further to adopt Ordinance No. 2006-12-22.

There being no further discussion, Mayor Evans adjourned the meeting at 8:05 p.m.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, City Secretary



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Council Meeting Date:	1/8/07	Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
Department:	Purchasing		Initials	Date	
Department Head	Mike Ryan	Executive Director			
Dept Signature:	<i>Glenn Palmer</i>	City Manager	<i>MP</i>	<i>12/28/06</i>	
Agenda Coordinator (include phone #):		Glenna Hayes x 7539			
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input checked="" type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER					
CAPTION					
Award/Rejection of Bid/Proposal for Bid No 2007-31-C for Fire Department Winter Coats to GST Public Safety Supply LLC in the estimated annual amount of \$24,892.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2006-07, 07/08, 08/09, 09/10	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	0	0	0
Encumbered/Expended Amount		0	0	0	0
This Item		0	0	0	0
BALANCE		0	0	0	0
FUND(S): GENERAL FUND (01)					
COMMENTS: This item approves price quotes. Funds for Fire Department clothing are included in the FY 2006-07 approved budget. Winter coat purchases may occur over several fiscal years, within annual budget appropriations. The balance of funds will be used for other Fire Department clothing purchases. STRATEGIC PLAN GOAL: Fire Department winter coat purchases relate to the City's Goal of "Service Excellence".					
SUMMARY OF ITEM					
Annual Contract With Renewals					
Staff recommends bid of GST Public Safety Supply LLC in the estimated annual amount of \$24,892.00 be accepted as the lowest responsive responsible bid, and conditioned upon timely execution of any necessary contract documents. This will establish an annual fixed price contract, with three optional one-year renewals for the purchase of Fire Department Winter Coats.					
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies			
Bid Summary					

b-1

CITY OF PLANO
BID TABULATION
2007-31-C
FIRE DEPARTMENT WINTER COATS
DECEMBER 11, 2006

B
J

GST PUBLIC SAFETY SUPPLY LLC

\$24,892.00

I certify that the above includes all firms contacted to bid and that replies are exactly as stated.

Glenna Hayes

Glenna Hayes, Buyer

December 11, 2006

Date

"BID TABULATION STATEMENT"

ALL BIDS SUBMITTED FOR THE DESIGNATED PROJECT ARE REFLECTED ON THIS BID TAB SHEET. HOWEVER, THE LISTING OF A BID ON THIS SHEET SHOULD NOT BE CONSTRUED AS A COMMENT ON THE RESPONSIVENESS OF SUCH BID OR AS ANY INDICATION THAT THE CITY ACCEPTS SUCH BID AS RESPONSIVE. THE CITY WILL MAKE A DETERMINATION AS TO THE RESPONSIVENESS OF BIDS SUBMITTED BASED UPON COMPLIANCE WITH ALL APPLICABLE LAWS, CITY OF PLANO PURCHASING GUIDELINES, AND PROJECT DOCUMENTS, INCLUDING BUT NOT LIMITED TO THE PROJECT SPECIFICATIONS AND CONTRACT DOCUMENTS. THE CITY WILL NOTIFY THE SUCCESSFUL BIDDER UPON AWARD OF THE CONTRACT AND, ACCORDING TO LAW, ALL BIDS RECEIVED WILL BE AVAILABLE FOR INSPECTION AT THAT TIME.

PURCHASING DIVISION
CITY OF PLANO TEXAS



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07		Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Department:	Purchasing		Initials	Date
Department Head	Mike Ryan	Executive Director		
Dept Signature:	<i>[Signature]</i>	City Manager	<i>[Signature]</i>	<i>1/26/06</i>
Agenda Coordinator (include phone #):		Dianna Wike Ext. 7549		
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input checked="" type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER				
CAPTION				
Award/Rejection of Bid/Proposal for Best Value Bid No 2007-11-C for Traffic Calming Devices to Professional Pavement Products, Inc. and 3M in the estimated annual amount of \$171,436.00.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
2006-07	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
FISCAL YEAR:				
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(s): GENERAL FUND				
COMMENTS: This item approves price quotes. Expenditures will be made in the Neighborhood Maintenance Department within the approved budget appropriations. The estimated annual amount is \$171,436. STRATEGIC PLAN GOAL: Traffic calming devices relate to the City's Goal of Safe, Efficient Travel.				
SUMMARY OF ITEM				
Annual Contract With Renewals				
Staff recommends bid of Professional Pavement Products, Inc., items 1, 6, 7, 8, and 11 in the estimated annual amount of \$159,421.00 and 3M, item 12 in the estimated amount of \$12,015.00, be accepted as the best value, and conditioned upon timely execution of any necessary contract documents. Items 2-5 and 9-10 will not be awarded. This will establish an annual fixed price contract, with three optional one-year renewals for the purchase of Traffic Calming Devices.				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
Bid Summary				

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CITY OF PLANO

BEST VALUE BID NO. 2007-11-C TRAFFIC CALMING DEVICES

BID RECAP

Bid opening Date/Time: November 6, 2006 @ 3:30pm

Number of Vendors Notified: 655

Vendors Submitting "No Bids": 5

Number of Bids Submitted: 4

Final Combined Evaluation Score

3M	5 (Item 12 only)
Road Kare International	3.98
Professional Pavement Products, Inc.	4.40
Traffic Logix, Inc.	N/A

Bids Evaluated Non-Responsive to Specification: 1

Recommended Vendor(s):

Professional Pavement Products, Inc.	(\$159,421.00)
3M	(\$ 12,015.00)

Dianna Wike

December 15, 2006

Dianna Wike, Buyer

Date

C-2



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date:	01/08/2007	Reviewed by Legal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Department:	Police Department		Initials	Date
Department Head	Ed Drain	Executive Director	<i>[Signature]</i>	12/29/06
Dept Signature:	<i>[Signature]</i>	City Manager	<i>[Signature]</i>	12/29/06
Agenda Coordinator (include phone #): Pam Haines, Ext 2538				

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT OTHER EXISTING CONTRACT

CAPTION

Approval of the purchase of Emergency Light Bars and Siren Units in the amount of \$69,125 from Emergency Vehicle Equipment Company through an existing contract/agreement with Tarrant County, and authorizing the City Manager or his designee to execute all necessary documents. Contract# 2005-139

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR: 06/07	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	171,000	0	171,000
Encumbered/Expended Amount	0	0	0	0
This Item	0	-69,125	0	-69,125
BALANCE	0	101,875	0	101,875

FUND(S): GENERAL FUND AND EQUIPMENT REPLACEMENT FUND – POLICE ERF (902)

COMMENTS: Funds are included in the 2006-07 adopted budget for new and replacement purchases of Police Department light bars/siren units. The balance of the funds will be used for other Police Department equipment replacement purchases.

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

SUMMARY OF ITEM

Staff recommends approval of expenditure for the purchase of emergency light bars and siren unit from Emergency Vehicle Equipment Company in an amount not to exceed \$69,125. Emergency Vehicle Equipment Company is Tarrant County's contracted vendor for this items. The City is authorized to purchase from a Local Cooperative Organization pursuant to Section 271 Subchapter F of the Local Government Code and by doing so satisfies any State Law Requiring local governments to seek competitive bids for Items. (Contract# 2005-139)

List of Supporting Documents: Justification Letter	Other Departments, Boards, Commissions or Agencies
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d-1



P.O. Box 860358
Plano, Texas 75086-0358
972-941-7000
Fax. No. 972-941-0099

MEMORANDUM

DATE: December 20, 2006
TO: Gregory W. Rushin, Chief of Police
FROM: Vehicle/Equipment Committee
SUBJECT: Equipment Committee Recommendation

The Vehicle/ Equipment Committee sent out requests to several manufacturers of light bars and sirens. These Manufacturers included Whelen, Code3, Sound Off Signal, and Federal Signal. The information given to the manufacturers advised the Plano Police Department was looking for a low profile light bar. They were advised the light bar must have red and blue LED only, an amber arrow stick facing the rear, alley lights, and take down lights on the front. They were also advised the light bar / siren control box would be required to be an all-inclusive box with controls for the emergency lights, siren and arrow stick. The control box would also need a spring-loaded auxiliary button for a momentary brake light cut-off.

All Manufactures responded to the requests.

Code3 sent a pamphlet with their current models. Code3 light bars remain essentially unchanged from their previous offerings.

Sound Off Signal's did not offer a single unit control box that controls the light bar, siren, and arrow-stick.

Federal Signal offers their new "Legend" light bar and this is the first year it is on the market. This light bar is a new design for Federal and closely resembles low profile light bars manufactured by Code3 and Whelen. The cost for the Federal product is \$1795.00 per light bar and control box. The Department has no Federal Equipment in any police vehicles at this time.

Whelen continues to offer the "Liberty" light bar which the Department purchased the last two years. The Tarrant County contract price for the Whelen product is \$1975.00, \$180.00 more per light bar and control box than Federal.

Cost wise, 35 Code3 light bars will cost \$102,005.00, 35 Federal light bars will run \$62,825.00, compared to \$69,125.00 for 35 Whelen light bars. The Whelen product is \$32,878.00 less than Code3, and \$6,300.00 more than Federal's light bars.

The Committee recommends the Department purchase the Liberty Light Bar from Whelen with the Cencom Control Box. The Committee bases its decision to purchase the Whelen product on the reliability the Department has experienced with the current Whelen light bars and the standardization it provides for the operator of the equipment. Equipment

d-2

Memo:

2

Officer Marty Childers advises we have had minimal problems with Whelen light bars purchased over the previous three years. The problems that did occur were noted during installation and were due to defective parts in two light bars. There has been no failure of a Whelen light bar while under operation over the past three years. Finally, the Committee believes it is important to standardize this equipment. Standardization of the light bar and control box will allow an officer to operate any police vehicle in the fleet and have the controls in the same familiar configuration. The Committee believes this is important during emergency operation of the police vehicle by insuring the operator can safely activate the equipment while giving maximum attention to the operation of the vehicle. The Whelen Light Bar and Control Box can be purchased from the Tarrant County Contract.

The Committee respectfully requests your consideration.

Marty Childers
Mike tower
Richard Smith
Ron Flanagan
Scott Kermes
Steve VanNote
Barbara Smith
Edward Brashear

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**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07		Reviewed by Legal <i>ws</i>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
Department:	Fleet & Equipment Services			Initials	Date
Department Head	Mark Jerome	Jimmy Foster	Executive Director	<i>[Signature]</i>	12/29/08
Dept Signature:	<i>[Signature]</i>		City Manager	<i>[Signature]</i>	12/29/06
Agenda Coordinator (include phone #):		Linda M. Robinson x4180			

ACTION REQUESTED:

<input type="checkbox"/> ORDINANCE	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> CHANGE ORDER	<input type="checkbox"/> AGREEMENT
<input type="checkbox"/> APPROVAL OF BID	<input type="checkbox"/> AWARD OF CONTRACT	<input checked="" type="checkbox"/> OTHER PURCHASE OFF EXISTING CONTRACT	

CAPTION

Approval of the purchase of two (2) Unmarked Dodge Charger Police Sedans in the amount of \$40,258.00 from Dallas Dodge through an existing contract/agreement with HGAC Cooperative Purchase Program, and authorizing the City Manager or his designee to execute all necessary documents. (#VE03-06)

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR: 06/07	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	46,000	0	46,000
Encumbered/Expended Amount	0	0	0	0
This Item	0	-40,258	0	-40,258
BALANCE	0	5,742	0	5,742

FUND(S): GENERAL FUND

COMMENTS: Funds are included in the FY 2006-07 approved budget for the new additions to the Police fleet of (2) Dodge Chargers. The balance of funds will be used for other rolling stock purchases.

STRATEGIC PLAN GOAL: Police vehicle purchase relates to the City's Goal of "Service Excellence".

SUMMARY OF ITEM

Equipment Services request the purchase of two Unmarked Dodge Charger Police Sedans through the HGAC Cooperative Purchase Program, awarded to Dallas Dodge. These units are new additions to the fleet for Dept 532/Police per fiscal year 06/07. Account 071-8421; Supplement 532008.

The City is authorized to purchase from a Local Cooperative Organization pursuant to Chapter 271, Subchapter F of the Texas Local Govt. Code and by doing so satisfies any State Law requiring local governments to seek competitive bids for items. (HGAC #VE03-06)

Total purchase price of both units including HGAC fee and delivery fee is \$40,258.00

List of Supporting Documents: Memo, Agenda, Bid Quote	Other Departments, Boards, Commissions or Agencies
--	--

e-1



MEMORANDUM

Date: December 12, 2006
To: Steve Tillman, Senior Buyer
From: Reid Choate, Technical Coordinator
Subject: Request to purchase two (2) Unmarked Dodge Charger Police Sedans (C03) through the HGAC Cooperative Purchase Program, Contract #VE03-06, awarded to Dallas Dodge.

Base Price:	\$18,607.00 x 2 =	37,214.00
Published Options:	\$ 1,187.00 x 2 =	2,374.00
Delivery Fee:	\$ 35.00 x 2 =	70.00
HGAC Fee:		<u>600.00</u>
TOTAL PURCHASE PRICE:		\$40,258.00

BUDGET AMOUNT: **\$46,000.00**

NOTE: These two (2) units are new additions to the fleet for Dept 532/Police per fiscal year 06/07. Account #071-8421; Supplement #532008

Please reference Requisition No. 904019.

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

Cc: Jimmy Foster
Mark Jerome
Marty Childers
Greg Rushin
Glen Brashear
Diane Palmer
Stephen Teiper

e-2



CONTRACT PRICING WORKSHEET
For Standard Equipment Purchases

Contract No.: **VE03-06**

Date Prepared: **11/30/2006**

This Form must be prepared by Contractor and given to End User. The H-GAC administrative fee shall be shown in Section F. End User issues PO to Contractor, and MUST also fax a copy of PO, together with completed Pricing Worksheet, to H-GAC @ 713-993-4548. Please type or print legibly.

Buying Agency:	City of Plano	Contractor:	Dallas Dodge
Contact Person:	Reid C.	Prepared By:	Bert Stull
Phone:	972-769-4182	Phone:	214-319-1289
Fax:	972-461-9349	Fax:	214-319-1306
Email:		Email:	bstull@kag-1.net

Product Code: **C03** Description: **2007 Police Charger**

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: 18607

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
18" wheel covers	28		
Vinyl flooring	89		
Emergency handles/rear windows inop.	43		
Keyed alike	56		
Aux dome light	65		
Power driver seat	380		
Side air bags	348		
Driver-side black spotlight	178		
		Subtotal From Additional Sheet(s):	
		Subtotal B:	1187

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	35		
		Subtotal D:	35

E. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C+D) 19829

Quantity Ordered: **2** X Subtotal of A + B + C + D: **19829** = **Subtotal E: 39658**

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: **TBD** **H. Total Purchase Price (E+F+G): 40258**

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CITY OF PLANO

12/12/06

Page - 1

P.O. Number 904019 OR

Cost Center 071

Supplier DALLAS DODGE
11550 LBJ FREEWAY
DALLAS TX 75238

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

Ordered 12/12/06 Freight
Requested 12/12/06 Order Taken By
Delivery

Description	Ordered	UOM	Unit Price	Extended Price	Request Date
UNMARKED DODGE POLICE CHARGERS INVOICE TO FOLLOW REQUEST TO PURCHASE TWO (2) UNMARKED DODGE CHARGER POLICE SEDANS (C03) THROUGH THE HGAC COOPERATIVE PURCHASING PROGRAM, CONTRACT #VE03-06. AWARDED TO DALLAS DODGE. ***** BUDGETED AMOUNT \$46,000.00. ***** NOTE: THESE TWO (2) UNITS ARE NEW ADDITIONS TO THE FLEET FOR DEPT. 532, POLICE PER FY06/07. ACCOUNT # 071-8421. SUPPLEMENT #532008. DPO REQUESTED BY FLEET & EQUIPMENT SERVICES.	2	EA	18,607.0000	37,214.00	12/12/06
18" WHEEL COVERS INVOICE TO FOLLOW PUBLISHED OPTIONS.	2	EA	28.0000	56.00	12/12/06
VINYL FLOORING INVOICE TO FOLLOW PUBLISHED OPTIONS.	2	EA	89.0000	178.00	12/12/06
EMERGENCY HANDLES/REAR	2	EA	43.0000	86.00	12/12/06

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CITY OF PLANO

12/12/06

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P.O. Number 904019 OR
 Extended Price Request Date

Description	Ordered	UOM	Unit Price	Extended Price	Request Date
INVOICE TO FOLLOW PUBLISHED OPTIONS. EMERGENCY HANDLES/ REAR WINDOWS LOOP.					
KEYED ALIKE INVOICE TO FOLLOW PUBLISHED OPTIONS.	2	EA	56.0000	112.00	12/12/06
AUXILIARY DOME LIGHT INVOICE TO FOLLOW PUBLISHED OPTIONS.	2	EA	65.0000	130.00	12/12/06
POWER DRIVE SEAT INVOICE TO FOLLOW PUBLISHED OPTIONS.	2	EA	380.0000	760.00	12/12/06
SIDE AIR BAGS INVOICE TO FOLLOW PUBLISHED OPTIONS.	2	EA	348.0000	696.00	12/12/06
DRIVER-SIDE BLACK SPOT INVOICE TO FOLLOW PUBLISHED OPTIONS.	2	EA	178.0000	356.00	12/12/06
DELIVERY FEES INVOICE TO FOLLOW	2	EA	35.0000	70.00	12/12/06
HGAC ADMIN. FEES INVOICE TO FOLLOW		EA	.0000	600.00	12/12/06

Total Order

TermNet 30 Days

40,258.00

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**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07		Reviewed by Legal	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	Parks and Recreation		Initials	Date	
Department Head	Don Wendell	<i>Out for DW</i>	Executive Director	<i>[Signature]</i> 12/29/06	
Dept Signature:		City Manager	<i>[Signature]</i>	12/29/06	
Agenda Coordinator (include phone #): Linda Benoit (7255)					

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

CAPTION

RATIFYING AND APPROVING THE EXPENDITURE OF FORTY SEVEN THOUSAND THREE HUNDRED SIXTY ONE AND 38/100 DOLLARS (\$47,361.38) TO SOUTHWEST PARKS & PLAYGROUND LP FOR THE EMERGENCY PURCHASE OF REPLACEMENT PLAYGROUND EQUIPMENT THAT WAS DESTROYED BY FIRE AT CHEYENNE PARK AND AUTHORIZING THE EXECUTION OF ALL DOCUMENTS IN CONNECTION THEREWITH BY THE CITY MANAGER OR HIS DESIGNEE AND PROVIDING AN EFFECTIVE DATE.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR: 2006-07	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	197,242	192,758	200,000	590,000
Encumbered/Expended Amount	-197,242	-142,040	0	-339,282
This Item	0	-47,361	0	-47,361
BALANCE	0	3,357	200,000	203,357

FUND(S): CAPITAL RESERVE

COMMENTS: Funds are included in the 2006-07 Capital Reserve CIP. This item, in the amount of \$47,361, will leave a current year balance of \$3,357 for the Park Structures & Equipment project.

STRATEGIC PLAN GOAL: Replacement of destroyed park equipment relates to the City's Goal of "Premier City for Families."

SUMMARY OF ITEM

Ratification and approval of emergency funds is requested to purchase playground equipment. The playground at Cheyenne Park was destroyed by fire on November 28, 2006. Delivery of the equipment will take approximately six weeks.

The equipment will be purchased from Southwest Parks & Playgrounds. The unit is an exact replica of the former structure. The total amount for purchasing, removing and replacing the equipment is \$47,361.38.

b-1



**CITY OF PLANO
COUNCIL AGENDA ITEM**

This expenditure falls under Section 252.022 General Exemption, (3) a procurement necessary for unforeseen damage to public machinery, equipment or other property and therefore is exempt from competitive bid laws.

List of Supporting Documents:	Other Departments, Boards, Commissions or Agencies
Memo Quote-Southwest Parks & Playgrounds LP.	

f-2

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, RATIFYING AND APPROVING THE EXPENDITURE OF FORTY SEVEN THOUSAND THREE HUNDRED SIXTY ONE AND 38/100 DOLLARS (\$47,361.38) TO SOUTHWEST PARKS & PLAYGROUNDS LP FOR THE EMERGENCY PURCHASE OF REPLACEMENT PLAYGROUND EQUIPMENT THAT WAS DESTROYED BY FIRE AT CHEYENNE PARK AND AUTHORIZING THE EXECUTION OF ALL DOCUMENTS IN CONNECTION THEREWITH BY THE CITY MANAGER OR HIS DESIGNEE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on November 28, 2006 the playground structure at Cheyenne Park was destroyed by fire; and

WHEREAS, Section 252.022(a)(3) of the Texas Local Government Code permits a procurement without competitive bidding if necessary because of unforeseen damage to machinery, equipment and other property; and

WHEREAS, the Parks and Recreation Department obtained a quote from Southwest Parks and Playground LP - currently on contract with the City of Plano, (COP Contract 2006-77-I / PISD #3693) - for replacement of an exact replica of the playground structure that was destroyed in the amount of FORTY SEVEN THOUSAND THREE HUNDRED SIXTY ONE AND 38/100 DOLLARS (\$47,361.38); and

WHEREAS, the delivery of the playground structure will take six weeks; and

WHEREAS, upon full review and consideration of all matters attendant and related to the purchase of the playground structure, such expenditure should be approved, and the City Manager, or his designee, should be authorized to execute any and all documents on behalf of the City of Plano for this purchase.

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

Section I. The terms and conditions of this expenditure, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

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Section II. The City Manager, or in his absence, an Executive Director, is hereby authorized to execute the expenditure on behalf of the City of Plano.

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

DULY PASSED AND APPROVED this the _____ day of _____, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM

Diane C. Wetherbee, CITY ATTORNEY

B-4

Memo

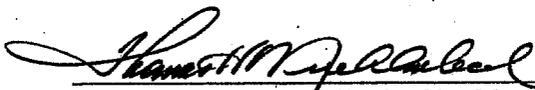
To: Don Wendell, Director *DW*
Through: Jim Fox, Park Services Manager *quj*
From: Douglas Green, Park Administrative Superintendent
CC: Mike Ryan, Purchasing Manager; Shellene Beach, Park Operations Superintendent; Robin Reeves, Chief Park Planner; Randy Balak, Park Support Supervisor
Date: December 8, 2006
Re: Cheyenne Park Playground Replacement

The Cheyenne Park playground structure was destroyed by fire on November 28, 2006. The investigation of the cause is ongoing. As result of this fire, the playground structure is a complete loss. All reports on this incident have been filed with their necessary departments. I have received numerous calls from the citizens living in the surrounding neighborhood requesting information and expressing their concerns about the rebuilding of the playground structure.

Parks has received a quote for the necessary work to restore the structure. This quote is for an exact replica of the structure that was destroyed. The quote was generated by Southwest Parks & Playgrounds (SWPP). SWPP is currently on contract with the City of Plano (COP Contract 2006 -77- 1 / PISD #3693). The total amount for purchasing, removing and replacing the equipment is \$47,361.38. The reconstruction of this playground will be funded out of CRF account # 53363.8331 (Park Structures and Equipment). A copy of the above Quote and Purchase Requisition will be forwarded to the Purchasing Department Manager.

The equipment must first be ordered before installation can be scheduled. Shipping time for the replacement equipment is estimated at (6) weeks. To speed up the process I would like to place the order as soon as possible. To do so, I need the City Manager's approval so a Contract Release Order can be generated. The item will be prepared for presentation to Council at a later date. Approval for this expenditure must be forwarded to the Purchasing Manager before any further steps can be taken. Please consider my request and contact me (Douglas Green x8134) if you have additional questions or comments.

Emergency Purchase Approved:


Thomas H. Muehlenbeck, City Manager

12/11/06
Date

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12/06/2006 15:46 9403810463

SOUTHWEST PARKS

PAGE 01/06



SouthWest Parks & Playgrounds
SouthWest Parks & Playgrounds, L. P.
P. O. Box 50048
Denton, Texas 76206-0048
1.800.433.5347
940.380.9038 Fax: 940.381.0463

Date: 12/6/2006

Cheyenne Park
Plano, TX 75086
Attn: Randy Balak

RE:

Page 1 of 5

SUMMARY:

Prepared by: RL

File No.: s/KH/Cheyenne.xls

GTRep Quote #: 260234002

Qty	Product	Description	Unit Wt	Unit Price	Extended Price
		Game Time Equipment page 3 of 5			\$ 27,624.41
		GTImpax Engineered Wood Fiber page 4 of 5			\$ 2,122.97
		Installation page 5 of 5			\$ 17,614.00
		PROJECT TOTAL			\$ 47,361.38

Accepted by: _____ PO #: _____

Signature: _____ Date: _____

Purchase Orders and/or Checks should be made out to GameTime by SouthWest Parks & Playgrounds.

John E. Caldwell, President

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12/06/2006 15:46 9403810463

SOUTHWEST PARKS

PAGE 02/06

Terms & Conditions:

Page 2 of 5

This quotation is valid for 30 days. This quotation is for items listed. Anything not expressly listed is excluded. Acceptance of this quote indicates your agreement to Game Time's credit terms, which are net 30 days, FOB shipping with approved credit. Any deviations from this proposal may invalidate the quoted pricing and/or terms.

Orders are shipped 4-6 weeks after receipt of a complete order. Delivery time is approximately 3-4 business days after shipment.

If you are receiving the equipment: The freight carrier will be instructed to call your designated contact 24 hours before delivery to arrange a delivery appointment. You are responsible for unloading, checking and accepting the delivery from the Freight Company. Please notify us of any shortages immediately.

If Sales Tax Exempt, a copy of your tax exemption form or resale certificate must accompany your order, or sales tax, if applicable, will be added to your invoice.

Installation based upon a soil work site, that is freely accessible by truck, (no fencing, tree/landscaping or utility obstacles, etc.), and level, (+/- 1-2% maximum slope). Installation prices reflect the installation activities specifically identified. Pricing for additional services are available on request. Additional charges may be necessary if subsurface rock or other unforeseen conditions are encountered. The site should be level and permit access with construction equipment. Please identify an access route, which can accommodate construction traffic. The contractor will maintain construction activities within boundaries established by the Owner and will exercise due care while on site. Location of utilities, building permits, inspections, ADA certifications and fees are the responsibility of the owner. Sprinkler system locations, reworking and repairs are excluded. The installer is not responsible for any damages or re-work resulting from after hour's events or activities during the work in progress period. The customer is responsible for maintaining the integrity of completed installation work until all components have seated and/or cured (concrete footings, etc.).

Order Information: Please provide signed quotation, billing and shipping address, shipping site contact person with phone number, and indicate color selection if required.

Bill to: _____

Ship to: _____

Contact: _____

Contact: _____

Tel: _____ Fax: _____

Tel: _____ Fax: _____

Address: _____

Address: _____

City, State Zip: _____

City, State Zip: _____

Sales Tax Exemption Certificate No: _____
(Tax will be added unless number is provided)

Color Selections:

Decks: _____ Uprights: _____

Rock Plastic: _____

Accents: _____ Plastic: _____

B-7



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date:	1/8/07	Reviewed by Legal	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Department:	Legal	Initials	Date	
Department Head	Diane Wetherbee	Executive Director		
Dept Signature:		City Manager		
Agenda Coordinator (include phone#):		Lynne Jones -7109		
ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER				
CAPTION				
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MURPHY AND THE CITY OF PLANO TO PROVIDE AUTOMATIC FIRE AND EMS AID TO AN AREA OF THE CITY OF PLANO THAT IMMEDIATELY ABUTS THE CITY OF MURPHY AND PROVIDES FOR TRAINING OPPORTUNITIES FOR THE CITY OF MURPHY FIRE-RESCUE; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER OR, IN HIS ABSENCE, AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(S):				
COMMENTS:				
SUMMARY OF ITEM				
This Resolution approves a Memorandum of Understanding between the City of Murphy and the City of Plano which outlines the procedures for implementing an Automatic Assistance response between the City of Murphy Fire Department and the City of Plano Fire Department.				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
n/a		n/a		

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MURPHY AND THE CITY OF PLANO TO PROVIDE AUTOMATIC FIRE AND EMS AID TO AN AREA OF THE CITY OF PLANO THAT IMMEDIATELY ABUTS THE CITY OF MURPHY AND PROVIDES FOR TRAINING OPPORTUNITIES FOR THE CITY OF MURPHY FIRE-RESCUE; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER OR, IN HIS ABSENCE, AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Murphy has an interest in participating in an Automatic Assistance response with the City of Plano; and

WHEREAS, the City of Murphy also has an interest in participating in training offered by the City of Plano Fire Department Training Section; and

WHEREAS, the City Council has been presented a proposed Memorandum of Understanding and Agreement for Automatic Assistance Between the Murphy and Plano Fire Departments to provide automatic fire and EMS aid to an area of the City of Plano that immediately abuts the City of Murphy and provides for training opportunities for the City of Murphy Fire-Rescue, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and,

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager or, in his absence, an Executive Director, shall be authorized to execute it on behalf of the City of Plano.

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

Section I. The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

Section II. The City Manager, or in his absence, an Executive Director, is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

g-2

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

DULY PASSED AND APPROVED this the _____ day of _____, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

**Memorandum of Understanding
Agreement for Automatic Assistance Between
The Murphy and Plano Fire Departments**

This Memorandum of Understanding is authorized by the City Manager of the City of Plano and the City Manager of the City of Murphy in this agreement dated December 4, 2006 and is further authorized by approved Resolution of the respective City Councils of the two Cities.

The purpose of this Memorandum of Understanding is to outline the procedures for implementing an Automatic Assistance response between the City of Murphy Fire Department, hereinafter referred to as "Murphy" and the City of Plano Fire Department, hereinafter referred to as "Plano". This Memorandum is a guide for routine operations/incidents and is not intended to replace or adjust the agreement for Mutual Aid and Disaster Assistance currently in effect. Automatic Assistance rendered under this agreement shall be considered as a "pre-planned" mutual-aid response conducted under the authority of the existing Agreement for Mutual Aid and Disaster Assistance to which both Cities are a party. The general provisions of said Agreement for Mutual Aid and Disaster Assistance shall be controlling except where such provisions are replaced by this Memorandum of Understanding.

Amount and Type of Assistance

This agreement shall outline the pre-planned response of Murphy Fire Department units into the Plano City Limits with the intention of allowing the closest emergency unit to respond to a request for service. Murphy Fire Units will be simultaneously dispatched in addition to Plano Fire Units for all types of emergency calls that occur within a specified area defined below.

Response Areas

The Murphy Fire Department will respond (from Murphy Station 1) when dispatched by Plano Public Safety Communications to all incidents occurring within the City of Plano as follows:

- The area of Plano bounded by FM544, Park Vista, Murphy Road, and the south city limit. Refer to *Appendix A* for map.

Incident Management

It is agreed that both agencies will use the National Incident Management System (NIMS) in the management of incidents. Upon arrival, the first arriving company at the emergency scene will assume Command in accordance with its Department's incident management procedure and promptly transfer such command to an officer of the department in whose jurisdiction the emergency is occurring. Nothing in this agreement will preclude an officer operating in a City not his/her own from requesting additional resources as appropriate from the City in whose jurisdiction the emergency is occurring.

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Communications and Dispatch Procedures

Plano Public Safety Communications (PSC) will simultaneously dispatch Murphy Fire Department and Plano Fire Department to the previously specified areas using the Locution Dispatch System. The Locution Dispatch System will utilize PLF 1 and Murphy channel 1 to dispatch all units assigned to the incident. PSC will then patch the assigned Plano incident channel to Murphy channel 1 and manage/monitor radio transmissions or status changes associated with the incident.

Murphy Fire Units will advise PSC once enroute and when they arrive on scene. Should Murphy Fire Units be unavailable to respond, Murphy Fire Dispatch will inform PSC.

Training

Joint training will be conducted to ensure efficient operations at incidents where both agencies are present. Additionally, Plano will make available to Murphy any or all training, classes or drills offered by the Plano Training Section; however, any costs incurred for personal certifications, licenses, books, etc. will be the responsibility of Murphy. Plano will provide an ALS Fire Engine for emergency response coverage to "fill-in" at Murphy Fire Station 1 for at least four classes/drills per year to facilitate participation in said training.

Loss, Damage, or Reimbursement

Each entity waives all claims against other entities for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this Agreement. Provided, however, that this waiver shall not apply in those cases in which the claim results from the failure of the requesting entity to accept responsibility for any civil liability for which the requesting entity is responsible as determined and required by the Interlocal Cooperation Act, section 791.006 of the Texas Government Code, as amended.

A responding entity shall not be reimbursed by the requesting entity for costs incurred pursuant to this Agreement. Personnel who are assigned, designated or ordered by their governing body to perform duties, pursuant to this Agreement, shall receive the same wage, salary, pension, and all other compensation and rights for the performance of such duties, including injury or death benefits, and Workmen's Compensation benefits, as though the service had been rendered within the limits of the entity where he or she is regularly employed. Moreover, all wage and disability payments, except for those payments the requesting entity is required to pay under the Interlocal Cooperation Act cited above, pension payments, damage to equipment and clothing, medical expenses, and expenses of travel, food and lodging shall be paid by the entity in which the employee in question is regularly employed.

All equipment used by the responding entity's fire department in carrying out this Agreement will, during the time response services are being performed, be owned by it; and all personnel acting for the responding entity's fire department under this Agreement will, during the time response services are required, be paid firepersons of the fire department of the responding entity or member of an organized volunteer fire department rendering fire fighting services to the responding entity.

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At all times while equipment and personnel of any responding entity's fire department are traveling to, from, or within the geographical limits of the requesting entity in accordance with the terms of this Agreement, such personnel and equipment shall be deemed to be employed or used, as the case may be, in the full line and cause of duty of the responding entity's fire department. Further, such equipment and personnel shall be deemed to be engaged in a governmental function of its governmental entity.

In the event that an individual performing duties subject to this Agreement shall be cited as a defendant party to any state or federal civil lawsuit, arising out of his or her official acts while performing duties pursuant to the terms of this Agreement, such individual shall be entitled to the same benefits that he or she would be entitled to receive had such civil action arose out of an official act within the scope of his or her duties as a member of the department where regularly employed or volunteering and occurred within the jurisdiction of the governmental entity where regularly employed or volunteering. The benefits described in this paragraph shall be supplied by the entity where the individual is regularly employed or volunteering. However, in situations where the requesting entity may be liable, in whole or in part, for the payment of damages, then the requesting entity may intervene in such cause of action to protect its interests.

It is agreed by and between the parties hereto that any party hereto shall have the right to terminate their participation in this Agreement upon ninety (90) days written notice to the other parties hereto. It is further agreed that additional governmental entities may become parties, and existing parties may be removed as parties, upon the affirmation vote of a majority of the governing bodies of the parties hereto, any such additions becoming effective upon the execution of an Agreement for Mutual Aid in Disaster Assistance.

APPROVED BY: Craig W. Sherwood
Craig W. Sherwood, City Manager
City of Murphy

December 4, 2006
Date

ATTEST: Aimee Nemer
Aimee Nemer, City Secretary

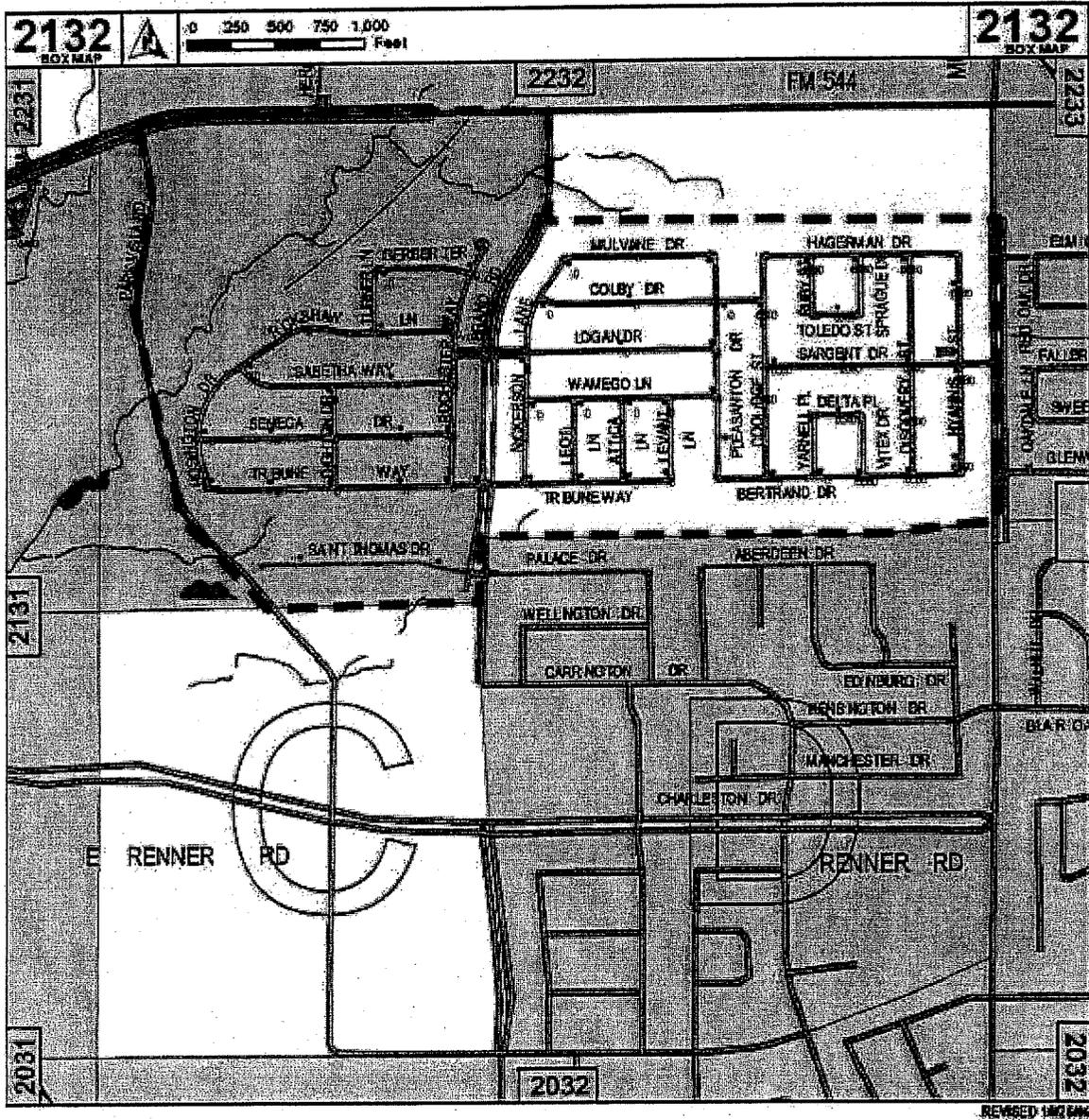
APPROVED BY: _____
Thomas H. Muehlenbeck, City Manager
City of Plano

Date

ATTEST: _____
Elaine Bealke, City Secretary

g-6

Appendix A



REVISED

9-7

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING AND AUTHORIZING THE REFUNDS OF PROPERTY TAX OVERPAYMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 31.11 of the Texas Property Tax Code authorizes refunds of certain payments of taxes upon application to the City; and

WHEREAS, under said Section 31.11 of the Texas Property Tax Code, refunds must be presented to the governing body of the taxing unit for approval; and

WHEREAS, the City Council has been presented a list of tax payments made, a copy of which is attached hereto, made a part hereof and marked Attachment "A", which payments are requested to be refunded because such payments were erroneous or excessive; and

WHEREAS, upon full review and consideration of the above, and all matters attendant and related thereto, the City Council is of the opinion that the tax payments should be refunded.

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

Section I. The City Council of the City of Plano, Texas, finds and determines that the tax payments listed in Attachment "A" were paid erroneously or were in excess of taxes due and shall be refunded in accordance with Section 31.11 of the Texas Property Tax Code.

Section II. The Tax Assessor/Collector for the City of Plano, Texas, or her designee, is hereby authorized to take the necessary action to effectuate the refunds approved under this Resolution.

A-2

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

DULY PASSED AND APPROVED this _____ day
of _____, 2007.

Pat Evans, MAYOR

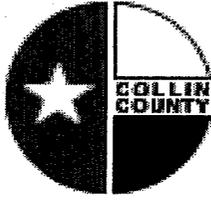
ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

A-3



**KENNETH L. MAUN
TAX ASSESSOR COLLECTOR**

COLLIN COUNTY
1800 N. GRAVES ST., STE 170

P.O. Box 8006
McKinney, TX 75070-8006

(972) 547-5020
METRO (972) 424-1460 ext. 5020

FAX (972) 547-5053

Email: taxassessor@co.collin.tx.us

*Agenda
item
1/8/07*

December 12, 2006

Plano City
Karen Rhodes
P.O. Box 860358
Plano, TX 75086-0358

Dear Ms. Rhodes:

Please place a request for approval of the following "Overpayment Refund Listing" on the agenda for the next Plano City Meeting. The amount of refunds requested for overpayment listing's is: **\$1,310.29**

Each listing and the amounts are as follows:

OPAP#1		OPAP#8
OPAP#2	\$1,310.29	OPAP#9
OPAP#3		OPAP#10
OPAP#4		OPAP#11
OPAP#5		OPAP#12
OPAP#6		OPAP#13
OPAP#7		OPAP#14

The listings represent refunds caused by adjustments made by Collin County Central Appraisal District. All requests for refunds of ad valorem taxes are substantiated by documentation that is available upon request.

Please notify our office upon Council approval for that we may issue and mail the checks.

If you have any questions, please let me know.

Sincerely,

Kenneth L. Maun
Kenneth L. Maun

Tax Assessor Collector

KLM:br
Enclosure

A-4



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 01/08/2007		Reviewed by Legal	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	Purchasing		Initials	Date	
Department Head	Mike Ryan	Executive Director			
Dept Signature:	<i>Glenna Hayes</i>	City Manager	<i>gaw</i>	<i>1/29/06</i>	
Agenda Coordinator (include phone #): Glenna Hayes X7074					

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

CAPTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, RATIFYING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF FIFTY-NINE THOUSAND THREE HUNDRED FIFTEEN AND 00/100 DOLLARS (\$59,315.00) TO MOHAWK LTD. FOR COMMUNICATIONS TRAILER WITH SUPPORTING TOWER; AUTHORIZING THE EXECUTION OF ANY AND ALL DOCUMENTS IN CONNECTION THEREWITH BY THE CITY MANAGER, OR IN HIS ABSENCE, AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE. (2007-30-G)

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR: 06/07	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	59,315	0	59,315
BALANCE	0	59,315	0	59,315

FUND(S): GRANT FUND (UASI 571)

COMMENTS: This item is ratification of the expenditure of funds from the 2005 UASI Homeland Security Grant Fund for the purchase of a communications trailer and support tower. The PO was issued with City Manager approval and City Council notification on December 1, 2006 in order to meet a production deadline. The balance of the grant funds will be used for other equipment purchases and items as allowed under the UASI Grant.

STRATEGIC PLAN GOAL: This purchase related to the City's Goal of "Service Excellence".

SUMMARY OF ITEM

Staff recommends Council ratify the expenditure of funds for the one-time purchase of a communications trailer and supporting tower in the amount of \$59,315.00 from Mohawk Ltd as best value bidder (2007-30-G), through the 2005 UASI Grant.

List of Supporting Documents:	Other Departments, Boards, Commissions or Agencies
Memo Bid Recap	

i-1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, RATIFYING THE EXPENDITURE OF FUNDS IN THE AMOUNT OF FIFTY-NINE THOUSAND THREE HUNDRED FIFTEEN AND 00/100 DOLLARS (\$59,315.00) TO MOHAWK LTD. FOR COMMUNICATIONS TRAILER WITH SUPPORTING TOWER; AUTHORIZING THE EXECUTION OF ANY AND ALL DOCUMENTS IN CONNECTION THEREWITH BY THE CITY MANAGER, OR IN HIS ABSENCE, AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Homeland Security Department of the City of Plano is purchasing a Communications Trailer and Supporting Tower from Mohawk Ltd in the amount of **FIFTY-NINE THOUSAND THREE HUNDRED FIFTEEN AND 00/100 DOLLARS (\$59,315.00)**; and

WHEREAS, due to time constraints, the agreement to purchase this Communications Trailer and Supporting Tower had to be finalized prior to seeking City Council approval; and

WHEREAS, upon full review and consideration of all matters attendant and related to the purchase of the Communications Trailer and Supporting Tower, such emergency expenditures should be ratified, and the City Manager, or in his absence an Executive Director, should be authorized to execute any and all documents on behalf of the City of Plano for this purchase.

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

Section I. The City Council hereby finds and determines that the ratification of the expenditure of funds for the purchase of the Communications Trailer and Supporting Tower from Mohawk Ltd. are in the best interest for the health and welfare of the citizens of Plano.

Section II. The City Manager, or in his absence an Executive Director, is hereby authorized to execute any and all documents in connection with the purchase of the Communications Trailer and Supporting Tower in the amount of **FIFTY-NINE THOUSAND THREE HUNDRED FIFTEEN AND 00/100 DOLLARS (\$59,315.00)**.

1-2

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

DULY PASSED AND APPROVED this the ____ day of _____, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

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CITY OF PLANO

BID NO. 2007-30-G COMMUNICATIONS TRAILER WITH SELF SUPPORTING TOWER

BID RECAP

Bid opening Date/Time: November 20, 2006, @ 3:00 pm

Number of Vendors Notified: 278

Vendors Submitting "No Bids": 0

Number of Bids Submitted: 2

Mohawk Ltd.
Alumina Tower Company, Inc.

Recommended Vendor(s):

United Rentals \$59,315.00

Glenna Hayes

Glenna Hayes
Senior Buyer, A.P.P.

November 22, 2006

Date

i-4



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
Council Meeting Date:	01/08/07		Reviewed by Legal <i>WS</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not Applicable
Department:	Engineering		Initials	Date
Department Head	Alan Upchurch	Executive Director	<i>[Signature]</i>	12/29/08
Dept Signature:	<i>[Signature]</i>	City Manager	<i>[Signature]</i>	12/29/08
Agenda Coordinator (include phone #):		I. Pegues 7198 <i>[Signature]</i>		
ACTION REQUESTED: <input checked="" type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER				

CAPTION

An Ordinance of the City of Plano, Texas, amending the Plano Code of Ordinances, Chapter 12, Motor Vehicles and Traffic, Article V, Stopping, Standing, and Parking, Section 12-101, Prohibited on certain streets at all times, to prohibit stopping, standing, or parking of motor vehicles on the north side of Streamwood Lane between Shetland Road and Winding Hollow Lane within the city limits of the City of Plano; declaring it unlawful and a misdemeanor to stop, stand, or park motor vehicles upon such sections of such roadway within the limits herein defined; providing a fine for criminal penalties not to exceed \$200.00 for each offense; and providing a repealer clause, a severability clause, a savings clause, and an effective date.

FINANCIAL SUMMARY

<input checked="" type="checkbox"/> NOT APPLICABLE	<input type="checkbox"/> OPERATING EXPENSE	<input type="checkbox"/> REVENUE	<input type="checkbox"/> CIP	
FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0

FUND(S):

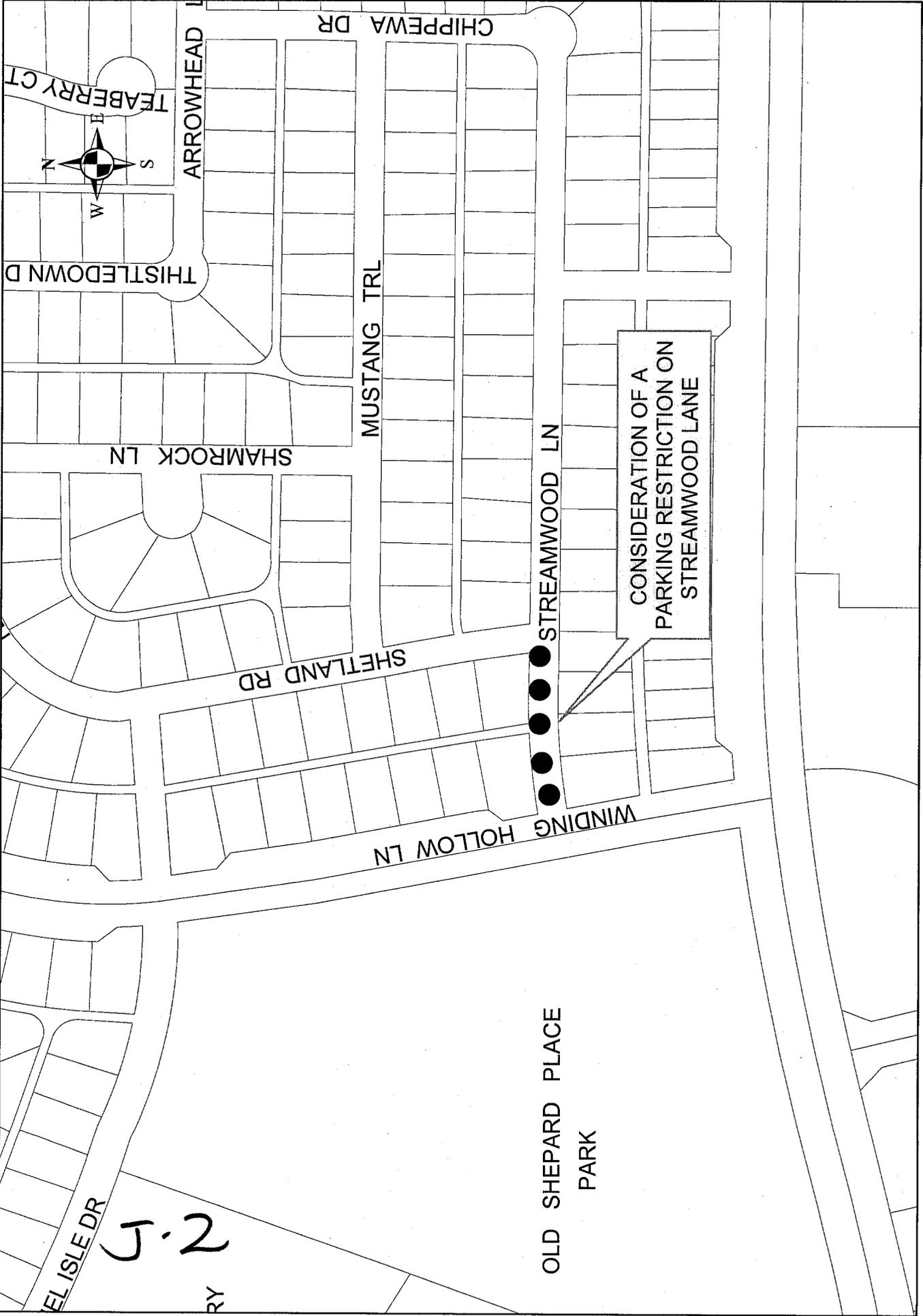
COMMENTS:

SUMMARY OF ITEM

Residents of the area have requested parking be restricted along this section of Streamwood Lane due to visibility and access concerns caused by large numbers of vehicles parking during soccer events at Old Shepard Place Park. Transportation Engineering staff is in agreement and supports the parking restriction.

List of Supporting Documents: Map	Other Departments, Boards, Commissions or Agencies

J-1



CONSIDERATION OF A
 PARKING RESTRICTION ON
 STREAMWOOD LANE



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS, AMENDING THE PLANO CODE OF ORDINANCES, CHAPTER 12, MOTOR VEHICLES AND TRAFFIC, ARTICLE V, STOPPING, STANDING, AND PARKING, SECTION 12-101, PROHIBITED ON CERTAIN STREETS AT ALL TIMES, TO PROHIBIT STOPPING, STANDING, OR PARKING OF MOTOR VEHICLES ON THE NORTH SIDE OF STREAMWOOD LANE BETWEEN SHETLAND ROAD AND WINDING HOLLOW LANE WITHIN THE CITY LIMITS OF THE CITY OF PLANO; DECLARING IT UNLAWFUL AND A MISDEMEANOR TO STOP, STAND, OR PARK MOTOR VEHICLES UPON SUCH SECTIONS OF SUCH ROADWAY WITHIN THE LIMITS HEREIN DEFINED; PROVIDING A FINE FOR CRIMINAL PENALTIES NOT TO EXCEED \$200.00 FOR EACH OFFENSE; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, on street parking of a large volume of vehicles occurring along the north side of Streamwood Lane between Shetland Road and Winding Hollow Lane creates traffic flow problems and impacts visibility for drivers exiting street and alleyways; and

WHEREAS, the property owners in the area of Streamwood Lane have requested that parking restrictions be enacted; and

WHEREAS, following review and study of traffic flow, visibility, on street parking patterns, and other safety issues along Streamwood Lane, the Transportation Engineering Division of the City of Plano recommends to the City Council that certain parking restrictions be implemented along Streamwood Lane; and

WHEREAS, the City Council of the City of Plano finds it necessary to prohibit stopping, standing, or parking of motor vehicles along and upon the north side of Streamwood Lane between Shetland Road and Winding Hollow Lane within the city limits of the City of Plano in order to provide for the safety of the general public within the area.

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

Section I. It shall be unlawful for any person to stop, stand, or park a motor vehicle along the north side of Streamwood Lane between Shetland Road and Winding Hollow Lane, except when necessary to avoid conflict with other traffic or in compliance with law or directions of a police officer.

Section II. Chapter 12, Motor Vehicles and Traffic, Article V, Stopping, Standing, and Parking, Section 12-101, Prohibited on certain streets at all times of the City of Plano Code of Ordinances is hereby amended by the addition of the following:

“Streamwood Lane, along the north side of Streamwood Lane between Shetland Road and Winding Hollow Lane.”

Section III. The Traffic Engineer of Plano is hereby authorized and directed to cause placement of traffic control signs to the sections of the roadway described herein, and such signs shall give notice to all persons of the prohibition against stopping, standing, or parking in this area.

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

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

Section VI. Any person, firm, or corporation violating any of the provisions of this Ordinance shall be guilty of a misdemeanor and, upon conviction in the Municipal Court, shall be subject to a fine not to exceed **TWO HUNDRED AND NO/100 DOLLARS (\$200.00)** for each offense. Each and every violation shall be deemed to constitute a separate offense.

Section VII. The repeal of any ordinance or part of an ordinance affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying, or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinances at the time of passage of this Ordinance.

Section VIII. This Ordinance shall become effective from and after its passage and publication as required by law.

DULY PASSED AND APPROVED this _____ day of _____, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory		Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date:	1/8/07	Reviewed by Legal <i>JW</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Department:	Legal		Initials	Date
Department Head	Diane Wetherbee	Executive Director		
Dept Signature:	<i>D. Wetherbee</i>	City Manager	<i>[Signature]</i>	<i>1/7/07</i>
Agenda Coordinator (include phone #): Lynne Jones - 7109				

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

CAPTION

AN ORDINANCE OF THE CITY OF PLANO, TEXAS AMENDING SECTION 1-5 OF CHAPTER 1. GENERAL PROVISIONS OF THE CODE OF ORDINANCES OF THE CITY OF PLANO REGARDING CORPORATION AND ASSOCIATION LIABILITY FOR CRIMINAL OFFENSES; PROVIDING A REPEALER CLAUSE, A SAVINGS CLAUSE; A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

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

FUND(s):

COMMENTS:

SUMMARY OF ITEM

This ordinance amends the City's Code of Ordinances to bring it into compliance with the Texas Penal Code regarding criminal responsibility of a corporation or association for violations of various offenses.

List of Supporting Documents:
n/a

Other Departments, Boards, Commissions or Agencies
n/a

R-1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS AMENDING SECTION 1-5 OF CHAPTER 1. GENERAL PROVISIONS OF THE CODE OF ORDINANCES OF THE CITY OF PLANO REGARDING CORPORATION AND ASSOCIATION LIABILITY FOR CRIMINAL OFFENSES; PROVIDING A REPEALER CLAUSE, A SAVINGS CLAUSE; A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Subchapter B of Chapter 7 of the Texas Penal Code contains limitations regarding the responsibility of corporations and associations for violations relating to various offenses; and

WHEREAS, the City Council deems it necessary to amend its Code of Ordinances in order to comply with the Texas Penal Code regarding criminal responsibility of a corporation or association.

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

Section I. Section 1-5 of Chapter 1 General Provisions of the Code of Ordinances of the City of Plano is hereby amended to read in its entirety as follows:

“Sec. 1-5. Responsibility for violation by a corporation or association.

In case of a violation of any of the terms or provisions of this Code or other ordinance by any corporation or association, the officers and agents actively in charge of the business of such corporation, or association shall be responsible for such violation and subject to prosecution subject to the limitations set forth in Subchapter B of Chapter 7 of the Texas Penal Code, as the same may be amended from time to time.”

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

Section III. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as

R-2

abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provision of any Ordinances at the time of passage of this Ordinance.

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

Section V. This Ordinance shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the ____ day of _____, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

R-3



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date:	1/8/07		Reviewed by Legal	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Department:	Accounting		Initials	Date	
Department Head	John McGrane		Executive Director		
Dept Signature:	<i>[Signature]</i>		City Manager	<i>[Signature]</i>	
Agenda Coordinator (include phone #):		Allison Friloux x5225			

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

CAPTION

A Resolution of the City Council of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

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

FUND(S):

COMMENTS: This item has no fiscal impact.

SUMMARY OF ITEM

It is recommended that the City Council formally accept the annual financial report and that authorization be given for publication of a summary of the 2005-06 financial audit in the City's official newspaper as required by Section 3.14 of the City Charter.

List of Supporting Documents: Comprehensive Annual Financial Report	Other Departments, Boards, Commissions or Agencies
--	--

1-1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, ACCEPTING THE FINDINGS AND OPINIONS OF THE ANNUAL AUDIT; AUTHORIZING THE CITY MANAGER, OR IN HIS ABSENCE THE DIRECTOR OF FINANCE, TO PUBLISH THE RESULTS THEREOF; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 3.14 of the City Charter requires that "At the close of each fiscal year a complete audit shall be made by a duly licensed Public Accountant . . ."; and

WHEREAS, the City Council has been presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2005-06, a copy of which has been filed with the City Secretary, available for public inspection, and incorporated herein by reference (hereinafter called "CAFR"); and

WHEREAS, upon full review and consideration of the CAFR, and the included opinion of the City's duly appointed auditors, Deloitte and Touche LLP, the City Council is of the opinion that the requirements of the Charter have been satisfied.

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

Section I. The findings and opinions of the CAFR have been reviewed by the City Council of the City of Plano, and are hereby in all things accepted.

Section II. The City Manager, or in his absence, the Director of Finance, is hereby instructed to publish the results of the CAFR and all other documents in connection therewith on behalf of the City of Plano, as provided in Section 3.14 of the City Charter.

1-2

Resolution No. _____

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

DULY PASSED AND APPROVED this the 8th day of January, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

1-3



January 4, 2007

Pat Evans
Mayor

Scott Johnson
Mayor Pro Tem

Sally Magnuson
Deputy Mayor Pro Tem

Shep Stahel
Place 1

Loretta Ellerbe
Place 3

Harry LaRosiliere
Place 5

Jean Callison
Place 7

Lee Dunlap
Place 8

Thomas H. Muehlenbeck
City Manager

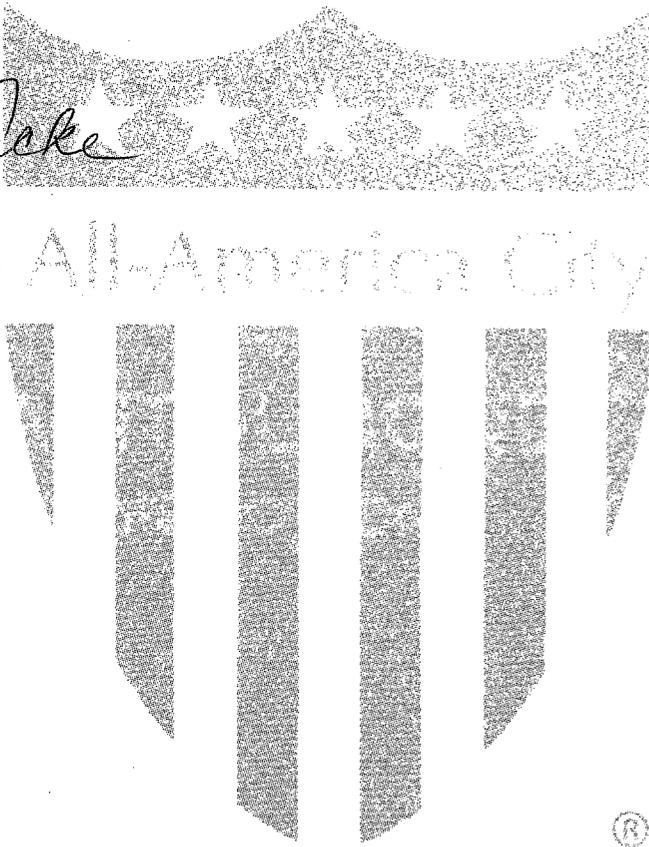
Enclosed is the draft copy of the Comprehensive Annual Financial Report for the year ended September 30, 2006, for the City of Plano, Texas. Upon receipt of the signed audit opinion from Deloitte & Touche, a final copy will be provided to you at the City Council Meeting on Monday, January 8, 2007.

Sincerely,



Denise Tacke
Controller

Enclosure



CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2006

Prepared By:

Accounting Division

**Controller – Denise Tacke
Manager – Mary Reese**

**Dianne Bell
Jonathan Davis
Diane Dunbar
Allison Friloux
Pam Hanks
Debbie Hartwell
Jennifer Key
Tara Petty
Denise McCord
Elsa Pasanen
Pam Poempipatana
Rebecca Sides
Wendy Spencer
Kathy Stewart
Valerie Tidwell**

**CITY OF PLANO, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
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January 4, 2007

Pat Evans
Mayor

Scott Johnson
Mayor Pro Tem

Sally Magnuson
Deputy Mayor Pro Tem

Shep Stahel
Place 1

Loretta Ellerbe
Place 3

Harry LaRosiliere
Place 5

Jean Callison
Place 7

Lee Dunlap
Place 8

Thomas H. Muehlenbeck
City Manager

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

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City), for the year ended September 30, 2006, is submitted in accordance with Section 3.14 in the City Charter.

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

Deloitte & Touche LLP have issued an unqualified ("clean") opinion on the City of Plano's financial statements for the year ended September 30, 2006. The independent auditors' report is located in the beginning of the financial section of the CAFR.

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

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.32 square miles of land in the City's corporate boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the executive directors, and heads of departments, and the performance of functions within the municipal organization.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; environmental health; sanitation services; community development; building inspection; traffic control; parks and libraries; the construction and operation of water, sewer, drainage, environmental waste services, streets and infrastructure; convention and tourism activities and cultural events.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Plano Economic Development Board and the two Tax Increment Financing units are reported discretely using proprietary fund accounting. The Plano Housing Authority, a related organization, is not a part of this report, as the City's accountability does not extend beyond appointing the Board.

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate all of which are strong factors in the success of the City's economy. The City also continues to benefit from other favorable conditions associated with Plano, including a stable, diversified economic base and a desirable location for work, destination and living.

Plano, a 1994 All-American City, was named the 41st fastest growing city in the United States of cities with populations of 100,000 or more at the time of the 2000 Census, according to 2005 Census Bureau estimates. Since 1990, Plano's population has grown an estimated 97.4% to 254,082 in 2006. Estimates for residential population are projected at 260,400 in 2010 and 269,200 in 2020.

Plano continues to hold an "AAA" Bond Rating by three of the nation's top bond rating companies, attesting to its strong tax base and financial management. Attracting and retaining some of the nation's top Corporate 500 companies and the best small businesses in the region has become the "norm".

Plano is recognized for its education system, library system, public safety departments, quality of life, and stable tax base. A diverse economy and well-educated populace make for a higher per capita income, reflected in higher per capita spending. Many new jobs continue to be created with the opening, expansion and relocation of businesses to the City.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

Sales Tax Revenues

The General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City of Plano. Sales tax receipts resulted in revenue of \$58.7 million in fiscal year 2005-06, a 12.3% increase over the prior year. The sales tax collections are produced primarily from Plano's sizeable retail base, including two major shopping malls, hundreds of specialty shops and boutiques and major retailers throughout the City. Recent increases in sales tax revenues are indicative of increased consumer confidence and spending and increased numbers of retailers and restaurants.

Employment

Because of Plano's strong business atmosphere and highly educated and motivated workforce, companies continue to relocate to Plano. Plano is the world-wide headquarters for EDS, JCPenney, Frito-Lay, Perot Systems and Cadbury Schweppes. An array of national and international corporations in Plano include Alcatel, Capital One Auto Finance, Countrywide Home Loans, Ericsson, Flextronics, McAfee Inc. and Texas Instruments. This type of environment creates employment opportunities for Plano residents and creates a significant business component to the local tax base.

Job Growth

The result of businesses relocating and expanding in Plano is the increase of job opportunities. Dataside, a Dallas-based network service and custom enterprise data center provider, expanded in Plano which will add \$50 to \$100 million of improvements to the tax base and 40 associates to the company. Luminator Holdings, an innovator in the design and manufacture of communications and lighting products for almost 70 years, plans to relocate corporate offices to Plano. It serves three major transportation sectors: bus, rail and aerospace and is the world's largest manufacturer of transportation lighting. Rent-A-Center, Inc. began construction in March 2006 on a new corporate campus. The Plano-based Corporation is the nation's largest in the rent-to-own industry. Rent-A-Center employs 17,000 people including 400 in Plano.

The three largest job sectors are retail and wholesale trade, services and manufacturing. The unemployment rate for 1998 and 1999 was recorded at 2.0%, which was the lowest rate in the last ten years. In 2003, the unemployment rate reached 5.9% and in 2006, recorded at 4.0%, as provided by the Texas Workforce Commission.

Long-Term Financial Planning

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. Although economic forecasts for Plano and the region remain favorable, residential build-out and the controlled economic recovery continue to affect the City. The City has established a program to address the challenges and opportunities that Plano will face as it transitions from a growing to a maturing community.

The City of Plano's fiscal year 2006-07 budget reflects continuing strength in the City's economy. As a result, from implementation of Capital Improvement Program projects, additional facility and building services will be spent to provide coverage for Haggard Library Expansion, Animal Shelter Expansion, Tom Muehlenbeck Recreation Center, Environmental Education Building, Oak Point Visitor Center and Oak Point Retreat Center and Archgate Park. In addition, personnel costs for the Capital Improvement Program projects scheduled for 2006-07 include 27 full-time and 75 part-time positions. One of the major features of the 2006-07 budget is the increase of \$6.0 million dedicated solely for economic development incentives in order to remain competitive with surrounding neighboring cities. As a result, a two-cent tax rate increase, from 45.35 cents to the adopted tax rate of 47.35 cents, was approved for fiscal year 2006-07.

The fiscal year 2007 budget includes the addition of fifty-nine new full time positions, of which twenty-nine are related to Public Safety and twenty-seven for Community Investment Projects coming on-line. The 2006-07 budget for total General Fund revenues is approximately \$4.7 million above the 2006 final budget. Funding for Capital Reserve will be accomplished by transferring \$3.0 million from the Water and Sewer Fund along with \$10.3 million from the General Fund. Employee salary and benefits will increase approximately \$14.1 million.

These increases and others along with no decline in service levels are funded with ad valorem property tax revenues. (\$.3080 General Fund and \$.1655 Debt Service.)

Of the \$77.3 budgeted for capital expenditures in 2007, \$9.9 million pertains to municipal facilities, \$28.2 million for parks and recreation and \$39.2 million for street improvements and enhancements. The estimated expenditures for municipal facilities includes construction of a new fire station, establishing an Emergency Operations Center for the City, construction of a new cultural arts facility in conjunction with two neighboring cities, expansion of the Animal Shelter, as well as other improvements at various locations. Projects pertaining to parks and recreation include construction of the Tom Muehlenbeck Recreation Center, development of Oak Point Park and Archgate Park, while renovations and improvements are scheduled for Memorial Park. The City plans on spending \$39.2 million on street enhancements and improvements that include construction and expansion of roadways.

Relevant Financial Policies

Financial Policies. During fiscal year 1990-91, the City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These include policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, and fund balance/reserve levels. The City Council adopted these policies in July 1991. During fiscal year 2000, the financial policies were reviewed and updated with the revised financial policies being adopted by City Council in November 2000.

Accounting Procedures and Budgetary Controls. The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as reservations of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these carried-forward encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff, and expenditure estimates by each City department. Budgets are reviewed by the Director of Budget & Research. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process which includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Director of Budget & Research, the City Manager, and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Director of Budget & Research and the City Manager. Monthly departmental

expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget & Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget & Research. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

The City's Finance Department publishes a Comprehensive Monthly Finance Report (CMFR) directed at providing internal and external users with the general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds and a status report of the City's capital projects; an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations; and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The highlights of each month's CMFR are presented to the City Council.

With the recognition of increased need for internal control, an internal audit program has been in place since 1988. An Internal Audit Committee provides oversight and an Internal Auditor conducts the program. This program serves to enhance controls, which are currently in place to safeguard the City's assets and provide a reasonable assurance of proper recording of financial transactions, which, due to the changing complexity of the organization, requires greater attention.

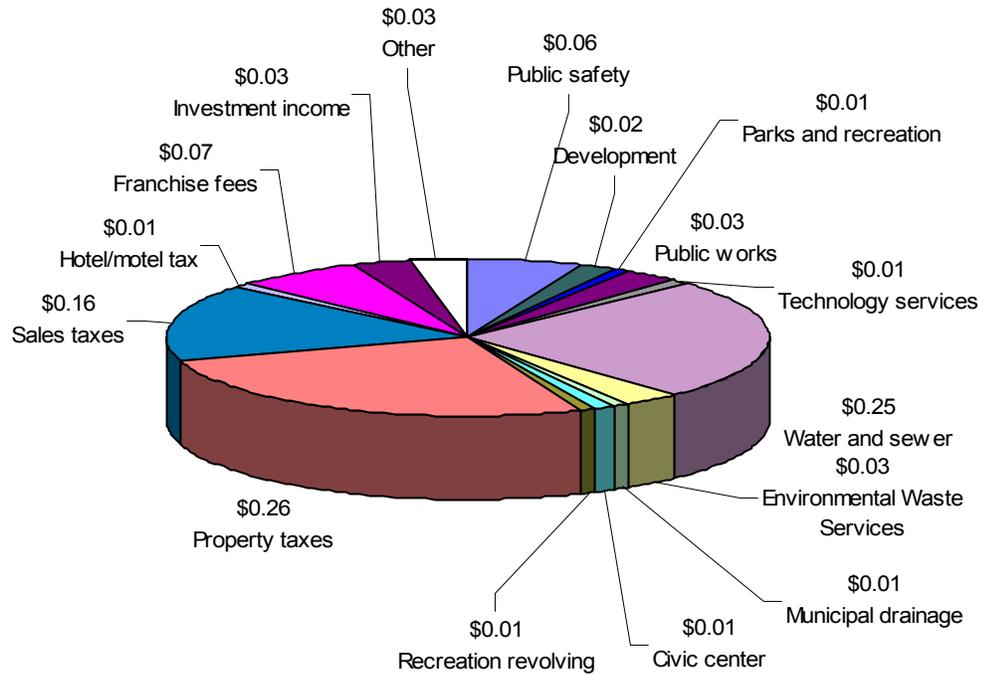
Major Initiatives

The City of Plano's fiscal year 2005-06 budget reflected continuing strength in the City's economy. As a result from implementation of Capital Improvement Program projects, additional facility and building services were spent for Fire Station No. 11, Haggard Library Expansion, Parkway Operations Expansion and Equipment Services Expansion. Personnel for Fire Station No. 11 included 3 apparatus operators and 3 captains. In addition, a theater technician supervisor was slated for the Cox Building as well as various maintenance and improvements for parks, athletic fields, trails and median maintenance.

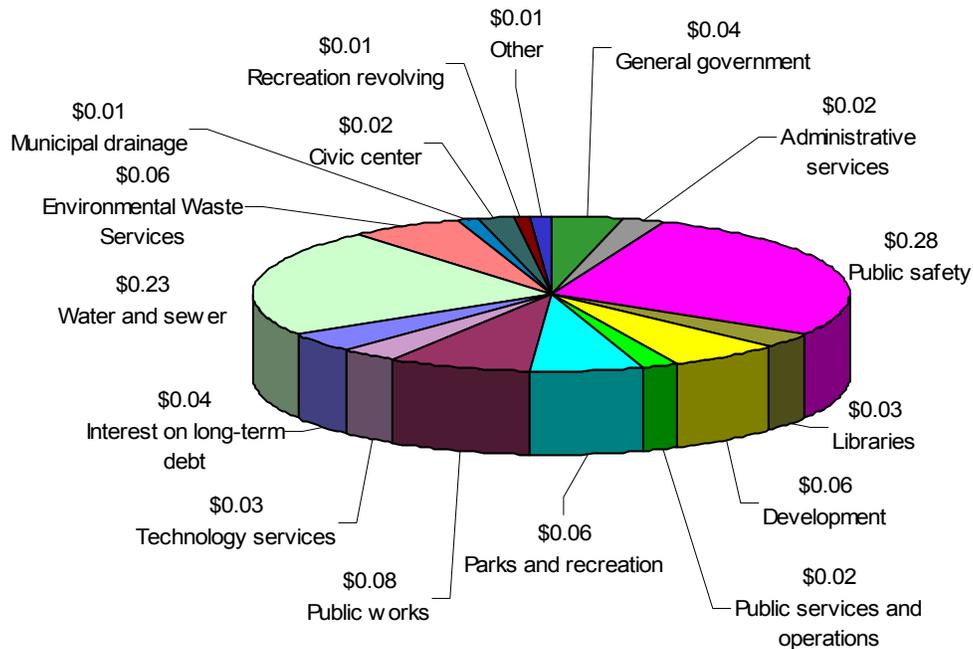
The fiscal year 2006 budget included the addition of thirty-three full time positions, of which nineteen are related to Public Safety and seven for Community Investment Projects coming on-line. The 2005-06 budget for total General Fund revenues was projected \$4.9 million above the 2005 final budget. Funding for Capital Reserve was accomplished by transferring \$3.0 million from the Water and Sewer Fund along with \$10.0 million from the General Fund. Employee salary and benefits were budgeted to increase approximately \$13.1 million. With these increases, there was no decline in the City's tax rate for fiscal year 2006. (\$.2888 General Fund and \$.1647 Debt Service.)

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year end 2006:

Where the Money Comes From Revenues per \$1



Where the Money Goes Cost per \$1



Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Plano for its CAFR for the Fiscal Year ended September 30, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

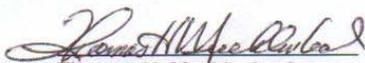
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Plano has received a Certificate of Achievement for the last twenty-five consecutive years (Fiscal Years ended 1981-2005). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

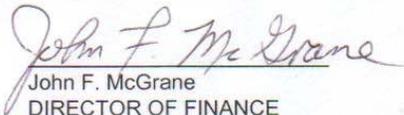
Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,



Thomas H. Muchlenbeck
CITY MANAGER



John F. McGrane
DIRECTOR OF FINANCE



Denise Tacke, CPA
CONTROLLER

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Plano
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

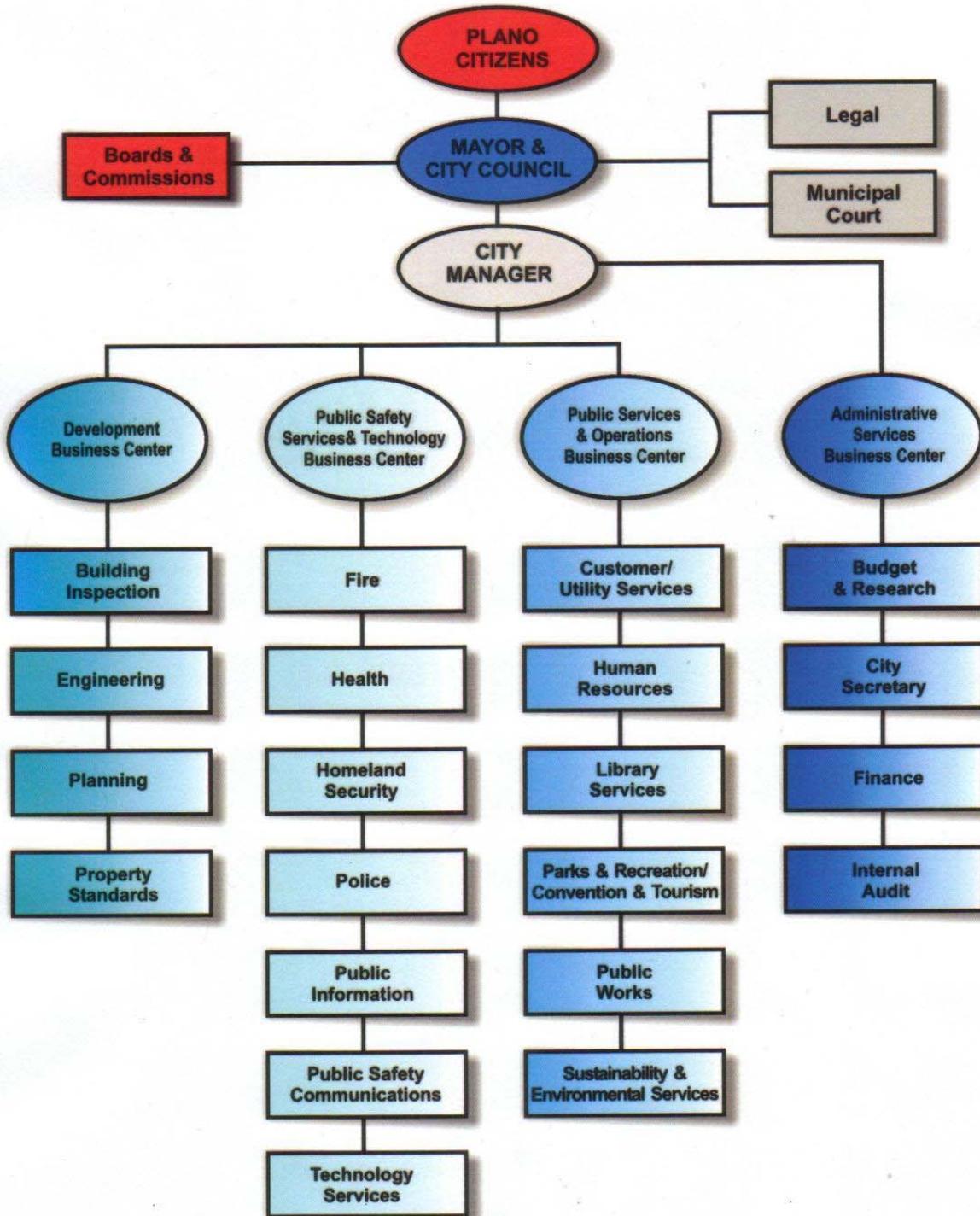
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Plano Organizational Chart



CITY OF PLANO, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

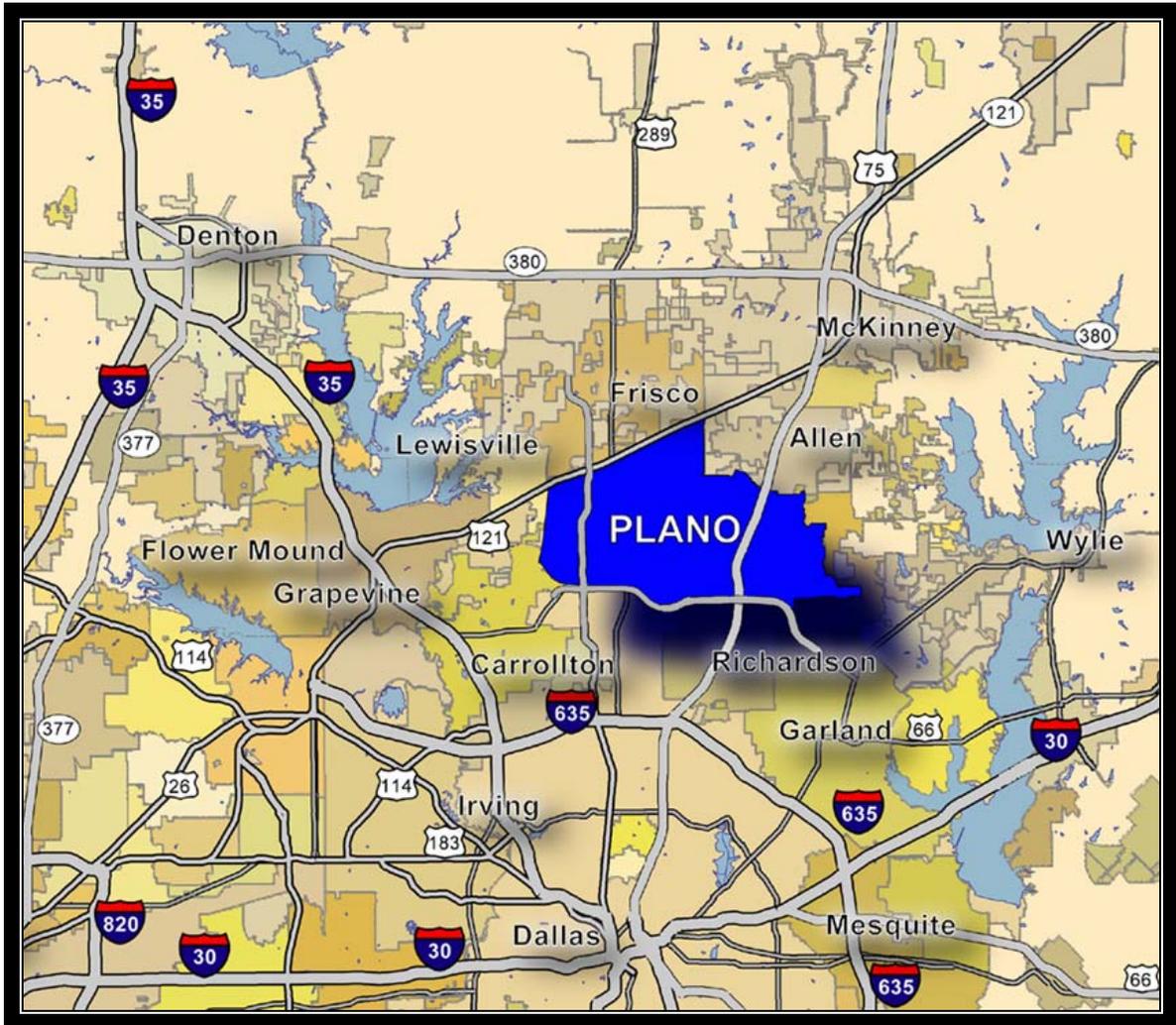
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
Pat Evans Mayor Place 6	May, 2009
Scott Johnson Mayor Pro Tem Place 2	May, 2009
Sally Magnuson Deputy Mayor Pro Tem Place 4	May, 2009
Shep Stahel Place 1	May, 2008
Loretta Ellerbe Place 3	May, 2008
Harry LaRosiliere Place 5	May, 2008
Jean Callison Place 7	May, 2008
Lee Dunlap Place 8	May, 2009

Administrative Officers

<u>Name</u>	<u>Position</u>
Thomas H. Muehlenbeck	City Manager
John F. McGrane	Director of Finance
Denise Tacke, CPA	Controller

The City of Plano and Surrounding Areas



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the
City Council of the City of Plano, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas, as of and for the year ended September 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Plano's management. Our responsibility is to express an opinion on the respective financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas, as of September 30, 2006, and the respective changes in financial position and respective cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis, the Schedule of Pension Trust – Texas Municipal Retirement System Funding Progress and Contributions, and the Schedule of Pension Trust – Retirement Security Plan Funding Progress and Contributions are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of City of Plano's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the City's respective financial statements that collectively comprise the City's basic financial statements. The Introductory Section, the Combining Financial Statements, the Capital Assets Used in the Operation of Governmental Funds, and the Statistical Section are presented for purposes of additional analysis and are not required parts of the basic financial statements. This supplementary information is the responsibility of City of Plano's management. The Combining Financial Statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section, Capital Assets Used in the Operation in of Governmental Funds, and the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2007, on our consideration of the City of Plano's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

January 4, 2007

CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2006

Our discussion and analysis of the City of Plano's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2006. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. All amounts, unless otherwise indicated, are expressed in millions of dollars.

FINANCIAL HIGHLIGHTS

- The City's net assets of governmental activities increased by \$55.8 million or 8.3 percent as a result of this year's operations, primarily due to an increase in the City's capital assets, sales tax, investment income, property tax and franchise fee revenues of approximately \$37.6 million, \$13.1 million, \$6.4 million, \$4.7 million and \$2.9 million, respectively. Net assets of the City's business type activities increased as a result of this year's operations by \$14.3 million or 3.8 percent.
- The City of Plano's total net assets increased by \$70.1 million or 6.7 percent during the current fiscal year. The increase is primarily the result of an increase in contributions from developers of \$22.4 million. Sales tax revenues increased over prior year by \$13.1 million attributed to a rise in the economy in addition to recording of September 2006 sales tax receipts that were collected in November 2006.
- Total cost of all of the City's programs decreased during the current fiscal year by \$5.0 million or 3.3 percent. No new major programs were added during the current fiscal year.
- As of September 30, 2006, the City of Plano's governmental funds reported combined ending fund balances of \$158.6 million, an increase of \$33.2 million in comparison with the prior fiscal year.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the general fund increased \$9.4 million to \$38.5 million which is approximately 23.0 percent of total general fund expenditures.
- The City's total bonded debt increased by \$18.8 million during the current fiscal year. During the current fiscal year, the City issued \$40.9 million in general obligation bonds, \$3.8 million in certificates of obligation and \$1.5 million in municipal drainage revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City of Plano's basic financial statements. The City of Plano's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Plano's finances, in a manner similar to private-sector business. The statement of net assets presents information on all of the City of Plano's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Plano is improving or deteriorating. The statement of net assets combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006**

taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but not used vacation leave). Both the statement of net assets and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including the police, fire, libraries, development, public services and operations, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system, environmental waste system, municipal drainage system, civic center, municipal golf course, property management activity, recreation revolving activities and downtown center development activity are reported here.
- **Component units** – The City includes three separate legal entities in its report – the economic development fund, TIF (tax incremental financing unit) mall and TIF east side. Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds – governmental and proprietary – utilize different accounting approaches.

- **Governmental funds** – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of Plano maintains twenty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, street improvement fund and capital reserve fund, all of which are considered to be major funds. Data from the other

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006**

sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

- Proprietary funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's municipal warehouse, the City's self insurance funds and equipment maintenance function. Because these services benefit both governmental as well as business type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Plano maintains eight individual enterprise funds. The City uses enterprise funds to account for its water and sewer, environmental waste, civic center, municipal drainage, municipal golf course, property management, downtown center development, and recreation revolving activities. The funds provide the same type of information as the government-wide financial statements, only in more detail and including some of the internal service fund type activity. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions, all three of which are considered to be major funds of the City. Data from the remaining five enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or fiduciary, for its employee's pension plan as well as certain amounts held on behalf of developers, property owners and others. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The activities of these funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to the employees.

THE CITY AS A WHOLE – Government-Wide Financial Analysis

The City's combined net assets were \$1.1 billion as of September 30, 2006. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net assets are \$388.2 million. This analysis focuses on the net assets (table 1) and changes in general revenues (table 2) and revenues and expenses (table 3) of the City's governmental and business-type activities.

By far the largest portion of the City's net assets (90.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006

debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 234	\$ 192	\$ 59	\$ 49	\$ 293	\$ 241
Capital assets	828	791	374	372	1,202	1,163
Total assets	1,062	983	433	421	1,495	1,404
Long-term debt outstanding	313	290	35	37	348	327
Other liabilities	21	21	10	10	31	31
Total liabilities	334	311	45	47	379	358
Net assets:						
Invested in capital assets, net of related debt	650	614	357	350	1,007	964
Restricted	3	2	6	5	9	7
Unrestricted	75	56	25	19	100	75
Total net assets	\$ 728	\$ 672	\$ 388	\$ 374	\$ 1,116	\$ 1,046

Governmental Activities

The City's general revenues increased when compared to the prior year with an increase of \$27.3 million or 15.5 percent. The primary reason for this increase was due to an increase in sales and property tax revenues of \$13.1 million and \$4.7 million respectively. The increase in sales tax revenue is due to the result of a rise in the economy in addition to recording of September 2006 sales tax receipts that were collected in November 2006. Property tax revenue increased over prior year attributed to increased property valuations and addition of new property throughout the City. The assessed value of the property in the City increased by \$0.8 billion or 4.1% as compared to the prior year. An increase of \$6.4 million in investment income occurred in the current year due to an increase in interest rates and shortening of the average maturity of investments. Electric franchise fee revenues increased \$1.6 million primarily impacted by the increase in natural gas prices in the current year. The increase in the City's general revenues are detailed below (Table 2).

Table 2
General Revenues
(in Thousands)

	2006	2005	Increase (decrease)
Property taxes	\$ 104,809	\$ 100,095	\$ 4,714
Sales taxes	65,321	52,251	13,070
Mixed drink taxes	814	680	134
Other taxes	215	136	79
Franchise fees	22,115	19,201	2,914
Investment Income	9,914	3,558	6,356
Total general revenues	\$ 203,188	\$ 175,921	\$ 27,267

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006

Governmental and Business-type activities increased the City's net assets by \$70.1 million in 2006. The key elements of this increase are as follows:

Table 3
Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 30,853	\$ 27,791	\$114,033	\$103,348	\$ 144,886	\$ 131,139
Operating grants and contributions	9,696	4,419	23	260	9,719	4,679
Capital grants and contributions	16,672	11,495	10,049	7,762	26,721	19,257
General revenues:						
Property taxes	104,809	100,095	-	-	104,809	100,095
Sales taxes	65,321	52,251	-	-	65,321	52,251
Other taxes	23,144	20,016	10,293	8,678	33,437	28,694
Investment income	9,914	3,558	1,882	543	11,796	4,101
Total revenues	260,409	219,625	136,280	120,591	396,689	340,216
Expenses:						
General government	12,869	9,611	-	-	12,869	9,611
Administrative services	7,249	6,793	-	-	7,249	6,793
Police	52,662	52,064	-	-	52,662	52,064
Fire	40,172	33,766	-	-	40,172	33,766
Libraries	9,616	8,921	-	-	9,616	8,921
Development	18,483	17,416	-	-	18,483	17,416
Public services and operations	5,069	4,760	-	-	5,069	4,760
Parks and recreation	20,491	19,221	-	-	20,491	19,221
Public works	25,865	25,048	-	-	25,865	25,048
Technology services	11,113	12,319	-	-	11,113	12,319
Other	952	671	-	-	952	671
Interest on long-term debt	12,010	9,883	-	-	12,010	9,883
Water and sewer	-	-	79,400	74,997	79,400	74,997
Environmental waste services	-	-	18,346	17,775	18,346	17,775
Municipal drainage	-	-	3,118	3,013	3,118	3,013
Civic center	-	-	5,751	5,488	5,751	5,488
Municipal golf course	-	-	936	1,053	936	1,053
Property management	-	-	26	66	26	66
Recreation revolving	-	-	2,436	2,471	2,436	2,471
Downtown center development	-	-	43	43	43	43
Total expenses	216,551	200,473	110,056	104,906	326,607	305,379
Increase in net assets before transfers	43,858	19,152	26,224	15,685	70,082	34,837
Transfers	11,908	11,939	(11,908)	(11,939)	-	-
Increase in net assets	55,766	31,091	14,316	3,746	70,082	34,837
Net assets – October 1	671,894	640,803	373,913	370,167	1,045,807	1,010,970
Net assets – September 30	\$727,660	\$671,894	\$388,229	\$373,913	\$1,115,889	\$1,045,807

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006**

The most significant governmental expense for the City was in providing the police activity. Of the total \$52.7 million spent for police activity, personnel costs were \$47.2 million, an increase over prior year by \$2.5 million. The largest increase in governmental expense occurred in fire activity when comparing fiscal years 2006 and 2005. Expenses related to the fire purposes were reported at \$40.2 million for fiscal year end September 30, 2006 an increase of \$6.4 million compared to fiscal year 2005. The increase in expenses was offset by revenues relating to grants received for Hurricane Katrina efforts, which are reported at \$5.2 million for the fiscal year ended September 30, 2006. An additional offset to expenses is from collections for ambulance services, which are \$2.9 million for the current year, an increase of \$0.3 million or 11.7 percent compared to the prior period. The most significant portion of fire activity is the cost of personnel, which is estimated at \$31.0 million. Interest on long-term debt increased by \$2.1 million over the prior fiscal year due to the increase in outstanding bonds. Development activities increased \$1.1 million with current year expenses totaling \$18.5 million. Facilities maintenance contractual services increased \$0.6 million relating to electric utility payments. Due to the increase in natural gas prices in the current year, electric payments are higher than prior year. Depreciation expense increased in the parks and recreation, general government and public works activities by \$0.3 million, \$0.3 million and \$0.6 million, respectively, while depreciation expense decreased in the technical services function by \$1.4 million.

Business-type Activities

Revenues of the City's business-type activities were \$136.3 million for the fiscal year ended September 30, 2006. Revenues increased approximately \$15.7 million or 13.0 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$5.2 million or 4.9 percent. The increase in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$90.2 million an increase of \$9.7 million or 12.1 percent from prior year primarily due to increased consumption in the first three quarters of the current fiscal year. Due to drought conditions, stage 3 water restrictions were implemented in the final quarter of the current fiscal year. Sewer income charges for services increased as a result of increased winter consumption, which raised the residential winter quarter average. A significant non-cash revenue source of \$10.0 million of capital contributions which represent developers contributions and impact fees increased over prior year by \$2.3 million. Developers contributions are projects that are completed where the developer is required to make a one-time contribution of resources to the City when the infrastructure is substantially complete. Excluding the capital contributions of \$10.0 million, the water and sewer system charges for services exceeded the expenses by \$10.8 million. Expenses increased over prior year by \$4.4 million due to increased payments to North Texas Municipal Water District (NTMWD) for water and wastewater services in the amount of \$2.6 million. In addition, electric utility payments increased over prior year by \$0.7 million attributed to higher natural gas prices.
- The City's environmental waste services activities operated with program expenses exceeding charges for services by \$5.6 million. Contractual services expenses increased \$1.0 million due to increased municipal garage charges of \$0.4 million for maintenance on environmental waste services equipment. Charges for services increased over prior year by \$0.5 million due to an increase in unbilled revenues in the current year for residential solid waste services.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$1.8 million, compared to \$1.6 million in the prior year. The municipal drainage system recorded charges for services of \$4.9 million compared to \$4.7 million in the prior year.
- The City's civic center activity operated with expenses exceeding charges for services by \$3.3 million as compared to \$3.3 million in the prior fiscal year. Charges for services are reported at \$2.4 million an increase of \$0.2 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2006, the City had \$1.2 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 4 below.) This amount represents a net increase (including additions and deductions) of \$40.1 million over the prior fiscal year.

**Table 4
Capital Assets at Year-end
(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	\$ 101,728	\$ 98,391	\$ 9,194	\$ 9,734	\$ 110,922	\$ 108,125
Buildings and improvements	74,058	79,136	305,296	299,382	379,354	378,518
Equipment	26,014	19,424	7,803	8,997	33,817	28,421
Construction in progress	129,395	107,133	35,533	39,462	164,928	146,595
Infrastructure	497,108	486,626	-	-	497,108	486,626
Drainage improvements	-	-	16,553	14,301	16,553	14,301
Totals	\$ 828,303	\$ 790,710	\$ 374,379	\$ 371,876	\$1,202,682	\$1,162,586

This year's major additions included (in millions):

Construction of Tom Muehlenbeck Recreation Center	\$ 6.4
Construction of Fire Station No. 12/Logistics Facility	1.9
Construction of Fire Station No. 11/Purchase new fire engine	1.5
Acquisition of White Rock Creek Park	1.4
Construction/widening of Ridgeview Road-Custer to Independence	2.0
Construction of Shiloh Road-Royal Oaks to Parker	2.0
Residential street and alley improvements	3.7
Arterial concrete improvements	2.6
Arterial joint sealing program	1.4
Total	\$ 22.9

The City's fiscal year 2007 capital budget calls for it to spend another \$77.3 million for capital projects, principally for three major categories: municipal facilities, parks and recreation and street improvements and enhancements. The estimated expenditures for municipal facilities are \$9.9 million including plans to purchase expand the Tri-City Police Academy to add new classrooms and offices at a cost of \$0.9 million, \$1.0 million for providing enhanced security features at fire stations, \$2.0 million construction of Fire Station No. 12/Logistics

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006**

Facility, \$1.5 million for remodeling Haggard Library, \$1.2 million for expansion of the Animal Shelter and \$2.6 million for architectural services for a multi-city Performing Arts Facility. The estimated expenditures for the parks and recreation facilities are \$28.2 million including \$11.3 million for construction of the Tom Muehlenbeck Recreation Center, development of Oak Point Park at a cost of \$6.2 million, \$4.0 million for development of Archgate Park and renovations and improvements to Memorial Park costing \$1.8 million. The remaining funds for park improvements and recreation centers are for a variety of projects. The City plans on spending \$39.2 million on street improvements and enhancements including \$5.0 million for participation with Texas Department of Transportation in construction of interchange at Parker Road and U.S. 75, \$3.9 million to widen Parkwood Boulevard from Park Boulevard to Spring Creek Parkway, \$3.7 million to widen McDermott from Coit Road to Ohio, \$2.9 million to reconstruct and widen Parker Road from K Avenue to P Avenue, \$1.9 million to expand Plano Parkway from the Tollway to Park Boulevard, \$1.6 million to reconstruct streets, sidewalks and residential drive approaches in the Wyatt North Addition, \$1.6 million to extend Communications Parkway from Spring Creek Parkway to Tennyson, \$1.5 million to widen McDermott Road from Coit Road to Custer, \$1.5 million for construction of Dominion Parkway from Headquarters to Hedgcoxe, \$1.3 million to widen Midway Road from Parker Road to Spring Creek Parkway and \$1.3 million to reconstruct 15th Street from G Avenue to I Avenue. The remaining street improvements and enhancements are for a variety of projects. To support the entire 2006-07 general obligation capital improvement program, an additional \$46.9 million will be required.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

Debt

At year-end, the City had \$311.9 million in bonds and tax anticipation notes outstanding as compared to \$293.0 at the end of the prior fiscal year, an increase of 6.4 percent – as shown in Table 5.

**Table 5
Outstanding Debt, at Year-end
(in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
General obligation bonds (backed by the City)	\$ 276,640	\$ 251,579	\$ -	\$ -	\$ 276,640	\$ 251,579
Tax anticipation notes (backed by the City)	2,557	5,991	-	-	2,557	5,991
Revenue bonds (backed by fee revenues)	-	-	32,658	35,470	32,658	35,470
Totals	\$ 279,197	\$ 257,570	\$ 32,658	\$ 35,470	\$ 311,855	\$ 293,040

During the current fiscal year, the City issued \$40.9 million in general obligation bonds, \$3.8 million in certificates of obligation and \$1.5 million in municipal drainage revenue bonds.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006**

The City's general obligation bonds and tax notes continue to carry a triple A rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by three national rating agencies. The City's drainage revenue bonds carry an A1 and AA- ratings, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 1.28%.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. Claims for property loss over \$100,000 per occurrence and for workers' compensation over \$500,000 per occurrence are covered by private insurance companies. The City has claims and judgments of \$6.4 million outstanding at year-end compared with \$5.8 million at the end of the prior fiscal year. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

THE CITY'S FUNDS

At the close of the City's fiscal year on September 30, 2006, the governmental funds of the City reported a combined fund balance of \$158.6 million and the enterprise funds of the City reported combined net assets of \$383.0 million. Included in this year's total change in fund balance is an increase in fund balance of \$9.6 million in the City's General Fund due to increased revenues of \$17.9 million in the current year primarily in property tax and sales tax revenues. The \$2.3 million increase in fund balance in the City's Municipal Facilities and \$13.6 million increase in Park Improvements' fund balance is attributed to proceeds from sale of bonds in the current year. In addition, these other changes in fund balances should be noted:

- The City's Debt Service fund balance of \$2.2 million increased from the prior year fund balance by \$0.2 million. Since fiscal year 2004-05, the allocation to the Debt Service portion of the ad valorem tax rate has decreased to 0.1647 from 0.1725, a \$0.0078 decrease.
- The City spent \$17.7 million in capital outlay in the street improvement fund, an increase of \$0.7 million as compared to the same period in the prior year. The City also had a decrease in contributions from developers in the street improvement fund down \$2.2 million as compared to the prior fiscal year, a decrease of 69.9%.
- The City spent \$12.0 million in capital outlay in the capital reserve fund as compared to \$13.2 million in the prior fiscal year. Investment income increased \$0.7 million attributed to an increase in interest rates and shortening of the average maturity of investments. The City recognized in the current year contributions from developers of \$0.7 million. In addition, a transfer from the capital reserve fund to the municipal golf course fund in the amount of \$0.8 million occurred.
- The City's water and sewer fund net assets of \$353.1 million increased by \$9.6 million over the prior year net asset balance. In the current fiscal year, revenues increased by \$9.7 million attributed due to overall consumption being up in the current year due to the on-going drought prior to current water restrictions, as well as increased winter consumption, which raised the residential winter quarter average for sewer income. Expenses increased over prior year by \$4.4 million due to increased payments to North Texas Municipal Water District (NTMWD) for water and wastewater services in the amount of \$2.6 million. In addition, electric utility payments increased over prior year by \$0.7 million attributed to higher natural gas prices.
- The City's environmental waste services fund net assets were \$1.8 million and decreased by \$0.8 million as compared to the prior fiscal year. Contractual services expenses increased \$1.0 million due to increased municipal garage charges of \$0.4 million for maintenance on environmental waste services

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2006**

equipment. In addition, a trommel screen, tractor, tractor trailer and front-end loader in the amount of \$0.7 million were purchased in the current year. Charges for services increased over prior year by \$0.5 million due to an increase in unbilled revenues in the current year for residential solid waste services.

- The City's municipal drainage fund net assets increased by \$2.0 million to \$15.2 million representing an increase of 15.2% over prior fiscal year. The amount of transfers out of the Municipal Drainage fund were lower in fiscal year 2006 as compared to prior year.

General Fund Budgetary Highlights

With the adjustments made during FY 2005-06, the actual on a budgetary basis expenditures were \$170.2 million compared to the re-estimated budget amount of \$176.0 million. The actual expenditures were \$10.9 million lower than the original budget implemented for fiscal year 2005-06. The \$5.8 million variance, comparing actual to re-estimate, was due to continued adherence to the City's Budget Contingency Plan that was adopted and implemented by the City Council in prior fiscal years.

For FY 2005-06, the actual on a budgetary basis revenues were \$177.4 million as compared to the re-estimated budget amount and original budget amount of \$175.4 million and \$163.6 million, respectively. Contributing to the variance was higher than anticipated franchise revenue increasing \$1.5 million over the re-estimated budget. Investment income and licenses and permits revenues were higher than the final budget by \$0.7 million and \$0.7 million, respectively. However, property tax revenues and fines and forfeitures came in lower than re-estimated by \$0.7 million and \$0.5 million, respectively. The City did reinstate the transfer of the agricultural exemption rollback taxes of \$0.7 million to the Capital Reserve fund. The City of Plano has a financial policy to move all of the agricultural exemption rollback taxes received to its Capital Reserve Fund for financing the maintenance and replacement of major infrastructure classified as general fixed assets by the City.

The City of Plano has an actual on a budgetary basis General Fund balance of \$45.6 million as of the fiscal year end, compared to the re-estimated budget fund balance and original budget fund balance of \$37.5 million and \$22.9 million respectively. The variance in fund balance is due to the City's Budget Contingency Plan that was adopted and implemented by the City Council.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2007 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. Plano's economic planning has ensured the City's rank as a leader among cities in the United States. Sound financial and infrastructure replacement planning have proved invaluable, which is evidenced by the City keeping the tax rate relatively constant or even being able to lower the rate, while at the same time maintaining a balance of services. However, in order to remain competitive with surrounding neighboring cities, the City Council approved a two-cent tax rate increase for 2007. The increased revenue will be dedicated solely for economic development incentives and redevelopment.

Public safety, health, value, and quality of life are foremost in administrative decisions. Visionary planning, community involvement in municipal government, and dedication and resolve by municipal staff have all combined to maintain and improve the quality of life and economic opportunities for citizens.

The population growth experienced by the City has stimulated local business and development activity, and the community has placed additional demands on the City to maintain or enhance services provided to our citizens. Plano's current population is 254,082 and Plano's population is anticipated to be approximately 269,200 in 2020. Plano has been fortunate over the past two decades to have numerous corporate citizens make Plano their home. City tax abatement agreements and reinvestment zones have helped create approximately 39,130 jobs, and are directed at the continued growth of the City. As a result, one of Plano's greatest economic

**City of Plano, Texas
Management's Discussion and Analysis (continued)
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strengths is the diversified employment base. The three largest job sectors are retail and wholesale trade, services, and manufacturing. It is anticipated that future growth for the region will focus on healthcare and small businesses, rather than technology. Current trends indicate great interest in the redevelopment of mature commercial centers and infill projects. Nationwide employment statistics show the region as leading the country in employment growth, ahead of much larger metropolitan areas, with significant expansion in the service-providing job cluster. The reasonable costs of living and homes priced below the national average continue to make Plano an attractive area for new business locations and re-locations. The City continues to attract new and existing companies due to the strategy of working diligently with corporations on relocation incentives. Lured by the pro-business atmosphere and highly educated and motivated workforce, companies continue to relocate here.

These indicators are taken into account when adopting the General Fund budget for fiscal year 2007. The total 2006-07 combined budget appropriation totals \$368.7 million for ten operating funds. This represents an increase of \$30.8 million or 9.1 percent over the 2005-06 re-estimated budget. Ad valorem tax revenue is determined by two major factors: the total assessed value established by the central Appraisal District of Collin County and the tax rate established by the Plano City Council. Due to the fact that assessed property values have increased annually since 1993, the City has been afforded the opportunity to hold the tax rate relatively constant or even been able to lower the rate in the past. However, as previously mentioned, the Plano City Council chose to increase the tax rate by two-cents from 45.35 cents to 47.35 cents per \$100 valuation for the current fiscal year. According to final figures received from the Central Appraisal District, the total assessed property value for 2006-07 of \$22.829 billion is an increase of \$1.179 billion or 5.45%. The increase includes new property coming on-line of \$556.4 million while existing property values are expected to increase by \$623.4 million, or 2.88%.

Sales tax receipts, the General Fund's second largest revenue source in 2006-07, are projected to decrease slightly by 2.0% below the 2005-06 re-estimated level, \$58.8 million, in order to account for the \$1.2 million in audit adjustments collected in 2005-06. Sales tax projections will continue to be impacted by any changes to the national economy, high fuel prices, the loss of market share to surrounding communities due to new shopping developments, the Texas Legislative-initiated "Back-To-School" Sales Tax Holiday occurring each August, and any impending future legislation.

Budgeted expenditures in the General Fund are expected to rise \$24.5 million or 13.1 percent over the 2005-06 re-estimated budget. Increased wage and cost of living adjustments are the largest increments, representing \$11.0 million of the increase in expenditures which includes a 4% salary increase for all non-civil service and civil service positions. In addition, all currently vacant full-time positions have been funded for the new fiscal year totaling \$1.3 million. In addition, \$1.7 million is included in the budget to cover anticipated health insurance increases. Also, a total of \$1.5 million is included in the budget to cover the amount of retiree payouts expected to occur in 2006-07. The 2006-07 Budget also includes an additional \$6.1 million for Economic Development incentives for new business development as well as redevelopment of current properties. The two-cent tax rate increase provides the additional revenue for these Economic Development incentives. Finally, \$3.0 million for Public Safety Additions and Program Increases as well as \$2.4 million for added costs as a result of CIP projects coming on-line.

If these estimates are realized, the City's budgetary General Fund balance is expected to decrease from the re-estimated 2005-06 budget by approximately \$21.6 million.

As for the City's business type activities, the City expects the 2006 results will improve in the Water & Sewer Fund. Projections indicate that the Water & Sewer Fund balance will increase by \$0.3 million, while the Environmental Waste Services Fund balance will decrease by \$0.8 million. The following recent rate decisions have been made regarding the City's business type activities:

- A projected increase in water income of \$2.4 million and a projected increase in sewer income of \$4.8 million is primarily due to a 5.0% increase for both water and sewer rates due to increased costs passed on to the City from North Texas Municipal Water District. The 2006-07 revenues also include changes

**City of Plano, Texas
Management's Discussion and Analysis (continued)
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related to the May 1, 2006 change in the Winter Quarter averaging method, from a one-year winter consumption cycle, to a two-year averaging of the winter cycles.

- The Environmental Waste Services residential rate for customers who choose to use the 95-gallon cart will increase \$1.10 to \$13.85 monthly. Customers who wish to use a 68-gallon refuse cart will continue to pay a monthly rate of \$11.25. The variable rates continue to allow the City to implement environmental systems that will reduce our disposal costs and encourage waste minimization.
- No municipal drainage rate adjustment will be required in 2006-07. The drainage rate for an average homeowner will continue to be \$3.30 per month, and non-residential rates will stay at .056 cents per 100 square feet of impervious area.
- Golf fees for 2006-07 are projected to increase slightly even with no rate increase. This slight increase is based on what is anticipated to be a more seasonable summer in 2007.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Controller's Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, TX 75074.

**CITY OF PLANO, TEXAS
STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2006**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 48,358,264	\$ 3,413,178	\$ 51,771,442	\$ 1,427,466
Investments	153,578,738	13,145,931	166,724,669	5,586,787
Receivables (net of allowance for doubtful accounts)	26,150,534	15,777,805	41,928,339	50,512
Internal balances	(4,614,207)	4,614,207	-	-
Due from other governments	1,065,120	-	1,065,120	-
Inventories	759,452	-	759,452	-
Prepays and other assets	514,821	47,877	562,698	11,578
Restricted assets:				
Cash and cash equivalents	1,640,371	4,179,244	5,819,615	-
Investments	6,420,947	17,319,340	23,740,287	-
Receivables	58,053	150,536	208,589	-
Capital assets:				
Non-depreciable	231,123,606	44,726,547	275,850,153	110,629
Depreciable (net)	597,179,614	329,652,119	926,831,733	4,843,398
Total Assets	1,062,235,313	433,026,784	1,495,262,097	12,030,370
LIABILITIES				
Accounts payable	5,819,668	4,008,115	9,827,783	2,794
Accrued liabilities	7,474,054	1,718,023	9,192,077	38,164
Accrued interest payable	513,193	696,003	1,209,196	-
Contracts payable	4,590,951	650,491	5,241,442	-
Customer deposits	-	2,514,266	2,514,266	-
Unearned revenue	1,053,891	376,861	1,430,752	-
Due to other governments	577,910	-	577,910	-
Retainage payable	1,210,086	237,267	1,447,353	-
Seized assets payable	298,644	-	298,644	-
Non-current liabilities				
Due within one year:				
Compensated absences	3,928,620	306,734	4,235,354	7,458
Notes payable	-	-	-	691,022
Bonds payable	21,020,000	4,150,000	25,170,000	-
Tax anticipation notes payable	2,557,632	-	2,557,632	-
Liability for insurance claims	5,105,476	-	5,105,476	-
Due in more than one year:				
Compensated absences	23,491,971	1,631,774	25,123,745	71,934
Notes payable	-	-	-	6,618,995
Bonds payable	255,619,689	28,507,990	284,127,679	-
Liability for insurance claims	1,313,377	-	1,313,377	-
Total Liabilities	334,575,162	44,797,524	379,372,686	7,430,367
NET ASSETS				
Invested in capital assets (net of related debt)	650,438,402	356,802,993	1,007,241,395	4,954,027
Restricted for:				
Capital projects	-	696,506	696,506	-
Debt service	2,149,959	5,835,958	7,985,917	-
Unrestricted (deficit)	75,071,790	24,893,803	99,965,593	(354,024)
Total Net Assets	\$ 727,660,151	\$ 388,229,260	\$ 1,115,889,411	\$ 4,600,003

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 12,869,160	\$ 1,056,168	\$ 416,696	\$ 3,000,826
Administrative services	7,249,106	-	-	-
Police	52,661,945	12,839,712	937,140	218,811
Fire	40,171,670	3,396,538	5,814,276	181,863
Libraries	9,616,271	478,457	221,651	-
Development	18,482,899	7,038,776	1,863,491	-
Public services and operations	5,069,129	1,005,080	121,591	-
Parks and recreation	20,491,397	2,629,899	194,517	-
Public works	25,864,753	93,534	126,625	13,270,681
Technology services	11,113,407	2,315,210	-	-
Other	858,379	-	-	-
Interest on Long-Term Debt	12,009,766	-	-	-
Unallocated Depreciation	93,337	-	-	-
Total governmental activities	216,551,219	30,853,374	9,695,987	16,672,181
Business-type Activities:				
Water and sewer	79,400,088	90,197,835	-	10,048,819
Environmental waste services	18,346,330	12,784,020	22,828	-
Municipal drainage	3,118,453	4,918,531	-	-
Civic center	5,751,129	2,414,989	-	-
Municipal golf course	935,483	907,325	-	-
Property management	25,940	85,789	-	-
Recreation revolving	2,436,064	2,656,865	-	-
Downtown center development	43,356	68,127	-	-
Total business-type activities	110,056,843	114,033,481	22,828	10,048,819
Total primary government	\$ 326,608,062	\$ 144,886,855	\$ 9,718,815	\$ 26,721,000
Component units:				
Economic Development	\$ 652,901	\$ 752,316	\$ -	\$ -
TIF Mall	4,571,230	-	-	-
TIF East Side	1,241,204	-	-	-
Total component units	\$ 6,465,335	\$ 752,316	\$ -	\$ -

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel/Motel tax
Other taxes
Franchise fees
Investment income
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (8,395,470)		\$ (8,395,470)	
(7,249,106)		(7,249,106)	
(38,666,282)		(38,666,282)	
(30,778,993)		(30,778,993)	
(8,916,163)		(8,916,163)	
(9,580,632)		(9,580,632)	
(3,942,458)		(3,942,458)	
(17,666,981)		(17,666,981)	
(12,373,913)		(12,373,913)	
(8,798,197)		(8,798,197)	
(858,379)		(858,379)	
(12,009,766)		(12,009,766)	
(93,337)		(93,337)	
<u>(159,329,677)</u>		<u>(159,329,677)</u>	
	\$ 20,846,566	20,846,566	
	(5,539,482)	(5,539,482)	
	1,800,078	1,800,078	
	(3,336,140)	(3,336,140)	
	(28,158)	(28,158)	
	59,849	59,849	
	220,801	220,801	
	24,771	24,771	
<u>-</u>	<u>14,048,285</u>	<u>14,048,285</u>	
<u>(159,329,677)</u>	<u>14,048,285</u>	<u>(145,281,392)</u>	
			\$ 99,415
			(4,571,230)
			<u>(1,241,204)</u>
			<u>(5,713,019)</u>
104,809,088	-	104,809,088	7,368,634
65,320,897	-	65,320,897	-
814,346	-	814,346	-
-	4,416,422	4,416,422	-
215,439	-	215,439	-
22,114,560	5,876,771	27,991,331	-
9,914,048	1,882,100	11,796,148	45,865
11,907,529	(11,907,529)	-	-
<u>215,095,907</u>	<u>267,764</u>	<u>215,363,671</u>	<u>7,414,499</u>
55,766,230	14,316,049	70,082,279	1,701,480
671,893,921	373,913,211	1,045,807,132	2,898,523
<u>\$ 727,660,151</u>	<u>\$ 388,229,260</u>	<u>\$ 1,115,889,411</u>	<u>\$ 4,600,003</u>

CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2006

	General	Debt Service	Street Improvements	Capital Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 16,238,418	\$ 437,488	\$ 3,563,881	\$ 6,737,207	\$ 12,716,680	\$ 39,693,674
Investments	27,853,237	1,712,471	13,950,189	26,371,623	49,776,862	119,664,382
Receivables (net of allowance for uncollectibles)						
Taxes	12,746,045	777,573	-	-	-	13,523,618
Accounts	581,000	-	-	-	107,944	688,944
Notes	7,310,017	-	-	-	-	7,310,017
Accrued interest	316,924	15,483	126,127	238,432	451,323	1,148,289
Assessments	-	-	1,667,760	-	-	1,667,760
Other	-	-	350,000	-	982,257	1,332,257
Due from other funds	1,263,035	-	-	-	3,826	1,266,861
Due from other governments	12,028	6,123	-	-	1,046,872	1,065,023
Prepaid items and other assets	229,018	-	-	-	4,490	233,508
Total Assets	<u>66,549,722</u>	<u>2,949,138</u>	<u>19,657,957</u>	<u>33,347,262</u>	<u>65,090,254</u>	<u>187,594,333</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	3,375,799	-	-	-	181,090	3,556,889
Accrued liabilities	6,276,160	-	-	-	25,162	6,301,322
Contracts payable	-	-	1,323,681	1,390,014	1,877,256	4,590,951
Deferred revenue	8,089,275	777,573	1,667,760	-	981,807	11,516,415
Due to other funds	3,826	-	-	-	980,916	984,742
Due to other governments	-	-	-	-	577,910	577,910
Retainage payable	-	-	680,995	92,309	436,782	1,210,086
Seized assets payable	-	-	-	-	298,644	298,644
Total Liabilities	<u>17,745,060</u>	<u>777,573</u>	<u>3,672,436</u>	<u>1,482,323</u>	<u>5,359,567</u>	<u>29,036,959</u>
Fund Balance:						
Reserved for encumbrances in:						
General fund	2,776,694	-	-	-	-	2,776,694
Street improvement fund	-	-	10,517,357	-	-	10,517,357
Capital reserve fund	-	-	-	2,828,183	-	2,828,183
Capital project funds	-	-	-	-	25,889,422	25,889,422
Reserved for:						
Prepaid items and other assets	229,018	-	-	-	4,490	233,508
Interfund advance and notes receivable	7,310,017	-	-	-	-	7,310,017
Debt service	-	2,171,565	-	-	-	2,171,565
Street improvements	-	-	5,468,164	-	-	5,468,164
Capital reserve	-	-	-	29,036,756	-	29,036,756
Capital projects	-	-	-	-	19,946,824	19,946,824
Unreserved, designated in:						
Special revenue funds	-	-	-	-	954,149	954,149
Unreserved, undesignated in:						
General fund	38,488,933	-	-	-	-	38,488,933
Special revenue funds	-	-	-	-	12,230,202	12,230,202
Capital project funds	-	-	-	-	705,600	705,600
Total Fund Balance	<u>48,804,662</u>	<u>2,171,565</u>	<u>15,985,521</u>	<u>31,864,939</u>	<u>59,730,687</u>	<u>158,557,374</u>
Total Liabilities and Fund Balance	<u>\$ 66,549,722</u>	<u>\$ 2,949,138</u>	<u>\$ 19,657,957</u>	<u>\$ 33,347,262</u>	<u>\$ 65,090,254</u>	<u>\$ 187,594,333</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2006**

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

Total fund balance per balance sheet	\$ 158,557,374
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	803,393,440
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds	10,519,125
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	68,740,170
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(313,549,958)
Net assets of governmental activities	<u><u>\$ 727,660,151</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>General</u>	<u>Debt Service</u>	<u>Street Improvements</u>	<u>Capital Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes-						
Property taxes	\$ 61,860,012	\$ 35,261,339	\$ -	\$ -	\$ -	\$ 97,121,351
Other taxes	59,581,037	-	-	-	-	59,581,037
Franchise fees	21,720,865	-	-	-	-	21,720,865
Fines and forfeitures	8,556,731	-	-	-	1,568,952	10,125,683
Contributions	-	-	950,042	25,638	106,108	1,081,788
Rollback taxes	-	-	-	735,757	-	735,757
Licenses and permits	6,800,126	-	-	-	-	6,800,126
Intragovernmental	6,592,673	-	-	-	-	6,592,673
Intergovernmental	635,126	-	-	-	8,108,978	8,744,104
Fees for services	8,856,128	-	-	-	2,321,135	11,177,263
Assessments	-	-	443,672	-	-	443,672
Investment income	2,378,463	898,532	571,368	1,283,493	2,645,300	7,777,156
Miscellaneous	1,199,451	208,811	1,050	3,197,528	259,136	4,865,976
Total revenues	<u>178,180,612</u>	<u>36,368,682</u>	<u>1,966,132</u>	<u>5,242,416</u>	<u>15,009,609</u>	<u>236,767,451</u>
EXPENDITURES						
Current operating:						
General government	520,686	-	-	-	789,294	1,309,980
Administrative services	7,282,215	-	-	-	-	7,282,215
Police	52,525,364	-	-	-	1,093,131	53,618,495
Fire	35,056,405	-	-	-	5,067,658	40,124,063
Libraries	9,149,535	-	-	-	89,326	9,238,861
Development	16,817,680	-	-	-	1,602,766	18,420,446
Public services and operations	4,112,230	-	-	-	950,894	5,063,124
Parks and recreation	16,670,874	-	-	-	38,866	16,709,740
Environmental waste services	-	-	-	-	19,845	19,845
Public works	5,273,610	-	-	-	-	5,273,610
Other	18,381,077	-	-	-	-	18,381,077
Capital outlay	1,641,834	-	17,738,959	11,968,003	18,584,605	49,933,401
Debt service:						
Principal retirement	-	20,510,000	-	-	-	20,510,000
Interest and fiscal charges	-	12,154,302	-	-	-	12,154,302
Total expenditures	<u>167,431,510</u>	<u>32,664,302</u>	<u>17,738,959</u>	<u>11,968,003</u>	<u>28,236,385</u>	<u>258,039,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,749,102</u>	<u>3,704,380</u>	<u>(15,772,827)</u>	<u>(6,725,587)</u>	<u>(13,226,776)</u>	<u>(21,271,708)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	30,000	13,614,428	-	31,045,572	44,690,000
Premium on sale of bonds	-	-	492,257	-	1,122,760	1,615,017
Discount on sale of bonds	-	-	(106,685)	-	(243,332)	(350,017)
Transfers in	9,571,122	126,320	-	13,039,000	950,748	23,687,190
Transfers out	(10,739,748)	(3,626,500)	-	(789,913)	-	(15,156,161)
Total other financing sources (uses)	<u>(1,168,626)</u>	<u>(3,470,180)</u>	<u>14,000,000</u>	<u>12,249,087</u>	<u>32,875,748</u>	<u>54,486,029</u>
Net change in fund balances	9,580,476	234,200	(1,772,827)	5,523,500	19,648,972	33,214,321
Fund balances-beginning	39,224,186	1,937,365	17,758,348	26,341,439	40,081,715	125,343,053
Fund balances-ending	<u>\$ 48,804,662</u>	<u>\$ 2,171,565</u>	<u>\$ 15,985,521</u>	<u>\$ 31,864,939</u>	<u>\$ 59,730,687</u>	<u>\$ 158,557,374</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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

Net change in fund balance - total governmental funds	\$ 33,214,321
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	17,953,119
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	19,011,601
The issuance of long-term debt (e.g. bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(25,415,300)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(217,732)
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds is reported within governmental activities.	11,223,204
Grant revenue included in the special revenue funds which are used for the benefit of business-type activities. The net expenses of certain activities are reported within the business-type activities.	(2,983)
Change in net assets of governmental activities	<u><u>\$ 55,766,230</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Adjustments- Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES:						
Taxes-						
Property taxes	\$ 61,823,004	\$ 61,823,004	\$ 61,860,012	\$ (735,757)	\$ 61,124,255	\$ (698,749)
Other taxes	51,332,835	59,626,920	59,581,037	-	59,581,037	(45,883)
Franchise fees	19,084,469	20,227,241	21,720,865	-	21,720,865	1,493,624
Fines and forfeitures	9,137,832	9,064,495	8,556,731	-	8,556,731	(507,764)
Licenses and permits	4,542,548	6,124,964	6,800,126	-	6,800,126	675,162
Intragovernmental	6,592,673	6,592,673	6,592,673	-	6,592,673	-
Intergovernmental	647,023	649,234	635,126	-	635,126	(14,108)
Fees for services	8,060,840	8,474,259	8,856,128	-	8,856,128	381,869
Investment income	1,600,000	1,700,000	2,378,463	-	2,378,463	678,463
Miscellaneous	816,303	1,148,829	1,199,451	-	1,199,451	50,622
Total Revenues	163,637,527	175,431,619	178,180,612	(735,757)	177,444,855	2,013,236
EXPENDITURES:						
General government	652,235	705,297	520,686	16,122	536,808	168,489
Administrative services	7,618,546	7,695,787	7,282,215	61,957	7,344,172	351,615
Police	55,223,560	54,785,934	52,525,364	343,214	52,868,578	1,917,356
Fire	36,524,335	36,313,487	35,056,405	171,835	35,228,240	1,085,247
Libraries	9,497,461	9,625,165	9,149,535	44,885	9,194,420	430,745
Development	17,606,308	17,924,827	16,817,680	479,549	17,297,229	627,598
Public services and operations	4,601,117	4,500,795	4,112,230	122,310	4,234,540	266,255
Parks and Recreation	17,345,288	17,139,414	16,670,874	291,842	16,962,716	176,698
Public works	5,555,101	5,649,915	5,273,610	165,641	5,439,251	210,664
Other	22,000,875	19,557,861	18,381,077	434,164	18,815,241	742,620
Capital outlay	1,697,020	2,110,036	1,641,834	645,175	2,287,009	(176,973)
Total Expenditures	178,321,846	176,008,518	167,431,510	2,776,694	170,208,204	5,800,314
Excess (Deficiency) Of Revenues Over Expenditures	(14,684,319)	(576,899)	10,749,102	(3,512,451)	7,236,651	7,813,550
OTHER FINANCING SOURCES (USES):						
Transfers in	8,560,054	9,571,122	9,571,122	-	9,571,122	-
Transfers out	(10,239,748)	(10,739,748)	(10,739,748)	-	(10,739,748)	-
Total Other Financing Sources (Uses)	(1,679,694)	(1,168,626)	(1,168,626)	-	(1,168,626)	-
Excess (Deficiency) Of Revenues And Other Sources Over Expenditures And Other Uses	(16,364,013)	(1,745,525)	9,580,476	(3,512,451)	6,068,025	7,813,550
FUND BALANCE, OCTOBER 1	39,224,186	39,224,186	39,224,186	-	39,496,934	-
FUND BALANCE, September 30	\$ 22,860,173	\$ 37,478,661	\$ 48,804,662	\$ (3,512,451)	\$ 45,564,959	\$ 7,813,550

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
 ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER
 FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses General Fund
GAAP basis	\$ 9,580,476
Revenues:	
Decrease due to rolled back taxes	(735,757)
Expenditures:	
Increase due to encumbrances	(2,776,694)
Budgetary basis	\$ 6,068,025

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2006

Business-type Activities
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,650,693	\$ 78,226	\$ 761,867	\$ 922,392	\$ 3,413,178	\$ 8,664,590
Investments	6,448,140	173,368	2,930,168	3,594,255	13,145,931	33,914,356
Receivables -						
Accounts	12,461,686	1,531,361	597,555	535,233	15,125,835	171,262
Accrued interest	58,299	1,567	26,492	32,495	118,853	304,472
Other	1,986	516,727	-	14,404	533,117	3,915
Interfund receivable	-	-	-	-	-	206,157
Due from other funds	-	-	-	-	-	24,124
Due from other governments	-	-	-	-	-	97
Inventories	-	-	-	-	-	759,452
Prepaid expenses & other assets	245	2,433	762	44,437	47,877	224,712
Advances to other funds	-	-	-	-	-	440,275
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	414,308	-	521,097	-	935,405	-
Investments	1,621,736	-	803,507	-	2,425,243	-
Accrued interest receivable	17,295	-	18,442	-	35,737	-
Revenue bond reserve fund-						
Investments	960,421	-	1,479,152	-	2,439,573	-
Revenue bond construction fund-						
Cash and cash equivalents	2,438,801	-	805,038	-	3,243,839	1,640,371
Investments	9,546,258	-	2,908,266	-	12,454,524	6,420,947
Accrued interest receivable	86,309	-	28,490	-	114,799	58,053
Total current assets	<u>35,706,177</u>	<u>2,303,682</u>	<u>10,880,836</u>	<u>5,143,216</u>	<u>54,033,911</u>	<u>52,832,783</u>
Capital assets:						
Land	4,820,610	-	47,534	4,325,479	9,193,623	62,522
Buildings	1,259,370	8,581	52,921	13,821,672	15,142,544	5,264,915
Improvements other than buildings	438,783,598	-	-	1,835,921	440,619,519	-
Equipment	12,867,740	7,052,821	257,707	2,109,216	22,287,484	34,671,369
Furniture and fixtures	213,007	53,186	8,124	438,525	712,842	103,461
Rolling equipment	114,195	136,694	-	-	250,889	48,796,643
Drainage improvements	-	-	18,788,852	-	18,788,852	-
Construction in progress	25,564,148	-	9,968,776	-	35,532,924	2,149,984
Less accumulated depreciation	<u>(146,714,384)</u>	<u>(5,855,356)</u>	<u>(2,500,595)</u>	<u>(13,079,676)</u>	<u>(168,150,011)</u>	<u>(66,139,114)</u>
Total capital assets (net of accumulated depreciation)	<u>336,908,284</u>	<u>1,395,926</u>	<u>26,623,319</u>	<u>9,451,137</u>	<u>374,378,666</u>	<u>24,909,780</u>
Total noncurrent assets	<u>336,908,284</u>	<u>1,395,926</u>	<u>26,623,319</u>	<u>9,451,137</u>	<u>374,378,666</u>	<u>24,909,780</u>
Total assets	<u>\$ 372,614,461</u>	<u>\$ 3,699,608</u>	<u>\$ 37,504,155</u>	<u>\$ 14,594,353</u>	<u>428,412,577</u>	<u>\$ 77,742,563</u>

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2006
(continued)

	Business-type Activities					Governmental Activities- Internal Service Funds
	Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 3,044,203	\$ 261,557	\$ 329,415	\$ 372,940	\$ 4,008,115	\$ 2,262,779
Accrued liabilities	742,982	498,388	45,554	431,099	1,718,023	1,172,732
Deferred revenue	-	-	-	376,861	376,861	-
Due to other funds	-	-	-	50	50	306,193
Interfund payable	-	206,158	-	-	206,158	-
Tax anticipation notes payable	-	-	-	-	-	2,557,632
Accrued interest payable	-	1,517	-	-	1,517	-
Customer deposits	2,373,260	-	-	141,006	2,514,266	-
Total current liabilities	<u>6,160,445</u>	<u>967,620</u>	<u>374,969</u>	<u>1,321,956</u>	<u>8,824,990</u>	<u>6,299,336</u>
Current liabilities payable from restricted assets:						
Contracts payable	650,491	-	-	-	650,491	-
Current portion of long-term debt	2,895,000	-	1,255,000	-	4,150,000	-
Liability for compensated absences	142,944	75,310	15,737	72,742	306,733	-
Liability for insurance claims	-	-	-	-	-	5,105,476
Accrued interest payable	323,835	-	370,651	-	694,486	-
Retainage payable	185,773	-	51,494	-	237,267	-
Total current liabilities payable from restricted assets	<u>4,198,043</u>	<u>75,310</u>	<u>1,692,882</u>	<u>72,742</u>	<u>6,038,977</u>	<u>5,105,476</u>
Total current liabilities	<u>10,358,488</u>	<u>1,042,930</u>	<u>2,067,851</u>	<u>1,394,698</u>	<u>14,863,967</u>	<u>11,404,812</u>
Noncurrent liabilities:						
Advance from other funds	-	440,275	-	-	440,275	-
Bonds payable	8,333,833	-	20,174,157	-	28,507,990	-
Liability for compensated absences	853,668	456,940	46,967	274,199	1,631,774	-
Liability for insurance claims	-	-	-	-	-	1,313,377
Total noncurrent liabilities	<u>9,187,501</u>	<u>897,215</u>	<u>20,221,124</u>	<u>274,199</u>	<u>30,580,039</u>	<u>1,313,377</u>
Total liabilities	<u>19,545,989</u>	<u>1,940,145</u>	<u>22,288,975</u>	<u>1,668,897</u>	<u>45,444,006</u>	<u>12,718,189</u>
NET ASSETS						
Invested in capital assets (net of related debt)	337,037,750	1,395,926	8,924,065	9,445,252	356,802,993	29,594,716
Restricted for:						
Capital projects	696,506	-	-	-	696,506	-
Debt service	3,013,760	-	2,822,198	-	5,835,958	-
Unrestricted	12,320,456	363,537	3,468,917	3,480,204	19,633,114	35,429,658
Total Net Assets	<u>\$ 353,068,472</u>	<u>\$ 1,759,463</u>	<u>\$ 15,215,180</u>	<u>\$ 12,925,456</u>	<u>\$ 382,968,571</u>	<u>\$ 65,024,374</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2006**

Amounts reported for business type activities in the statement of net assets are different because:

Total net assets of proprietary funds	\$ 382,968,571
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds.	
The net receivable due from activities of the internal service funds which are reported within business-type activities.	5,260,689
Net assets of business type activities	<u><u>\$ 388,229,260</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds		
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 87,677,986	\$ 11,467,523	\$ 4,895,101	\$ 6,079,970	\$ 110,120,580	\$ 52,003,624
Franchise fees	-	5,876,771	-	-	5,876,771	-
Sale of trash bags	-	612,274	-	-	612,274	-
Penalties	1,574,378	-	-	-	1,574,378	-
Taps and meters	345,388	-	-	-	345,388	-
Construction water	119,508	-	-	-	119,508	-
Contributions	-	107,578	-	-	107,578	-
Miscellaneous charges	18,638	539,417	-	49,816	607,871	466,305
Total operating revenues	89,735,898	18,603,563	4,895,101	6,129,786	119,364,348	52,469,929
Operating expenses:						
Personal services	8,253,810	5,042,728	1,226,017	3,799,062	18,321,617	7,509,718
Contractual services	7,446,583	6,291,506	662,558	3,771,254	18,171,901	9,518,035
Supplies	1,662,156	259,743	121,970	875,142	2,919,011	7,242,015
Claims expense	-	-	-	-	-	15,401,956
Depreciation	11,644,009	392,076	352,634	763,170	13,151,889	5,755,943
Landfill services	-	6,514,645	-	-	6,514,645	-
Wastewater treatment	18,135,119	-	-	-	18,135,119	-
Charges in lieu of taxes	5,854,433	738,240	-	-	6,592,673	-
Water supply	25,819,356	-	-	-	25,819,356	-
Miscellaneous	562,505	185,265	51,957	90,769	890,496	56,289
Total operating expenses	79,377,971	19,424,203	2,415,136	9,299,397	110,516,707	45,483,956
Operating income (loss)	10,357,927	(820,640)	2,479,965	(3,169,611)	8,847,641	6,985,973
Nonoperating revenues (expenses):						
Investment income	1,024,598	-	701,667	155,835	1,882,100	2,139,164
Gain (loss) on property disposition	(760)	-	-	(419)	(1,179)	872,178
Interest and fiscal charges	(499,403)	(55,088)	(866,074)	(14,614)	(1,435,179)	(193,895)
Hotel/motel tax	-	-	-	4,416,422	4,416,422	-
Intergovernmental revenues	-	-	-	-	-	13,126
Miscellaneous	461,937	57,228	23,430	3,309	545,904	34,418
Total nonoperating revenue (expenses)	986,372	2,140	(140,977)	4,560,533	5,408,068	2,864,991
Income (loss) before contributions and transfers	11,344,299	(818,500)	2,338,988	1,390,922	14,255,709	9,850,964
Contributions from developers	10,048,819	-	-	-	10,048,819	-
Transfers in	-	-	-	789,913	789,913	3,626,500
Transfers out	(11,797,144)	-	(327,377)	(572,921)	(12,697,442)	(250,000)
Change in net assets	9,595,974	(818,500)	2,011,611	1,607,914	12,396,999	13,227,464
Total net assets-beginning	343,472,498	2,577,963	13,203,569	11,317,542	370,571,572	51,796,910
Total net assets-ending	\$ 353,068,472	\$ 1,759,463	\$ 15,215,180	\$ 12,925,456	\$ 382,968,571	\$ 65,024,374

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net assets - total proprietary funds	\$12,396,999
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds is reported within business-type activities.	1,916,067
The net expenses of grant activities of special revenue funds is reported within business-type activities	2,983
Change in net assets of business-type activities	<u><u>\$14,316,049</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 90,478,427	\$ 12,956,490	\$ 4,840,372	\$ 5,914,705	\$ 114,189,994	\$ 52,343,149
Franchise fees	-	5,876,771	-	-	5,876,771	-
Charges in lieu of taxes	(5,854,433)	(738,240)	-	-	(6,592,673)	-
Cash payments to suppliers for goods and services	(52,500,326)	(13,927,015)	(1,035,685)	(4,793,311)	(72,256,337)	(31,733,462)
Cash payments to employees for services	(8,242,145)	(4,946,717)	(1,246,618)	(3,654,476)	(18,089,956)	(7,432,484)
Net cash provided (used) by operating activities	23,881,523	(778,711)	2,558,069	(2,533,082)	23,127,799	13,177,203
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayments from other funds	-	-	-	-	-	3,810,209
Repayments to other funds	-	(183,708)	-	(775,249)	(958,957)	-
Hotel/motel tax	-	-	-	4,416,422	4,416,422	-
Transfers to other funds	(11,797,144)	-	(327,377)	216,992	(11,907,529)	(250,000)
Grant receipts	-	-	-	-	-	13,126
Net cash provided (used) by noncapital financing activities	(11,797,144)	(183,708)	(327,377)	3,858,165	(8,450,064)	3,573,335
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(7,324,297)	(761,071)	(1,146,489)	(5,885)	(9,237,742)	(12,991,593)
Transfer of capital assets to (from) other funds	-	752,490	-	-	752,490	(58,936)
Bond proceeds	-	-	1,420,566	-	1,420,566	-
Transfer of capital assets to (from) other funds	-	-	(53,675)	-	(53,675)	-
Proceeds from sale of equipment	-	-	-	-	-	958,137
Proceeds from sale of land	550,750	-	-	-	550,750	-
Principal paid on long-term debt	(3,150,000)	-	(1,170,000)	-	(4,320,000)	(3,345,000)
Interest and fees paid on long-term debt	(475,892)	(55,088)	(909,889)	(14,614)	(1,455,483)	(282,088)
Contributions by developers	2,725,491	-	46,362	-	2,771,853	-
Proceeds from insurance damages	461,937	57,228	2,921	3,309	525,395	34,418
Net cash used by capital and related financing activities	(7,212,011)	(6,441)	(1,810,204)	(17,190)	(9,045,846)	(15,685,062)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(18,576,555)	(173,368)	(8,121,093)	(3,594,255)	(30,465,271)	(40,335,303)
Proceeds from sale and maturities of investment securities	15,353,838	1,063,756	8,062,448	2,703,345	27,183,387	42,125,237
Proceeds from sale of lease interest on investments	893,864	(14,216)	624,200	133,739	1,637,587	1,747,928
Net cash provided (used) by investing activities	(2,328,853)	876,172	565,555	(757,171)	(1,644,297)	3,537,862
Net increase (decrease) in cash and cash equivalents	2,543,515	(92,688)	986,043	550,722	3,987,592	4,603,338
Cash and cash equivalents, October 1	1,960,287	170,914	1,101,959	371,670	3,604,830	5,701,623
Cash and cash equivalents, September 30	\$ 4,503,802	\$ 78,226	\$ 2,088,002	\$ 922,392	\$ 7,592,422	\$ 10,304,961
Classified as:						
Current assets	\$ 1,650,693	\$ 78,226	\$ 761,867	\$ 922,392	\$ 3,413,178	\$ 8,664,590
Restricted assets	2,853,109	-	1,326,135	-	4,179,244	1,640,371
Total	\$ 4,503,802	\$ 78,226	\$ 2,088,002	\$ 922,392	\$ 7,592,422	\$ 10,304,961
Non-cash disclosure:						
Developers contributions	\$ 10,048,819	\$ -	\$ -	\$ -	\$ 10,048,819	\$ -
Loss on property disposition	(760)	-	-	(419)	(1,179)	(85,959)
Tax anticipation note premium	-	-	-	-	-	(88,193)
Increase in fair value of investments	63,336	19,524	56,746	7,349	146,955	302,261

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 10,357,927	\$ (820,640)	\$ 2,479,965	\$ (3,169,611)	\$ 8,847,641	\$ 6,985,973
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	11,644,009	392,076	352,634	763,170	13,151,889	5,755,943
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	607,936	(257,500)	(54,729)	(285,854)	9,853	(134,246)
Other accounts receivable	(531)	487,198	-	39,162	525,829	(2,128)
Due (to) from other funds	-	-	-	-	-	9,455
Due (to) from other governments	-	-	-	-	-	139
Prepaid expenses	1,485	(2,433)	700	(29,100)	(29,348)	(42,423)
Inventory	-	-	-	-	-	4,687
Increase (decrease) in-						
Accounts payable	1,303,912	(673,423)	188,494	(66,208)	752,775	(31,376)
Accrued liabilities	27,567	39,091	(13,579)	116,291	169,370	77,234
Due to (from) other funds	-	-	-	-	-	(18,490)
Due to (from) other governments	(180,004)	-	(388,394)	-	(568,398)	-
Refunds payable	-	-	-	8,303	8,303	-
Liability for compensated absences	(15,902)	56,920	(7,022)	28,295	62,291	-
Customer deposits	135,124	-	-	25,318	160,442	-
Deferred revenue	-	-	-	37,152	37,152	-
Liability for insurance claims	-	-	-	-	-	572,435
Total adjustments	<u>13,523,596</u>	<u>41,929</u>	<u>78,104</u>	<u>636,529</u>	<u>14,280,158</u>	<u>6,191,230</u>
Net cash provided (used) by operating activities	<u>\$ 23,881,523</u>	<u>\$ (778,711)</u>	<u>\$ 2,558,069</u>	<u>\$ (2,533,082)</u>	<u>\$ 23,127,799</u>	<u>\$ 13,177,203</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2006**

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 1,426,271	\$ 790,396
Investment pool	-	3,093,867
U.S. government treasury notes	3,960,745	-
Other U.S. government obligations	4,016,700	-
Corporate bonds	9,354,969	-
Common stocks	33,340,427	-
Foreign equities	5,455,835	-
CTF/Mutual funds	847,700	-
Accrued interest	259,132	27,972
Total Assets	<u>58,661,779</u>	<u>3,912,235</u>
LIABILITIES		
Accounts payable	30,184	-
Developers' escrow liability	-	3,866,441
Unclaimed property payable	-	45,794
Total Liabilities	<u>30,184</u>	<u>3,912,235</u>
NET ASSETS		
Held in trust for pension benefits	58,631,595	
Total Net Assets	<u>\$ 58,631,595</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Pension Trust Fund
ADDITIONS	
Contributions	\$ 2,800,123
Investment income:	
Net appreciation in fair value of investments	1,686,594
Interest	761,885
Dividends	<u>757,071</u>
Total investment gain	3,205,550
Less investment expenses	216,616
Net investment gain	<u>2,988,934</u>
Total additions	<u>5,789,057</u>
DEDUCTIONS	
Benefits	1,189,851
Miscellaneous expenses	<u>6,827</u>
Total deductions	<u>1,196,678</u>
Net increase	4,592,379
Net assets held in trust for pension benefits-beginning of year	<u>54,039,216</u>
Net assets held in trust for pension benefits-end of year	<u><u>\$ 58,631,595</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Plano, Texas, ("City") was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The financial statements of the City have been prepared to conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The more significant accounting and reporting policies and practices used by the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, as amended, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net assets and statement of activities. Significantly, the City's statement of net assets includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expenses on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund budget with actual results.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

entities are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City.

Discretely Presented Component Units. The Plano Economic Development Board (Board) is legally separate from the City and the City does not appoint a majority of its governing board; however, the City Manager, Mayor and one Council Member all serve on the Board. The City Council approves the Board's budget each year and maintains the ability to impose its will on the Board. The Board provides marketing and economic development services to the City and the City provides for custody and investment of the Board's assets, various administrative/personnel/legal services and the majority of funding for the Board's budget. The Board is reported as an enterprise fund. There are no separately issued financial statements of the Board. The Board is presented as a discrete component unit.

Tax Increment Financing Units. The City has established two tax increment financing units (TIF) for project improvements within the City. The first is an agreement by and between the City of Plano and the Taubman Realty Group Limited Partnership for the development of a regional mall. The second relates to financing for public improvements associated with the future development of East Plano. Both projects were approved by the City Council in fiscal year 1999. The Tax Incremental Financing Units are legally separate from the City and the City does not appoint a majority of its governing board for the first TIF and does appoint a majority of its governing board for the second TIF; however, the entities are fiscally dependent on the City. These projects had limited activity during fiscal year 2006 and are presented as discrete component units as the City has determined it would be misleading to exclude them. Separate financial statements for these entities are not available.

Related Organization. The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component units.

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements, the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and franchise taxes, and interest income).

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund and street improvements fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity (Police, Fire, Public Works, etc.). The City's Internal Service Funds consist of the equipment maintenance, office services, municipal warehouse, technology services, property liability loss and health claims funds.

The City's Fiduciary Funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's Fiduciary Funds consist of funds that account for the pension trust, developer's escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds, (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

D. Measurement Focus and Basis of Accounting

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

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered deferred revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Paving assessments in the non-major governmental funds-Capital Projects are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four- to eight-year period. The assessments are measurable when assessed but are generally not available for use when assessed. The assessments not collected are recorded as deferred revenue.

Business type activities and all proprietary funds, and the pension trust fund, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, civic center, municipal golf course, property management and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the City:

- a. General Fund accounts for several of the City's primary services (Police, Fire, Public Works, Libraries, Parks and Recreation, etc.) and is the primary operating unit of the City.
- b. Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. Street improvements fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.
- d. Capital reserve fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.
- e. Other Governmental Funds is a summarization of all of the non-major governmental funds.

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net assets, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

- a. Water and Sewer Fund accounts for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. This fund also accounts for the

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

- b. Environmental Waste Services Fund accounts for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds is a summarization of all of the non-major enterprise funds.

3. Other Fund Types:

The City additionally reports for the following Fund types:

- a. Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost reimbursement basis.
- b. Agency Funds are used to account for assets held by the City in an agency capacity for individuals, local law enforcement agencies or developers. Agency funds record only assets and liabilities and therefore have no measurement focus.
- c. Pension Trust Fund is used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash in all funds, excluding the City's payroll account, is combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund advances or interfund receivable/payable". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories and Prepaid Items

Inventories of supplies are maintained at the City warehouse for use by all the City funds and are accounted for by the consumption method. They are valued at the lower of moving average (i.e., perpetual inventory) cost or market. Unit prices are adjusted as new inventory is added, thus the moving average cost closely represents the cost of goods sold. Other inventories are stated at the lower of cost (first-in, first-out method) or market.

**CITY OF PLANO, TX
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2006**

Prepaid items are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. A reserve for prepaid items is recognized in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

H. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is reserved for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or non-routine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

I. Capital Assets

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For fiscal year 2006, \$44,805 of such interest costs were capitalized in the Municipal Drainage Fund.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 – 40
Improvements other than buildings	20 – 50
Equipment	2 – 20
Furniture and fixtures	5 – 15
Drainage improvements	50
Meters	10
Streets	30 – 50
Alleys	25
Storm/sanitary sewer	50
System infrastructure	50

J. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Upon termination, an employee is reimbursed for accumulated vacation. Police and firemen are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by State Civil Service law. All other full time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employ of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements in accordance with GASB Interpretation No. 6.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

K. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants include Community Development Block Grant funds, Department of Homeland Security Grant and several police grants, which are accounted for within the Grant Fund (Special Revenue). Various state grants are included in the General Fund, Capital Projects Funds (Park Improvements) and Proprietary Funds (Equipment Maintenance). Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the proprietary fund.

L. Long-Term Debt

General Obligation Bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net assets. Revenue Bonds issued for Proprietary Fund assets that are to be repaid by the Proprietary Fund are recorded in the Proprietary Fund.

Revenue Bonds have been issued to fund capital projects of Proprietary Funds. Such bonds are to be repaid from the net revenues of the applicable Proprietary Fund. To date, Revenue Bonds have been issued for water and wastewater purposes and for municipal drainage improvements. Tax Anticipation Notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure in Internal Service Funds. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide Statement of Net Assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, issuance costs, as well as bond premiums and discounts are recognized when incurred.

M. Retirement Plans

The City has two separate retirement plans covering substantially all employees. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$313,549,958 difference are as follows:

Bonds payable	\$ 276,470,000
Tax anticipation notes	2,555,000
Less: Issuance discount (to be amortized as interest expense)	(217,306)
Add: Issuance premium (to be amortized as interest expense)	8,597,054
Less: Deferred charges from refunding and bond issuance costs	(8,207,427)
Accrued interest payable	513,193
Claims and judgments	6,418,853
Compensated absences	<u>27,420,591</u>
Net adjustment to reduce fund balance – total governmental funds	
To arrive at net assets – governmental activities	<u>\$ 313,549,958</u>

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$17,953,119 difference are as follows:

Capital outlay	\$ 49,933,401
Depreciation expense	(30,408,655)
Other capital related transactions	<u>(1,571,627)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 17,953,119</u>

Another element of that reconciliation states “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(25,415,300) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (40,925,000)
Issuance of certificates of obligation	(3,765,000)
Add premium	(1,615,017)
Less discount	350,017
Less bond issue costs	29,700
Principal repayments:	
General obligation debt	20,510,000
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (25,415,300)</u>

Another element of that reconciliation states “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(217,732) difference are as follows:

Changes in:	
Compensated absences	\$ (458,370)
Accrued interest	(45,562)
Amortization of bond discount / deferred charge on refunding	(703,399)
Amortization of bond premium	1,145,885
Record change in net pension obligation	<u>(156,286)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (217,732)</u>

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006**

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City of Plano, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there were \$625,829 in appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end. (See Encumbrances, above, regarding encumbered appropriations.)

The Budgetary Comparison Statement, included in the basic financial statements presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

The portion of ad valorem tax revenues in the General Fund from “rolled back” tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

B. Fund Deficits and Budget Compliance:

The Office Services net deficit of \$478,182 will require adjustments to the billing rate. The TIF Mall Discretely Presented Component Unit deficit of \$5,070,078 will be funded from future ad-valorem taxes received from the creation of reinvestment zones and the establishment of tax increment financing agreements with the City of Plano, Plano Independent School District, Collin County and Collin County Community College District.

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006**

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act and the Public Funds Investment Policy of the City of Plano, Texas (City), all deposits of the City that exceed the federal depository insurance coverage level are collateralized with securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2006, the carrying amount of the City's demand deposits was \$3,180,704 which includes component unit deposits of \$86,520. The bank balance was \$5,041,980. At September 30, 2006, the City's cash on hand totaled \$138,785. At September 30, 2006, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was \$19,599,998. At September 30, 2006 the carrying value held in trust by a bank trust department for the City's Pension Trust Fund cash was \$1,426,271.

Investments

At September 30, 2006, the City's investment balances were as follows:

Investment type	Fair Value			Weighted Avg Maturity (Years) ^a
	Primary Government	Component Units	Total	
U.S. Agencies	\$167,345,732	\$ 4,869,268	\$172,215,000	1.11
Texas Local Government Investment Pool – TexPool	54,952,832	1,536,598	56,489,430	0.005
U.S. Treasuries	1,923,706	55,974	1,979,680	0.006
Commercial Paper	4,266,372	124,139	4,390,511	0.002
Debt Service Reserve – U.S. Treasury	960,421	-	960,421	0.001
Total	\$229,449,063	\$ 6,585,979	\$236,035,042	1.12
Investment Trust Funds (Retirement Security Plan)				
U.S. Treasuries			\$ 3,960,745	0.8
Government Agencies			4,016,700	5.35
Corporate Obligations			9,354,969	4.98
Equities:				
Common Stocks			33,340,427	NA
Foreign Equities			5,455,835	NA
CTF/Mutual Funds			847,700	NA
Total Investment Trust Funds:			\$ 56,976,376	
Total Investments			\$293,011,418	

^a Fair value basis

Investments in the Retirement Security Plan, the City's Pension Trust Fund, are held by a bank trust department.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and one-half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities (FHLB, FNMA, FHLMC, and FFEB) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. These securities are indirectly guaranteed by the U.S. Government. The investment in the Texas Local Government Pool (TexPool) carried a credit rating of AAAM by Standard & Poor's as of September 30, 2006. The City's investments in commercial paper are rated not less than A-1, P-1, or F-1 by at least two nationally recognized statistical rating organizations.

Concentration of Credit Risk. With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2006, 5% or more of the City's total investments are in the following: Federal Home Loan Bank securities (36.74%), Federal Home Loan Mortgage Corporation securities (11.98%), and Federal National Mortgage Association securities (16.41%) on a fair value basis.

2. PROPERTY TAXES:

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal District of Collin County at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value for the tax roll of January 1, 2005, upon which the original 2006 levy was based, was \$21,649,265,385. Subsequent adjustments increased this value to \$21,737,630,953.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally sixty days after year-end. Current tax collections for the year ended September 30, 2006, were 98.7% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2006, was \$0.4535 (\$0.2888 for general government and \$0.1647 for debt service) per \$100 of assessed valuation. Thus the City has a tax margin of approximately \$2.0465 per \$100 and could have levied up to approximately \$444,860,617 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

3. RECEIVABLES:

Receivables at September 30, 2006 for the government's individual major funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Street Improvements	Capital Reserve	Water & Sewer	Environmental Waste	Municipal Drainage	Aggregate Remaining Funds	Total
Receivables:									
Property Taxes	\$2,058,235	\$1,229,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,288,094
Sales Taxes	11,163,060	-	-	-	-	-	-	-	11,163,060
Mixed Drink Taxes	219,517	-	-	-	-	-	-	-	219,517
Accounts	581,000	-	-	-	12,532,868	1,540,568	613,618	814,439	16,082,493
Accrued Interest	316,924	15,483	126,127	238,432	161,903	1,567	73,424	846,343	1,780,203
Assessments	-	-	1,761,459	-	-	-	-	-	1,761,459
Notes	7,310,017	-	-	-	-	-	-	-	7,310,017
Other	-	-	350,000	-	1,986	516,727	-	1,000,576	1,869,289
Gross Receivables	21,648,753	1,245,342	2,237,586	238,432	12,696,757	2,058,862	687,042	2,661,358	43,474,132
Less: Allowance For uncollectibles	(694,767)	(452,286)	(93,699)	-	(71,182)	(9,207)	(16,063)	-	(1,337,204)
Net total Receivables	\$20,953,986	\$ 793,056	\$2,143,887	\$238,432	\$12,625,575	\$2,049,655	\$670,979	\$2,661,358	\$42,136,928

The Enterprise Fund accounts receivable include unbilled charges for services (\$5,842,157) rendered at September 30, 2006.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2006 was as follows:

Primary Government

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 98,391,447	3,512,361	(175,453)	101,728,355
Construction in progress	107,132,788	47,637,609	(25,375,146)	129,395,251
Total capital assets, not being depreciated	<u>205,524,235</u>	<u>51,149,970</u>	<u>(25,550,599)</u>	<u>231,123,606</u>
Capital assets, being depreciated:				
Buildings	96,800,505	1,828,887	(425,941)	98,203,451
Improvements other than buildings	75,327,616	-	-	75,327,616
Equipment	135,567,540	17,291,974	(8,904,721)	143,954,793
Infrastructure	804,829,265	30,520,100	-	835,349,365
Total capital assets being depreciated	<u>1,112,524,926</u>	<u>49,640,961</u>	<u>(9,330,662)</u>	<u>1,152,835,225</u>
Less accumulated depreciation for:				
Buildings	(50,213,889)	(4,395,662)	425,941	(54,183,610)
Improvements other than buildings	(42,778,639)	(2,510,921)	-	(45,289,560)
Equipment	(116,143,482)	(9,220,207)	7,422,587	(117,941,102)
Infrastructure	(318,203,531)	(20,037,808)	-	(338,241,339)
Total accumulated depreciation	<u>(527,339,541)</u>	<u>(36,164,598)</u>	<u>7,848,528</u>	<u>(555,655,611)</u>
Total capital assets, being depreciated, net	<u>585,185,385</u>	<u>13,476,363</u>	<u>(1,482,134)</u>	<u>597,179,614</u>
Governmental activities capital assets, net	<u>\$ 790,709,620</u>	<u>64,626,333</u>	<u>(27,032,733)</u>	<u>828,303,220</u>

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,734,283	10,090	(550,750)	9,193,623
Construction in progress	39,462,328	8,631,347	(12,560,751)	35,532,924
Total capital assets, not being depreciated	49,196,611	8,641,437	(13,111,501)	44,726,547
Capital assets, being depreciated:				
Buildings	15,067,700	74,844	-	15,142,544
Improvements other than buildings	423,351,090	17,268,429	-	440,619,519
Drainage improvements	16,186,468	2,602,384	-	18,788,852
Furniture and fixtures	715,099	-	(2,257)	712,842
Equipment	22,365,715	1,047,319	(874,661)	22,538,373
Total capital assets being depreciated	477,686,072	20,992,976	(876,918)	497,802,130
Less accumulated depreciation for:				
Buildings	(10,347,367)	(745,459)	-	(11,092,826)
Improvements other than buildings	(128,689,805)	(10,683,861)	-	(139,373,666)
Drainage improvements	(1,886,006)	(349,754)	-	(2,235,760)
Furniture and fixtures	(475,350)	(11,314)	2,257	(484,407)
Equipment	(13,608,157)	(1,361,501)	6,306	(14,963,352)
Total accumulated depreciation	(155,006,685)	(13,151,889)	8,563	(168,150,011)
Total capital assets, being depreciated, net	322,679,387	7,841,087	(868,355)	329,652,119
Business-type activities capital assets, net	\$ 371,875,998	16,482,524	(13,979,856)	374,378,666

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 4,252,047
Administrative services	31,112
Police	748,775
Fire	377,499
Libraries	765,369
Development	131,710
Public services and operations	68,448
Parks and recreation	3,548,904
Public works	20,391,454
Technology Services	1,369,797
Unallocated	93,337
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	4,386,146
Total depreciation expense – governmental activities	<u>\$ 36,164,598</u>

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

Business-type activities:		
Water and sewer	\$	11,644,009
Environmental waste services		392,076
Municipal drainage		352,634
Nonmajor		763,170
Total depreciation expense – business-type activities	\$	<u>13,151,889</u>

Future expenditures for capital projects will be funded from unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 1998, \$80,351,000 of various purpose General Obligation Bonds were authorized and \$66,159,000 of the 1998 bonds have been issued. In May 2001, \$112,415,000 various purpose General Obligation Bonds were authorized and \$108,705,000 of the 2001 bonds have been issued. In May 2005, \$144,802,000 of various purpose General Obligation Bonds were authorized and \$13,775,000 of the 2005 bonds have been issued.

The City uses the straight-line depreciation method for all proprietary fund type property, plant and equipment based on the following estimated useful lives by major class of depreciable capital assets:

Class	Enterprise Funds	Internal Service Funds
Buildings	15-20 years	20 years
Improvements other than buildings	40-50 years	-
Equipment	5-20 years	2-20 years
Furniture and fixtures	5-15 years	5-15 years
Drainage improvements	50 years	-

Discretely presented component units

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
Economic development activities:				
Capital assets, being depreciated:				
Equipment	\$ 50,516	-	-	50,516
Total capital assets being depreciated	50,516	-	-	50,516
Less accumulated depreciation for:				
Equipment	(43,658)	(2,474)	-	(46,132)
Total accumulated depreciation	(43,658)	(2,474)	-	(46,132)
Economic development activities capital assets, net	\$ 6,858	(2,474)	-	4,384

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
TIF East side activities:				
Capital assets, not being depreciated:				
Land	\$ 110,629	-	-	110,629
Total capital assets, not being depreciated	110,629	-	-	110,629
Capital assets, being depreciated:				
Buildings	6,598,401	-	-	6,598,401
Improvements other than buildings	6,008	-	-	6,008
Equipment	25,809	-	-	25,809
Total capital assets being depreciated	6,630,218	-	-	6,630,218
Less accumulated depreciation for:				
Buildings	(1,443,443)	(329,920)	-	(1,773,363)
Improvements other than buildings	(1,556)	(314)	-	(1,870)
Equipment	(13,277)	(2,694)	-	(15,971)
Total accumulated depreciation	(1,458,276)	(332,928)	-	(1,791,204)
Total capital assets, being depreciated, net	5,171,942	(332,928)	-	4,839,014
TIF East side activities capital assets, net	\$ 5,282,571	(332,928)	-	4,949,643

Component units:	
Economic development	\$ 2,474
TIF east side	332,928
Total depreciation expense – component units	<u>\$ 335,402</u>

5. EMPLOYEE BENEFIT PLANS:

Texas Municipal Retirement System Plan

Plan Description-

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 811 currently administered by TMRS, an agent multiple-employer public employee retirement system. TMRS annually issues a stand-alone financial report. These reports are available from offices of TMRS.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows (as of 4/19/06):

Deposit Rate:	7%
Matching Ratio (City to Employee):	2 – 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: 5 years/age 60, 20 years/any age.

Contributions and Funding Policy-

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2005 valuation is effective for rates beginning January 2007)

Contributions by the City were \$14,892,443 or 14.5% of the covered payroll of \$102,734,170 as required by the actuarial valuation. The total fiscal year 2006 payroll was \$112,423,220. Annual City TMRS pension cost and related information for the last three years is as follows:

	2005	2004	2003
Annual pension cost	\$ 14,892,443	13,144,945	11,840,853
Contributions made	14,892,443	13,144,945	11,840,853
Contributions as % of			
Annual pension cost	100%	100%	100%
Net Pension Obligation (NPO)			
At end of year	-	-	-
Actuarial valuation date	12/31/05	12/31/04	12/31/03
Actuarial cost method	Unit	Unit	Unit
	Credit	Credit	Credit
Amortization method	Level %	Level %	Level %
Asset valuation method	Amortized	Amortized	Amortized
	Cost	Cost	Cost
Amortization period	25 years- Open	25 years- Open	25 years- Open
Actuarial assumptions:			
Investment rate of return	7%	7%	7%
Inflation rate	3.5%	3.5%	N/A
Projected salary increases	N/A	N/A	N/A

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

The City's net pension obligation (NPO) for TMRS at December 31, 2005, 2004 and 2003 is calculated as follows:

	2005	2004	2003
Annual required contribution (ARC)	\$ 14,892,443	13,144,945	11,840,053
Interest on NPO	-	-	-
Adjustment to the ARC	-	-	-
Annual pension cost	14,892,443	13,144,945	11,840,053
Contribution made	(14,892,443)	(13,144,945)	(11,840,053)
Change in NPO	-	-	-
NPO, beginning of year	-	-	-
NPO, end of year	\$ -	-	-

All annual required contributions have been paid; therefore there is no net pension obligation.

Retirement Security Plan

Plan Description-

On January 1, 1983, the City withdrew from the Federal Social Security system and created the Retirement Security Plan (RSP), a single-employer, defined benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments. The plan does not issue separate financial statements. As of the December 31, 2005 actuarial valuation, there were 1,952 active members of whom 1,311 were vested and 641 were non-vested. There are 249 terminated participants receiving benefits.

Normal retirement benefits are paid upon attaining age 65 with 5 years of service. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with 5 years of vesting service. At least 5 years must be with the City.

For normal retirement the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period.

For early retirement the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit is reduced 1/15 for the first 6 years and 1/30 per year thereafter from the normal retirement.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

The benefits are paid monthly the same as for the normal retirement.

A participant that has completed at least 5 years of City of Plano service, and either retires or terminates his employment is eligible for a monthly benefit at the time the participant turns age 60. The benefit is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit is reduced 1/15 for the first 6 years and 1/30 per year thereafter from the normal retirement.

There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump sum payment option is available and the lump sum value of a participant's RSP benefit is always calculated. Lump sum payments follow these guidelines:

When lump sum value is less than \$5,000, the benefit must be in form of a single lump sum payment.

When lump sum value is \$5,000 - \$12,000, participant has choice of single lump sum payment or monthly annuity payments.

When lump sum value exceeds \$12,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Total and permanent disability retirement benefits are provided. Each April 1, retirement benefits which have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%). This adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

Summary of Significant Accounting Policies-

The plan is presented on the accrual basis of accounting. City contributions are recognized when due and benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments of the plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

At September 30, 2006, there were no individual investments that constituted more than 5% of the plan net assets available for benefits. In addition, the plan did not have any investment transactions with related parties during the year.

Contributions and Funding Policy-

Contributions by the City are established as part of the City budget process. No employee contributions are required by the plan. The City contributed \$2,788,179 or 2.9% of the covered payroll for the year ended September 30, 2006, as compared to the December 31, 2005 biennial actuarial requirement of 3.13%.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

The covered payroll was \$97,020,196 and the City's total payroll was \$112,423,220 for the year ended September 30, 2006. The contribution amount is a 30-year level percentage of pay funding with a 4% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

The City's annual pension cost and related information for the plan for the last three years is as follows:

	2006	2005	2004
Annual pension cost	\$ 2,944,465	2,584,609	2,580,319
Contributions made	2,788,179	2,570,626	2,396,201
Contributions as % of			
Annual pension cost	95%	99%	93%
Net Pension Obligation (NPO)			
At end of year	(56,601)	(212,887)	(226,870)
Actuarial valuation date	12/31/05	12/31/03	12/31/03
Actuarial cost method	Entry Age	Entry Age	Entry Age
	Normal	Normal	Normal
Amortization method	Level %	Level %	Level %
Asset valuation method	5- Year	5- Year	5- Year
	Smoothed	Smoothed	Smoothed
	Market	Market	Market
Amortization period	30 years-	30 years-	30 years-
	Open	Open	Open
Actuarial assumptions:			
Investment rate or return	8%	8%	8%
Inflation rate	4%	4%	4%
Projected salary increases	4%	4%	4%

The City's net pension obligation (NPO) for the Retirement Security Plan (RSP) at September 30, 2006, 2005 and 2004 is calculated as follows:

	2006	2005	2004
Annual required contribution (ARC)	\$ 2,953,619	2,589,895	2,589,895
Interest on NPO	(17,031)	(18,150)	(32,879)
Adjustment to the ARC	7,877	12,864	23,303
Annual pension cost	2,944,465	2,584,609	2,580,319
Contribution made	(2,788,179)	(2,570,626)	(2,396,201)
Change in NPO	156,286	13,983	184,118
NPO asset, beginning of year	(212,887)	(226,870)	(410,988)
NPO asset, end of year	\$ (56,601)	(212,887)	(226,870)

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

In all years, the NPO has an asset (negative) balance and therefore the interest adjustment is deducted and the ARC adjustment added to determine the annual pension cost. The net pension asset has been recorded in prepaid and other assets in the government-wide financial statements.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the Plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for Participants and their Beneficiaries or defraying reasonable expenses of administration of the Plan. Accordingly, the assets of the Plan are not reported in the City's basic financial statements.

Postemployment Benefits

The City offers its retired employees health insurance coverage under the same plan as the active employees. The number of retired participants receiving health insurance coverage for 2006 was 233. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement health care benefits are recognized as retirees report claims. Claims paid for retired employees for 2006 were approximately \$1,801,261.

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006**

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2006, is as follows (in thousands of dollars):

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds & certificates Of obligation	\$ 252,290	44,690	(20,510)	276,470	21,020
Tax anticipation notes	5,900	-	(3,345)	2,555	2,555
Deferred amounts:					
For issuance (discounts) / premiums / gain on refundings	(620)	2,318	(1,526)	172	-
Total bonds payable	257,570	47,008	(25,381)	279,197	23,575
Compensated absences	26,962	4,753	(4,294)	27,421	3,929
Liability for insurance claims	5,846	15,975	(15,402)	6,419	5,105
Governmental activity Long-term debt	\$ 290,378	67,736	(45,077)	313,037	32,609

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 95.6% has been paid by the General Fund and 0.5% by Special Revenue Funds and 3.9% by Internal Service Funds.

The claims and judgments liability will be liquidated through a variety of funds. The General Fund bears approximately 77% of the claims and judgments liability. The Enterprise Funds bear approximately 17% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 5% and 1%, respectively.

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Business Type Activities:					
Water & Sewer Revenue bonds	\$ 12,988	-	(2,516)	10,472	2,895
Municipal Drainage Revenue bonds	21,445	1,455	(1,170)	21,730	1,255
Deferred amounts:					
For issuance (discounts) / premiums	102	-	(63)	39	-
For accretion	935	115	(634)	416	-
Total bonds payable	35,470	1,570	(4,383)	32,657	4,150
Compensated absences	1,876	506	(443)	1,939	307
Business-type activity Long-term debt	\$ 37,346	2,076	(4,826)	34,596	4,457

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Discretely Presented Component Units:					
TIF Mall note payable	\$ 4,821	289	-	5,110	-
TIF East Side note payable	2,852	-	(652)	2,200	691
Total note payable	\$ 7,673	289	(652)	7,310	691

Long-term debt at September 30, 2006, includes the following individual issues (not including the unamortized discount of \$217,306, the unamortized premium of \$8,594,422, and the unamortized deferred charge of \$8,207,427 of the General Obligation Bonds, the unamortized premium of \$2,632 of the Tax Anticipation Notes, the unamortized premium of \$611,674, unamortized discount of \$270,911 and accretion of \$416,027 of the Water & Sewer Revenue Bonds and the unamortized premium of \$348,478 and unamortized discount of \$344,283 and unamortized deferred charges of \$305,039 of the Municipal Drainage Revenue Bonds):

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
1996 Various purpose	3.50 – 5.625	02-01-96	09-01-16	\$ 22,085,000	22,085,000	-
1997 Various purpose	4.50 – 6.75	01-15-97	09-01-17	25,845,000	24,655,000	1,190,000
1998 Refunding and Improvements	3.95 – 5.15	03-15-98	09-01-18	50,935,000	28,155,000	22,780,000
1999 Various purpose	3.50 – 5.00	01-15-99	09-01-19	25,160,000	19,260,000	5,900,000
2000 Various purpose	5.125 – 5.875	02-15-00	09-01-20	24,330,000	20,065,000	4,265,000
2001 Various purpose	4.50 – 5.00	02-01-01	09-01-20	20,315,000	13,210,000	7,105,000
2001-A Various purpose	4.00 – 5.00	09-15-01	09-01-21	18,195,000	3,070,000	15,125,000
2002 Refunding and Improvements	3.25 – 5.25	08-01-02	09-01-22	56,130,000	24,265,000	31,865,000
2003 Refunding and Improvements	2.00 – 5.00	05-01-03	09-01-23	41,370,000	11,460,000	29,910,000
2004 Refunding	2.00 – 5.00	10-15-04	09-01-17	30,690,000	700,000	29,990,000
2005 Refunding and Improvements	3.50 – 5.00	05-15-05	09-01-25	84,880,000	1,230,000	83,650,000
2006 Various purpose	4.00 – 5.00	02-01-06	09-01-26	40,925,000	-	40,925,000
				<u>440,860,000</u>	<u>168,155,000</u>	<u>272,705,000</u>
Tax Anticipation Notes:						
2001 Tax anticipation notes	4.50 – 5.00	02-01-01	09-01-07	13,470,000	10,915,000	2,555,000
2001-A Tax anticipation notes	3.00 – 3.50	09-15-01	09-01-06	4,200,000	4,200,000	-
				<u>17,670,000</u>	<u>15,115,000</u>	<u>2,555,000</u>
Certificates of Obligation:						
2006 Various purpose	4.25 – 4.50	02-01-06	09-01-26	3,765,000	-	3,765,000
Water & Sewer Revenue Bonds:						
1990 Refunding and Improvements	6.30 – 7.20	02-01-90	05-01-07	17,200,000	17,007,958	192,042
2003 General Obligation Refunding	2.00 – 5.00	05-01-03	09-01-13	16,825,000	6,545,000	10,280,000
				<u>34,025,000</u>	<u>23,552,958</u>	<u>10,472,042</u>
Municipal Drainage Revenue Bonds:						
1996 Improvements	4.40 – 6.55	02-01-96	05-15-16	3,815,000	3,815,000	-
1997 Improvements	4.85 – 7.50	01-15-97	05-15-17	2,805,000	2,675,000	130,000
1998 Refunding and Improvements	3.95 – 5.05	03-15-98	05-15-18	4,950,000	900,000	4,050,000
1999 Improvements	3.80 – 5.00	01-15-99	05-15-19	2,600,000	2,240,000	360,000
2001 Improvements	4.20 – 5.10	09-15-01	05-15-21	4,530,000	3,585,000	945,000
2003 Improvements	2.50 – 4.50	05-01-03	05-15-23	3,675,000	355,000	3,320,000
2005 Refunding and Improvements	3.00 – 5.00	05-15-05	05-15-25	11,610,000	140,000	11,470,000
2006 Improvements	4.00 – 5.00	02-01-06	05-15-26	1,455,000	-	1,455,000
				<u>\$ 35,440,000</u>	<u>13,710,000</u>	<u>21,730,000</u>

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

The annual requirements to amortize debt outstanding as of September 30, 2006, including interest payments of approximately \$113,116,000 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (in thousands of dollars):

Year Ended September 30,	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Proprietary Fund Types			
			Water and Sewer		Municipal Drainage	
	Principal	Interest & Accretion	Principal	Interest	Principal	Interest
2007	\$ 23,575	12,444	2,442	885	1,255	945
2008	20,675	11,385	2,280	319	1,330	875
2009	19,185	10,487	1,855	239	1,385	824
2010	19,240	9,658	1,940	172	1,435	769
2011	18,485	8,786	1,955	117	1,505	710
2012-2016	85,370	32,488	-	-	7,905	2,547
2017-2021	63,415	14,562	-	-	5,010	984
2022-2026	29,080	3,721	-	-	1,905	199
Total	\$ 279,025	103,531	10,472	1,732	21,730	7,853

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund, Environmental Waste Services Fund and the Municipal Drainage Fund.

The discretely held component unit TIF Mall had notes payable as of September 30, 2006 of \$5,110,079. These notes are for amounts loaned by the City for projects and construction relating to the TIF Mall and will be repaid when funding is available from the TIF Mall. Funding will not be available from the TIF Mall until full repayment is made to Taubman Realty Group Limited Partnership for construction of a parking garage. Repayment is estimated to be complete in fiscal year 2009. The interest rate on the note payable is 6.5%. Until repayment can be made on the note, interest is capitalized.

The discretely held component unit TIF East Side had notes payable as of September 30, 2006 of \$2,199,938. These notes are for amounts loaned by the City for construction of the Courtyard Theater on the East side of Plano. The notes will be paid to the City in four remaining installments of \$823,019 from the TIF East Side. The interest rate on the note payable is 6%.

The annual requirements to amortize debt outstanding for the TIF East Side Discretely Presented Component Unit as of September 30, 2006, including interest payments of approximately \$269,000 follow:

Year Ended September 30,	Note Payable	
	Principal	Interest
2007	\$ 691	132
2008	733	90
2009	776	47
Total	\$ 2,200	269

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

A. General Obligation Bonds and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$2,171,565 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bond and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2006.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. Future rebates are estimated to be \$414,283 at September 30, 2006. As provided for by the bond indentures, this amount has been recorded as "Due to other governments" in a special revenue fund (the Rebate Fund) for the benefit of the federal government and will be paid as required by applicable regulations.

In March of 2006, the City issued \$40,925,000 in General Obligation bonds, with interest ranging from 4.00% to 5.00% for various improvements. Also in March of 2006, the City issued \$3,765,000 of Combination Tax and Revenue Certificates of Obligation, with interest ranging from 4.25% to 4.50% for technology projects and public art projects.

In prior years, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts pledged to pay all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statement. At September 30, 2006, \$64,695,000 of the defeased bonds are still outstanding.

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

The debt service funds, aggregating \$2,053,339 at September 30, 2006, are restricted within the Water and Sewer Fund. The respective bond indentures require the City to make equal monthly installments to the debt service funds which will accumulate to pay the annual principal and semiannual interest requirements as they become due.

The ordinances authorizing the Water and Sewer Revenue Bonds stipulate that the City will deposit, in addition to principal and interest requirements, certain amounts in a reserve fund. Amounts in the reserve fund are to be used to pay principal and interest on outstanding bonds at any time sufficient funds are not available in the bond interest and redemption fund. The bond indentures require that the City accumulate reserves to an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system. The required reserve at September 30, 2006, is \$645,000 and the amount on hand is \$960,421. Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2006. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2006.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

Restricted assets of the Water and Sewer Fund at September 30, 2006 are as follows:

Cash and cash equivalents	\$ 2,853,109
Investments	12,128,415
Accrued interest receivable	<u>103,604</u>
	<u>\$ 15,085,128</u>

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirement as they become due. At September 30, 2006 \$1,343,046 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2006 the reserve required and restricted within the Municipal Drainage Fund is \$1,479,152.

In fiscal year 2005, the City defeased certain outstanding Municipal Drainage Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of refunded bonds. Accordingly, the trust account and the defeased bonds are not included in the City's financial statement. At September 30, 2006 \$6,125,000 of the defeased bonds are still outstanding.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986 and accordingly, excess arbitrage earnings of \$9,184 were estimated at September 30, 2006. This amount is included in the Special Revenue Rebate fund "Due to other governments." The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2006.

Restricted assets of the Municipal Drainage Fund at September 30, 2006 are as follows:

Cash and cash equivalents	\$ 1,326,135
Investments	5,190,925
Accrued interest receivable	<u>46,932</u>
	<u>\$ 6,563,992</u>

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006**

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2006 is as follows:

	Due From	Due To
General Fund	\$ 1,263,035	3,826
Special Revenue Funds:		
Grant	3,826	693,542
Criminal Investigation	-	1,963
CATV	-	24,124
Municipal Court	-	261,287
Internal Service Funds:		
Equipment Replacement	24,124	-
Office Services	-	306,193
Enterprise Funds:		
Recreation Revolving	-	50
	<u>\$ 1,290,985</u>	<u>1,290,985</u>

An internal loan (interfund advance) from the Equipment Maintenance Fund to the Environmental Waste Services fund was recorded during fiscal year ended September 30, 1999 in the amount of \$1,791,360. An additional internal loan from the Capital Reserve Fund to the Municipal Golf Course Fund was recorded during fiscal year end September 30, 2003 in the amount of \$1,500,000. Current and long term portions of the loans at September 30, 2006 are \$202,786 and \$440,275, respectively in the Environmental Waste Services Fund. The Environmental Waste Services Fund internal loan will be repaid over a ten-year period at an interest rate of 5.6% annually. The Municipal Golf Course internal loan balance of \$789,913 was paid in it's entirety in the current fiscal year with proceeds from a transfer from the Capital Reserve fund.

The City performs a complex calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is therefore appropriately reported as an expense as opposed to a transfer. During fiscal year 2006, charges in lieu of taxes were \$6,592,673.

Transfers between funds during the year were as follows:

	Transfer In	Transfer Out
Governmental Activities:		
General Fund	\$ 9,571,122	10,739,748
Debt Service	126,320	3,626,500
Capital Reserve	13,039,000	789,913
Internal Service	3,626,500	250,000
Nonmajor governmental activities	950,748	-
Business-type Activities:		
Water and Sewer	-	11,797,144
Municipal Drainage	-	327,377
Nonmajor business-type activities	789,913	572,921
	<u>\$ 28,103,603</u>	<u>28,103,603</u>

**CITY OF PLANO, TX
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2006**

8. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT, AND SOLID WASTE DISPOSAL:

The City of Plano secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City of Plano being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. A portion of the outstanding bonds of the District are contract revenue bonds based on contracts with certain member cities of the District. The City of Plano provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2006, was \$25,819,356. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2006 this payment was \$852,420. Future years' payments to debt service are as follows:

2007	\$	848,758
2008		856,058
2009		856,957
2010		861,488
2011		869,233
2012 – 2016		4,389,888
2017 – 2018		1,173,793

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City of Plano and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City of Plano and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006**

and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City of Plano's payment for the year ended September 30, 2006 was \$18,135,119 net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City of Plano and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2006 was \$6,514,645.

9. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of approximately \$39,234,692 in the Capital Projects Funds, \$4,821,259 in the Water and Sewer Fund, and \$624,801 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, operating revenues in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. Outside of those claims accrued by the City; it is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Water and Sewer Fund current assets include \$2,211,912 for funding of the City's share of the proposed upper East Fork Interceptor System and for other system improvements made by the North Texas Municipal Water District.

10. SELF INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Internal Service Fund has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required. Claims for property loss over \$100,000 per occurrence and for workers' compensation over \$500,000 per occurrence are covered by private insurance companies. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

Group medical benefits are paid from the Health Claims Internal Service Fund, which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2006

date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal 2006 and 2005 were:

Fund	Liability Beginning Of Year	Current Year Claims And Changes in Estimates	Claim Payments	Liability End of Year
2006:				
Property/Liability Loss	\$ 3,277,182	2,571,933	2,275,344	3,573,771
Health Claims	2,569,236	12,830,023	12,554,177	2,845,082
Total	<u>\$ 5,846,418</u>	<u>15,401,956</u>	<u>14,829,521</u>	<u>6,418,853</u>
2005:				
Property/Liability Loss	\$ 3,108,599	2,029,688	1,861,105	3,277,182
Health Claims	2,842,209	11,519,951	11,792,924	2,569,236
Total	<u>\$ 5,950,808</u>	<u>13,549,639</u>	<u>13,654,029</u>	<u>5,846,418</u>

11. NEW ACCOUNTING PRONOUNCEMENTS:

In May 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 43 addresses the financial reporting for other postemployment benefits plans. This statement is effective for the City's financial statements for periods beginning after December 15, 2005. The adoption of this statement has no impact on the City's financial statements.

In August 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB No. 45 requires employer governments to account for and report the annual cost of other postemployment benefits in the same manner as they do for pensions. This statement is effective for the City's financial statements for period beginning after December 15, 2006. The City is in the process of reviewing and evaluating this statement. Therefore, the potential affect of this new accounting pronouncement on the financial statements cannot be determined at this time.

In June of 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. GASB No. 47 gives accounting and reporting guidance for early retirement incentives, severance payments for involuntary terminations and termination benefits affecting defined benefit postemployment benefits. The adoption of this statement has no impact on the City's financial statements.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The statement provides guidance for reporting transactions occurring from the pledging of receivables. The statement also discusses the valuation of assets transferred between reporting entity components. This statement is effective for the City's financial statements for periods beginning after December 15, 2006. The City is in the process of reviewing and evaluating this statement. Therefore, the potential affect of this new accounting pronouncement on the financial statements cannot be determined at this time.

In December 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which identifies situations in which a government is required to report obligations relating to pollution remediation, estimate expected outlays for the remediation, and disclose information about pollution obligations associated with clean up efforts. This statement is effective for the City for the City's financial statements for periods beginning after December 15, 2007. The City is in the process of reviewing and evaluating this statement and it's potential impact on the City's financial statements.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PENSION TRUST - TMRS FUNDING PROGRESS AND CONTRIBUTIONS
LAST SIX FISCAL YEARS (Unaudited)**

Fiscal Year	Actuarial Valuation Date		Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2001	12/31/00	\$	169,208,492	203,481,489	(34,272,997)	83.16%	79,129,184	-43.31%	10,063,853	10,063,853	100.00%
2002	12/31/01		193,968,415	233,236,278	(39,267,863)	83.16%	88,397,052	-44.42%	11,046,952	11,046,952	100.00%
2003	12/31/02		220,533,591	265,800,391	(45,266,800)	82.97%	93,219,714	-48.56%	11,337,849	11,337,849	100.00%
2004	12/31/03		237,335,980	293,597,459	(56,261,479)	80.84%	93,999,206	-59.85%	11,840,053	11,840,053	100.00%
2005	12/31/04		262,169,460	317,019,786	(54,850,326)	82.70%	101,569,594	-54.00%	13,144,945	13,144,945	100.00%
2006	12/31/05		280,298,567	340,897,795	(60,599,228)	82.22%	102,734,170	-58.99%	14,892,443	14,892,443	100.00%

**SCHEDULE OF PENSION TRUST - RETIREMENT SECURITY PLAN FUNDING PROGRESS AND CONTRIBUTIONS
LAST SIX FISCAL YEARS (Unaudited)**

Fiscal Year	Actuarial Valuation Date		Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Excess of Assets over/(under) AAL	Funded Percent	Covered Payroll	Excess as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2001	12/31/99	\$	36,482,176	26,992,917	9,489,259	135.15%	65,122,204	14.57%	1,788,018	1,861,008	104.08%
2002	12/31/01		43,901,297	37,603,431	6,297,866	116.75%	86,588,337	7.27%	2,440,075	2,035,700	83.43%
2003	12/31/01		43,901,297	37,603,431	6,297,866	116.75%	86,588,337	7.27%	2,440,075	2,308,078	94.59%
2004	12/31/03		48,894,642	44,115,875	4,778,767	110.83%	89,847,588	5.32%	2,589,895	2,396,201	92.52%
2005	12/31/03		48,894,642	44,115,875	4,778,767	110.83%	89,847,588	5.32%	2,589,895	2,570,626	99.26%
2006	12/31/05		56,579,886	55,987,030	592,856	101.06%	97,020,196	0.61%	2,953,619	2,788,179	94.40%

See accompanying independent auditors' report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

CRIMINAL INVESTIGATION FUND- to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

GRANT FUND- to account for monies received from other governmental agencies.

CATV FUND- to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

INDUSTRIAL REVENUE BOND AUTHORITY- to account for the fees for issuance of Industrial Revenue Bonds.

PUBLIC SAFETY COMMUNICATIONS- to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; and judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency.

REBATE FUND- to account for excess arbitrage earnings of the City's bond proceeds.

MEMORIAL LIBRARY FUND- to account for monies received in support of the City's library.

SEIZED ASSETS FUND- to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

LIBRARIES– to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

ANIMAL SHELTER DONATIONS- to account for donations to assist the animal shelter.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary type funds).

The City's nonmajor Capital Projects Funds are as follows:

MUNICIPAL FACILITIES FUND- to account for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.

PARK IMPROVEMENTS FUND- to account for the financing, acquisition and construction of park sites and related assets. Funds are provided primarily through bond sales and interest earnings.

DART- to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART local Assistance Program.

SPRING CREEKWALK- to account for the financing and construction of the Spring Creekwalk project. Funds are provided primarily through contributions by participating citizens.

PARK SERVICES- to account for building permit fees exclusively for the acquisition and development of new neighborhood and parks.

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2006

	Special Revenue				
	Criminal Investigation	Grant	CATV	Industrial Revenue Bond Auth.	Public Safety Communications
ASSETS					
Cash and cash equivalents	\$ 163,844	\$ 234,313	\$ 45,547	\$ 3,308	\$ 1,290,161
Investments	641,342	916,808	178,287	12,948	5,050,111
Receivables (net of allowance for uncollectible)					
Accounts	2,743	30	52,659	-	32,222
Accrued interest	5,798	8,289	1,612	117	45,659
Other	-	981,807	-	-	-
Due from other funds	-	3,826	-	-	-
Due from other governments	7,147	893,210	-	-	142,183
Prepaid items and other assets	-	2,690	-	-	-
Total Assets	<u>820,874</u>	<u>3,040,973</u>	<u>278,105</u>	<u>16,373</u>	<u>6,560,336</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	9,040	61,248	22,124	-	51,297
Accrued liabilities	30	368	22,913	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	-	981,807	-	-	-
Due to other funds	1,963	693,542	24,124	-	-
Due to other governments	-	14,902	-	-	148,725
Retainage payable	-	-	-	-	-
Seized assets payable	-	-	-	-	-
Total Liabilities	<u>11,033</u>	<u>1,751,867</u>	<u>69,161</u>	<u>-</u>	<u>200,022</u>
Fund Balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for prepaid items and other assets	-	2,690	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved, designated for special revenue funds	-	-	-	-	-
Unreserved, undesignated	809,841	1,286,416	208,944	16,373	6,360,314
Total fund balances	<u>809,841</u>	<u>1,289,106</u>	<u>208,944</u>	<u>16,373</u>	<u>6,360,314</u>
Total Liabilities and Fund Balance	<u>\$ 820,874</u>	<u>\$ 3,040,973</u>	<u>\$ 278,105</u>	<u>\$ 16,373</u>	<u>\$ 6,560,336</u>

<u>Municipal Court</u>	<u>Rebate</u>	<u>Memorial Library</u>	<u>Seized Assets</u>	<u>Libraries</u>	<u>Animal Shelter Donations</u>
\$ 700,941	\$ 238,691	\$ 38,098	\$ 60,336	\$ 55,955	\$ 15,134
2,743,716	934,314	149,127	236,173	219,026	59,242
19,973	-	215	-	-	102
26,088	8,447	1,348	2,135	1,980	536
-	-	-	-	-	-
4,332	-	-	-	-	-
1,800	-	-	-	-	-
<u>3,496,850</u>	<u>1,181,452</u>	<u>188,788</u>	<u>298,644</u>	<u>276,961</u>	<u>75,014</u>
32,557	-	1,808	-	3,016	-
1,851	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
261,287	-	-	-	-	-
-	414,283	-	-	-	-
-	-	-	-	-	-
-	-	-	298,644	-	-
<u>295,695</u>	<u>414,283</u>	<u>1,808</u>	<u>298,644</u>	<u>3,016</u>	<u>-</u>
-	-	-	-	-	-
1,800	-	-	-	-	-
-	-	-	-	-	-
-	767,169	186,980	-	-	-
<u>3,199,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,945</u>	<u>75,014</u>
<u>3,201,155</u>	<u>767,169</u>	<u>186,980</u>	<u>-</u>	<u>273,945</u>	<u>75,014</u>
<u>\$ 3,496,850</u>	<u>\$ 1,181,452</u>	<u>\$ 188,788</u>	<u>\$ 298,644</u>	<u>\$ 276,961</u>	<u>\$ 75,014</u>

(continued)

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2006
 (continued)

	<u>Capital Projects</u>					Total Nonmajor Governmental Funds
	Municipal Facilities	Park Improvements	DART	Spring Creekwalk	Park Services	
ASSETS						
Cash and cash equivalents	\$ 2,654,750	\$ 6,025,151	\$ 142,554	\$ 4,305	\$ 1,043,592	\$ 12,716,680
Investments	10,391,553	23,584,405	558,001	16,850	4,084,959	49,776,862
Receivables (net of allowance for uncollectible)						
Accounts	-	-	-	-	-	107,944
Accrued interest	93,952	213,232	5,045	152	36,933	451,323
Other	450	-	-	-	-	982,257
Due from other funds	-	-	-	-	-	3,826
Due from other governments	-	-	-	-	-	1,046,872
Prepaid items and other assets	-	-	-	-	-	4,490
Total Assets	<u>13,140,705</u>	<u>29,822,788</u>	<u>705,600</u>	<u>21,307</u>	<u>5,165,484</u>	<u>65,090,254</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	-	181,090
Accrued liabilities	-	-	-	-	-	25,162
Contracts payable	474,403	1,393,025	-	-	9,828	1,877,256
Deferred revenue	-	-	-	-	-	981,807
Due to other funds	-	-	-	-	-	980,916
Due to other governments	-	-	-	-	-	577,910
Retainage payable	106,142	330,640	-	-	-	436,782
Seized assets payable	-	-	-	-	-	298,644
Total Liabilities	<u>580,545</u>	<u>1,723,665</u>	<u>-</u>	<u>-</u>	<u>9,828</u>	<u>5,359,567</u>
Fund Balances:						
Reserved for encumbrances	2,878,993	22,697,629	-	-	312,800	25,889,422
Reserved for prepaid items and other assets	-	-	-	-	-	4,490
Reserved for capital projects	9,681,167	5,401,494	-	21,307	4,842,856	19,946,824
Unreserved, designated for special revenue funds	-	-	-	-	-	954,149
Unreserved, undesignated	-	-	705,600	-	-	12,935,802
Total fund balances	<u>12,560,160</u>	<u>28,099,123</u>	<u>705,600</u>	<u>21,307</u>	<u>5,155,656</u>	<u>59,730,687</u>
Total Liabilities and Fund Balance	<u>\$ 13,140,705</u>	<u>\$ 29,822,788</u>	<u>\$ 705,600</u>	<u>\$ 21,307</u>	<u>\$ 5,165,484</u>	<u>\$ 65,090,254</u>

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Special Revenue				
	Criminal Investigation	Grant	CATV	Industrial Revenue Bond Auth.	Public Safety Communications
REVENUES					
Fines and forfeitures	\$ 19,429	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	2,000
Intergovernmental	17,445	8,021,085	-	-	70,448
Fees for services	-	2,295	394,696	-	1,110,316
Investment income	32,545	16,329	12,687	673	246,848
Miscellaneous	93,518	113,871	35	-	-
Total revenues	<u>162,937</u>	<u>8,153,580</u>	<u>407,418</u>	<u>673</u>	<u>1,429,612</u>
EXPENDITURES					
General government	-	-	-	-	-
Police	41,580	288,405	-	-	180,673
Fire	-	5,049,898	-	-	17,760
Libraries	-	76,281	-	-	-
Development	-	1,602,766	-	-	-
Public services and operations	-	-	918,686	-	32,208
Parks and recreation	-	38,866	-	-	-
Sustainability & environmental services	-	19,845	-	-	-
Capital outlay	19,960	473,458	24,124	-	107,692
Total expenditures	<u>61,540</u>	<u>7,549,519</u>	<u>942,810</u>	<u>-</u>	<u>338,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>101,397</u>	<u>604,061</u>	<u>(535,392)</u>	<u>673</u>	<u>1,091,279</u>
OTHER FINANCING SOURCES					
Proceeds from sale of bonds	-	-	-	-	-
Premium on sale of bonds	-	-	-	-	-
Discount on sale of bonds	-	-	-	-	-
Transfers in	-	500,000	450,748	-	-
Total other financing sources	<u>-</u>	<u>500,000</u>	<u>450,748</u>	<u>-</u>	<u>-</u>
Net change in fund balances	101,397	1,104,061	(84,644)	673	1,091,279
Fund balances-beginning	708,444	185,045	293,588	15,700	5,269,035
Fund balances-ending	<u>\$ 809,841</u>	<u>\$ 1,289,106</u>	<u>\$ 208,944</u>	<u>\$ 16,373</u>	<u>\$ 6,360,314</u>

Municipal Court	Rebate	Memorial Library	Libraries	Animal Shelter Donations
\$ 1,549,523	-	-	-	-
-	-	34,809	12,302	41,865
-	-	-	-	-
20,742	-	-	-	-
126,194	58,434	7,710	11,401	2,318
-	48,892	-	-	-
<u>1,696,459</u>	<u>107,326</u>	<u>42,519</u>	<u>23,703</u>	<u>44,183</u>
-	789,294	-	-	-
582,473	-	-	-	-
-	-	-	-	-
-	-	-	13,045	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
45,519	-	19,856	-	-
<u>627,992</u>	<u>789,294</u>	<u>19,856</u>	<u>13,045</u>	<u>-</u>
<u>1,068,467</u>	<u>(681,968)</u>	<u>22,663</u>	<u>10,658</u>	<u>44,183</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,068,467</u>	<u>(681,968)</u>	<u>22,663</u>	<u>10,658</u>	<u>44,183</u>
<u>2,132,688</u>	<u>1,449,137</u>	<u>164,317</u>	<u>263,287</u>	<u>30,831</u>
<u>\$ 3,201,155</u>	<u>\$ 767,169</u>	<u>\$ 186,980</u>	<u>\$ 273,945</u>	<u>\$ 75,014</u>

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(continued)

	Capital Projects					Total Nonmajor Governmental Funds
	Municipal Facilities	Park Improvements	DART	Spring Creekwalk	Park Services	
REVENUES						
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,568,952
Contributions	15,132	-	-	-	-	106,108
Intergovernmental	-	-	-	-	-	8,108,978
Fees for services	-	-	-	-	793,086	2,321,135
Investment income	888,607	1,017,457	28,983	875	194,239	2,645,300
Miscellaneous	2,700	120	-	-	-	259,136
Total revenues	<u>906,439</u>	<u>1,017,577</u>	<u>28,983</u>	<u>875</u>	<u>987,325</u>	<u>15,009,609</u>
EXPENDITURES						
General government	-	-	-	-	-	789,294
Police	-	-	-	-	-	1,093,131
Fire	-	-	-	-	-	5,067,658
Libraries	-	-	-	-	-	89,326
Development	-	-	-	-	-	1,602,766
Public services and operations	-	-	-	-	-	950,894
Parks and recreation	-	-	-	-	-	38,866
Environmental waste services	-	-	-	-	-	19,845
Capital outlay	5,483,034	12,402,242	-	-	8,720	18,584,605
Total expenditures	<u>5,483,034</u>	<u>12,402,242</u>	<u>-</u>	<u>-</u>	<u>8,720</u>	<u>28,236,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,576,595)</u>	<u>(11,384,665)</u>	<u>28,983</u>	<u>875</u>	<u>978,605</u>	<u>(13,226,776)</u>
OTHER FINANCING SOURCES						
Proceeds from sale of bonds	6,729,164	24,316,408	-	-	-	31,045,572
Premium on sale of bonds	243,639	879,121	-	-	-	1,122,760
Discount on sale of bonds	(52,803)	(190,529)	-	-	-	(243,332)
Transfers in	-	-	-	-	-	950,748
Total other financing sources	<u>6,920,000</u>	<u>25,005,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,875,748</u>
Net change in fund balances	2,343,405	13,620,335	28,983	875	978,605	19,648,972
Fund balances-beginning	10,216,755	14,478,788	676,617	20,432	4,177,051	40,081,715
Fund balances-ending	<u>\$ 12,560,160</u>	<u>\$ 28,099,123</u>	<u>\$ 705,600</u>	<u>\$ 21,307</u>	<u>\$ 5,155,656</u>	<u>\$ 59,730,687</u>

**CITY OF PLANO, TEXAS
 BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 35,153,719	\$ 35,155,095	\$ 35,261,339	\$ 106,244
Investment income	550,000	950,000	898,532	(51,468)
Miscellaneous	73,994	73,868	208,811	134,943
Total Revenues	35,777,713	36,178,963	36,368,682	189,719
EXPENDITURES:				
Principal retirement	20,510,000	20,510,000	20,510,000	-
Interest and fiscal charges	12,923,475	13,596,629	12,154,302	1,442,327
Total Expenditures	33,433,475	34,106,629	32,664,302	1,442,327
 (Deficiency) Of Revenues Over Expenditures	 2,344,238	 2,072,334	 3,704,380	 1,632,046
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of bonds	-	-	30,000	30,000
Transfers in	126,320	126,320	126,320	-
Transfers out	(3,626,500)	(3,626,500)	(3,626,500)	-
Total Other Financing Sources (Uses):	(3,500,180)	(3,500,180)	(3,470,180)	30,000
 (Deficiency) Of Revenues And Other Sources Over Expenditures And Other Uses	 (1,155,942)	 (1,427,846)	 234,200	 1,662,046
FUND BALANCE, OCTOBER 1	1,937,365	1,937,365	1,937,365	-
FUND BALANCE, September 30	\$ 781,423	\$ 509,519	\$ 2,171,565	\$ 1,662,046

NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

CIVIC CENTER FUND- to account for the convention and tourism activities of the City's Civic Center.

MUNICIPAL GOLF COURSE FUND- to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

PROPERTY MANAGEMENT FUND- to account for the rental properties of the Downtown Center projects.

DOWNTOWN CENTER DEVELOPMENT FUND- to account for the construction of a multi-use project in the City's downtown area.

RECREATION REVOLVING FUND- to account for recreational programs and activities which are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS
STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2006

	Business-type Activities					Total Nonmajor Enterprise Funds
	Enterprise Funds					
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
ASSETS						
Cash and cash equivalents	\$ 621,793	\$ 24,067	\$ 73,759	\$ 13,921	\$ 188,852	\$ 922,392
Investments	2,418,201	94,206	288,716	54,489	738,643	3,594,255
Receivables -						
Accounts	390,684	49,884	-	-	94,665	535,233
Accrued Interest	21,863	852	2,610	492	6,678	32,495
Other	3,768	-	7,954	-	2,682	14,404
Prepaid expenses & other assets	18,247	-	-	-	26,190	44,437
Capital assets:						
Land	2,359,859	595,296	1,333,325	36,999	-	4,325,479
Buildings	11,222,523	2,427,383	171,766	-	-	13,821,672
Improvements other than buildings	572,694	1,247,352	15,875	-	-	1,835,921
Equipment	1,508,188	159,365	-	-	441,663	2,109,216
Furniture and fixtures	282,300	81,946	-	-	74,279	438,525
Less accumulated depreciation	(10,909,663)	(1,479,924)	(174,147)	-	(515,942)	(13,079,676)
Total capital assets (net of accumulated depreciation)	5,035,901	3,031,418	1,346,819	36,999	-	9,451,137
Total assets	8,510,457	3,200,427	1,719,858	105,901	1,057,710	14,594,353
LIABILITIES						
Current liabilities:						
Accounts payable	228,428	50,790	4,665	688	88,369	372,940
Accrued liabilities	315,848	44,129	-	-	71,122	431,099
Deferred revenue	-	-	-	-	376,861	376,861
Due to other funds	-	-	-	-	50	50
Customer deposits	-	9,112	10,467	-	121,427	141,006
Liability for compensated absences	42,678	10,624	-	-	19,440	72,742
Total current liabilities	586,954	114,655	15,132	688	677,269	1,394,698
Noncurrent liabilities:						
Liability for compensated absences	154,237	68,224	-	-	51,738	274,199
Total noncurrent liabilities	154,237	68,224	-	-	51,738	274,199
Total liabilities	741,191	182,879	15,132	688	729,007	1,668,897
NET ASSETS						
Invested in capital assets (net of related debt)	5,030,016	3,031,418	1,346,819	36,999	-	9,445,252
Unrestricted (deficit)	2,739,250	(13,870)	357,907	68,214	328,703	3,480,204
Total Net Assets	\$ 7,769,266	\$ 3,017,548	\$ 1,704,726	\$ 105,213	\$ 328,703	\$ 12,925,456

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Business-type Activities					Total Nonmajor Enterprise Funds
	Enterprise Funds					
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 2,414,328	\$ 904,090	\$ 85,789	\$ 68,127	\$ 2,607,636	\$ 6,079,970
Miscellaneous charges	661	320	-	-	48,835	49,816
Total operating revenues	<u>2,414,989</u>	<u>904,410</u>	<u>85,789</u>	<u>68,127</u>	<u>2,656,471</u>	<u>6,129,786</u>
Operating expenses:						
Personal services	2,309,801	543,553	-	-	945,708	3,799,062
Contractual services	2,271,010	157,313	21,408	43,356	1,278,167	3,771,254
Supplies	630,202	83,595	3,738	-	157,607	875,142
Depreciation	585,158	167,753	794	-	9,465	763,170
Miscellaneous	64,046	1,935	-	-	24,788	90,769
Total operating expenses	<u>5,860,217</u>	<u>954,149</u>	<u>25,940</u>	<u>43,356</u>	<u>2,415,735</u>	<u>9,299,397</u>
Operating income (loss)	<u>(3,445,228)</u>	<u>(49,739)</u>	<u>59,849</u>	<u>24,771</u>	<u>240,736</u>	<u>(3,169,611)</u>
Nonoperating revenues (expenses):						
Investment income	99,075	5,383	13,965	2,045	35,367	155,835
Loss on property disposition	(419)	-	-	-	-	(419)
Interest and fiscal charges	-	(14,614)	-	-	-	(14,614)
Hotel/motel tax	4,416,422	-	-	-	-	4,416,422
Miscellaneous	-	2,915	-	-	394	3,309
Total nonoperating revenue	<u>4,515,078</u>	<u>(6,316)</u>	<u>13,965</u>	<u>2,045</u>	<u>35,761</u>	<u>4,560,533</u>
Income (loss) before transfers	1,069,850	(56,055)	73,814	26,816	276,497	1,390,922
Transfers in	-	789,913	-	-	-	789,913
Transfers out	(443,068)	-	-	-	(129,853)	(572,921)
Change in net assets	626,782	733,858	73,814	26,816	146,644	1,607,914
Total net assets-beginning	7,142,484	2,283,690	1,630,912	78,397	182,059	11,317,542
Total net assets-ending	<u>\$ 7,769,266</u>	<u>\$ 3,017,548</u>	<u>\$ 1,704,726</u>	<u>\$ 105,213</u>	<u>\$ 328,703</u>	<u>\$ 12,925,456</u>

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 2,274,988	\$ 854,526	\$ 84,485	\$ 68,127	\$ 2,632,579	\$ 5,914,705
Cash payments to suppliers for goods and services	(3,011,388)	(260,492)	(20,481)	(42,668)	(1,458,282)	(4,793,311)
Cash payments to employees for services	(2,178,049)	(551,858)	-	-	(924,569)	(3,654,476)
Net cash provided (used) by operating activities	(2,914,449)	42,176	64,004	25,459	249,728	(2,533,082)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayments to other funds	-	(775,299)	-	-	50	(775,249)
Hotel/motel tax	4,416,422	-	-	-	-	4,416,422
Transfers to other funds	(443,068)	789,913	-	-	(129,853)	216,992
Net cash provided (used) by noncapital financing activities	3,973,354	14,614	-	-	(129,803)	3,858,165
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(5,885)	-	-	-	-	(5,885)
Interest paid on long-term debt	-	(14,614)	-	-	-	(14,614)
Proceeds from insurance damages	-	2,915	-	-	394	3,309
Net cash used by capital and related financing activities	(5,885)	(11,699)	-	-	394	(17,190)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(2,418,201)	(94,206)	(288,716)	(54,489)	(738,643)	(3,594,255)
Proceeds from sale and maturities of investment securities	1,669,345	60,037	252,534	36,236	685,193	2,703,345
Interest on investments	86,314	4,957	11,692	1,777	28,999	133,739
Net cash provided (used) by investing activities	(662,542)	(29,212)	(24,490)	(16,476)	(24,451)	(757,171)
Net increase (decrease) in cash and cash equivalents	390,478	15,879	39,514	8,983	95,868	550,722
Cash and cash equivalents, October 1	231,315	8,188	34,245	4,938	92,984	371,670
Cash and cash equivalents, September 30	<u>\$ 621,793</u>	<u>\$ 24,067</u>	<u>\$ 73,759</u>	<u>\$ 13,921</u>	<u>\$ 188,852</u>	<u>\$ 922,392</u>
Non-cash disclosure:						
Loss on property disposition	\$ (419)	\$ -	\$ -	\$ -	\$ -	\$ (419)
Increase (decrease) in fair value of investments	1,875	(30)	1,317	14	4,173	7,349

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(continued)

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (3,445,228)	\$ (49,739)	\$ 59,849	\$ 24,771	\$ 240,736	\$ (3,169,611)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	585,158	167,753	794	-	9,465	763,170
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(140,001)	(49,884)	(1,304)	-	(94,665)	(285,854)
Other accounts receivable	40,188	-	-	-	(1,026)	39,162
Prepaid expenses	(11,210)	480	-	-	(18,370)	(29,100)
Increase (decrease) in-						
Accounts payable	(75,108)	(18,129)	4,665	688	21,676	(66,208)
Accrued liabilities	103,547	(284)	-	-	13,028	116,291
Refunds payable	-	-	-	-	8,303	8,303
Liability for compensated absences	28,205	(8,021)	-	-	8,111	28,295
Customer deposits	-	-	-	-	25,318	25,318
Deferred revenue	-	-	-	-	37,152	37,152
Total adjustments	<u>530,779</u>	<u>91,915</u>	<u>4,155</u>	<u>688</u>	<u>8,992</u>	<u>636,529</u>
Net cash provided (used) by operating activities	<u>\$ (2,914,449)</u>	<u>\$ 42,176</u>	<u>\$ 64,004</u>	<u>\$ 25,459</u>	<u>\$ 249,728</u>	<u>\$ (2,533,082)</u>

INTERNAL SERVICE FUNDS

Internal Service Funds accounts for the financing of goods or services provided by one department for another.

The City has six Internal Service Funds as follows:

EQUIPMENT MAINTENANCE FUND- to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

OFFICE SERVICES FUND-to account for the cost of operating a centralized print shop, which performs printing and copying services, as well as interoffice mail delivery and other services, for City departments. Monthly charges are billed to departments to cover costs, including depreciation of furniture and equipment necessary to provide services.

MUNICIPAL WAREHOUSE FUND- to account for the operation of a central warehouse facility which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND- to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

PROPERTY/LIABILITY LOSS FUND- to account for the operation of a self-insurance program for general liability, public officials errors and omission, police professional liability, property loss and worker's compensation.

HEALTH CLAIMS FUND- to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2006**

	Equipment Maintenance	Office Services	Municipal Warehouse
ASSETS			
Cash & cash equivalents	\$ 1,035,857	\$ 125	\$ 60,989
Investments	4,053,896	-	238,340
Receivables			
Accounts	124,865	-	11,752
Accrued interest	36,652	-	-
Other	1,662	14	-
Interfund receivables			
Environmental waste services fund	206,157	-	-
Due from other funds	24,124	-	-
Due from other governments	97	-	-
Inventories	76,929	14,881	667,642
Prepaid items	2,721	-	-
Interfund advance	440,275	-	-
Restricted assets:			
Cash & cash equivalents	-	-	-
Investments	-	-	-
Accrued interest receivable	-	-	-
Capital assets:			
Land	51,515	-	-
Buildings	5,264,915	-	-
Equipment	7,786,301	300,386	113,343
Furniture & fixtures	46,404	449	11,200
Rolling equipment	48,796,643	-	-
Construction in progress	-	-	-
Less accumulated depreciation	(45,815,446)	(241,306)	(124,148)
Total capital assets(net of accumulated depreciation)	16,130,332	59,529	395
Total Assets	<u>22,133,567</u>	<u>74,549</u>	<u>979,118</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	1,019,749	223,658	324,039
Accrued liabilities	180,943	22,880	54,242
Due to other funds	-	306,193	-
Tax anticipation notes payable	-	-	-
Liability for insurance claims	-	-	-
Total current liabilities	<u>1,200,692</u>	<u>552,731</u>	<u>378,281</u>
NONCURRENT LIABILITIES:			
Liability for insurance claims	-	-	-
Total Liabilities	<u>1,200,692</u>	<u>552,731</u>	<u>378,281</u>
NET ASSETS (DEFICIT)			
Invested in capital assets	15,368,333	59,529	395
Unrestricted (deficit)	5,564,542	(537,711)	600,442
Total net assets (deficit)	<u>\$ 20,932,875</u>	<u>\$ (478,182)</u>	<u>\$ 600,837</u>

	Technology Services	Property/ Liability Loss	Health Claims	Total
\$	2,663,753	\$ 1,078,515	\$ 3,825,351	\$ 8,664,590
	10,426,795	4,221,656	14,973,669	33,914,356
	-	34,631	14	171,262
	94,271	38,169	135,380	304,472
	1,959	280	-	3,915
	-	-	-	206,157
	-	-	-	24,124
	-	-	-	97
	-	-	-	759,452
	64,903	3,072	154,016	224,712
	-	-	-	440,275
	1,640,371	-	-	1,640,371
	6,420,947	-	-	6,420,947
	58,053	-	-	58,053
	11,007	-	-	62,522
	-	-	-	5,264,915
	25,921,719	549,620	-	34,671,369
	38,673	6,735	-	103,461
	-	-	-	48,796,643
	2,149,984	-	-	2,149,984
	(19,450,273)	(507,941)	-	(66,139,114)
	<u>8,671,110</u>	<u>48,414</u>	<u>-</u>	<u>24,909,780</u>
	<u>30,042,162</u>	<u>5,424,737</u>	<u>19,088,430</u>	<u>77,742,563</u>
	412,271	141,986	141,076	2,262,779
	724,797	189,870	-	1,172,732
	-	-	-	306,193
	2,557,632	-	-	2,557,632
	-	2,260,394	2,845,082	5,105,476
	<u>3,694,700</u>	<u>2,592,250</u>	<u>2,986,158</u>	<u>11,404,812</u>
	-	1,313,377	-	1,313,377
	<u>3,694,700</u>	<u>3,905,627</u>	<u>2,986,158</u>	<u>12,718,189</u>
	14,118,045	48,414	-	29,594,716
	12,229,417	1,470,696	16,102,272	35,429,658
\$	<u>26,347,462</u>	<u>\$ 1,519,110</u>	<u>\$ 16,102,272</u>	<u>\$ 65,024,374</u>

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Equipment Maintenance</u>	<u>Office Services</u>	<u>Municipal Warehouse</u>
REVENUES:			
Charges for services	\$ 12,956,040	\$ 996,338	\$ 3,040,557
Miscellaneous	165,472	23,972	22,153
Total operating revenues	<u>13,121,512</u>	<u>1,020,310</u>	<u>3,062,710</u>
EXPENSES:			
Personal services	2,278,549	282,973	432,376
Contractual services	962,930	274,775	41,347
Supplies	3,258,519	381,797	2,570,740
Claims expense	-	-	-
Depreciation	4,370,235	8,577	80
Miscellaneous	11,164	1,604	32,154
Total operating expenses	<u>10,881,397</u>	<u>949,726</u>	<u>3,076,697</u>
Operating income (loss)	<u>2,240,115</u>	<u>70,584</u>	<u>(13,987)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	263,426	-	9,854
Gain (loss) on fixed asset disposal	812,738	-	85,534
Interest and fiscal charges on tax anticipation notes	-	-	-
Tax anticipation note premium	-	-	-
Intergovernmental revenues	13,126	-	-
Miscellaneous	34,418	-	-
Total nonoperating revenues	<u>1,123,708</u>	<u>-</u>	<u>95,388</u>
Income (loss) before transfers	3,363,823	70,584	81,401
Transfers in	-	-	-
Transfers out	-	-	-
Change in net assets	<u>3,363,823</u>	<u>70,584</u>	<u>81,401</u>
Total net assets (deficit)-beginning	17,569,052	(548,766)	519,436
Total net assets (deficit)-ending	<u>\$ 20,932,875</u>	<u>\$ (478,182)</u>	<u>\$ 600,837</u>

Technology Services	Property/ Liability Loss	Health Claims	Total
\$ 10,795,396	\$ 3,266,986	\$ 20,948,307	\$ 52,003,624
-	254,708	-	466,305
<u>10,795,396</u>	<u>3,521,694</u>	<u>20,948,307</u>	<u>52,469,929</u>
4,141,827	373,993	-	7,509,718
4,665,715	1,080,566	2,492,702	9,518,035
967,684	63,275	-	7,242,015
-	2,571,933	12,830,023	15,401,956
1,369,797	7,254	-	5,755,943
3,865	7,502	-	56,289
<u>11,148,888</u>	<u>4,104,523</u>	<u>15,322,725</u>	<u>45,483,956</u>
<u>(353,492)</u>	<u>(582,829)</u>	<u>5,625,582</u>	<u>6,985,973</u>
956,166	227,037	682,681	2,139,164
(26,094)	-	-	872,178
(282,088)	-	-	(282,088)
88,193	-	-	88,193
-	-	-	13,126
-	-	-	34,418
<u>736,177</u>	<u>227,037</u>	<u>682,681</u>	<u>2,864,991</u>
382,685	(355,792)	6,308,263	9,850,964
3,626,500	-	-	3,626,500
(250,000)	-	-	(250,000)
<u>3,759,185</u>	<u>(355,792)</u>	<u>6,308,263</u>	<u>13,227,464</u>
22,588,277	1,874,902	9,794,009	51,796,910
<u>\$ 26,347,462</u>	<u>\$ 1,519,110</u>	<u>\$ 16,102,272</u>	<u>\$ 65,024,374</u>

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Equipment Maintenance</u>	<u>Office Services</u>	<u>Municipal Warehouse</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 13,004,580	\$ 1,021,037	\$ 3,052,893
Cash payments to suppliers for goods and services	(4,128,206)	(743,889)	(2,729,352)
Cash payments to employees for services	(2,257,886)	(277,148)	(427,326)
Net cash provided (used) by operating activities	<u>6,618,488</u>	<u>-</u>	<u>(103,785)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayments from other other funds	183,709	-	-
Transfers to other funds	-	-	-
Grant receipts	13,126	-	-
Net cash provided by noncapital financing activities	<u>196,835</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(11,701,855)	-	-
Transfer of capital assets to (from) other funds	16,794	-	-
Proceeds on sale of equipment	872,603	-	85,534
Principal paid on long-term debt	-	-	-
Interest and fees paid on long-term debt	-	-	-
Proceeds from insurance damages	34,418	-	-
Net cash provided (used) by capital and related financing activities	<u>(10,778,040)</u>	<u>-</u>	<u>85,534</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(4,053,896)	-	(238,340)
Proceeds from sales and maturities of investment securities	7,828,466	-	273,138
Interest on investments	171,159	-	7,438
Net cash provided (used) by investing activities	<u>3,945,729</u>	<u>-</u>	<u>42,236</u>
Net increase (decrease) in cash and cash equivalents	(16,988)	-	23,985
Cash and cash equivalents, October 1	<u>1,052,845</u>	<u>125</u>	<u>37,004</u>
Cash and cash equivalents, September 30	<u>\$ 1,035,857</u>	<u>\$ 125</u>	<u>\$ 60,989</u>
Non-cash disclosure:			
Tax anticipation note premium	\$ -	\$ -	\$ -
Increase in fair value of investments	106,451	-	2,416

Technology Services	Property/ Liability Loss	Health Claims	Total
\$ 10,793,437	\$ 3,522,909	\$ 20,948,293	\$ 52,343,149
(5,576,568)	(3,446,515)	(15,108,932)	(31,733,462)
(4,106,535)	(363,589)	-	(7,432,484)
<u>1,110,334</u>	<u>(287,195)</u>	<u>5,839,361</u>	<u>13,177,203</u>
3,626,500	-	-	3,810,209
(250,000)	-	-	(250,000)
-	-	-	13,126
<u>3,376,500</u>	<u>-</u>	<u>-</u>	<u>3,573,335</u>
(1,289,738)	-	-	(12,991,593)
(75,730)	-	-	(58,936)
-	-	-	958,137
(3,345,000)	-	-	(3,345,000)
(282,088)	-	-	(282,088)
-	-	-	34,418
<u>(4,992,556)</u>	<u>-</u>	<u>-</u>	<u>(15,685,062)</u>
(16,847,742)	(4,221,656)	(14,973,669)	(40,335,303)
18,375,610	4,764,786	10,883,237	42,125,237
794,686	178,684	595,961	1,747,928
<u>2,322,554</u>	<u>721,814</u>	<u>(3,494,471)</u>	<u>3,537,862</u>
1,816,832	434,619	2,344,890	4,603,338
<u>2,487,292</u>	<u>643,896</u>	<u>1,480,461</u>	<u>5,701,623</u>
<u>\$ 4,304,124</u>	<u>\$ 1,078,515</u>	<u>\$ 3,825,351</u>	<u>\$ 10,304,961</u>
\$ 88,193.00	\$ -	\$ -	\$ 88,193
129,277	41,280	22,837	302,261

(continued)

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(continued)**

	<u>Equipment Maintenance</u>	<u>Office Services</u>	<u>Municipal Warehouse</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,240,115	\$ 70,584	\$ (13,987)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expenses	4,370,235	8,577	80
Changes in assets and liabilities- (Increase) decrease in			
Accounts receivable	(124,865)	-	(9,817)
Other accounts receivable	(1,661)	727	-
Due from other funds	9,455	-	-
Due from other governments	139	-	-
Prepaid expenses	(866)	-	-
Inventory	(7,833)	9,578	2,942
Increase (decrease) in			
Accounts payable	113,106	(76,801)	(88,053)
Accrued liabilities	20,663	5,825	5,050
Due to (from) other funds	-	(18,490)	-
Liability for insurance claims	-	-	-
Total adjustments	<u>4,378,373</u>	<u>(70,584)</u>	<u>(89,798)</u>
Net cash provided (used) by operating activities	<u>\$ 6,618,488</u>	<u>\$ -</u>	<u>\$ (103,785)</u>

<u>Technology Services</u>	<u>Property/ Liability Loss</u>	<u>Health Claims</u>	<u>Total</u>
\$ (353,492)	\$ (582,829)	\$ 5,625,582	\$ 6,985,973
1,369,797	7,254	-	5,755,943
-	450	(14)	(134,246)
(1,959)	765	-	(2,128)
-	-	-	9,455
-	-	-	139
(30,570)	(2,972)	(8,015)	(42,423)
-	-	-	4,687
91,266	(16,856)	(54,038)	(31,376)
35,292	10,404	-	77,234
-	-	-	(18,490)
-	296,589	275,846	572,435
<u>1,463,826</u>	<u>295,634</u>	<u>213,779</u>	<u>6,191,230</u>
<u>\$ 1,110,334</u>	<u>\$ (287,195)</u>	<u>\$ 5,839,361</u>	<u>\$ 13,177,203</u>

AGENCY FUNDS

DEVELOPERS' ESCROW FUND- to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

UNCLAIMED PROPERTY FUND- to account for assets under \$100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners.

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 AS OF SEPTEMBER 30, 2006**

	Agency Funds		Total Agency Funds
	Developers' Escrow	Unclaimed Property	
ASSETS			
Cash and cash equivalents	\$ 781,144	\$ 9,252	\$ 790,396
Investments	3,057,652	36,215	3,093,867
Accrued interest	27,645	327	27,972
Total Assets	3,866,441	45,794	3,912,235
LIABILITIES			
Developers' escrow liability	3,866,441	-	3,866,441
Unclaimed property payable	-	45,794	45,794
Total Liabilities	\$ 3,866,441	\$ 45,794	\$ 3,912,235

**CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Balance</u> <u>October 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30, 2006</u>
Developers' Escrow Fund				
ASSETS				
Cash	\$ 812,520	\$ -	\$ 31,376	\$ 781,144
Investments	5,960,503	-	2,902,851	3,057,652
Interest receivable	39,240	-	11,595	27,645
Total assets	<u>\$ 6,812,263</u>	<u>\$ -</u>	<u>\$ 2,945,822</u>	<u>\$ 3,866,441</u>
LIABILITIES				
Developers' escrow liability	6,812,263	-	2,945,822	3,866,441
Total liabilities	<u>\$ 6,812,263</u>	<u>\$ -</u>	<u>\$ 2,945,822</u>	<u>\$ 3,866,441</u>
Unclaimed Property Fund				
ASSETS				
Cash	\$ 4,200	\$ 5,052	\$ -	\$ 9,252
Investments	30,813	5,402	-	36,215
Interest receivable	203	124	-	327
Total assets	<u>\$ 35,216</u>	<u>\$ 10,578</u>	<u>\$ -</u>	<u>\$ 45,794</u>
LIABILITIES				
Unclaimed property payable	35,216	10,578	-	45,794
Total liabilities	<u>\$ 35,216</u>	<u>\$ 10,578</u>	<u>\$ -</u>	<u>\$ 45,794</u>
Total Fiduciary Funds				
ASSETS				
Cash	\$ 816,720	\$ 5,052	\$ 31,376	\$ 790,396
Investments	5,991,316	5,402	2,902,851	3,093,867
Interest receivable	39,443	124	11,595	27,972
Total assets	<u>\$ 6,847,479</u>	<u>\$ 10,578</u>	<u>\$ 2,945,822</u>	<u>\$ 3,912,235</u>
LIABILITIES				
Developers' escrow liability	6,812,263	-	2,945,822	3,866,441
Unclaimed property payable	35,216	10,578	-	45,794
Total liabilities	<u>\$ 6,847,479</u>	<u>\$ 10,578</u>	<u>\$ 2,945,822</u>	<u>\$ 3,912,235</u>

COMPONENT UNITS

ECONOMIC DEVELOPMENT BOARD- organized to account for various financial and administrative services and a majority of funding provided to the Board by the City. The Board is legally separate from the City and the City does not appoint a majority of its governing board.

TIF MALL- organized to account for a tax increment financing unit for project improvements within the City. The City and Taubman Realty Group Limited Partnership entered into an agreement for the development of a regional mall.

TIF EAST SIDE- organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF FUND NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
AS OF SEPTEMBER 30, 2006**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
ASSETS				
Current:				
Cash and cash equivalents	\$ 229,315	\$ 8,081	\$ 1,190,070	1,427,466
Investments	896,831	31,633	4,658,323	5,586,787
Receivables:				
Accrued interest	8,108	287	42,117	50,512
Prepaid expenses & other assets	11,578	-	-	11,578
Noncurrent:				
Capital assets, net	4,384	-	4,949,643	4,954,027
Total Assets	<u>1,150,216</u>	<u>40,001</u>	<u>10,840,153</u>	<u>12,030,370</u>
LIABILITIES				
Current:				
Accounts payable	2,794	-	-	2,794
Accrued liabilities	38,164	-	-	38,164
Notes payable	-	-	691,022	691,022
Long-term:				
Notes payable	-	5,110,079	1,508,916	6,618,995
Liability for compensated absences	79,392	-	-	79,392
Total Liabilities	<u>120,350</u>	<u>5,110,079</u>	<u>2,199,938</u>	<u>7,430,367</u>
NET ASSETS (DEFICIT)				
Invested in capital assets (net of related debt)	4,384	-	4,949,643	4,954,027
Unrestricted	1,025,482	(5,070,078)	3,690,572	(354,024)
Total Net Assets (Deficit)	<u>\$ 1,029,866</u>	<u>\$ (5,070,078)</u>	<u>\$ 8,640,215</u>	<u>\$ 4,600,003</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Economic Development	TIF Mall	TIF East Side	Total
REVENUES				
Charges for services	\$ 740,290	\$ -	\$ -	\$ 740,290
Miscellaneous	12,026	-	-	12,026
Total revenues	<u>752,316</u>	<u>-</u>	<u>-</u>	<u>752,316</u>
EXPENSES				
Personal services	462,474	-	-	462,474
Contractual services	157,102	4,281,980	737,165	5,176,247
Supplies	21,385	-	-	21,385
Depreciation	2,474	-	332,928	335,402
Miscellaneous	9,466	-	-	9,466
Total operating xpenses	<u>652,901</u>	<u>4,281,980</u>	<u>1,070,093</u>	<u>6,004,974</u>
Operating income (loss)	99,415	(4,281,980)	(1,070,093)	(5,252,658)
NONOPERATING REVENUES (EXPENSES)				
Property taxes	-	4,291,981	3,076,653	7,368,634
Investment income	45,865	-	-	45,865
Interest expense	-	(289,250)	(171,111)	(460,361)
Total nonoperating revenues	<u>45,865</u>	<u>4,002,731</u>	<u>2,905,542</u>	<u>6,954,138</u>
Change in net assets	145,280	(279,249)	1,835,449	1,701,480
Total net assets (deficit)-beginning	884,586	(4,790,829)	6,804,766	2,898,523
Total net assets (deficit)-ending	<u>\$ 1,029,866</u>	<u>\$ (5,070,078)</u>	<u>\$ 8,640,215</u>	<u>\$ 4,600,003</u>

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 752,316	\$ -	\$ -	\$ 752,316
Cash payments to suppliers for goods and services	(183,127)	(3,992,731)	(1,389,073)	(5,564,931)
Cash payments to employees for services	(457,924)	-	-	(457,924)
Net cash provided by operating activities	<u>111,265</u>	<u>(3,992,731)</u>	<u>(1,389,073)</u>	<u>(5,270,539)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	4,291,981	3,076,653	7,368,634
Net cash used by noncapital financing activities	<u>-</u>	<u>4,291,981</u>	<u>3,076,653</u>	<u>7,368,634</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest expense	-	(289,250)	(171,111)	(460,361)
Net cash used for operating and related financing activities	<u>-</u>	<u>(289,250)</u>	<u>(171,111)</u>	<u>(460,361)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	(896,831)	(31,633)	(4,658,323)	(5,586,787)
Proceeds from sales and maturities of investment securities	860,428	26,367	3,843,648	4,730,443
Interest on investments	37,732	(231)	(33,430)	4,071
Net cash used by investing activities	<u>1,329</u>	<u>(5,497)</u>	<u>(848,105)</u>	<u>(852,273)</u>
Net increase (decrease) in cash and cash equivalents	112,594	4,503	668,364	785,461
Cash and cash equivalents, October 1	<u>116,721</u>	<u>3,578</u>	<u>521,706</u>	<u>642,005</u>
Cash and cash equivalents, September 30	<u>\$ 229,315</u>	<u>\$ 8,081</u>	<u>\$ 1,190,070</u>	<u>\$ 1,427,466</u>
Non-cash disclosure:				
Capitalize interest on note payable	\$ -	\$ 289,250	\$ 171,111	\$ 460,361
Increase in fair value of investments	5,652	118	16,508	22,278

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2006
(continued)

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 99,415	\$ (4,281,980)	\$ (1,070,093)	\$ (5,252,658)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expenses	2,474	-	332,928	335,402
Changes in assets and liabilities-				
(Increase) decrease in				
Prepaid expenses	5,382	-	-	5,382
Increase (decrease) in				
Accounts payable	(556)	-	-	(556)
Notes payable	-	289,249	(651,908)	(362,659)
Accrued liabilities	4,550	-	-	4,550
Total adjustments	<u>11,850</u>	<u>289,249</u>	<u>(318,980)</u>	<u>(17,881)</u>
Net cash provided by operating activities	<u>\$ 111,265</u>	<u>\$ (3,992,731)</u>	<u>\$ (1,389,073)</u>	<u>\$ (5,270,539)</u>

**CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE¹
AS OF SEPTEMBER 30, 2006 (unaudited)**

Governmental activities capital assets:	2006	2005
Land	\$ 101,665,833	\$ 98,328,925
Construction in progress	127,245,267	104,982,804
Buildings	92,938,536	93,150,467
Improvements other than buildings	75,327,616	75,327,616
Equipment	60,383,320	56,085,609
Infrastructure	835,349,365	804,829,265
Total governmental funds capital assets	<u>\$ 1,292,909,937</u>	<u>\$ 1,232,704,686</u>
Investments in governmental activities capital assets by source:		
General fund	\$ 254,297,079	\$ 246,715,824
Park improvements fund	75,327,616	75,327,616
Special revenue fund	690,610	849,177
Capital projects fund	962,594,632	909,812,069
	<u>\$ 1,292,909,937</u>	<u>\$ 1,232,704,686</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
AS OF SEPTEMBER 30, 2006 (unaudited)**

Function and Activity	Land	Construction in Progress	Buildings	Park Improvements	Equipment	Infrastructure	Total
Administrative Services:							
City Council	\$ -	\$ -	\$ -	\$ -	\$ 4,301	\$ -	\$ 4,301
Administration	-	-	-	-	71,644	-	71,644
Legal	-	-	-	-	109,447	-	109,447
City Secretary	-	-	-	-	44,484	-	44,484
Internal Audit	-	-	-	-	11,944	-	11,944
Finance	-	-	-	-	26,238	-	26,238
Financial Systems Administration	-	-	-	-	10,148	-	10,148
Accounting	-	-	-	-	122,723	-	122,723
Budget	-	-	-	-	121,298	-	121,298
Administrative Services	-	-	-	-	12,636	-	12,636
Purchasing	-	-	-	-	50,998	-	50,998
Human Resources	-	-	-	-	119,789	-	119,789
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>705,650</u>	<u>-</u>	<u>705,650</u>
Police:							
Municipal Court Judge	2,780,978	-	6,168,125	-	43,932	-	8,993,035
Municipal Court Administration	-	-	-	-	403,957	-	403,957
Public Safety Administration	-	-	-	-	2,144,719	-	2,144,719
Community Response	-	-	-	-	17,446	-	17,446
Police	4,639,811	-	11,218,634	-	9,002,947	-	24,861,392
Emergency 911	-	-	27,595	-	4,894,595	-	4,922,190
	<u>7,420,789</u>	<u>-</u>	<u>17,414,354</u>	<u>-</u>	<u>16,507,596</u>	<u>-</u>	<u>41,342,739</u>
Fire:							
Fire	7,867,654	-	14,308,814	-	8,212,615	-	30,389,083
Fire-Civilian	-	-	-	-	24,254	-	24,254
Fire Marshal	-	-	-	-	76,262	-	76,262
	<u>7,867,654</u>	<u>-</u>	<u>14,308,814</u>	<u>-</u>	<u>8,313,131</u>	<u>-</u>	<u>30,489,599</u>
Libraries:							
Library Administration	-	-	-	-	2,955,607	-	2,955,607
Technical Services	-	-	-	-	12,044,208	-	12,044,208
Harrington Library	1,244,216	-	2,759,632	-	392,001	-	4,395,849
Schmelpfenig Library	1,445,885	-	3,199,362	-	159,166	-	4,804,413
Haggard Library	1,551,303	-	3,436,684	-	1,282,635	-	6,270,622
Davis Library	2,046,883	-	4,513,662	-	45,541	-	6,606,086
Parr Library	1,757,104	-	3,867,355	-	-	-	5,624,459
	<u>8,045,391</u>	<u>-</u>	<u>17,776,695</u>	<u>-</u>	<u>16,879,158</u>	<u>-</u>	<u>42,701,244</u>
Development:							
Building Administration	79,989	-	51,782	-	-	-	131,771
Building Maintenance	-	-	-	-	46,009	-	46,009
Custodial Services	-	-	109,968	-	613,855	-	723,823
Engineering	-	-	-	-	3,251	-	3,251
Capital Projects Coordination	-	-	-	-	146,865	-	146,865
Development	-	-	-	-	219,754	-	219,754
Community Services Administration	-	-	-	-	28,898	-	28,898
Community Development Administration	-	-	-	-	37,915	-	37,915
Planning	-	-	-	-	285,151	-	285,151
Transportation Engineering	220,899	-	-	-	1,019,852	-	1,240,751
Building Inspection	-	-	-	-	93,671	-	93,671
	<u>300,888</u>	<u>-</u>	<u>161,750</u>	<u>-</u>	<u>2,898,277</u>	<u>-</u>	<u>3,360,915</u>
Public Services and Operations:							
Public Information	-	-	-	-	880,103	-	880,103
Records Management	-	-	-	-	60,470	-	60,470
Environmental Health	-	-	-	-	235,019	-	235,019
Animal Control	101,571	-	2,409,927	-	328,642	-	2,840,140
	<u>101,571</u>	<u>-</u>	<u>2,409,927</u>	<u>-</u>	<u>1,504,234</u>	<u>-</u>	<u>4,015,732</u>

¹This schedule presents only the capital asset balances related to governmental funds.

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

(continued)

**CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
AS OF SEPTEMBER 30, 2006 (unaudited)
(continued)**

Function and Activity	Improvements						Total
	Land	Construction in Progress	Buildings	Other Than Buildings	Equipment	Infrastructure	
Parks and Recreation:	57,664,013	-	-	-	-	-	57,664,013
Parks and Recreation Administration	-	-	-	-	128,391	-	128,391
Park Administration	-	-	-	-	104,835	-	104,835
Park Planning	-	-	-	-	202,305	-	202,305
Park Development	2,048,976	-	11,700	-	169,510	-	2,230,186
Park Grounds Maintenance	-	-	215,854	-	733,514	-	949,368
Public Buildings Grounds Maintenance	-	-	-	-	116,158	-	116,158
Athletic Fields Grounds Maintenance	-	-	-	-	41,419	-	41,419
Championship Youth Ballpark	-	-	-	-	1,687	-	1,687
Median Maintenance	-	-	-	-	20,061	-	20,061
Creative Arts	25,797	-	555,007	-	-	-	580,804
Recreation Administration	-	-	-	-	334,560	-	334,560
Athletics	-	-	-	-	38,503	-	38,503
Special Activities	-	-	-	-	43,660	-	43,660
Acquatics	-	-	1,489,856	-	148,106	-	1,637,962
Tennis Center	-	-	85,426	-	7,835	-	93,261
Senior Services	1,861,895	-	4,129,627	-	160,163	-	6,151,685
Recreation Centers	784,514	-	12,322,381	-	666,375	-	13,773,270
Park Improvements	918	-	-	75,327,616	-	-	75,328,534
	<u>62,386,113</u>	<u>-</u>	<u>18,809,851</u>	<u>75,327,616</u>	<u>2,917,082</u>	<u>-</u>	<u>159,440,662</u>
General Government:	8,295,461	-	22,057,145	-	-	-	30,352,606
Enterprise Center	-	-	-	-	16,705	-	16,705
Productivity Bank	-	-	-	-	52,090	-	52,090
Downtown Advocacy	-	-	-	-	2,168	-	2,168
Volunteer Services	-	-	-	-	4,296	-	4,296
Tax Collections	-	-	-	-	302,069	-	302,069
Youth Advisory Committee	-	-	-	-	7,180	-	7,180
Telecommunications	-	-	-	-	425,506	-	425,506
	<u>8,295,461</u>	<u>-</u>	<u>22,057,145</u>	<u>-</u>	<u>810,014</u>	<u>-</u>	<u>31,162,620</u>
Public Works:	6,947,956	-	-	-	-	-	6,947,956
Public Works Administration	-	-	-	-	191,548	-	191,548
Streets and Traffic Administration	-	-	-	-	2,744,200	-	2,744,200
Streets	300,010	-	-	-	2,689,127	-	2,989,137
Signals	-	-	-	-	410,145	-	410,145
Signs and Markings	-	-	-	-	897,960	-	897,960
Sign Shop	-	-	-	-	186,012	-	186,012
Street and ROW Coordination	-	-	-	-	678,856	-	678,856
Infrastructure	-	-	-	-	-	835,349,365	835,349,365
	<u>7,247,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,797,848</u>	<u>835,349,365</u>	<u>850,395,179</u>
Construction in Progress	<u>-</u>	<u>127,245,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,245,267</u>
	<u>-</u>	<u>127,245,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,245,267</u>
Other:	-	-	-	-	2,050,330	-	2,050,330
Non-departmental	-	-	-	-	2,050,330	-	2,050,330
Total governmental funds capital assets	<u>\$101,665,833</u>	<u>\$ 127,245,267</u>	<u>\$ 92,938,536</u>	<u>\$ 75,327,616</u>	<u>\$ 60,383,320</u>	<u>\$ 835,349,365</u>	<u>\$ 1,292,909,937</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹
FOR THE YEAR ENDED SEPTEMBER 30, 2006 (unaudited)

Function and Activity	Governmental Funds Capital Assets October 1, 2005	Additions	Deductions	Governmental Funds Capital Assets September 30, 2006
Administrative Services:				
City Council	\$ 4,301	\$ -	\$ -	\$ 4,301
Administration	71,644	-	-	71,644
Legal	111,594	-	2,147	109,447
City Secretary	44,484	-	-	44,484
Internal Audit	11,944	-	-	11,944
Finance	28,804	-	2,566	26,238
Financial Systems Administration	10,148	-	-	10,148
Accounting	122,723	-	-	122,723
Budget	129,630	-	8,332	121,298
Administrative Services	12,636	-	-	12,636
Purchasing	50,998	-	-	50,998
Human Resources	136,991	-	17,202	119,789
Intergovernmental Relations	-	-	-	-
	<u>735,897</u>	<u>-</u>	<u>30,247</u>	<u>705,650</u>
Police:				
Municipal Court Judge	8,993,035	-	-	8,993,035
Municipal Court Administration	404,346	-	389	403,957
Public Safety Administration	2,144,719	-	-	2,144,719
Community Response	17,446	-	-	17,446
Police	24,152,101	804,153	94,862	24,861,392
Emergency 911	4,804,543	135,287	17,640	4,922,190
	<u>40,516,190</u>	<u>939,440</u>	<u>112,891</u>	<u>41,342,739</u>
Fire:				
Fire	28,378,023	2,916,194	905,134	30,389,083
Fire-Civilian	24,254	-	-	24,254
Fire Marshal	76,262	-	-	76,262
	<u>28,478,539</u>	<u>2,916,194</u>	<u>905,134</u>	<u>30,489,599</u>
Libraries:				
Library Administration	2,955,607	17,309	17,309	2,955,607
Technical Services	11,174,191	876,110	6,093	12,044,208
Harrington Library	4,380,406	15,805	362	4,395,849
Schimelpfenig Library	4,781,964	22,449	-	4,804,413
Haggard Library	5,971,170	299,452	-	6,270,622
Davis Library	6,606,086	-	-	6,606,086
Parr Library	5,624,459	-	-	5,624,459
	<u>41,493,883</u>	<u>1,231,125</u>	<u>23,764</u>	<u>42,701,244</u>
Development:				
Building Administration	131,771	-	-	131,771
Building Maintenance	46,009	-	-	46,009
Custodial Services	732,483	-	8,660	723,823
Engineering	3,251	-	-	3,251
Capital Projects Coordination	146,865	-	-	146,865
Development	219,754	-	-	219,754
Community Services Administration	6,988	21,910	-	28,898
Community Development Administration	37,915	-	-	37,915
Planning	285,151	-	-	285,151
Transportation Engineering	1,241,192	-	441	1,240,751
Building Inspection	93,671	-	-	93,671
	<u>403,056</u>	<u>133,730</u>	<u>133,730</u>	<u>403,056</u>
	<u>3,348,106</u>	<u>155,640</u>	<u>142,831</u>	<u>3,360,915</u>
Public Services and Operations:				
Public Information	880,330	24,124	24,351	880,103
Records Management	63,978	-	3,508	60,470
Environmental Health	235,019	-	-	235,019
Animal Control	2,793,855	177,535	131,250	2,840,140
	<u>3,973,182</u>	<u>201,659</u>	<u>159,109</u>	<u>4,015,732</u>

¹This schedule presents only the capital asset balanc (continued)

(continued)

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹
FOR THE YEAR ENDED SEPTEMBER 30, 2006 (unaudited)
(continued)

Function and Activity	Governmental Funds			Governmental Funds
	Capital Assets October 1, 2005	Additions	Deductions	Capital Assets September 30, 2006
Parks and Recreation:	57,664,931	-	-	57,664,931
Parks and Recreation Administration	128,391	-	-	128,391
Park Administration	83,428	23,707	2,300	104,835
Park Planning	202,305	1,765	1,765	202,305
Park Development	490,553	1,739,633	-	2,230,186
Park Grounds Maintenance	763,480	303,000	117,112	949,368
Public Buildings Grounds Maintenance	116,158	-	-	116,158
Athletic Fields Grounds Maintenance	41,419	26,590	26,590	41,419
Championship Youth Ballpark	1,687	-	-	1,687
Median Maintenance	20,061	-	-	20,061
Creative Arts	580,804	-	-	580,804
Recreation Administration	334,560	-	-	334,560
Athletics	38,503	-	-	38,503
Special Activities	43,660	-	-	43,660
Acquatics	1,634,556	7,288	3,882	1,637,962
Tennis Center	93,261	-	-	93,261
Senior Services	6,158,288	-	6,603	6,151,685
Recreation Centers	13,496,024	281,430	4,184	13,773,270
Park Improvements	75,327,616	-	-	75,327,616
	<u>157,219,685</u>	<u>2,383,413</u>	<u>162,436</u>	<u>159,440,662</u>
General Government:	31,049,759	18,114	715,267	30,352,606
Enterprise Center	16,705	-	-	16,705
Productivity Bank	52,090	-	-	52,090
Downtown Advocacy	2,168	-	-	2,168
Volunteer Services	4,296	-	-	4,296
Tax Collections	302,069	-	-	302,069
Youth Advisory Committee	7,180	-	-	7,180
School Crossing Guards	-	-	-	-
Telecommunications	425,506	-	-	425,506
	<u>31,859,773</u>	<u>18,114</u>	<u>715,267</u>	<u>31,162,620</u>
Public Works:	6,947,956	-	-	6,947,956
Public Works Administration	191,548	-	-	191,548
Streets and Traffic Administration	2,744,200	-	-	2,744,200
Streets	2,302,692	698,257	11,812	2,989,137
Signals	418,987	-	8,842	410,145
Signs and Markings	897,960	-	-	897,960
Sign Shop	186,012	-	-	186,012
Street and ROW Coordination	678,856	-	-	678,856
Infrastructure	804,829,265	30,520,100	-	835,349,365
	<u>819,197,476</u>	<u>31,218,357</u>	<u>20,654</u>	<u>850,395,179</u>
Construction in progress	<u>104,982,804</u>	<u>47,637,609</u>	<u>25,375,146</u>	<u>127,245,267</u>
	<u>104,982,804</u>	<u>47,637,609</u>	<u>25,375,146</u>	<u>127,245,267</u>
Other:				
Non-departmental	899,151	1,152,722	1,543	2,050,330
	<u>899,151</u>	<u>1,152,722</u>	<u>1,543</u>	<u>2,050,330</u>
	<u>\$ 1,232,704,686</u>	<u>\$ 87,854,273</u>	<u>\$ 27,649,022</u>	<u>\$ 1,292,909,937</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION
(unaudited)

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	101-106
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	107-110
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	111-116
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	117-118
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	119-123

CITY OF PLANO, TEXAS
NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
Governmental activities						
Invested in capital assets, net of related debt	\$650,438,402	\$613,733,146	\$589,409,075	\$479,414,392	\$461,267,761	\$425,662,237
Restricted	2,149,959	1,922,052	216,903	87,341,705	97,815,890	68,789,774
Unrestricted	75,071,790	56,238,723	51,176,536	49,956,552	35,423,813	64,644,053
Total governmental activities net assets	<u>\$727,660,151</u>	<u>\$671,893,921</u>	<u>\$640,802,514</u>	<u>\$616,712,649</u>	<u>\$594,507,464</u>	<u>\$559,096,064</u>
Business-type activities						
Invested in capital assets, net of related debt	\$356,802,993	\$350,430,598	\$347,518,646	\$313,029,967	\$305,107,182	\$289,013,497
Restricted	6,532,464	5,306,823	6,766,092	28,039,557	26,786,728	33,293,518
Unrestricted	24,893,803	18,175,790	15,882,295	25,278,444	26,035,008	28,278,643
Total business-type activities net assets	<u>\$388,229,260</u>	<u>\$373,913,211</u>	<u>\$370,167,033</u>	<u>\$366,347,968</u>	<u>\$357,928,918</u>	<u>\$350,585,658</u>
Primary government						
Invested in capital assets, net of related debt	\$1,007,241,395	\$964,163,744	\$936,927,721	\$792,444,359	\$766,374,943	\$714,675,734
Restricted	8,682,423	7,228,875	6,982,995	115,381,262	124,602,618	102,083,292
Unrestricted	99,965,593	74,414,513	67,058,831	75,234,996	61,458,821	92,922,696
Total primary government net assets	<u>\$1,115,889,411</u>	<u>\$1,045,807,132</u>	<u>\$1,010,969,547</u>	<u>\$983,060,617</u>	<u>\$952,436,382</u>	<u>\$909,681,722</u>

Source: Comprehensive Annual Financial Report

Note: The City implemented GASB Statement No. 34 in fiscal year 2001, thus 10 years of data is not available.

CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
Expenses						
Governmental activities:						
General government	\$12,869,160	\$9,610,588	\$12,512,878	\$17,438,330	\$20,985,117	\$18,355,535
Administrative services	7,249,106	6,793,122	5,768,394	6,528,175	6,828,203	6,592,633
Police	52,661,945	52,064,166	48,243,055	45,893,819	45,446,673	42,581,088
Fire	40,171,670	33,765,963	30,628,041	29,814,653	27,914,879	27,054,838
Libraries	9,616,271	8,921,361	9,061,682	9,350,720	10,410,453	9,284,824
Development	18,482,899	17,415,770	16,295,697	15,320,345	16,981,049	15,355,833
Public services and operations	5,069,129	4,760,409	4,879,335	4,607,610	5,019,854	4,703,802
Parks and recreation	20,491,397	19,220,854	17,705,076	18,614,020	21,945,020	20,092,645
Public works	25,864,753	25,047,789	24,743,556	25,157,249	15,572,746	15,286,957
Technology services	11,113,407	12,319,110	11,963,912	9,596,783	8,422,018	8,040,874
Other	858,379	633,447	752,988	752,748	92,178	2,736,606
Interest on Long-Term Debt	12,009,766	9,882,495	13,907,340	14,830,089	16,514,330	17,666,935
Unallocated depreciation	93,337	37,954	38,323	41,175	81,359	79,865
Total governmental activities expenses	216,551,219	200,473,028	196,500,277	197,945,716	196,213,879	187,832,435
Business-type activities:						
Water and sewer	79,400,088	74,996,817	71,292,512	69,729,462	63,207,453	59,070,751
Environmental waste services	18,346,330	17,775,614	15,856,929	15,640,696	15,078,559	14,906,908
Municipal drainage	3,118,453	3,012,858	2,895,673	2,586,813	2,257,100	2,035,853
Civic center	5,751,129	5,488,081	5,075,801	5,107,302	5,326,148	5,327,149
Municipal golf course	935,483	1,052,789	1,188,468	927,797	872,512	814,230
Property management	25,940	65,746	86,193	75,118	33,117	53,168
Recreation revolving	2,436,064	2,471,405	2,409,349	2,401,070	2,274,243	2,006,723
Downtown center development	43,356	42,668	42,668	42,668	34,412	63,484
Total business-type activities expenses	110,056,843	104,905,978	98,847,593	96,510,926	89,083,544	84,278,266
Total primary government expenses	\$326,608,062	\$305,379,006	\$295,347,870	\$294,456,642	\$285,297,423	\$272,110,701
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$1,056,168	\$1,123,970	\$896,238	\$622,533	\$498,562	\$417,460
Police	12,839,712	11,401,502	12,162,718	11,986,491	11,647,864	10,464,785
Fire	3,396,538	3,114,030	2,807,624	2,630,739	2,665,946	2,299,985
Libraries	478,457	415,128	413,414	384,080	359,232	262,828
Development	7,038,776	5,363,885	4,849,896	4,503,747	4,033,639	6,400,990
Public services and operations	1,005,080	900,055	882,984	803,013	700,666	582,456
Parks and recreation	2,629,899	2,088,269	2,269,333	2,234,251	2,271,951	2,527,506
Public works	93,534	670,985	115,206	830,296	395,593	1,906,780
Technology services	2,315,210	2,713,243	1,411,457	2,388,886	1,904,632	1,637,408
Operating grants and contributions	9,695,987	4,419,525	3,979,053	3,714,781	3,394,749	3,286,849
Capital grants and contributions	16,672,181	11,494,632	9,479,363	11,396,047	32,522,496	7,162,367
Total governmental activities program revenues	57,221,542	43,705,224	39,267,286	41,494,864	60,395,330	36,949,414

(continued)

CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2
(continued)

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
Business-type activities:						
Charges for services:						
Water and sewer	\$90,197,835	\$80,490,282	\$75,116,766	\$78,836,837	\$63,374,773	\$56,000,539
Environmental waste services	18,660,791	17,493,907	16,947,888	15,078,214	14,434,409	14,070,782
Municipal drainage	4,918,531	4,653,546	4,684,635	4,651,887	4,250,933	3,579,115
Civic center	2,414,989	2,203,629	1,968,913	1,969,739	2,197,003	2,226,117
Municipal golf course	907,325	1,009,294	905,720	863,653	953,588	956,099
Property management	85,789	84,468	74,301	94,538	65,779	75,444
Recreation revolving	2,656,865	2,600,095	2,591,140	2,486,156	2,444,845	2,159,850
Downtown center development	68,127	67,679	67,879	84,596	736	-
Operating grants and contributions	22,828	259,951	15,107	260,702	-	2,850
Capital grants and contributions	10,048,819	7,762,146	6,746,298	6,612,238	12,293,848	11,176,751
Total business-type activities program revenues	<u>129,981,899</u>	<u>116,624,997</u>	<u>109,118,647</u>	<u>110,938,560</u>	<u>100,015,914</u>	<u>90,247,547</u>
Total primary government program revenues	<u>\$187,203,441</u>	<u>\$160,330,221</u>	<u>\$148,385,933</u>	<u>\$152,433,424</u>	<u>\$160,411,244</u>	<u>\$127,196,961</u>
Net (Expense) Revenue						
Governmental Activities	(159,329,677)	(156,767,804)	(157,232,991)	(156,450,852)	(135,818,549)	(150,883,021)
Business-type Activities	19,925,056	11,719,019	10,271,054	14,427,634	10,932,370	5,969,281
Total primary government net (expense)	<u>(139,404,621)</u>	<u>(145,048,785)</u>	<u>(146,961,937)</u>	<u>(142,023,218)</u>	<u>(124,886,179)</u>	<u>(144,913,740)</u>
General revenues and transfers						
Governmental activities:						
Property taxes	\$104,809,088	\$100,094,935	\$97,679,382	\$97,806,975	\$89,723,339	\$84,499,132
Sales taxes	65,320,897	52,251,009	49,602,196	45,932,804	45,591,342	47,569,128
Mixed drink taxes	814,346	680,135	613,182	548,213	508,009	475,118
Other taxes	215,439	135,574	129,814	92,480	146,765	143,061
Franchise fees	22,114,560	19,200,896	19,226,216	19,896,556	19,916,471	19,335,868
Investment income	9,914,048	3,558,018	3,797,449	4,546,042	7,205,315	11,227,523
Transfers	11,907,529	11,938,644	10,274,617	9,832,967	8,138,708	5,600,488
Total governmental activities	<u>215,095,907</u>	<u>187,859,211</u>	<u>181,322,856</u>	<u>178,656,037</u>	<u>171,229,949</u>	<u>168,850,318</u>
Business-type activities:						
Hotel/Motel tax	4,416,422	3,423,055	3,076,824	2,900,308	2,699,230	3,202,533
Investment income	1,882,100	542,748	745,804	924,075	1,850,368	4,289,004
Transfers	(11,907,529)	(11,938,644)	(10,274,617)	(9,832,967)	(8,138,708)	(4,675,730)
Total business-type activities	<u>(5,609,007)</u>	<u>(7,972,841)</u>	<u>(6,451,989)</u>	<u>(6,008,584)</u>	<u>(3,589,110)</u>	<u>2,815,807</u>
Total primary government	<u>\$209,486,900</u>	<u>\$179,886,370</u>	<u>\$174,870,867</u>	<u>\$172,647,453</u>	<u>\$167,640,839</u>	<u>\$171,666,125</u>
Change in Net Assets						
Governmental activities	\$55,766,230	\$31,091,407	\$24,089,865	\$22,205,185	\$35,411,400	\$17,967,297
Business-type activities	14,316,049	3,746,178	3,819,065	8,419,050	7,343,260	8,785,088
Total primary government	<u>\$70,082,279</u>	<u>\$34,837,585</u>	<u>27,908,930</u>	<u>30,624,235</u>	<u>42,754,660</u>	<u>26,752,385</u>

Source: Comprehensive Annual Financial Report

Note: The City implemented GASB Statement No. 34 in fiscal year 2001, thus 10 years of data is not available.

CITY OF PLANO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 3

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved for encumbrances	\$2,776,694	\$2,283,707	\$3,718,284	\$1,682,711	\$2,747,069	\$4,574,168	\$4,441,987	\$5,227,781	\$4,644,420	\$2,987,924
Reserved for prepaids	229,018	145,343	114,548	50,622	30,273	26,106	35,103	99,218	34,979	40,247
Reserved for long term loans	7,310,017	7,672,675	7,916,108	7,468,026	7,005,764	3,600,325	2,833	-	-	-
Unreserved	38,488,933	29,122,461	27,747,994	20,600,580	13,096,232	14,320,196	19,605,217	16,054,036	19,746,371	19,654,583
Total general fund	\$48,804,662	\$39,224,186	\$39,496,934	\$29,801,939	\$22,879,338	\$22,520,795	\$24,085,140	\$21,381,035	\$24,425,770	\$22,682,754
All Other Governmental Funds										
Reserved for:										
Encumbrances	\$39,234,962	\$19,366,204	\$19,541,095	\$8,417,242	\$15,661,184	\$20,202,444	\$27,316,311	\$25,924,001	\$21,785,590	\$18,325,897
Prepays and other assets	4,490	205,108	6,415	325	150	2,286	465	650	-	200
Debt service	2,171,565	1,937,365	224,322	719,504	5,975,191	4,759,993	1,944,438	1,977,192	3,287,015	3,438,774
Long term loans and advances	-	775,299	951,845	-	-	-	-	-	-	-
Capital projects	54,451,744	52,861,830	21,211,416	68,944,146	64,648,100	60,803,970	33,635,418	34,328,974	30,453,789	24,031,170
Unreserved, reported in:										
Special Revenue funds	13,184,351	10,306,964	8,883,675	8,196,811	7,523,025	4,906,653	2,822,592	1,483,001	1,069,250	1,078,938
Capital Projects funds	705,600	666,097	18,482,081	(281,966)	(1,370,776)	(4,269,534)	(6,110,231)	(1,397,024)	(798,682)	(1,231,109)
Total all other governmental funds	\$109,752,712	\$86,118,867	\$69,300,849	\$85,996,062	\$92,436,874	\$86,405,812	\$59,608,993	\$62,316,794	\$55,796,962	\$45,643,870

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues:										
Taxes-										
Property taxes	\$97,121,351	\$93,311,613	\$91,655,523	\$90,100,086	\$85,228,237	\$77,822,525	\$71,054,998	\$62,782,307	\$59,255,973	\$52,774,035
Other taxes	59,581,037	53,007,928	50,289,482	46,555,857	46,167,605	48,119,027	46,683,884	40,329,589	35,832,711	32,791,467
Franchise fees	21,720,865	19,200,896	19,226,216	19,698,926	19,700,523	19,090,181	15,120,762	14,085,493	13,150,681	11,699,553
Fines and forfeitures	10,125,683	8,961,337	9,806,522	9,738,545	8,809,121	7,845,797	6,508,695	5,308,765	4,177,226	4,445,027
Contributions	1,081,788	3,826,173	2,017,253	3,636,791	13,162,633	7,407,334	9,141,106	6,597,968	6,675,062	1,139,815
Rollback taxes	735,757	223,159	205,506	350,203	-	1,106,206	1,043,361	1,140,776	-	-
Licenses and permits	6,800,126	5,195,516	5,131,810	4,831,824	4,381,369	6,025,513	6,959,848	6,576,147	6,823,719	6,160,525
Intragovernmental	6,592,673	6,235,373	5,851,135	5,940,984	5,089,048	4,842,117	4,877,386	4,655,182	4,404,210	3,884,954
Intergovernmental	8,744,104	3,898,076	2,983,278	2,767,470	2,378,724	2,354,764	2,212,066	2,858,445	1,792,984	1,912,361
Fees for services	11,177,263	9,705,325	8,846,147	8,540,621	8,532,636	8,926,426	8,709,263	9,457,160	8,654,091	8,994,938
Assessments	443,672	202,427	197,763	542,131	44,445	567,590	582,653	506,953	160,559	700,379
Investment income	7,777,156	2,727,800	3,019,984	3,687,989	5,531,416	8,647,429	6,577,294	3,868,468	6,440,462	5,546,118
Proceeds from sale of capital assets	-	-	21,000	-	-	-	-	-	-	-
Miscellaneous	4,865,976	1,262,983	1,111,417	1,045,888	889,639	786,238	585,973	583,095	801,991	800,738
Total Revenues	236,767,451	207,758,606	200,363,036	197,437,315	199,915,396	193,541,147	180,057,289	158,750,348	148,169,669	130,849,910
Expenditures:										
Current-										
General government	1,309,980	577,990	2,764,025	2,912,453	3,194,862	2,722,284	-	-	-	-
Administrative services	7,282,215	6,892,456	6,312,095	6,509,715	6,581,342	6,344,653	-	-	-	-
Police	53,618,495	51,031,849	47,219,455	43,743,086	42,647,390	39,486,865	-	-	-	-
Fire	40,124,063	33,650,136	29,026,018	28,248,820	25,895,256	24,495,435	-	-	-	-
Libraries	9,238,861	8,705,346	8,564,913	8,702,926	8,619,718	7,874,877	-	-	-	-
Development	18,420,446	17,233,160	16,078,528	15,178,820	16,126,052	14,736,448	-	-	-	-
Public services and operations	5,063,124	4,786,528	4,548,593	4,363,610	4,632,868	4,323,585	-	-	-	-
Parks and recreation	16,709,740	15,891,574	13,961,744	13,602,042	13,384,235	12,318,857	-	-	-	-
Environmental waste services	19,845	215,025	14,194	249,778	-	-	-	-	-	-
Public works	5,273,610	5,395,278	4,948,866	5,038,706	4,843,160	4,849,468	-	-	-	-
Other	18,381,077	17,403,344	13,747,316	17,752,756	15,284,555	16,502,541	-	-	-	-
Capital outlay	49,933,401	44,443,506	35,349,894	41,042,654	40,704,962	46,091,229	-	-	-	-
General government	-	-	-	-	-	-	30,334,973	25,854,262	25,738,646	19,495,499
Public Safety	-	-	-	-	-	-	58,758,930	52,694,681	46,226,647	41,541,137
Community services	-	-	-	-	-	-	27,916,785	24,717,069	21,574,431	20,752,392
Public works	-	-	-	-	-	-	4,737,909	4,218,523	4,234,401	4,139,039
Capital Outlay	-	-	-	-	-	-	55,403,432	46,987,072	35,208,306	34,425,322
Debt service-										
Principal retirement	20,510,000	19,407,991	18,187,142	17,688,449	16,681,306	15,802,440	20,495,000	19,600,000	18,555,000	16,715,000
Interest and fiscal charges	12,154,302	10,669,530	13,527,706	14,616,031	15,970,668	17,650,384	11,332,423	11,949,394	11,989,026	11,666,927
Escrow payment-refunding	-	-	-	-	1,216,610	-	-	-	-	-
Bond accretion	-	962,009	-	-	-	-	-	-	-	-
Total Expenditures	258,039,159	237,265,722	214,250,489	219,649,846	215,782,984	213,199,066	208,979,452	186,021,001	163,526,457	148,735,316
Excess (Deficiency) Of Revenues										
Over Expenditures	(21,271,708)	(29,507,116)	(13,887,453)	(22,212,531)	(15,867,588)	(19,657,919)	(28,922,163)	(27,270,653)	(15,356,788)	(17,885,406)

(continued)

**CITY OF PLANO, TEXAS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (unaudited)**

Table 4
 (continued)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Other Financing										
Sources (Uses):										
Proceeds from sale of bonds	45,955,000	37,190,000	-	20,314,000	15,630,000	38,510,000	24,330,000	25,370,000	22,884,499	-
Tax anticipation note and bond premiums	-	-	-	-	-	637,205	-	-	-	-
Bond proceeds-refunding	-	78,380,000	-	22,796,533	42,842,287	-	-	-	28,536,700	25,845,919
Premium on sale of bonds	-	5,866,266	-	-	-	-	1,883	4,253	-	-
Discount on sale of bonds	-	(200,473)	-	-	-	-	-	-	-	-
Escrow payment-refunding	-	(84,067,431)	-	(23,151,258)	(42,503,801)	-	-	-	(28,111,885)	-
Sale of land	-	336,536	-	-	-	-	-	-	-	5,183
Operating transfers in	25,882,971	22,349,005	21,611,533	17,910,089	16,538,678	19,562,088	11,866,356	15,188,336	12,822,936	9,534,970
Operating transfers out	(14,366,248)	(13,801,517)	(14,724,298)	(15,175,044)	(10,249,971)	(13,818,900)	(7,279,772)	(9,816,839)	(8,415,678)	(7,205,605)
Total Other Financing										
Sources (Uses)	57,471,723	46,052,386	6,887,235	22,694,320	22,257,193	44,890,393	28,918,467	30,745,750	27,716,572	28,180,467
Net change in fund balances	36,200,015	16,545,270	(7,000,218)	481,789	6,389,605	25,232,474	(3,696)	3,475,097	12,359,784	10,295,061
Debt service as a percentage of noncapital expenditures	15.7%	16.1%	17.7%	18.1%	19.3%	15.7%	20.7%	22.7%	23.8%	24.8%

**CITY OF PLANO, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
 TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 5

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
1997	7,951,293,473	2,591,416,103	1,552,280,683	1,624,032,077	10,470,958,182	0.4985
1998	8,983,141,490	3,139,805,852	1,819,459,921	2,284,752,153	11,657,655,110	0.4985
1999	10,105,409,869	3,814,047,977	2,003,213,399	2,603,867,932	13,318,803,313	0.4685
2000	11,545,972,673	4,310,895,509	1,928,110,972	2,814,264,430	14,970,714,724	0.4685
2001	12,996,818,388	5,096,813,143	2,132,562,355	3,274,218,669	16,951,975,217	0.4585
2002	14,142,191,479	5,949,271,808	2,733,219,210	3,901,586,146	18,923,096,351	0.4535
2003	15,264,661,366	6,407,096,419	2,617,931,276	4,095,469,553	20,194,219,508	0.4535
2004	15,881,648,854	6,294,650,068	2,266,621,779	4,044,250,374	20,398,670,327	0.4535
2005	16,332,126,225	6,546,216,987	2,242,943,854	4,251,552,256	20,869,734,810	0.4535
2006	16,979,745,491	6,758,241,962	2,255,993,450	4,344,715,518	21,649,265,385	0.4535

Source: Collin County Central Appraisal District based on original tax roll

Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

**CITY OF PLANO, TEXAS
PROPERTY TAX RATES/ASSESSMENT RATIOS -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)**

Table 6

Fiscal Year (1)	General Fund	Collin County																
		City of Plano		Plano School District		Allen School District		Collin County		Frisco School District		Lewisville School District		Denton County		Communtiy College		
		Debt Service Fund	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio
1997	0.2433	0.2552	0.4985	100	1.500	100	1.67	100	0.2600	100	1.529	100	1.516	100	0.2669	100	0.099	100
1998	0.2608	0.2377	0.4985	100	1.540	100	1.74	100	0.2600	100	1.514	100	1.516	100	0.2559	100	0.099	100
1999	0.2538	0.2147	0.4685	100	1.540	100	1.89	100	0.2708	100	1.514	100	1.610	100	0.2488	100	0.099	100
2000	0.2708	0.1977	0.4685	100	1.579	100	1.89	100	0.2500	100	1.440	100	1.567	100	0.235	100	0.097	100
2001	0.2614	0.1971	0.4585	100	1.5531	100	1.76	100	0.2500	100	1.420	100	1.610	100	0.232	100	0.094	100
2002	0.2690	0.1845	0.4535	100	1.6285	100	1.83	100	0.2500	100	1.440	100	1.670	100	0.252	100	0.093	100
2003	0.2864	0.1671	0.4535	100	1.7034	100	1.81	100	0.2500	100	1.498	100	1.770	100	0.249	100	0.092	100
2004	0.2908	0.1627	0.4535	100	1.7334	100	1.93	100	0.2500	100	1.558	100	1.770	100	0.247	100	0.092	100
2005	0.2810	0.1725	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.630	100	1.770	100	0.255	100	0.091	100
2006	0.2888	0.1647	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.580	100	1.770	100	0.246	100	0.089	100

(1) For School Districts, fiscal years end on August 31, and, beginning in 1992, include the County Education District tax rate.

NOTE: Property tax rates are levied per \$100 assessed valuation.

Sources: Representatives of the various taxing jurisdictions.

**CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Table 7

Name of Taxpayer	2006			1997		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
TXU Electric Delivery Company	\$176,833,287	1	0.81	\$ -	-	-
J.C. Penney, Inc.	162,979,052	2	0.75	214,190,380	2	2.02
Alcatel USA Sourcing LP	141,359,478	3	0.65	-	-	-
Electronic Data Systems	134,832,418	4	0.62	375,515,988	1	3.55
Willow Bend Association	115,539,989	5	0.53	-	-	-
EDS Information Services	109,634,011	6	0.50	-	-	-
Dallas Morning News	81,109,799	7	0.37	92,093,443	7	0.87
Collin Creek Mall	76,418,575	8	0.35	87,354,056	8	0.82
Tollway/121 Partners LTD	75,791,735	9	0.35	-	-	-
Texas Instruments	68,898,691	10	0.32	116,349,825	5	1.10
Digital Switch Corporation	-	-	-	193,513,444	3	1.83
TU Electric	-	-	-	119,747,772	4	1.13
Atlantic Richfield	-	-	-	68,510,547	9	0.65
Frito-Lay	-	-	-	99,540,062	6	0.94
Dayton-Hudson	-	-	-	67,308,626	10	0.64
Total	1,143,397,035		5.22	1,434,124,143		13.54

Source: Collin County Appraisal District

**CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)**

Table 8

Fiscal Year	Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Accumulated Delinquent Taxes to Current Levy
1997	\$52,804,168	\$52,051,452	-	\$52,051,452	98.6%	\$741,258	\$52,792,710	99.98%
1998	59,162,367	58,370,749	-	58,370,749	98.7	776,814	59,147,563	99.97
1999	63,228,936	62,097,393	-	62,097,393	98.2	1,091,844	63,189,237	99.94
2000	70,664,029	69,961,280	-	69,961,280	99.0	657,101	70,618,381	99.94
2001	78,095,849	76,907,817	370,402	77,278,219	99.0	1,086,376	78,364,595	100.34
2002	85,697,627	84,108,496	729,535	84,838,031	99.0	1,416,104	86,254,135	100.65
2003	91,504,269	89,097,226	1,491,645	90,588,871	99.0	2,186,742	92,775,613	101.39
2004	92,724,955	90,573,604	1,349,783	91,923,387	99.1	1,913,073	93,836,460	101.20
2005	94,735,250	92,286,096	1,455,736	93,741,832	99.0	2,158,992	95,900,824	101.23
2006	98,580,157	95,754,030	1,588,800	97,342,830	98.7	-	97,342,830	98.74

**CITY OF PLANO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)**

Table 9

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Water and Sewer Revenue Bonds	Solid Waste General Obligation Bonds	Municipal Drainage Revenue Bonds			
1997	\$215,977,327	-	\$41,018,407	\$735,000	\$11,570,000	\$269,300,734	6.26	1,400
1998	221,802,327	-	37,563,407	505,000	12,570,000	272,440,734	5.18	1,261
1999	227,362,327	-	34,068,407	260,000	14,740,000	276,430,734	4.30	1,255
2000	231,197,327	-	30,528,407	-	14,230,000	275,955,734	4.11	1,183
2001	253,904,888	17,670,000	27,078,407	-	18,180,000	316,833,295	4.61	1,375
2002	251,053,582	15,155,000	23,668,407	-	17,365,000	307,241,989	3.67	1,302
2003	252,765,133	12,200,000	18,187,939	-	20,255,000	303,408,072	3.50	1,261
2004	234,577,991	9,115,000	15,555,143	-	19,325,000	278,573,134	3.34	1,132
2005	252,290,000	5,900,000	12,988,168	-	21,445,000	292,623,168	3.43	1,176
2006	276,470,000	2,555,000	10,472,042	-	21,730,000	311,227,042	3.28	1,225

Note: See Table 15 for personal income and population data.

CITY OF PLANO, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Table 10

	Governmental Activities			Percentage of Actual Taxable Value	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Total Primary Government		
1997	\$215,977,327	\$ -	\$215,977,327	2.04	\$1,123
1998	221,802,327	-	221,802,327	1.87	1,027
1999	227,362,327	-	227,362,327	1.68	1,033
2000	231,197,327	-	231,197,327	1.53	991
2001	253,904,888	17,670,000	271,574,888	1.59	1,179
2002	251,053,582	15,155,000	266,208,582	1.41	1,128
2003	252,765,133	12,200,000	264,965,133	1.31	1,102
2004	234,577,991	9,115,000	243,692,991	1.19	990
2005	252,290,000	5,900,000	258,190,000	1.24	1,037
2006	276,470,000	2,555,000	279,025,000	1.28	1,098

See Table 5 for property value data.
See Table for 15 for population data.

**CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2006
(unaudited)**

Table 11

Taxing Body	Net General Bonded Debt	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 274,298,435	100.00%	\$ 274,298,435
Total direct debt	<u>274,298,435</u>		<u>274,298,435</u>
Plano Independent School District	757,188,000	74.93%	567,360,968
Collin County	248,700,000	47.42%	117,933,540
Denton County	174,702,571	0.53%	925,924
Frisco Independent School District	665,085,284	3.21%	21,349,238
Allen Independent School District	246,816,930	0.69%	1,703,037
Lewisville Independent School District	627,575,915	1.24%	7,781,941
Collin County Community College	54,315,000	47.42%	25,756,173
Total overlapping debt	<u>2,774,383,700</u>		<u>742,810,821</u>
Total direct and overlapping bonded debt	<u>\$ 3,048,682,135</u>		<u>\$ 1,017,109,256</u>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			<u>4.68%</u>
Per capita overlapping bonded debt			<u>\$ 4,003</u>

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

**CITY OF PLANO, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2006
(unaudited)**

Table 12

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2005, is \$0.4535 per \$100.00 with assessed valuation at 100% of market value.

**CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS
(unaudited)**

Table 13

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements			Coverage
				Principal	Interest	Total	
1997	49,527,223	28,892,281	20,634,942	2,632,197	1,134,781	3,766,978	5.48
1998	56,134,401	30,747,680	25,386,721	2,575,765	1,066,570	3,642,335	6.97
1999	56,214,422	35,813,341	20,401,081	2,472,209	935,020	3,407,229	5.99
2000	60,100,870	38,956,651	21,144,219	2,391,779	929,567	3,321,346	6.37
2001	55,670,700	44,854,515	10,816,185	2,337,704	890,986	3,228,690	3.35
2002	63,036,735	47,308,016	15,728,719	2,236,385	848,490	3,084,875	5.10
2003	78,194,671	52,483,907	25,710,764	1,666,071	473,851	2,139,922	12.01
2004	74,706,630	54,579,731	20,126,899	1,568,586	414,900	1,983,486	10.15
2005	80,074,804	58,161,700	21,913,104	1,456,617	318,752	1,775,369	12.34
2006	89,735,898	61,879,529	27,856,369	1,322,784	218,834	1,541,618	18.07

Note: Direct operating expense excludes depreciation and charges in lieu of taxes.

**CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)**

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Maximum Annual Debt Service Requirement			Coverage
				Principal	Interest	Total	
1997	2,428,628	1,214,965	2.00	390,000	667,700	1,057,700	1.54
1998	2,673,544	1,185,243	2.26	460,000	629,778	1,089,778	1.15
1999	2,615,883	1,164,802	2.25	510,000	786,671	1,296,671	1.37
2000	2,911,277	1,373,898	2.12	580,000	715,250	1,295,250	1.12
2001	3,885,818	1,381,379	2.81	815,000	828,508	1,643,508	1.19
2002	4,529,784	1,660,378	2.73	1,330,000	318,631	1,648,631	1.52
2003	4,813,110	1,576,324	3.05	1,510,000	411,084	1,921,084	1.68
2004	4,856,102	1,619,998	3.00	1,510,000	411,084	1,921,084	1.68
2005	4,787,315	1,938,716	2.47	1,635,000	467,365	2,102,365	1.70
2006	5,620,198	2,062,502	2.72	1,700,000	515,468	2,215,468	2.70

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least equal to 1.00 times the operating and maintenance expenses (excluding depreciation) and 1.10 times the maximum annual debt service for all outstanding bonds.

**CITY OF PLANO, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
1997	192,400	4,299,101	22,345	43,325	2.2
1998	216,000	5,258,618	24,345	43,460	2.0
1999	220,200	6,428,478	29,194	43,514	2.0
2000	233,200	6,720,560	28,819	46,115	2.2
2001	230,409	6,873,745	29,833	47,364	4.3
2002	235,949	8,360,561	35,434	50,632	5.6
2003	240,545	8,663,388	36,016	51,800	5.9
2004	246,098	8,337,833	33,880	51,244	3.8
2005	248,912	8,535,705	34,292	51,446	4.4
2006	254,082	9,491,143	37,355	53,181	4.0

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U. S. Census Bureau for the year 2005. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

**CITY OF PLANO, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND EIGHT YEARS AGO
 (unaudited)**

Table 16

2006			1998		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Countrywide Home Loans	5,566	3.96	Electronic Data Systems	12,000	10.43
J.C. Penney, Inc.	4,650	3.31	J.C. Penney, Inc.	4,000	3.48
Electronic Data Systems	4,310	3.06	DSC Communications Corporation	3,800	3.30
Perot Systems Corporation	2,732	1.94	Texas Instruments Incorporated	2,700	2.35
Raytheon Corporation	2,400	1.71	Frito-Lay	2,400	2.09
Alcatel	2,280	1.62	J.C. Penney Life Insurance	1,357	1.18
Frito-Lay	2,050	1.46	HCA Medical Center of Plano	1,200	1.04
CHC Acquisition Corporation	2,000	1.42	Dallas Morning News	950	0.83
Dr. Pepper/SevenUp Corporation	1,700	1.21	Countrywide Home Loans	800	0.70
Presbyterian Hospital of Plano	1,581	1.12	Dr. Pepper/SevenUp Corporation	750	0.65
Total	29,269	20.83	Total	29,957	26.05

Sources: North Central Texas Council of Governments statistical and census data and Texas Workforce Commission.

**CITY OF PLANO, TEXAS
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 17

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General government	67.0	62.5	63.0	64.0	64.0	63.0	60.0	58.5	N/A	N/A
Administrative services	74.5	77.5	73.0	75.0	82.0	80.5	77.0	73.5	N/A	N/A
Police	622.0	630.5	607.0	613.5	612.5	587.0	542.5	528.5	N/A	N/A
Fire	322.0	298.5	300.5	293.5	292.5	288.0	281.5	264.0	N/A	N/A
Libraries	167.0	161.0	161.5	173.0	174.5	170.5	148.5	143.0	N/A	N/A
Development	174.0	170.0	167.0	174.5	178.0	178.5	176.5	163.0	N/A	N/A
Public services and operations	64.0	71.0	66.5	68.5	66.5	68.0	62.5	56.0	N/A	N/A
Parks and recreation	303.5	299.5	301.5	293.0	300.0	263.5	228.5	191.5	N/A	N/A
Public works	63.0	64.0	62.5	61.0	65.0	62.5	69.0	67.5	N/A	N/A
Technology services	46.0	46.0	41.0	40.0	40.0	36.0	34.0	31.0	N/A	N/A
Water and sewer	139.5	144.5	148.5	139.0	143.0	137.0	119.0	117.0	N/A	N/A
Environmental waste services	85.0	86.5	86.0	83.5	85.0	84.0	69.0	64.5	N/A	N/A
Municipal drainage	18.0	18.5	18.0	18.0	15.0	15.5	15.5	12.5	N/A	N/A
Civic center	46.0	48.0	47.0	40.5	40.5	39.0	37.0	31.5	N/A	N/A
Municipal golf course	9.0	10.0	10.0	9.0	10.0	10.0	9.0	10.5	N/A	N/A
Recreation revolving	111.5	131.0	135.5	143.0	142.0	124.0	105.5	102.5	N/A	N/A
Total	2,312.0	2,319.0	2,288.5	2,289.0	2,310.5	2,207.0	2,035.0	1,915.0		

N/A - Data not available

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 18

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Administrative Services										
Legal										
Ordinance/resolution review/preparation	605	525	500	700	600	600	775	750	727	727
Human Resources										
Full-time employees	1,991	1,952	1,840	1,856	1,890	1,875	1,765	1,685	1,549	1,457
Accounting										
Payment requests processed	84,642	76,872	70,000	84,000	58,000	70,000	70,000	66,500	67,400	64,500
Police										
Employees (uniformed)	335	329	323	315	322	315	309	251	275	245
Citations	101,199	93,502	101,804	109,422	102,345	88,204	69,736	56,905	42,265	58,026
Public Safety Communications										
911 calls*	169,559	168,560	161,332	178,410	177,398	182,848	159,853	124,333	137,088	112,980
911 dispatches*	150,904	142,993	146,592	137,212	141,008	134,670	131,312	109,929	111,992	111,055
Fire										
Employees (uniformed)	308	287	282	276	274	269	267	284	227	198
Fire runs	18,178	17,085	16,011	17,214	16,936	16,640	15,034	14,255	13,120	12,288
EMS runs	10,786	10,214	9,362	9,022	8,968	8,946	8,259	7,564	7,118	6,641
Libraries										
Volumes in collection	738,939	730,837	686,861	648,998	642,692	605,735	578,311	506,697	437,193	398,925
Registered borrowers	174,970	184,980	176,355	167,370	144,386	140,161	127,902	126,035	122,702	132,972
Development										
Building Inspections										
Inspections (all construction)	91,166	91,401	90,459	89,356	78,597	98,598	106,160	114,031	130,942	124,265
New construction permits issued	1,957	1,608	1,633	1,652	1,615	2,381	3,696	3,696	3,081	3,570
Engineering										
New Streets/Alleys paved (miles)	9	8	7	6	23	17	36	44	50	48
New Water lines installed (miles)	21	21	20	18	42	56	56	52	51	48
Public Services and Operations										
Environmental Health										
Inspections	3,445	3,593	3,476	3,292	2,984	2,602	2,852	2,445	2,212	2,850
Animal Control										
Animals impounded	5,464	6,848	5,413	5,546	5,723	3,544	6,192	6,148	3,972	4,485

(continued)

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

**Table 18
(continued)**

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Parks and Recreation										
Park maintain & operate per acre	462	543	524	NA						
Athletic field maintain & operate per acre	13,621	10,669	8,377	NA						
Recreation attendance	1,675,541	1,864,361	1,874,506	1,849,450	1,874,666	1,750,812	1,612,836	1,399,860	1,448,075	1,431,031
Recreation center members	15,849	16,412	14,815	15,498	20,274	19,795	15,388	14,430	NA	NA
Public Works										
Streets										
Street Excavate/Replace (Sq Ft)	828,864	469,602	752,382	779,175	835,587	409,014	456,858	510,876	331,263	396,027
Water and Sewer										
Water Customers	77,400	76,305	75,307	74,014	73,109	71,920	67,241	67,241	64,184	59,759
Average Daily Water Consumption (gal)	66,758,838	53,531,312	57,239,000	53,580,000	41,400,000	53,623,000	57,820,000	57,820,000	38,263,211	41,956,000
Maximum Storage Capacity (gal)	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	72,000,000	62,000,000	60,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	61,095	66,048	67,187	65,573	65,954	66,419	65,467	66,323	59,798	56,598
Bulky waste pickups (tons)	4,717	4,786	3,118	5,132	4,858	4,382	5,552	5,071	3,588	3,099
Recyclables collected (tons)	20,667	20,449	20,721	20,435	20,056	18,743	16,485	13,403	12,776	12,204
Yard trimmings collected (tons)	19,021	20,649	19,636	20,211	19,417	21,069	19,341	16,909	14,640	14,281
Municipal Drainage										
Environmental assessment requests	128	99	90	95	70	102	84	125	125	120
Storm sewer inlets maintained	10,200	9,800	9,500	9,050	9,078	8,972	8,700	8,700	8,700	8,700
Civic Center										
Events booked and serviced	1,205	861	803	1,000	1,370	853	875	871	798	772
Municipal Golf Course										
Rounds of golf played	55,670	58,917	61,188	54,654	61,428	66,183	70,342	72,948	71,811	75,259
Recreation Revolving										
Courses completed	6,220	6,514	6,005	5,270	5,670	5,551	4,701	NA	NA	NA

Source: City Departments

Notes: N/A - Data not available

*911 calls and 911 dispatches include all calls to 911 which represents both police and fire

Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 19

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	140	115	109	113	103	113	NA	NA	NA	NA
Number of motorcycle units	9	8	9	9	9	10	NA	NA	NA	NA
Fire										
Number of stations	10	10	10	10	10	10	10	10	9	9
Number of fire engines/trucks	21	20	19	NA						
Number of EMS trucks	9	8	8	NA						
Libraries										
Number of libraries	5	5	5	5	5	5	4	5	4	3
Development										
Planning										
Streets- Paved (miles)	990	980	973	966	961	944	903	903	857	857
Alleys- Paved (miles)	515	513	512	512	512	506	494	494	460	460
Public Services and Operations										
Animal Services										
Animal control trucks	11	7	7	7	NA	NA	NA	NA	NA	NA
Parks and Recreation										
Parks* (acres)	3,827	3,820	3,809	3,658	3,657	3,638	3,464	3,464	3,376	3,376
Athletic fields	175	175	175	175	187	187	188	173	176	157
Playgrounds	67	60	68	63	59	59	59	59	55	55
Recreation centers	4	4	3	3	3	3	3	2	2	2
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	3	3	3	3	3	3	3	3	3	3
Public Works										
Traffic signals	205	203	197	193	186	180	166	152	139	139

(continued)

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Table 19
(continued)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Water and Sewer										
Water mains (miles)	1,295	1,268	1,248	1,226	1,207	1,164	1,077	1,077	969	969
Sanitary sewers (miles)	981	968	959	952	923	923	874	874	802	802
Fire hydrants	13,555	13,224	12,906	12,646	12,356	11,774	10,622	10,622	9,277	9,277
Environmental Waste Services										
Collection trucks	38	37	NA							
Municipal Drainage										
Storm sewers (miles)	622	467	600	590	466	466	345	345	322	322
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments

Notes: N/A - Data not available.

*Includes Golf Course

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and City Council
City of Plano, Texas

We have audited the financial statements of the City of Plano, Texas (the "City"), as of and for the year ended September 30, 2006 and have issued our report thereon dated January 4, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal controls over financial reporting in order to determine our procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Mayor, City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

January 4, 2007

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and City Council
City of Plano, Texas

Compliance

We have audited the compliance of the City of Plano, Texas (the "City"), with the types of compliance requirements described in the *U.S. Office of Management and Budget* ("OMB") *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Mayor, City Council, management, and federal and awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

January 4, 2007

CITY OF PLANO, TEXAS

Schedule of Expenditures of Federal Awards

September 30, 2006

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through Entity identifying number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	B-06-MC-48-0035	\$ 1,182,735
HOME Program	14.239	M-06-MC-48-0234	660,912
Total U.S. Department of Housing and Urban Development			<u>1,843,647</u>
U.S. Department of Homeland Security:			
Passed through Governor's Division of Emergency Management			
Hurricane Katrina Evacuation	97.036	FEMA 3216-EM-TX	4,990,521
Hurricane Rita Evacuation	97.036	FEMA 1606-DR-TX	146,823
2004 Urban Areas Security Initiative	97.008	2004 UASI - 58016	309,111
2005 Urban Areas Security Initiative	97.008	2005 HSGP - 58016	105,398
2004 State Homeland Security Program	97.004	2004 SHSP - 58016	129,552
Pre-2004 State Homeland Security Program	97.073		56,863
2004 State Homeland Security LETPP	97.004	2004 LETPP - 58016	57,843
Passed through Texas Engineering Extension Service			
Texas Task Force One	97.025	Not Applicable	11,699
Total U.S. Department of Homeland Security			<u>5,807,810</u>
U.S. Department of Transportation:			
Passed through Texas Department of Transportation-			
TS-ITC STEP	20.600	586XXF6025	171,356
TS-CIOTSTEP	20.600	586XXF6135	5,172
Total U.S. Department of Transportation			<u>176,528</u>
U.S. Department of Agriculture:			
Passed through Texas Health and Human Services Commission-			
Parks and Recreation Summer Food Program	10.559	TX-043-1002	28,076
Passed through the Texas Forest Service, a member of the			
Texas A & M University System			
Urban Forestry Partnership Grant Program	10.664	05-04-04	10,000
Total U.S. Department of Agriculture			<u>38,076</u>
U.S. Department of Justice:			
Local Law Enforcement Block Grant			
Organized Crime Drug Enforcement Task Force	16.592	2004-LB-BX-0363	36,147
Subtotal Direct Programs	16.xxx	Not Applicable	20,776
Passed through Navarro County Sheriff's Office			
HIDTA - North Texas	16.xxx	Various	14,483
Passed through University of North Texas			
National Integrated Ballistic Information Network	16.609	72304-1	37,027
Passed through the City of Dallas			
High-Risk Metropolitan Area Interoperability Assistance Project	16.xxx	Not Applicable	10,000
Total U.S. Department of Justice			<u>118,433</u>
U.S. Department of Treasury:			
JTTF - Joint Terrorism Task Force	21.xxx	Not Applicable	1,118
MATF - Metro Alien Task Force	21.xxx	Not Applicable	9,395
NTAFTF - North Texas Asset Forfeiture Task Force	21.xxx	Not Applicable	4,970
FBI Computer Crime Lab Task Force			1,962
Total U.S. Department of Treasury			<u>17,445</u>
Total expenditures of federal awards			<u>\$ 8,001,939</u>

The accompanying notes are an integral part of this schedule.

CITY OF PLANO, TEXAS

Notes to Schedule of Expenditures of Federal Awards

September 30, 2006

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presents in, or used in the preparation of, the basic financial statements.

The City's reporting entity is defined in note 1 to the City's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

(2) Subrecipients

The City provided approximately \$449,000 and \$275,000 to subrecipients from the Community Development Block Grant and HOME program, respectively, and \$129,000 from the Governor's Division of Emergency Management for hurricane evacuation.

(3) Loans

At September 30, 2006, the amount of loans outstanding related to the Community Development Block Grant and HOME program were approximately \$893,000 and \$89,000, respectively. The amount of federal awards expended in the form of noncash assistance was approximately \$67,000.

CITY OF PLANO, TEXAS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2006**

I. Summary of Auditors' Results:

1. Type of auditors' report issued on the financial statements: Unqualified.
2. No internal control findings required to be reported in this schedule were disclosed in the audit of the financial statements.
3. Noncompliance that is material to the financial statements: None.
4. No internal control findings required to be reported in this schedule were disclosed in the audit of compliance of the major programs.
5. Type of auditors' report on compliance for major programs: Unqualified.
6. Did the audit disclose findings that are required to be reported under Sec. ___ 510(a): No.
7. Major programs include:
 - Federal Program:
 - U.S. Department of Homeland Security
 - CFDA #: 97.036, Hurricane Evacuation
8. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
9. Low-risk auditee: Yes.

II. Findings Related to the Financial Statements:

The audit disclosed no findings required to be reported.

III. Findings and Questioned Costs Related to the Federal Awards:

The audit disclosed no findings required to be reported.

IV. Status of Prior Year Audit Findings:

The prior year audit disclosed no findings required to be reported.

DRAFT

City of Plano, Texas

*Report to Management
Year Ended September 30, 2006*

January 4, 2007

Honorable Mayor and City Council
City of Plano, Texas

In planning and performing our audit of the basic financial statements of the City of Plano, Texas (the "City"), for the year ended September 30, 2006 (on which we have issued our report dated January 4, 2007), we considered its internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the City's internal control.

Such consideration of the internal control would not necessarily disclose all matters in the City's internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A description of the responsibility of management for establishing and maintaining the internal control, and of the objectives of and inherent limitations in such controls, is set forth in the attached Appendix and should be read in conjunction with this letter. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the City's internal control that we consider to be material weaknesses as defined above.

The recommendations included in this report concern administrative and operating matters that resulted from our observations during our audit and are not based on a special study. These observations are included in the attached Exhibit.

This report is intended solely for the information and use of the Mayor, City Council, and management and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss these observations and recommendations further with you in more detail and, if desired, to assist you in implementing any of them.

Yours truly,

ADMINISTRATIVE AND OPERATING MATTERS

SYSTEM CONTROLS

Observation

During our testing of computer system controls and interviews of City personnel, we noted the following areas in which controls might be strengthened.

- No formal policies and procedures are available for information technology ("IT") processes, including application changes, database management, IT operations, and network and system software changes.
- The AS/400 security configuration needs improvement as current values are not optimal for the environment. There are currently an excessive number of users (15) that have Security Administrator access privileges.
- Windows password settings are not in compliance with the City of Plano policy.
- An excessive number of individuals (eight) have City Human Resources ("HR") Administrator rights in PeopleSoft.
- There are no documented procedures for user provisioning and periodic review of access rights.
- There is no Hot-Site arrangement for business continuity purposes.
- Facilities maintenance work is sometimes performed in areas that contain network infrastructure without direct supervision of Technology Services personnel.
- Programmers currently have access to production environments.
- In the SQL server that supports PeopleSoft, the server administrators also have access to the database administrative privileges.

Recommendation

We recognize that the City has a number of cross-cutting controls to support proper functioning and accounting of City systems. However, improvements in the above-noted areas will strengthen City controls in order to support a more secure processing environment.

NEW ACCOUNTING PRONOUNCEMENTS

GASB 45: OTHER POSTEMPLOYMENT BENEFITS

Observation

The Governmental Accounting Standards Board (GASB) issued Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which will be effective for the City in fiscal year 2008. GASB 45 requires that state and local governments establish standards for the measurement, recognition and display of other postemployment benefits expense/expenditures, related liabilities and note disclosures in the financial statements.

GASB 47: ACCOUNTING FOR TERMINATION BENEFITS

Observation

The GASB issued Statement No. 47 ("GASB 47"), *Accounting for Termination Benefits*. This is effective for the City in two parts: (1) for those benefits that relate to other post-employment benefits, the City is to implement at the same time as GASB 45 and (2) for other termination benefits, the effective date was in fiscal year 2006, but had no effect for the City because there were no early termination benefits granted in fiscal 2006. This statement defines the accounting for voluntary and involuntary termination benefits (i.e. early retirement incentives). For voluntary termination benefits, an accrual of these costs is warranted when the termination terms have been accepted by the employee and the costs can be estimated. For involuntary termination occurrences, the liability should be recorded when the termination costs, such as severance, can be estimated and a plan for involuntary termination has been approved by the City. The plan for involuntary termination should include the number and classes of employees affected, employee location, date of proposed termination, and types of benefits that are expected to be paid to terminated employees.

GASB 48: SALES AND PLEDGES OF RECEIVABLES AND FUTURE REVENUES

The GASB issued Statement No. 48 ("GASB 48"), *Sales and Pledges of Receivables and Future Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement is effective for the City beginning in fiscal year 2008. This Statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. The Statement also requires enhanced disclosures pertaining to future revenues that have been pledged or sold, provides guidance on sales of receivables and future revenues within the same financial reporting entity, and provides guidance on recognizing other assets and liabilities arising from the sale of specific receivables or future revenues.

GASB 49: POLLUTION REMEDIATION OBLIGATIONS

In December 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which identifies the circumstances under which a governmental entity is required to report a liability related to pollution remediation. A government is required to estimate expected outlays for pollution remediation using an "expected cash flows" measurement technique if it knows a site is polluted and if any of the predefined recognition triggers occur. Information about pollution obligations associated with clean up efforts should also be disclosed in the notes to the financial statements.

Recommendation

Begin reviewing GASB Statements and their implications to determine the potential impact on the City's financial statements.

**MANAGEMENT'S RESPONSIBILITY FOR AND THE
OBJECTIVES AND LIMITATIONS OF THE INTERNAL CONTROL**

The following comments concerning management's responsibility for internal control and the objectives of and the inherent limitations in the internal control are adapted from the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

Management's Responsibility

Management is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control, policies and procedures.

Objectives

The objectives of internal control are to provide management with reasonable, but not absolute, assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

Limitations

Because of inherent limitations in any internal control, errors or fraud nevertheless may occur and not be detected. Also, projection of any evaluation of the internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

DRAFT

January 4, 2007

Honorable Mayor and City Council
City of Plano, Texas

Dear Honorable Mayor and City Council Members:

We have audited the basic financial statements of the City of Plano, Texas (the "City") as of and for the year ended September 30, 2006, and have issued our report thereon dated January 4, 2007.

Our professional standards require that we communicate with you concerning certain matters that may be of interest to you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the City is responsible. We have prepared the following comments to assist the City in fulfilling that obligation.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

Our responsibility under auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States has been described to you in our engagement letter dated August 1, 2006. As described in that letter, those standards require, among other things, that we obtain a sufficient understanding of the City's internal control to enable us to properly plan our audit and to determine the nature, timing, and extent of audit procedures to be performed. We have issued a separate report to you, also dated January 4, 2007, containing our comments on the City's internal control.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the basic financial statements prepared by management and are based upon management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Significant accounting estimates reflected in the City's 2006 basic financial statements include liabilities for compensated absences, accumulated depreciation, litigation claims accruals, liabilities for insurance claims, and allowance for doubtful accounts. Those estimates are normal and were determined by the City on bases consistent with those used in prior years.

AUDIT ADJUSTMENTS

Our audit was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. In addition, we are obligated by generally accepted auditing standards to inform you of any adjustments arising from the audit that could, in our judgment, either individually or the aggregate, have a significant effect on the City's financial

reporting process. For the year ended September 30, 2006, the City recorded an adjustment of approximately \$6 million at the government-wide level for an accrual of sales taxes.

There were no uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, as all misstatements detected in our audit have been corrected by management.

SIGNIFICANT ACCOUNTING POLICIES

During the year ended September 30, 2006, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 42 ("GASB 42"), *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. GASB 42 requires that state and local governments report the effects of capital asset impairments in the financial statements when impairments that are determined to be other than temporary occur. Impairments of capital assets can occur under the following circumstances: changes in the utility of the asset, physical damage, changes in legal or environmental laws and regulations, technological changes or obsolescence, changes in the manner or duration of use, or construction stoppages. The implementation of GASB 42 had no effect on the City's financial statements.

During the year ended September 30, 2006, the City implemented GASB Statement No. 46 ("GASB 46"), *Net Assets Restricted by Legislation, an Amendment of GASB 34*. GASB 46 clarifies the definition set forth by GASB 34 as it relates to "restricted net assets" in the financial statements. The restriction should be legally enforceable and mandated by parties external to the government (citizens, judiciary.) The implementation of GASB 46 had no effect on the City's financial statements.

ALTERNATIVE ACCOUNTING TREATMENTS

We had no discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, related to the year ended September 30, 2006.

OTHER INFORMATION IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

When audited financial statements are included in documents containing other information, such as the City's Comprehensive Annual Financial Report, generally accepted auditing standards require that we read such other information and consider whether it, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the financial statements audited by us. We have read the other information in the City's Comprehensive Annual Financial Report for the year ended September 30, 2006 and have inquired as to the methods of measurement and presentation of such information. If we had noted a material inconsistency, or if we had obtained any knowledge of a material misstatement of fact in the other information, we would have discussed this matter with management and, if appropriate, with the City Council.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to the City's 2006 financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants regarding accounting or auditing matters during the 2006 fiscal period.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

We are not aware of any major issues discussed with management prior to our retention.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of the City's management and staff and had unrestricted access to the City's senior management in the performance of our audit.

MANAGEMENT ADVISORY SERVICES

The City did not engage us to perform any management advisory services during 2006.

OTHER MATERIAL WRITTEN COMMUNICATIONS

Items that we believe constitute other material written communications between management and us related to the audit for the year ended September 30, 2006 are the following:

- Engagement letter – August 1, 2006
- Report to Management letter – January 4, 2007
- Management Representation Letter – January 4, 2007

We would be pleased to provide you copies of these communications should you so desire.

This report is intended solely for the information and use of the Mayor, City Council, and management and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget <i>C.S.</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07		Reviewed by Legal <i>JW</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	Finance		Initials	Date	
Department Head	John McGrane		Executive Director		
Dept Signature:	<i>John McGrane</i>		City Manager	<i>gdm</i> 12/9/06	
Agenda Coordinator (include phone #): Brianna Alvarado X7479					

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

CAPTION

PUBLIC HEARING AND CONSIDERATION OF AN ORDINANCE OF THE CITY OF PLANO, TEXAS, DESIGNATING A CERTAIN AREA WITHIN THE CITY OF PLANO AS REINVESTMENT ZONE NO. 105 FOR A TAX ABATEMENT CONSISTING OF A 7.5250 ACRE TRACT OF LAND LOCATED APPROXIMATELY AT THE NORTHWEST CORNER OF WYNWOOD DRIVE AND WYNGATE BOULEVARD, IN THE CITY OF PLANO, TEXAS ESTABLISHING THE BOUNDARIES OF SUCH ZONE; ORDAINING OTHER MATTERS RELATING THERETO; AND PROVIDING AN EFFECTIVE DATE.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

FISCAL YEAR: 2007-2008	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0

FUND(S): **GENERAL**

COMMENTS: The fiscal impact is contingent upon the value of improvements made to the property. Currently, the Real Property is estimated to have an approximate taxable value of not less than \$1,750,000. The Business Personal Property is estimated to have an approximate taxable value of not less than \$750,000. The Proposed Real Property and Business Property tax abatement on the improvements will begin January 1, 2008 and continue to December 31, 2012, and will be equal to 50% for five (5) years.

SUMMARY OF ITEM

This is related to the Wynwood Resources, Ltd., along with Morgan Newton Company, L.P., a Texas Limited Partnership, request for tax abatement. This Ordinance creates the geographical zone in which Council will hold a Public Hearing earlier on the same Agenda date. Notice of Public Hearing to be published on December 21, 2006.

List of Supporting Documents: Ordinance and Public Hearing Notice	Other Departments, Boards, Commissions or Agencies Joint Committee on Tax Abatement, CCCD, Collin
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**CITY OF PLANO
COUNCIL AGENDA ITEM**

County Community College

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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS, DESIGNATING A CERTAIN AREA WITHIN THE CITY OF PLANO AS REINVESTMENT ZONE NO. 105 FOR A TAX ABATEMENT CONSISTING OF A 7.5250 ACRE TRACT OF LAND LOCATED APPROXIMATELY AT THE NORTHWEST CORNER OF WYNWOOD DRIVE AND WYNGATE BOULEVARD, IN THE CITY OF PLANO, TEXAS ESTABLISHING THE BOUNDARIES OF SUCH ZONE; ORDAINING OTHER MATTERS RELATING THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Plano, Texas (the "City"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone for retail tax abatement, as authorized by V.T.C.A. Tax Code Chapter 312 (referred to as the "Property Redevelopment and Tax Abatement Act" or the "Act"); and

WHEREAS, a public hearing before the City Council was set for 7:00 p.m. on the 8th day of January, 2007, such date being at least seven (7) days after the date of publication of the notice of such public hearing; and

WHEREAS, the City held such public hearing after giving written notice of said hearing to all taxing units overlapping the territory inside the proposed reinvestment zone; and

WHEREAS, the City at such hearing invited any interested person or his representative to appear for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in the notice calling such public hearing should be included in such proposed reinvestment zone, and the concept of tax abatement; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all matters relating to the creation of the reinvestment zone.

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

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Section I. The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

Section II. Definitions. For the purposes of this Ordinance, the following terms and phrases shall have the following meanings ascribed to them:

- a) Improvements - Improvements shall include, for the purpose of establishing eligibility under the Act, any activity at the location, including, but not limited to, new construction.
- b) Taxable Real Property - Taxable real property shall be as defined in the Texas Property Tax Code and shall not include personal property as defined in said code, nor shall it include land.
- c) Taxable Tangible Personal Property - Shall be defined, for purposes of this Ordinance, as tangible personal property, such as office machines and office furnishings, but shall specifically exclude inventory or supplies.
- d) Base Year - The base year for determining increased value shall be the taxable real property value assessed the year in which the agreement is executed.

Section III. The City, after conducting the above-mentioned hearing and having heard such evidence and testimony, has made the following findings and determinations based on the testimony presented to it:

- a) That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b) That the boundaries of the reinvestment zone should be the area as described in the metes and bounds description attached hereto as Exhibit "A"; and
- c) That creation of the reinvestment zone for commercial/industrial tax abatement with boundaries as described in Exhibit "A" will result in benefits to the City and

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to the land included in the zone and the improvements sought are feasible and practical; and

- d) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in Section 312.202 of the Act in that it is "reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the City"; and
- e) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in the City of Plano Revised Policy Statement for Tax Abatement.

Section IV. Pursuant to Section 312.201 of the Act, the City hereby creates a reinvestment zone for commercial/industrial tax abatement encompassing only the area described by metes and bounds in Exhibit "A" attached hereto and such reinvestment zone is hereby designated and shall hereafter be designated as Reinvestment Zone No. 105, City of Plano, Texas.

Section V. The zone shall be effective as of January 1, 2008

Section VI. To be eligible for tax abatement a retail project shall:

- a) Be located wholly within the zone as established herein.
- b) Have a minimum expenditure on personal property improvements equal to or greater than **Seven Hundred and Fifty Thousand and No/100 Dollars (\$750,000.00)** and have a minimum expenditure on real property improvements equal to or greater than **One Million Seven Hundred and Fifty Thousand and No/100 Dollars (\$1,750,000.00)**.
- c) Not include property that is owned or leased by a member of the City Council of the City of Plano or by a member of the Planning and Zoning Commission.

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- d) Conform to the requirements of the City's Zoning Ordinance and all other applicable laws and regulations.
- e) Have and maintain all land located within the designated zone, appraised at market value for tax purposes.

Section VII. Written tax abatement agreements with property owner(s) located within the zone shall provide the terms regarding duration of exemption and share of taxable real property (and personalty) value from taxation as approved hereunder as shown below:

- a) Duration of Exemption - five (5) consecutive tax years beginning with and including the January 1, 2008 assessment date.
- b) Share of taxes abated - percentage of taxes on total value of appraised Personal Property and Improvements at the rate of: 50% for the years 2008, 2009, 2010, 2011, 2012.

Section VIII. Any written agreements authorized under this Ordinance must include provisions for:

- a) Listing the kind, number and location of all proposed improvements of the property;
- b) Access to and inspection of property by municipal employees to ensure that the improvements or repairs are made according to the specification and conditions of the agreements;
- c) Limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; and
- d) Recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement.

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Section IX. If any portion of this Ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof.

Section X. This Ordinance shall become effective from and after its date of passage.

DULY PASSED AND APPROVED this 8th day of January, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

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EXHIBIT "A"
LEGAL DESCRIPTION
REINVESTMENT ZONE NO. 105

GF# 678965

Real Property
Metes and Bounds

BEING a lot, tract or parcel of land situated in the John Roundtree Survey, Abstract No. 759, City of Plano, Col 1 in County, Texas, and consisting of one of the two (hereby) separately divided tracts of land taken from that 13.77 acre tract of land described in Special Warranty Deed to W.W. Realty Partners, L.P., a Texas limited partnership, recorded in Col 1 in County Clerk's File No. 96-0085739, and being part of that certain 152.395 acre tract of land described in a deed to J.L. Williams Company, Inc. recorded in Volume 1720, Page 855, Deed Records, Col 1 in County, Texas, and being the same property conveyed from W.W. Realty Partners, L.P., a Texas limited partnership to Lane Container Company, a Texas corporation by deed recorded in Col 1 in County Clerk's File No. 98-0018497, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found for corner at the Northeast corner of a tract of land conveyed to Briar Oaks L.C. by deed recorded in Col 1 in County Clerk's File No. 93-0028218, said point also being on the South line of a tract of land described in a Deed to Texas Power & Light Company, recorded in Volume 576, Page 367, Deed Records, Col 1 in County, Texas;

THENCE South 87 degrees 26 minutes 06 seconds East along the South line of said Texas Power & Light tract, a distance of 531.86 feet to a 1/2 inch iron rod found for corner;

THENCE North 88 degrees 51 minutes 03 seconds East continuing along the South line of said Texas Power & Light tract, passing a 1/2 inch iron rod found for reference corner at a distance of 434.63 feet at the Northwest corner of a 60 foot wide Drainage Easement, and continuing along the North line of said drainage easement and the South line of said Texas Power & Light Company tract for a total distance of 469.60 feet to a point in the center line of said 60 foot wide Drainage Easement and being the Northwest corner of Lot 1, Block 1 of Southern Star Addition an addition to the City of Plano, Col 1 in County, Texas according to the Plat thereof recorded in Cabinet K, Page 870, Plat Records, Col 1 in County, Texas;

THENCE South 29 degrees 46 minutes 19 seconds West along the Northwest line of said Lot 1, Block 1, a distance of 439.14 feet to a 1/2 inch iron rod found for corner and being the West corner of said Lot 1, Block 1 and said point being in the North R.O.W. line of Wynwood Drive (60 foot R.O.W.) as dedicated by Street R.O.W. & Easement Dedication Pl at (Wynwood Park Addition) an addition to the City of Plano, Collin County, Texas according to the Plat thereof recorded in Cabinet F, Page 78, Plat Records, Col 1 in County, Texas, and the intersection of a curve to the left, having radius of 110.00 feet, a central angle of 30 degrees 26 minutes 23 seconds, a chord bearing of North 75 degrees 13 minutes 41 seconds West, a chord distance of 57.76 feet;

THENCE Along said curve to the left and the North R.O.W. line of said Wynwood Drive, an arc length of 58.44 feet to a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 58 minutes 55 seconds West along the North R.O.W. line of said Wynwood Drive, a distance of 726.55 feet to a 1/2 inch iron rod found for corner at the Southeast corner of said Briar Oaks L.C. tract;

THENCE North 00 degrees 03 minutes 28 seconds West along the East line of said Briar Oaks L.C. tract, a distance of 381.06 feet to the Point of Beginning and containing 327,786.92 square feet or 7.5250 acres of land.

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**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget <i>C.S.</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07		Reviewed by Legal <i>JAS</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	FINANCE		Initials	Date	
Department Head	John McGrane		Executive Director		
Dept Signature:	<i>John McGrane</i>		City Manager	<i>JAC</i> 1/7/06	
Agenda Coordinator (include phone #): Brianna Alvarado x7479					

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

CAPTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF PLANO, TEXAS, THE COUNTY OF COLLIN, TEXAS, THE COLLIN COUNTY COMMUNITY COLLEGE DISTRICT, WYNWOOD RESOURCES, LTD., A TEXAS LIMITED PARTNERSHIP AND MORGAN NEWTON COMPANY L.P., A TEXAS LIMITED PARTNERSHIP, AND PROVIDING FOR A BUSINESS PERSONAL PROPERTY AND REAL PROPERTY TAX ABATEMENT, AND AUTHORIZING ITS EXECUTION BY THE CITY MANAGER, OR IN HIS ABSENCE AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.

FINANCIAL SUMMARY

<input type="checkbox"/> NOT APPLICABLE	<input type="checkbox"/> OPERATING EXPENSE	<input type="checkbox"/> REVENUE	<input type="checkbox"/> CIP	
FISCAL YEAR: 2007-2008	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0

FUND(s): GENERAL

COMMENTS: The fiscal impact of this item is contingent upon the value of improvements made to the property. Currently, the Real Property is estimated to have an approximate taxable value of not less than \$1,750,000. The Business Personal Property is estimated to have an approximate taxable value of not less than \$750,000. The proposed Real Property and Business Personal Property tax abatement on the improvements will begin January 1, 2008 and continue through the year 2012, and will be equal to 50% for five (5) years.

SUMMARY OF ITEM

A request by Wynwood Resources, Ltd., along with Morgan Newton L.P., a Texas limited partnership, for a Tax Abatement. Reinvestment Zone No. 105

List of Supporting Documents:	Other Departments, Boards, Commissions or Agencies
Resolution and Tax Abatement Agreement	Joint Committee on Tax Abatement, CCCCDC, Collin County Community College

INTEROFFICE MEMORANDUM

TO: Thomas H. Muehlenbeck
City Manager

DATE: January 9, 2007

FROM: John F. McGrane *JFM*
Director of Finance

CC: Cindy Pierce
Exec. Admin. Asst.

SUBJECT: Tax Abatement for Wynwood Resources, Ltd., and Morgan Newton Company
L.P.– Reinvestment Zone 105

Wynwood Resources, Ltd., and Morgan Newton Company L.P., is relocating to a 40,000 square foot building located at Northwest corner of Wynwood Drive and Wyngate Boulevard. As part of the relocation process, Morgan Newton. is relocating 75 employees from its previous location during the abatement process. The building is expected to be occupied in the first quarter of 2007.

The tax abatement will be based on the following values; the estimated amount of \$750,000 Business Personal Property, and \$1,750,000 Real Property. This tax abatement will be for a period of five years, from January 1, 2008 through December 31, 2012, and shall be based on amounts equal to 50% for Real Property and 50% for Business Personal Property. Based on the current tax rate and the additional property improvements of \$2,500,000 the approximate savings in City ad valorem tax would be \$5,900.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF PLANO, TEXAS, THE COUNTY OF COLLIN, TEXAS, THE COLLIN COUNTY COMMUNITY COLLEGE DISTRICT, WYNWOOD RESOURCES, LTD., A TEXAS LIMITED PARTNERSHIP AND MORGAN NEWTON COMPANY L.P., A TEXAS LIMITED PARTNERSHIP, AND PROVIDING FOR A BUSINESS PERSONAL PROPERTY AND REAL PROPERTY TAX ABATEMENT, AND AUTHORIZING ITS EXECUTION BY THE CITY MANAGER, OR IN HIS ABSENCE AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has been presented a proposed Tax Abatement Agreement by and between the City of Plano, Texas, the County of Collin, the Collin County Community College District, Wynwood Resources Ltd., a Texas limited partnership, along with Morgan Newton Company L.P., a Texas limited partnership, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and

WHEREAS, upon full review and consideration of the Agreement and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager, or in his absence an Executive Director, shall be authorized to execute it on behalf of the City of Plano.

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

Section I. The terms and conditions of the Agreement having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

Section II. The City Manager, or in his absence an Executive Director, is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

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

DULY PASSED AND APPROVED this the 8th day of January, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

1. The real property subject to this Agreement is described by metes and bounds in **EXHIBIT "A"** (the "Real Property") attached hereto and made a part hereof. At the time of this Agreement, **Wynwood Resources, Ltd.** is the Owner of the Real Property. This Agreement shall be terminated should the Real Property not be leased by Lessee, its successors or affiliates, or should such lease be terminated during the term of this Agreement.

2. The tangible personal property subject to this Agreement shall be personal property, excluding inventory and supplies, used within Reinvestment Zone No. 105, which shall be hereinafter referred to as the "Personalty." The Personalty is presently estimated to have an approximate taxable value of **Seven Hundred and Fifty Thousand Dollars (\$750,000)** and is or will be owned by Lessee or its affiliates. Lessee shall timely render its personal property value each year to the Central Appraisal District

3. Lessee, as owner of the Personalty, may not relocate, for purposes of maintaining taxable situs of tangible personal property, the Personalty on the Real Property in other Reinvestment Zones in the City.

JOBS

4. Lessee estimates the proposed development of the Real Property as shown in **EXHIBIT "B"** (the "Development") will result in the relocation of approximately 75 employees during the abatement term at the Development in Plano.

IMPROVEMENTS

5. The Owner shall complete construction of improvements and/or repairs to the Real Property (hereinafter referred to as "Improvements") consisting primarily of a new building consisting of not less than 40,000 gross square feet of office space with an initial expenditure of not less than **One Million Seven Hundred and Fifty Thousand Dollars (\$1,750,000)** on or before December 31, 2007, provided that Owner shall have such additional time to complete the Improvements as may be required in the event of "force majeure" if Owner is diligently and faithfully pursuing the completion of the Improvements or, if in the reasonable opinion of the City, the Owner has made substantial progress toward completion of the initial phase of the Improvements. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of Owner including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of Owner), fire, shortages of material and/or labor, explosion or flood, and labor disturbances. The date of completion of the Improvements shall be defined as the date a Certificate of Occupancy is issued by the City of Plano.

6. The Owner agrees and covenants that it will diligently and faithfully in a good and workmanlike manner pursue the substantial completion of the Improvements as a good and

3-6

valuable consideration of this Agreement. Owner further covenants and agrees that all construction of the Improvements will be in accordance with all applicable federal, state and local laws and regulations or valid waiver thereof. In further consideration, Owner shall from the date a Certificate of Occupancy is issued until the expiration or termination of this Agreement, operate and maintain the Real Property (or cause the same to be operated and maintained) for the following described purposes: manufacturing/office space where Lessee or its affiliates will initially employ approximately 75 employees during the abatement term, referred to herein as the "Purposes."

DEFAULT

7. Any of the following events shall be deemed a breach of this agreement resulting in default:

(a) The Improvements are not completed in accordance with this Agreement;

(b) Owner or Lessee allows its real or personal property taxes owed the City or Taxing Units on the Real Property, Improvements, or Personalty to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes;

(c) Lessee fails to occupy the Improvements for the Purposes set forth in paragraph 6 above on or before December 31, 2008; or

(d) The value of the Improvements to Real Property and the value of Personalty placed on the improved Real Property on December 31, 2008, and maintained on the Real Property during the term of this Agreement is less than the minimum amounts set forth in paragraphs 2 and 5 above; or

(e) Lessee fails to employ at least 75% of its employee commitment as provided in paragraph 4 above; or

(f) Owner or Lessee fails to provide annual certification as required in paragraph 10 below.

8. In the event that the Owner or Lessee defaults under this Agreement then the City or Taxing Units shall give the Owner and Lessee written notice of such default and if the Owner or Lessee has not cured such default, or obtained a waiver thereof from the appropriate authority, within thirty (30) days of said written notice, this Agreement may be terminated by the City and Taxing Units. Notice shall be in writing as provided below. Upon the occurrence of an event of default other than under Paragraph 7(b) above and after Owner or Lessee fails to cure same in accordance herewith, this Agreement shall immediately terminate and all taxes due after the event of default shall be paid in full without the benefit of any abatement. The parties acknowledge that

actual damages in the event of default and termination would be speculative and difficult to determine.

9. Upon the occurrence of an event of default under Paragraph 7(b) above and after Owner or Lessee fails to cure same in accordance herewith, this Agreement shall immediately terminate and all taxes, including previously abated taxes which would have been paid to the City and Taxing Units without the benefit of this Agreement, shall become due and owing to the City and Taxing Units, together with interest charged from the date of this Agreement at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty other than that mandated by V.T.C.A., § 33.01 or 33.07.

ANNUAL CERTIFICATION

10. On or before the 1st day of November of each calendar year during the term of this Agreement, the Owner, or its successors or assigns, and Lessee must provide annual certification (substantially in the form attached as **EXHIBIT "C"** hereto) to the Governing Body of the City certifying compliance with each applicable term of the Agreement.

ASSIGNMENT

11. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by Owner unless written permission is first granted by the City and Taxing Units, which permission shall be at the reasonable discretion of the City and Taxing Units, except under the following conditions:

(a) Assignment to an affiliate of Lessee is permissible;

(b) A transfer or assignment of the Real Property and Improvements, or an assignment of this Agreement, by Owner to successors or assigns is permissible wherein the successors or assigns agree to be bound by the terms of this Agreement and Lessee shall continue to conduct business on the subject premises, and shall remain the primary tenant.

However, Owner and Lessee agree to give written notice to the City and Taxing Units of any assignment or transfer of interest allowed pursuant to subparagraphs (a) and (b) hereof.

ABATEMENT PROVISIONS

12. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the City and Taxing Units, a portion of ad valorem real and personal property taxes from the Real Property, Improvements, and Personalty otherwise owed to the City and taxing Units shall be abated as follows:

3-8

(a) The tax abatements as to the Real Property, Improvements, and Personalty, as provided for herein, shall be for a period of five (5) tax years, from January 1, 2008 through December 31, 2012.

(b) In accordance with all applicable federal, state, and local laws and regulations, the abatement shall be based on amounts equal to 50% of the value of the improved value of the Real Property and Improvements and 50% of the Personalty for each tax year from January 1, 2008 through December 31, 2012.

(c) The Owner and Lessee shall have the right to protest and/or contest any assessment of the Real Property, Improvements or Personalty, and the abatement shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest.

NOTICE

13. Notices required to be given to any party to this Agreement shall be given personally or by registered or certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and, if given by mail, shall be deemed delivered as of the date deposited in the United States mail:

For City by notice to:

City of Plano, Texas
Attention: Mr. Thomas H. Muehlenbeck
City Manager
P.O. Box 860358
Plano, Texas 75086-0358

With copy to:

City of Plano, Texas
Attention: Ms. Diane C. Wetherbee
City Attorney
P.O. Box 860358
Plano, Texas 75086-0358

For Taxing Units by notice to:

County of Collin, Texas
Attention: _____
County Judge
Collin County Commissioners' Court
210 S. McDonald, Ste. 626
McKinney, Texas 75069

Collin County Community College District
Attention: Dr. Cary A. Israel
President of Board of Trustees
4800 Preston Park Boulevard
Plano, Texas 75093

For Owner by notice to:

Wynwood Resources, Ltd.
Attention: Mr. William T. Boyd Jr.
President
333 Camp Creek Road
Rockwall, Texas 75087

For Lessee by notice to:

Morgan Newton Company, L.P.
Attention: Mr. William T. Boyd Jr.
President
2054 Forest Lane, Suite 450
Garland, Texas 75042

Any party may change the address to which notices are to be sent by giving the other parties written notice in the manner provided in this paragraph.

MISCELLANEOUS PROVISIONS

14. The Owner and Lessee further agree that the City and Taxing Units, their agents and employees, shall have reasonable right (upon reasonable prior notice to Owner and Lessee) to access the Real Property to inspect the Improvements and Personalty in order to insure that the construction of the Improvements and locations of the Personalty are in accordance with this Agreement and all applicable federal, state, and local laws and regulations. After completion of the Improvements, and City and Taxing Units shall have the continuing right (upon reasonable prior notice to Owner and Lessee) to inspect the Real Property and Personalty to insure that the Real Property and Personalty is thereafter maintained, operated and occupied in accordance with this Agreement.

15. It is understood and agreed between the parties that the Owner and Lessee, in performing their obligations hereunder, are acting independently, and the City and Taxing Units assume no responsibilities or liabilities in connection therewith to third parties and Owner and Lessee agree to indemnify and hold harmless City and Taxing Units from any and all claims, suits, and causes of actions, including attorneys' fees, of any nature whatsoever arising out of Owner's or Lessee's default of their obligations hereunder.

3-10

16. The City and the Taxing Units each represent and warrant that the Real Property, Improvements and Personalty do not include any property that is owned by a member of their respective councils or boards, agencies, commissions, or other governmental bodies approving, or having responsibility for the approval of this Agreement.

17. This Agreement was authorized by Resolution of the City Council at its Council meeting on the 8th day of January, 2007, authorizing the City Manager to execute the Agreement on behalf of the City.

18. This Agreement was authorized by the minutes of the Commissioners' Court of Collin County, Texas, at its meeting on the _____ day of _____, 2007, whereupon it was duly determined that the County Judge would execute the Agreement on behalf of Collin County.

19. This Agreement was authorized by the Board Minutes of the Board of Trustees of Collin County Community College District at its Board Meeting on the _____ day of _____, 2007, whereupon it was duly determined that the Chairman would execute the Agreement on behalf of Collin County Community College District.

20. This Agreement was entered into by Owner pursuant to authority granted by its general partner, whereby the general partner of the limited partnership was authorized to execute this Agreement on behalf of Owner.

21. This Agreement was entered into by Lessee pursuant to authority granted by its general partner, whereby the general partners of the limited partnership was authorized to execute this Agreement on behalf of Lessee.

22. This instrument shall constitute a valid and binding agreement between the City, Owner, and Lessee when executed in accordance herewith, regardless of whether any other **TAXING UNIT** executes this Agreement. This shall constitute a valid and binding Agreement between such **TAXING UNITS**, Owner and Lessee when executed on behalf of said parties, for the abatement of such **TAXING UNIT's** taxes in accordance therewith.

23. Severability. If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term or provision, to persons or circumstances other than those in respect of which it is invalid or unenforceable) except those terms or provisions, which are made subject to or conditioned upon such invalid or unenforceable term or provision, shall not be affected thereby, and each other term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

This Agreement is performable in Collin County, Texas. Signed this 8th day of January, 2007.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule municipal corporation

Elaine Bealke, CITY SECRETARY

Thomas H. Muehlenbeck, CITY MANAGER

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

ATTEST:

COMMISSIONERS' COURT OF COLLIN COUNTY

COUNTY JUDGE

ATTEST:

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

CHAIRMAN

3-12

ATTEST:

WYNWOOD RESOURCES, LTD., a Texas limited partnership

BY: Morgan Newton Operating Company Inc., a Texas Corporation, Its General Partner

By: _____
William T. Boyd Jr.
President

ATTEST:

MORGAN NEWTON COMPANY L.P., a Texas limited partnership

BY: Morgan Newton Operating Company Inc., a Texas Corporation, Its General Partner

By: _____
William T. Boyd Jr.
President

3-13

EXHIBIT "A"
LEGAL DESCRIPTION
REINVESTMENT ZONE NO. 105

GF# 678965

Real Property
Metes and Bounds

BEING a lot, tract or parcel of land situated in the John Roundtree Survey, Abstract No. 759, City of Plano, Col 1 in County, Texas, and consisting of one of the two (hereby) separately divided tracts of land taken from that 13.77 acre tract of land described in Special Warranty Deed to W.W. Realty Partners, L.P., a Texas limited partnership, recorded in Col 1 in County Clerk's File No. 96-0085739, and being part of that certain 152.395 acre tract of land described in a deed to J.L. Williams Company, Inc. recorded in Volume 1720, Page 855, Deed Records, Col 1 in County, Texas, and being the same property conveyed from W.W. Realty Partners, L.P., a Texas limited partnership to Lane Container Company, a Texas corporation by deed recorded in Col 1 in County Clerk's File No. 98-0018497, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found for corner at the Northeast corner of a tract of land conveyed to Briar Oaks L.C. by deed recorded in Col 1 in County Clerk's File No. 93-0028218, said point also being on the South line of a tract of land described in a Deed to Texas Power & Light Company, recorded in Volume 576, Page 367, Deed Records, Col 1 in County, Texas;

THENCE South 87 degrees 26 minutes 06 seconds East along the South line of said Texas Power & Light tract, a distance of 531.86 feet to a 1/2 inch iron rod found for corner;

THENCE North 88 degrees 51 minutes 03 seconds East continuing along the South line of said Texas Power & Light tract, passing a 1/2 inch iron rod found for reference corner at a distance of 434.63 feet at the Northwest corner of a 60 foot wide Drainage Easement, and continuing along the North line of said drainage easement and the South line of said Texas Power & Light Company tract for a total distance of 469.60 feet to a point in the center line of said 60 foot wide Drainage Easement and being the Northwest corner of Lot 1, Block 1 of Southern Star Addition an addition to the City of Plano, Col 1 in County, Texas according to the Plat thereof recorded in Cabinet K, Page 870, Plat Records, Col 1 in County, Texas;

THENCE South 29 degrees 46 minutes 19 seconds West along the Northwest line of said Lot 1, Block 1, a distance of 439.14 feet to a 1/2 inch iron rod found for corner and being the West corner of said Lot 1, Block 1 and said point being in the North R.O.W. line of Wynwood Drive (60 foot R.O.W.) as dedicated by Street R.O.W. & Easement Dedication Pl at (Wynwood Park Addition) an addition to the City of Plano, Collin County, Texas according to the Plat thereof recorded in Cabinet F, Page 78, Plat Records, Col 1 in County, Texas, and the intersection of a curve to the left, having radius of 110.00 feet, a central angle of 30 degrees 26 minutes 23 seconds, a chord bearing of North 75 degrees 13 minutes 41 seconds West, a chord distance of 57.76 feet;

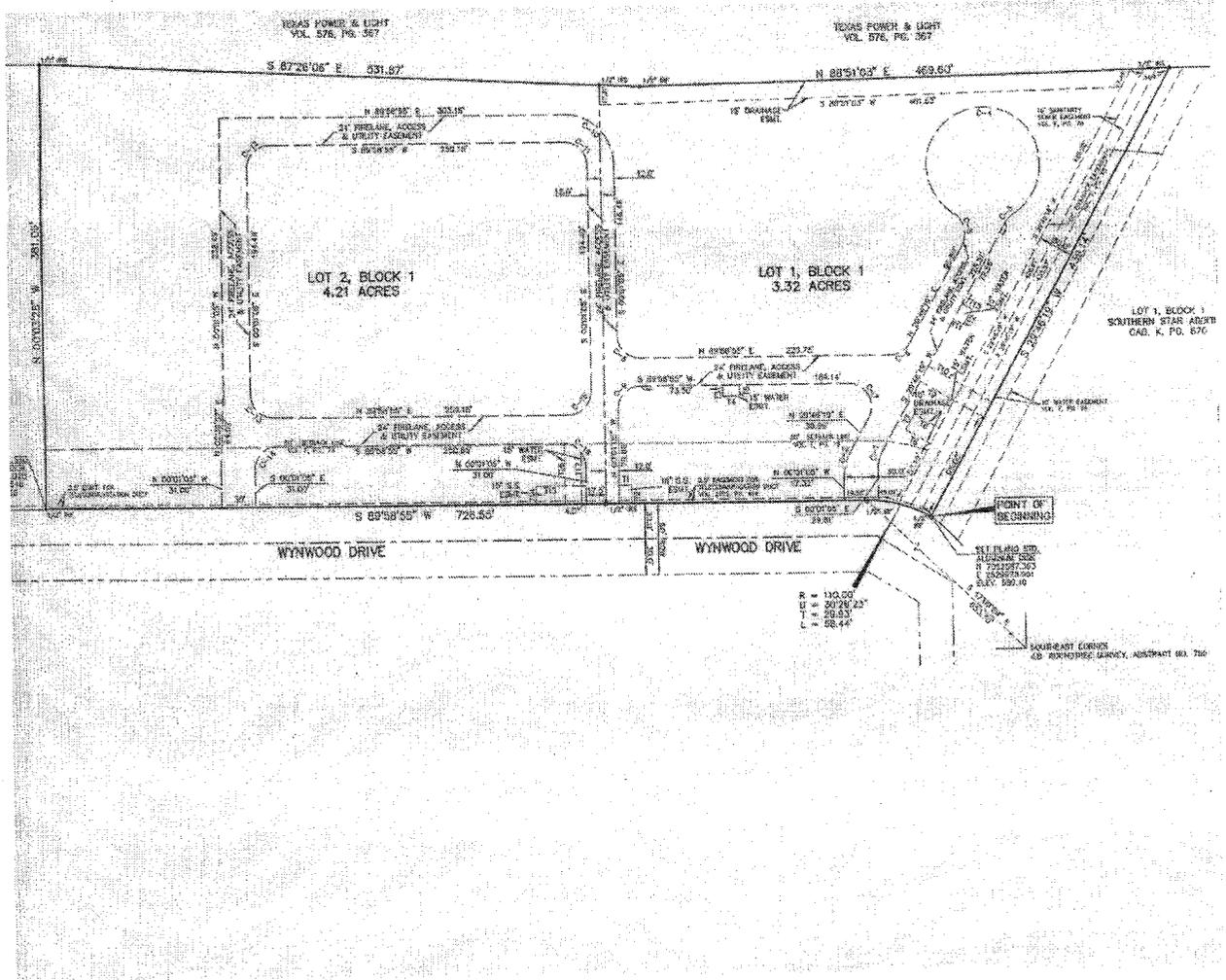
THENCE Along said curve to the left and the North R.O.W. line of said Wynwood Drive, an arc length of 58.44 feet to a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 58 minutes 55 seconds West along the North R.O.W. line of said Wynwood Drive, a distance of 726.55 feet to a 1/2 inch iron rod found for corner at the Southeast corner of said Briar Oaks L.C. tract;

THENCE North 00 degrees 03 minutes 28 seconds West along the East line of said Briar Oaks L.C. tract, a distance of 381.06 feet to the Point of Beginning and containing 327,786.92 square feet or 7.5250 acres of land.

3-14

EXHIBIT "B" THE DEVELOPMENT REINVESTMENT ZONE NO. 105



3-15

EXHIBIT "C"
CERTIFICATION FORM
REINVESTMENT ZONE NO. 105

This letter certifies that WYNWOOD RESOURCES, LTD., Texas limited partnership, and MORGAN NEWTON COMPANY L.P., a Texas limited partnership, are in compliance with each applicable term as set forth in the Agreement to Resolution No. _____ (R) as of January 8, 2007. The term of this agreement is January 1, 2008 through December 31, 2012. This form is due on November 1 of each year this tax abatement is in force.

ATTEST:

WYNWOOD RESOURCES, LTD., a Texas limited partnership

BY: Morgan Newton Operating Company Inc., a Texas Corporation, Its General Partner

By: _____
William T. Boyd Jr.
President

ATTEST:

MORGAN NEWTON COMPANY, L.P., a Texas limited partnership

BY: Morgan Newton Operating Company, Inc., a Texas Corporation, Its General Partner

By: _____
William T. Boyd Jr.
President

Date: _____

NOTE: This certification form should be mailed to: City of Plano
Finance Department
P.O. Box 860358
Plano, Texas 75086-0358

3-16

NOTICE OF PUBLIC HEARING

The City Council of the City of Plano will hold a Public Hearing in the Council Chamber of the Municipal Building, 1520 Avenue K, at 7:00 p.m. on Monday January 8, 2007, to consider the creation of Reinvestment Zone No. 105 in accordance with V.T.C.A., Tax Code §312.201, as amended for the purpose of considering tax abatement. Said Reinvestment Zone No. 105 being a 7.5250 acre tract of land in the **John Roundtree Survey, Abstract No. 759**, City of Plano, Collin County, Texas, and with said premises being more particularly described by metes and bounds on file in the Finance Department.

3-17

DATE: December 5, 2006
TO: Honorable Mayor & City Council
FROM: Carolyn Kalchthaler, Chairman, Planning & Zoning Commission 
SUBJECT: Results of Planning & Zoning Commission Meeting of December 4, 2006

**AGENDA ITEM NO. 7 - PUBLIC HEARING
ZONING CASE 2006-30
APPLICANT: MARY ADAMS**

DESCRIPTION:

Request to amend Specific Use Permit #256 for Commercial Antenna Support Structure on 0.1± acre located at the northeast corner of Old Alma Drive and Alma Drive to increase the height of the antenna support structure to 120 feet. Zoned Planned Development-324-Retail/Neighborhood Office.

APPROVED: 6-1 **DENIED:** _____ **TABLED:** _____

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

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

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

STIPULATIONS:

Recommended for approval as submitted. The commissioner voting in opposition recommended denial due to concerns of the adjacent homeowners.

FOR CITY COUNCIL MEETING OF: January 8, 2007 (To view the agenda for this meeting, see www.planotx.org)

PUBLIC HEARING - ORDINANCE

EH/pp

xc: Maray Adams
Bridges Ballawe, Wireless Facilities, Inc.

4-1

CITY OF PLANO
PLANNING & ZONING COMMISSION

December 4, 2006

Agenda Item No. 7

Public Hearing: Zoning Case 2006-30

Applicant: Maray Adams

DESCRIPTION:

Request to amend Specific Use Permit #256 for Commercial Antenna Support Structure on 0.1± acre located at the northeast corner of Old Alma Drive and Alma Drive to increase the height of the antenna support structure to 120 feet. Zoned Planned Development-324-Retail/Neighborhood Office.

REMARKS:

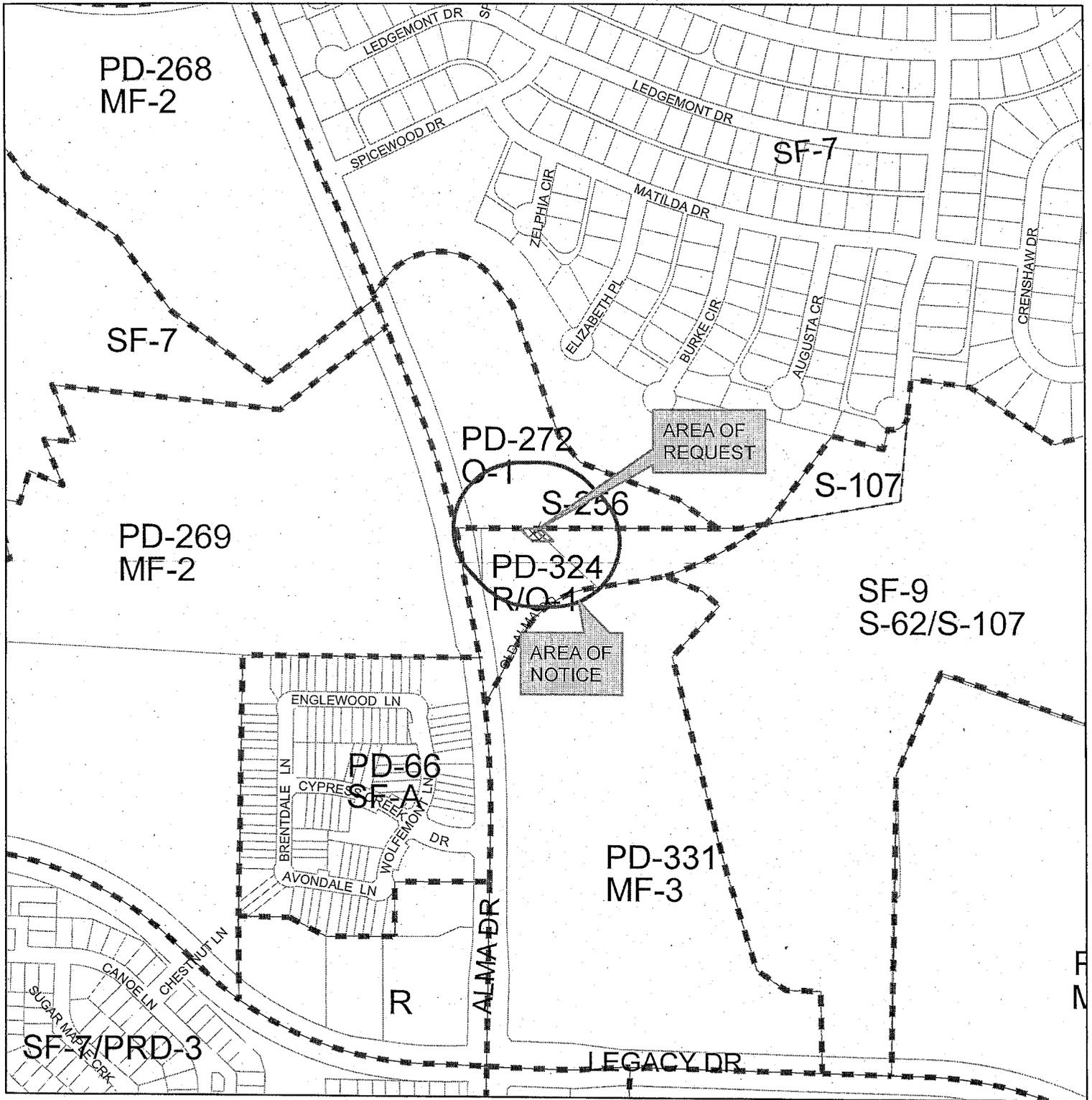
The current zoning is Planned Development-324-Retail/Neighborhood Office with Specific Use Permit #256 for Commercial Antenna Support Structure (PD-324-R/O-1 w/ SUP #256). Planned Development zoning provides the ability to amend use, height, setback, and other development requirements at the time of rezoning in order to promote innovative design and development controls appropriate to both off and onsite conditions. The R district is primarily intended to provide areas for neighborhood, local, and regional shopping facilities for the retail sales of goods and services including convenience stores, shopping centers, and regional malls but not including wholesaling or warehousing. The O-1 district is intended to provide for low-rise, garden-type office development providing professional, medical, and other office services to residents in adjacent neighborhoods. The purpose and intent of an SUP is to authorize and regulate a use not normally permitted in a district which could be of benefit in a particular case to the general welfare, provided adequate development standards and safeguards are established for such use during the review of an SUP application. The current SUP allows the existing antenna support structure which is 105 feet high.

The request proposes to increase the allowable antenna support structure height to 120 feet. The increased height is to allow additional mobile phone service providers to collocate at this site. The requested height falls within SUP height allowances, and the proposed antenna support structure meets spacing, setback, screening, and other ordinance standards.

RECOMMENDATION:

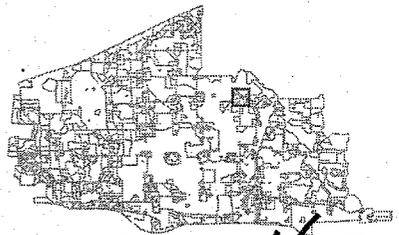
Recommended for approval as submitted.

4-2



Zoning Case #: 2006-30

Existing Zoning: PLANNED DEVELOPMENT-344-
 RETAIL/NEIGHBORHOOD OFFICE w/
 SPECIFIC USE PERMIT #256



4-3

○ 200' Notification Buffer



ORDINANCE NO. _____
(Zoning Case 2006-30)

AN ORDINANCE OF THE CITY OF PLANO AMENDING THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY, ORDINANCE NO. 2006-4-24, AS HERETOFORE AMENDED, SO AS TO AMEND SPECIFIC USE PERMIT NO. 256 FOR COMMERCIAL ANTENNA SUPPORT STRUCTURE ON 0.1± ACRE OUT OF THE DANIEL ROWLETT SURVEY, LOCATED AT THE NORTHEAST CORNER OF OLD ALMA DRIVE AND ALMA DRIVE IN THE CITY OF PLANO, COLLIN COUNTY, TEXAS, TO INCREASE THE HEIGHT OF THE ANTENNA SUPPORT STRUCTURE TO 120 FEET; DIRECTING A CHANGE ACCORDINGLY IN THE OFFICIAL ZONING MAP OF THE CITY; AND PROVIDING A PENALTY CLAUSE, A REPEALER CLAUSE, A SAVINGS CLAUSE, A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 8th day of January, 2007, for the purpose of considering amending 0.1± acre out of the Daniel Rowlett Survey, located at the northeast corner of old Alma Drive and Alma Drive in the City of Plano, Collin County, Texas, to increase the height of the antenna support structure to 120 feet; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 8th day of January, 2007; and

WHEREAS, the City Council is of the opinion and finds that such amendment would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

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

Section I. The Comprehensive Zoning Ordinance No. 2006-4-24, as the same has been heretofore amended, is hereby further amended so as to amend 0.1± acre out of the Daniel Rowlett Survey, located at the northeast corner of old Alma Drive and Alma Drive in the City of Plano, Collin County, Texas, to increase the height of the antenna support structure to 120 feet, said property being described in the legal description on Exhibit "A" attached hereto.

Section II. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

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

Section IV. The repeal of any ordinance or part of ordinances affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section V. Any person, firm or corporation found to be violating any term or provision of this Ordinance, shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

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

Section VII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 8TH DAY OF JANUARY, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

4-6

EXHIBIT "A"
LEGAL DESCRIPTION

COMMENCING at the northwest corner of the Daniel Rowlett Survey, said point being 1,665.04 feet north of the north line of Legacy Drive at its intersection with the east line of Alma Drive.

THENCE South $89^{\circ}44'00''$ East, a distance of 99.29 feet to a point, the PLACE OF BEGINNING;

THENCE South $89^{\circ}44'00''$ East, a distance of 60.00 feet to a point for corner;

THENCE South $46^{\circ}07'18''$ East, a distance of 50.00 feet to a point for corner;

THENCE North $89^{\circ}44'00''$ West, a distance of 60.00 feet to a point for corner;

THENCE North $46^{\circ}07'18''$ West, a distance of 50.00 feet to the PLACE OF BEGINNING and CONTAINING 2.160 square feet of land.

DATE: December 19, 2006
TO: Honorable Mayor & City Council
FROM: Laura Williamson, 1st Vice Chair, Planning & Zoning Commission 
SUBJECT: Results of Planning & Zoning Commission Meeting of December 18, 2006

**AGENDA ITEM NO. 7A - PUBLIC HEARING
ZONING CASE 2006-32
APPLICANT: CENCOR REALTY SERVICES**

Request to rezone 14.8± acres located at the northwest corner of Parker Road and Parkwood Boulevard from Regional Employment to Planned Development-Regional Commercial. Neighborhood #30.

APPROVED: 4-1 **DENIED:** _____ **TABLED:** _____

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

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

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

STIPULATIONS:

Recommended for approval as submitted.

The Commissioner voting in opposition expressed concerns regarding the size of the site and its suitability for multi-residential development.

FOR CITY COUNCIL MEETING OF: January 8, 2007 (To view the agenda for this meeting, see www.planotx.org)

PUBLIC HEARING - ORDINANCE

EH/dw

xc: Rutledge Haggard, Haggard Enterprises, Ltd.
Bryan Burger, PE, Lawrence A Cates & Associates
David Palmer, Cencor Realty Services

5-1

**Recommendation of the
Planning & Zoning Commission
December 18, 2006 Meeting
2nd Vice Chair Report**

Agenda No. 7A Public Hearing & 7B Concept Plan

Public Hearing: Zoning Case 2006-32

Applicant: Cencor Realty Services

Description: Request to rezone 14.8 +/- acres located at the northwest corner of Parker Road and Parkwood Boulevard from Regional Employment to Planned Development-Regional Commercial. Neighborhood #30.

Staff Recommendation: Denial

Commission Action: Approved 7A by a vote of 4-1
Approved 7B by a vote of 4-1

STAFF REPORT

The applicant is requesting to rezone the property to create a Planned Development district. The requested zoning was for Planned Development-Regional Commercial (PD-RC). The RC district is intended to provide for retail and service uses at appropriate nodes within the corridor of specified tollways and expressways serving Plano and surrounding communities, in addition to office and limited manufacturing uses. A PD district provides the ability to amend use, height, setback, and other development standards at the time of zoning to promote innovative design and better development controls appropriate to both off and onsite conditions.

The request proposes a retail, office, and residential mixed-use planned development district. In addition to the proposed uses, the request includes amendments to landscaping, parking, setbacks, building materials, signage, and other standards intended to create a walkable, urban-style development. A preliminary site plan, Tinseltown Addition, Block A , Lot 1, accompanied the submittal.

Current Zoning

The current zoning is Regional Employment (RE). The RE district is intended to provide the flexibility for office and limited manufacturing uses that are consistent with the regional status of certain tollways and expressways serving Plano and surrounding communities.

5-2

Surrounding Land Use and Zoning

The area of the request is undeveloped. To the north is the Cinemark Tinseltown theatre and is zoned RE. The property to the west and south of the site are developed as grocery anchored retail centers. The property to the east is zoned MF-3 and is developed as a multi-family development.

Conformance to the Comprehensive Plan

Future Land Use Plan - The Future Land Use Plan designates this property as Major Corridor Development (MCD) which provides for a use of commercial, office, and technical production uses. Residential uses are generally not appropriate within these corridors.

Housing Density (Policy Statement 3.0) – The proposed use meets the high density policy however the proposed residential use is within 1,500 feet of another multi-family development and therefore not in compliance with the policy statement.

All public facilities are available to the site.

STAFF SUMMARY:

The applicant is requesting to create a PD district changing the base zoning from RE to PD-RC. The request includes the addition of approximately 150,000 square feet of retail and restaurant space and an additional maximum total of 250 multi-family units. The request also includes design standards intended to create an integrated, urban center. The Retail Study advises against rezoning additional land for retail use. The Comprehensive Plan does not support this request as meeting the standards for an alternative neighborhood development. Therefore, staff recommended denial.

APPLICANT

David Palmer represented the applicant, Cencor Realty Services. Mr. Palmer addressed numerous concerns raised by the Planning Department and provided a conceptual plan of the proposed mixed use development. Mr. Palmer also stated that the additional restaurants and retail would not compete with the existing retail and that the proposed residential units while considered to be multi-family would actually be high end for sale attached residential homes. No one else spoke in favor of or in opposition to the development.

COMMISSION DISCUSSION

There was a brief discussion among the commissioners who overall felt the development would be a good fit with the surrounding uses and that the extra retail would not have a serious impact on or materially compete with the existing retail along the North Dallas Tollway. Those who spoke in favor gave the following reasons:

5-3

- The proposed development is a natural extension of the retail in the area and would fit well with the Cinemark theatre.
- The proposed development would have one floor of retail and 3 stories of residential.
- Additional housing of the type proposed was needed in West Plano.
- The conceptual plan was very attractive and was pedestrian oriented.
- The property is somewhat unique in its location and the proposed mix use of restaurants, residential and specialty retail would be a very good use next to the Cinemark theatre.
- It seemed unlikely for the site to be developed as office or limited manufacturing uses in the near future.
- No homeowners or HOA opposed the re-zoning.

Those in opposition state the following reasons:

- The commissioner did not support the residential component of the proposed plan and felt the maximum possible height of 6 stories was too high. She also felt that while it is proposed to be a for-sale product that it ultimately could become a rental product.

PLANNING AND ZONING SUMMARY

With the exception of one commissioner who did not support the rezoning the remaining four commissioners felt the re-zoning and proposed development was appropriate and would be an overall benefit to the area. The re-zoning request was approved 4-1 and the concept plan was approved 4-1.

Respectfully submitted,

James F. Duggan
Second Vice Chairman

5-4

CITY OF PLANO
PLANNING & ZONING COMMISSION

December 18, 2006

Agenda Item No. 7A

Public Hearing: Zoning Case 2006-32

Applicant: Cencor Realty Services

DESCRIPTION:

Request to rezone 14.8± acres located at the northwest corner of Parker Road and Parkwood Boulevard **from** Regional Employment **to** Planned Development-Regional Commercial. Neighborhood #30.

REMARKS:

The applicant is requesting to rezone the property to create a planned development district. The requested zoning is Planned Development-Regional Commercial (PD-RC). The RC district is intended to provide for retail and service uses at appropriate nodes within the corridor of specified tollways and expressways serving Plano and surrounding communities, in addition to office and limited manufacturing uses. A PD district provides the ability to amend use, height, setback, and other development standards at the time of zoning to promote innovative design and better development controls appropriate to both off and onsite conditions.

This request proposes a retail, office, and residential mixed-use planned development district. In addition to the proposed uses, the request includes amendments to landscaping, parking, setbacks, building materials, signage, and other standards intended to create a walkable, urban-style development. A preliminary site plan, Tinseltown Addition, Block A, Lot 1, accompanies this request.

Current Zoning

The current zoning is Regional Employment (RE). The RE district is intended to provide the flexibility for office and limited manufacturing uses that are consistent with the regional status of certain tollways and expressways serving Plano and surrounding communities.

5-5

Some retail uses are also appropriate when developed in conjunction with the primary uses. The district's standards are designed to ensure compatibility between the various uses within a corridor and surrounding residential neighborhoods.

Surrounding Land Use and Zoning

The area of the request is currently undeveloped. The property to the north is the Cinemark Tinseltown movie theater and is zoned RE. To the west, across the Dallas North Tollway, the property is zoned RC and has been developed as a shopping center. South of the property, across Parker Road, is another retail shopping center on RC-zoned property. The property to the east, across Parkwood Boulevard is zoned Multifamily Residence-3 (MF-3) and is a multifamily development.

Proposed Planned Development Zoning Stipulations

The requested zoning is Planned Development-Regional Commercial. There are two primary parts of this request: land use and design standards.

Land Use - The request proposes to change the underlying zoning **from RE to RC** to allow for retail uses on the property. The request also proposes to allow one additional use on the property multifamily residential. A maximum of 250 multifamily residential dwelling units is proposed.

Design Standards - The request proposes a dense and walkable mixed-use development oriented along a central roadway. Although smaller in scale, the intended form of development is similar to Haggard Square (Planned Development-20-Mixed Use), Legacy Town Center (Planned Development-65-Central Business-1) and the Downtown Business/Government district.

This request is for PD-RC zoning with the following stipulations:

- 1) A maximum of 250 multifamily residential dwelling units shall be allowed by right.
- 2) Site Design:
 - a. The district shall have a central north-south pedestrian-oriented private roadway that runs from Parker Road to the existing east-west fire lane of the regional theater property to the north. The private roadway shall have diagonal or 90-degree on-street parking and sidewalks on both sides of the roadway. The minimum width of the sidewalks shall be ten feet. The sidewalks may be used for outdoor eating areas, outdoor display, and other activities commonly associated with a pedestrian-oriented development, if a minimum sidewalk clearance and/or distance to curb line of a street or public way of five feet is maintained.

5-6

- b. First floor uses shall be nonresidential. Residential dwelling units shall be located on second or higher floors.
- c. Building materials - First floor exterior elevations of buildings and parking structures shall comply with the building material requirements of the RC zoning district. Second floor and higher exterior elevations, shall comply with the building materials standards except that specified materials shall only be required on 60% of the facade elevation. Interior elevations concealed by buildings/parking garages shall be exempt from material standards but shall be consistent in color and finish with the building/parking structure.

3) Area, Yard and Bulk Requirements:

- a. Minimum Building Height - For buildings that front along the north-south pedestrian-oriented private roadway and along the east-west fire lane of the regional theater property to the north, the minimum building height shall be 2 stories, 30 feet.
- b. Maximum Building Height - 6 stories, 90 feet.
- c. Maximum Building Setback - For buildings that front along the north-south pedestrian-oriented private roadway and along the east-west fire lane of the regional theater property to the north only, a minimum of 60% of the first floor facade shall be set back no more than 40 feet from the outside edge of the travel lanes.

4) Landscaping:

- a. The required 30-foot landscape edge along the Dallas North Tollway frontage road only may be reduced to 25 feet in width provided the reduction in landscape area is reallocated adjacent to buildings fronting the Dallas North Tollway.
- b. Street trees shall be provided on both sides of the north-south pedestrian oriented private roadway at minimum distance of 60 feet on center.
- c. All other landscaping shall comply with Section 3.1200 (Landscaping Requirements) and Section 4.600 (Dallas North Tollway Overlay District).

5) Parking:

- a. Minimum required parking shall be provided as follows:
 - ii. Multifamily use - One space per bedroom.
 - iii. Nonresidential uses - One space per 250 square feet of floor area.

- b. Total required parking shall be computed on a district-wide basis regardless of any phase/property lines. Parking stall and drive aisle dimensions shall comply with Section 3.1100 (Off-Street Parking and Loading).

6) Signage:

- a. For building facades and sidewalks/parkways fronting the north-south pedestrian-oriented private roadway and building facades fronting the existing east-west fire lane of the regional theater property to the north, allowable signs must comply with per Section 3.1605, Downtown Sign District.
- b. All other signage must comply with Section 3.1600 (Sign Regulations) and Section 4.600 (Dallas North Tollway Overlay District).

Conformance to the Comprehensive Plan

Future Land Use Plan - The Future Land Use Plan designates this property as Major Corridor Development (MCD). Development in these corridors is expected to include a mix of commercial, office, and technical production uses. Residential development is generally not appropriate within these corridors.

Housing Density (Policy Statement 3.0) - The Housing Density policy statement establishes criteria for the development of high-density housing within the city. The residential development is limited to 250 units by the proposed PD which meets the maximum density policy. It does not however, meet the separation policy of 1,500 feet between multifamily residential developments.

Adequacy of Public Facilities - Adequate water and sanitary sewer services are available via extensions from existing lines along the Dallas North Tollway frontage road and Parkwood Boulevard.

Traffic Impact Analysis (TIA) - A TIA is not required since the trip generation potential of the proposed zoning is less than current zoning.

ISSUES:

Residential Use in a Major Corridor

The requested multifamily residential use would place residences within close proximity of the Dallas North Tollway. The Land Use Element of the Comprehensive Plan acknowledges that residential development may occur in non-neighborhood settings; however, the Land Use Element also states that residential development is not appropriate within the Dallas North Tollway corridor. Traffic noise and the lack of neighborhood parks and schools make the site inappropriate for residential use.

5-8

Rezoning Land for Retail Use

In 2003, City Council adopted the *Retail Study of Underperforming and Vacant Retail Areas* initiated by the cities of Carrollton, Richardson, and Plano. This study examined the retail market conditions in the three cities and offered alternatives to address underperforming and vacant retail properties. The study identified Plano as having an overabundance of retail zoning.

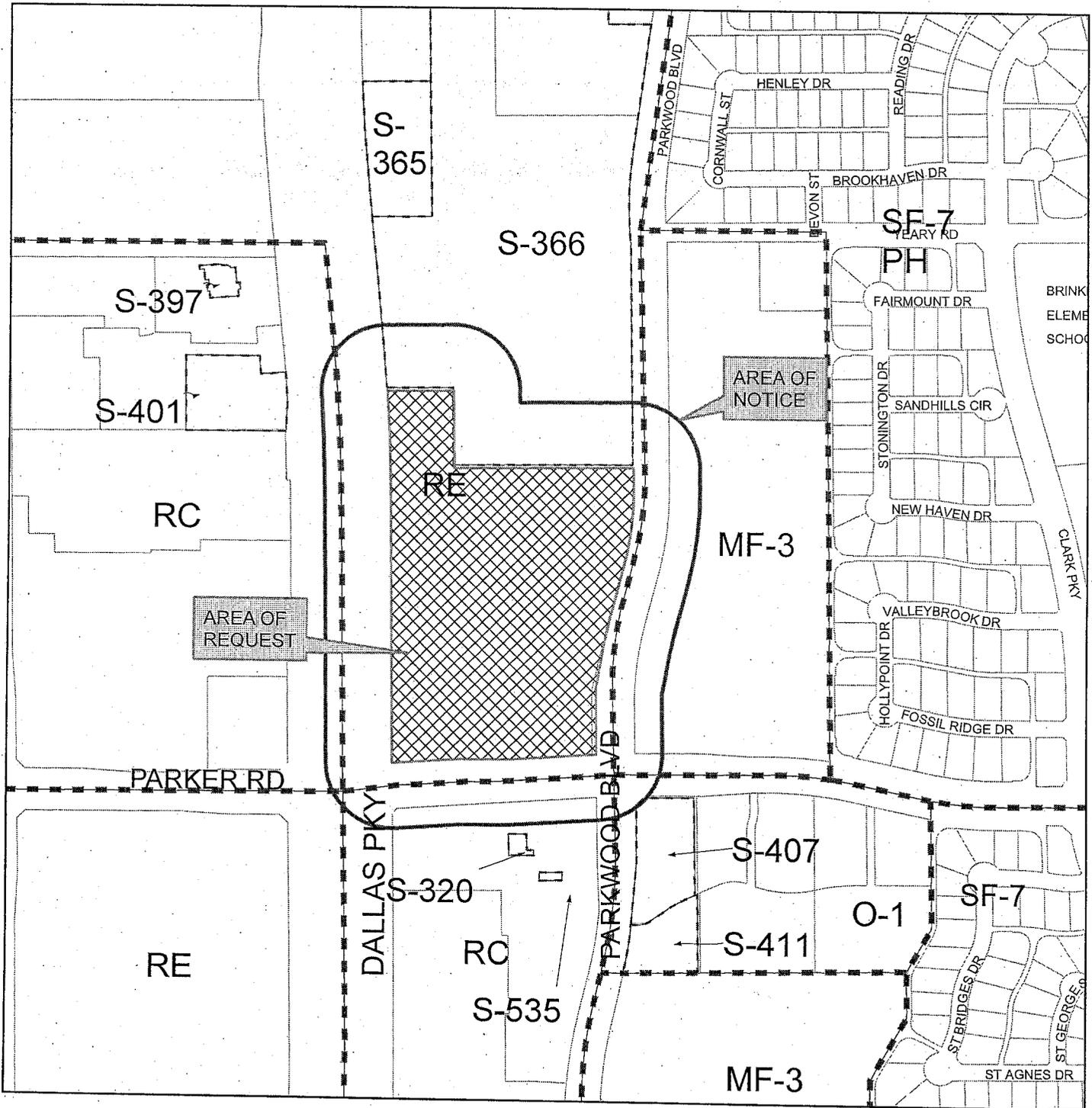
The requested change in the underlying zoning from Regional Employment to Regional Commercial would add a significant amount of retail development in the Parker Road/Dallas North Tollway area. The northwest and southeast corners are currently developed as retail shopping centers. The additional retail use proposed with this zoning request would further increase the overabundance of retail zoning in Plano.

SUMMARY:

The applicant is requesting to create a PD district changing the base zoning **from RE to RC**. The request also includes a total of 250 multifamily units. The request also includes design standards intended to create an integrated, urban center. The Retail Study advises against rezoning additional land for retail use. The Comprehensive Plan does not support this request as meeting the standards for an alternative neighborhood development. Therefore, staff recommends denial of the proposed zoning request.

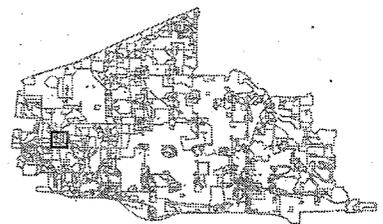
RECOMMENDATIONS:

Recommended for denial.



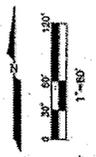
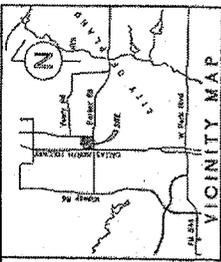
Zoning Case #: 2006-32

Existing Zoning: REGIONAL EMPLOYMENT



5-10

○ 200' Notification Buffer



AREA TO BE REZONED FROM BE (REGIONAL EMPLOYMENT TO PD-60 (REGIONAL COMMERCIAL) 14.75 ACRES

CURVE TABLE

NO.	ARC/CHORD	DATA	LENGTH	CHORD	BEARING	ORDINATE
C-1	1879.281	2°40'27"	308.002	N 2°18'45" E	308.000	
C-2	415.141	15°22'05"	548.723	S 85°01'02" W	244.888	
C-3	1026.141	6°48'42"	78.565	S 13°22'02" W	79.144	
C-4	1026.141	6°48'42"	43.044	S 80°31'17" W	47.284	

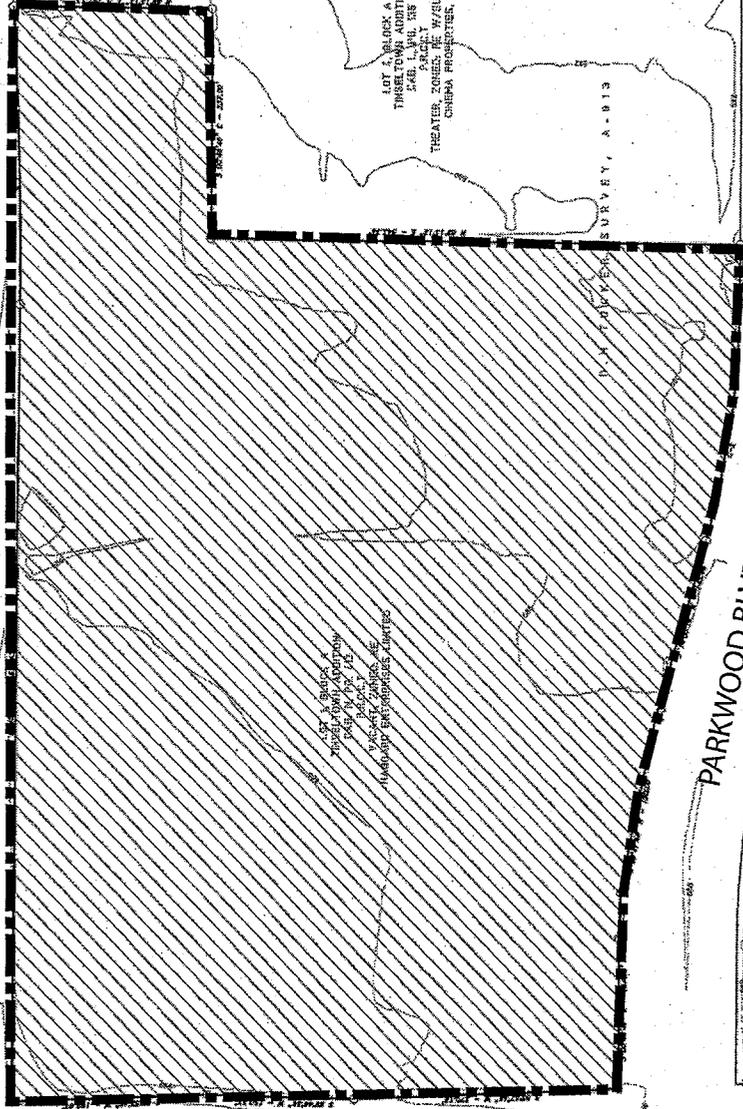
PREPARED BY: ENGINEER/PLANNING
THE CITY OF DALLAS
 5124 MARK AVE. SUITE 500
 DALLAS, TEXAS 75201
 (972) 382-2222
CONSULTING ENGINEER: CONRAD B. BERGER, P.E.
 1400 GUDRIAN DRIVE SUITE 200
 DALLAS, TEXAS 75224
 (972) 382-2222
COMPILED BY: BRUCE A. BERGER, P.E.

ZONING EXHIBIT - CASE NO. 2008-32

LOT 1 BLOCK A - TINSELTOWN ADDITION
 N.E.C. DALLAS NORTH TOLLWAY & PARKER ROAD
 THE CITY OF PLANO, TEXAS

DESIGN	DRAWN	DATE	SCALE	NOTES	FILE	NO.
		11/28	1" = 60'			1

DALLAS NORTH TOLLWAY



LOT 1, BLOCK A
 TINSELTOWN ADDITION
 548.723 SQ. FT.
 THEATER ZONED BY W/SHP 448, 308
 CINEMA PROPERTIES, INC.

PARKER RD

PARKWOOD BLVD

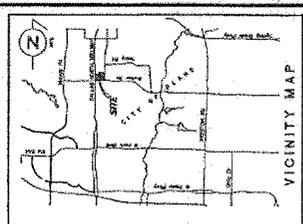
LOT 2, BLOCK 1
 WILLOW BEAD MARKET
 248.148 SQ. FT.
 BEYONCE GARDEN ASSOCIATES, LLC
 WILLOW BEAD MARKET, LLC

LOT 5, BLOCK 1
 PARKWOOD CROSSING
 14.75 ACRES
 BANK ZONED G-1 1/2 S/UP 407
 BANK OF AMERICA, NA

LOT 1, BLOCK 1
 BEATLEY WOODS
 CAR. 1 PH. THE
 BEATLEY WOODS LIMITED PARTNERSHIP

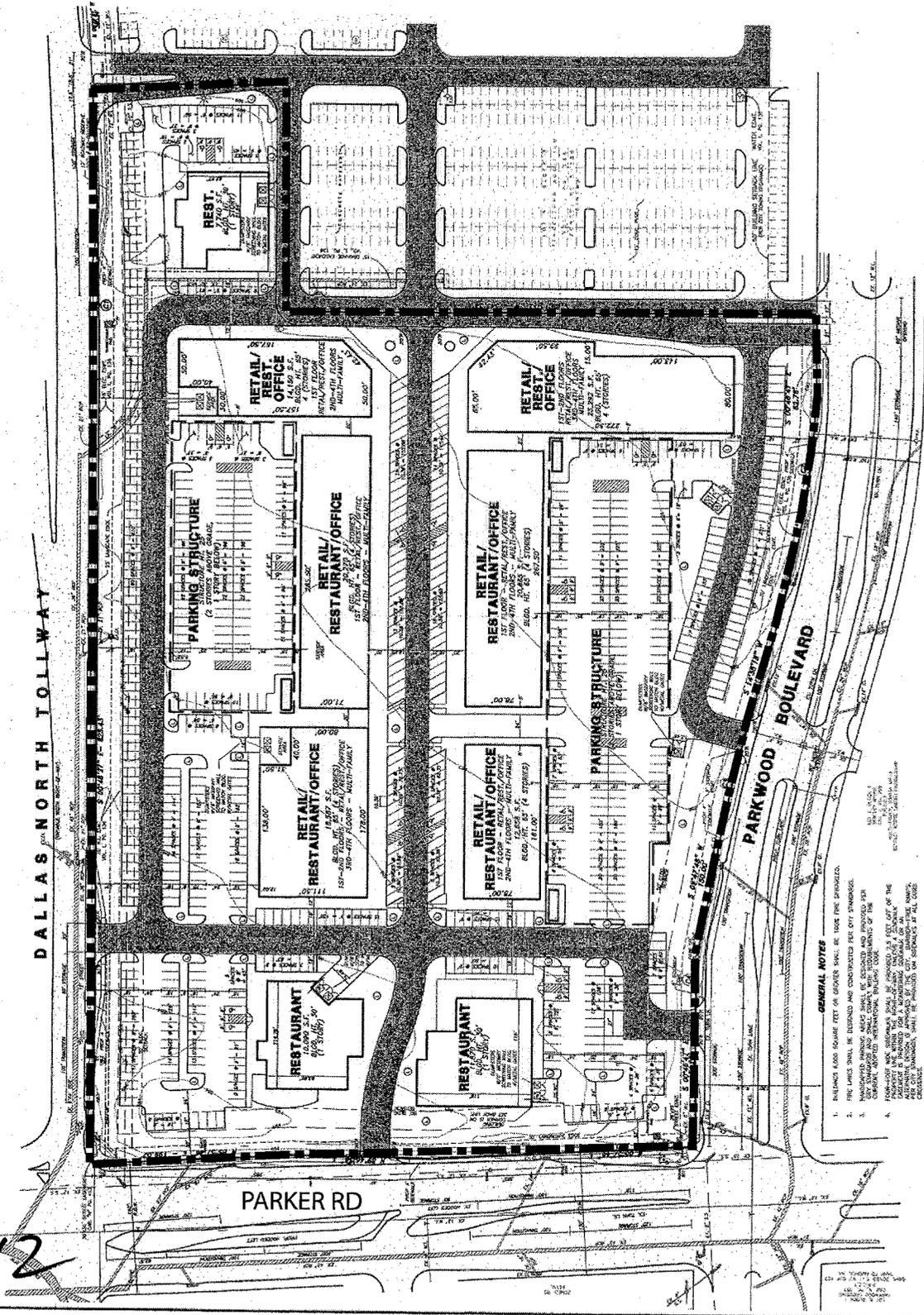
5-11

5-12



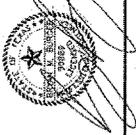
SITE DATA SUMMARY TABLE

ITEM	DESCRIPTION	AMOUNT
1	APPLICANT	ENGINEER/ARCHITECT
2	ENGINEER	LAWRENCE A. GATES & ASSOCIATES, LLP
3	ARCHITECT	3102 MARIE AVE, SUITE 500, DALLAS, TEXAS 75224
4	OWNER	THE CITY OF PLANO, TEXAS
5	CONTACT	DAVID PALMER
6	PROJECT NAME	LOT 1 - BLOCK A, TINSELTOWN ADDITION
7	ADDRESS	NEC DALLAS NORTH TOLLWAY & PARKER RD.
8	DATE	11/24/11
9	SCALE	1" = 30'
10	FILE NO.	11-001
11	DATE	11/24/11
12	SCALE	1" = 30'
13	DATE	11/24/11
14	SCALE	1" = 30'
15	DATE	11/24/11
16	SCALE	1" = 30'
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46	SCALE	1" = 30'
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48	SCALE	1" = 30'
49	DATE	11/24/11
50	SCALE	1" = 30'



- NOTES:
1. BUILDING FOOTPRINTS SHALL BE CONFORM TO THE CITY OF PLANO SPECIFICATIONS.
 2. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.
 3. UNDEVELOPED AREAS SHALL BE GRASSED AND PROTECTED PER CITY SPECIFICATIONS.
 4. FURNISHING AND FINISHES SHALL BE PER CITY SPECIFICATIONS. ALL FINISHES SHALL BE APPROVED BY THE CITY ENGINEER AND ARCHITECT PRIOR TO CONSTRUCTION.
 5. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.
 6. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.
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 12. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.
 13. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.
 14. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.

THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY THE BOARD OF ARCHITECTS ON 11/15/11



PRELIMINARY SITE PLAN

LOT 1 - BLOCK A, TINSELTOWN ADDITION

NEC DALLAS NORTH TOLLWAY & PARKER RD.

THE CITY OF PLANO, TEXAS

CONTRACT NO. 11-001

DATE: 11/24/11

SCALE: 1" = 30'

FILE NO.: 11-001

NO. 1

GENERAL NOTES

1. BUILDING FOOTPRINTS SHALL BE CONFORM TO THE CITY OF PLANO SPECIFICATIONS.
2. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.
3. UNDEVELOPED AREAS SHALL BE GRASSED AND PROTECTED PER CITY SPECIFICATIONS.
4. FURNISHING AND FINISHES SHALL BE PER CITY SPECIFICATIONS. ALL FINISHES SHALL BE APPROVED BY THE CITY ENGINEER AND ARCHITECT PRIOR TO CONSTRUCTION.
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13. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.
14. ALL UTILITIES SHALL BE DEEPENED AND CONDUCTED PER CITY SPECIFICATIONS.

ORDINANCE NO. _____
(Zoning Case 2006-32)

AN ORDINANCE OF THE CITY OF PLANO AMENDING THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY, ORDINANCE NO. 2006-4-24, AS HERETOFORE AMENDED, SO AS TO REZONE 14.8± ACRES OUT OF THE D. M. TUCKER SURVEY, ABSTRACT NO. 913, LOCATED ON THE NORTHWEST CORNER OF PARKER ROAD AND PARKWOOD BOULEVARD IN THE CITY OF PLANO, COLLIN COUNTY, TEXAS, FROM REGIONAL EMPLOYMENT TO PLANNED DEVELOPMENT-185-REGIONAL COMMERCIAL; DIRECTING A CHANGE ACCORDINGLY IN THE OFFICIAL ZONING MAP OF THE CITY; AND PROVIDING A PENALTY CLAUSE, A REPEALER CLAUSE, A SAVINGS CLAUSE, A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 8th day of January, 2007, for the purpose of considering rezoning 14.8± acres out of the D. M. Tucker Survey, Abstract No. 913, located at the northwest corner of Parker Road and Parkwood Boulevard in the City of Plano, Collin County, Texas, from Regional Employment to Planned Development-185-Regional Commercial; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 8th day of January, 2007; and

WHEREAS, the City Council is of the opinion and finds that such amendment would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

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

Section I. The Comprehensive Zoning Ordinance No. 2006-4-24, as the same has been heretofore amended, is hereby further amended so as to rezone 14.8± acres out of the D. M. Tucker Survey, Abstract No. 913, located at the northwest corner of Parker Road and Parkwood Boulevard in the City of Plano, Collin County, Texas, from Regional Employment to Planned Development-185-Regional Commercial, said property being described in the legal description on Exhibit "A" attached hereto.

Section II. The change granted in Section I is subject to:

The property shall be zoned Planned Development-185-Regional Commercial with the following stipulations:

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1) A maximum of 250 multifamily residential dwelling units shall be allowed by right.

2) Site Design:

- a. The district shall have a central north-south pedestrian-oriented private roadway that runs from Parker Road to the existing east-west fire lane of the regional theater property to the north. The private roadway shall have diagonal or 90-degree on-street parking and sidewalks on both sides of the roadway. The minimum width of the sidewalks shall be ten feet. The sidewalks may be used for outdoor eating areas, outdoor display, and other activities commonly associated with a pedestrian-oriented development, if a minimum sidewalk clearance and/or distance to curb line of a street of public way of five feet is maintained.
- b. First floor uses shall be non-residential. Residential dwelling units shall be located on second or higher floors.
- c. Building materials - First floor exterior elevations of buildings and parking structures shall comply with the building material requirements of the RC zoning district. Second floor and higher exterior elevations shall comply with the building material standards except that specified materials shall only be required on 60% of the façade elevation. Interior elevations concealed by buildings/parking garages shall be exempt from material standards but shall be consistent in color and finish with the building/parking structure.

3) Area, Yard and Bulk Requirements:

- a. Minimum Building Height - For buildings that front along the north-south pedestrian-oriented private roadway and along the east-west fire lane of the regional theater property to the north, the minimum building height shall be 2 stories, 30 feet.
- b. Maximum Building Height - 6 stories, 90 feet.
- c. Maximum Building Setback - For buildings that front along the north-south pedestrian-oriented private roadway and along the east-west fire lane of the regional theater property to the north only, a minimum of 60% of the first floor façade shall be set back no more than 40 feet from the outside edge of the travel lanes.

4) Landscaping:

- a. The required 30-foot landscaped edge along the Dallas North Tollway frontage road only may be reduced to 25 feet in width provided the reduction in landscape area is reallocated adjacent to buildings fronting the Dallas North Tollway.

5-14

- b. Street trees shall be provided on both sides of the north-south pedestrian oriented private roadway at a minimum distance of 60 feet on center.
- c. All other landscaping shall comply with Section 3.1200 (Landscaping Requirements) and Section 4.600 (Dallas North Tollway Overlay District).

5) Parking:

- a. Minimum required parking shall be provided as follows:
 - ii. Multifamily use – One space per bedroom.
 - iii. Non-residential uses – One space per 250 square feet of floor area.
- b. Total required parking shall be computed on a district wide basis regardless of any phase/property lines. Parking stall and drive aisle dimensions shall comply with Section 3.1100 (Off-Street Parking and Loading.)

6) Signage:

- a. For building facades and sidewalks/parkways fronting the north-south pedestrian oriented private roadway and building facades fronting the existing east-west fire lane of the regional theater property to the north, allowable signs must comply with Section 3.1605, Downtown Sign District.
- b. All other signage must comply with Section 3.1600 (Sign Regulations) and Section 4.600 (Dallas North Tollway Overlay District).

Section III. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

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

Section V. The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section VI. Any person, firm or corporation found to be violating any term or provision of this Ordinance, shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

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

Section VIII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 8TH DAY OF JANUARY, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

5-16

ORDINANCE NO. _____ (ZC 2006-32)

Exhibit "A" - Page 1 of 1

EXHIBIT "A"
LEGAL DESCRIPTION

Lot 1, Block A of the Tinseltown Addition, City of Plano, Texas.

5-17



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07		Reviewed by Legal <i>DL</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	City Manager		Initials	Date	
Department Head	Thomas H. Muehlenbeck		Executive Director		
Dept Signature:		City Manager	<i>TM</i>	<i>12/27/06</i>	
Agenda Coordinator (include phone #): Lynne Jones - 7109					

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

CAPTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, REPEALING RESOLUTION NO. 2006-12-15(R) APPROVING A GRANT AND MAINTENANCE AGREEMENT FOR THE CONSTRUCTION AND MAINTENANCE OF A WATER FOUNTAIN AT LEGACY TOWN CENTER BY AND BETWEEN THE SHOPS AT LEGACY (NORTH), L.P. AND THE CITY OF PLANO; AND PROVIDING AN EFFECTIVE DATE.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

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

FUND(s):

COMMENTS:

SUMMARY OF ITEM

The applicant for 380 funds has withdrawn his request for a public contribution to a fountain. This Resolution repeals Resolution No. 2006-12-15(R) previously approved by the Council on December 11, 2006.

List of Supporting Documents:
n/a

Other Departments, Boards, Commissions or Agencies
n/a

6-1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, REPEALING RESOLUTION NO. 2006-12-15(R) APPROVING A GRANT AND MAINTENANCE AGREEMENT FOR THE CONSTRUCTION AND MAINTENANCE OF A WATER FOUNTAIN AT LEGACY TOWN CENTER BY AND BETWEEN THE SHOPS AT LEGACY (NORTH), L.P. AND THE CITY OF PLANO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the applicant for The Shops at Legacy (North) L.P. through Fehmi Karahan, had filed an application for a Chapter 380 grant; and

WHEREAS, on December 11, 2006, the City Council passed Resolution No. 2006-12-15(R) which approved the terms and conditions of a grant and maintenance agreement for the construction and maintenance of a water fountain at Legacy Town Center by and between The Shops at Legacy (North), L.P. and the City of Plano; and

WHEREAS, the applicant no longer wishes to proceed with the request for public funding to assist in the construction of the water fountain and has withdrawn the 380 application, a copy of which attached hereto as Exhibit "A;"; and

WHEREAS, due to the above circumstances, the Council waives the procedural requirements to reconsider the prior approved action and desires to move forward with this Resolution.

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

Section I. Resolution No. 2006-12-15(R) is hereby repealed in its entirety.

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

DULY PASSED AND APPROVED this the ____ day of _____, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

6-2

December 18, 2006

Honorable Pat Evans
1520 Avenue K
Suite 250
Plano, TX 75086

Re: Application of The Shops at Legacy (North), L.P.
for Section 380 Grant for Water Feature

Dear Madame Mayor:

We have all spent a great deal of time, energy, and expense in the last few weeks in an effort to help Legacy Business Park remain a magnet for attracting new business and new development in Plano.

The much-discussed fountain would be a substantial step forward in achieving that shared goal.

But a principal purpose of the fountain has always been, as I have stated many times, to create a "gathering place" ... the kind of public place that the student from South Korea mentioned at the public hearing a couple of weeks ago...where people from all over the area, and all walks of life, can come to enjoy a beautiful environment.

My goal to create this "gathering place" for the citizens of Plano hasn't changed.

But recent opposition, unwilling though they may be to admit or recognize the benefits of such a fountain, have worked hard to undermine this principal goal. Those opposing the fountain have fomented considerable unrest in our city, creating division where none should exist. Sadly personal political ambitions and deliberate mis-information are often the unfortunate enemy of good public planning, conservative public investment, and wise economic development policy.

My goal is, again, to create a gathering place for all of the citizens of Plano ... citizens from the East and the West... from the north and the south ... even for people beyond our city.

But ill-will, distortion, and public discord are not a good foundation for the gathering place I envision.

Moreover, continued debate and disagreement are no longer productive or efficient or, in my opinion, a good allocation of precious time... not for me and not for the City.

For these reasons and other reasons, I am electing to withdraw without prejudice the pending action before the City Council in respect of the fountain and the Section 380 funds

THE SHOPS AT LEGACY

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7200 bishop road, suite 250, plano, texas 75024 | www.shopsatlegacy.com

requested therefor. By copy of this letter to the City Secretary, I am asking her to formally withdraw and remove these pending actions from the agenda.

Please accept my hearty thanks to you, all of the members of the City Council, and the hard-working City staff for all of their efforts.

There are, of course, other ways that we can work together to benefit the City and achieve our common goals, and I hope that we can find solutions that more tangibly serve all interests.

So, will there be a fountain? I certainly hope so.

One way or another, I will build a fountain, though perhaps not the same fountain I hoped to build.

My efforts to build a "first class" project will not change, though the challenges will continue...not just due to cost pressures but also due to mounting publicly-financed competition from other cities.

Whatever economic development policy the City of Plano chooses to follow, rest assured that our neighboring cities will continue their aggressive multi-million dollar efforts to steal business from Plano. The tasks of keeping our office buildings full, our shops bustling, and our city tax revenues high are difficult and, sometimes, expensive and require a wide lens and a broad focus in order to see "the big picture".

Our neighboring cities of Allen, Frisco, Garland, Grapevine and others are very focused and can see clearly and unmistakably the real value in dollars and cents of prudent public investment. The challenge is before us. I hope, together, we will "rise to the occasion".

Sincerely,



Fehmi Karahan
for The Shops at Legacy (North), L.P.

cc: City Secretary

6-4



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY		Reviewed by Purchasing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable	
<input type="checkbox"/> Consent	<input type="checkbox"/> Regular	<input type="checkbox"/> Statutory	Reviewed by Budget	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> Not Applicable
Council Meeting Date: 1/8/07		Reviewed by Legal <i>JS</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Not Applicable	
Department:	City Manager		Initials	Date	
Department Head	Thomas H. Muehlenbeck		Executive Director		
Dept Signature:		City Manager	<i>JM</i>	<i>12/27/06</i>	
Agenda Coordinator (include phone #): Lynne Jones - 7109					

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

CAPTION

AN ORDINANCE OF THE CITY OF PLANO, TEXAS REPEALING ORDINANCE NO. 2006-12-16 TRANSFERRING THE SUM OF \$1,000,000 FROM THE GENERAL FUND UNAPPROPRIATED FUND BALANCE TO THE GENERAL FUND OPERATING APPROPRIATION FOR FISCAL YEAR 2006-07 FOR THE PURPOSE OF PROVIDING PARTIAL FUNDING FOR THE CONSTRUCTION AND MAINTENANCE OF A WATER FOUNTAIN WITHIN LEGACY TOWN CENTER; AND PROVIDING AN EFFECTIVE DATE.

FINANCIAL SUMMARY

NOT APPLICABLE OPERATING EXPENSE REVENUE CIP

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

FUND(s):

COMMENTS:

SUMMARY OF ITEM

This Ordinance repeals Ordinance No. 2006-12-16 as the applicant has withdrawn its 380 funding application

List of Supporting Documents:

n/a

Other Departments, Boards, Commissions or Agencies

n/a

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS REPEALING ORDINANCE NO. 2006-12-16 TRANSFERRING THE SUM OF \$1,000,000 FROM THE GENERAL FUND UNAPPROPRIATED FUND BALANCE TO THE GENERAL FUND OPERATING APPROPRIATION FOR FISCAL YEAR 2006-07 FOR THE PURPOSE OF PROVIDING PARTIAL FUNDING FOR THE CONSTRUCTION AND MAINTENANCE OF A WATER FOUNTAIN WITHIN LEGACY TOWN CENTER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council previously took action to transfer \$1,000,000 from the General Fund unappropriated fund balance to the General Fund operating appropriation for fiscal year 2006-07 for the purpose of providing partial funding for the construction and maintenance of a water fountain within Legacy Town Center by approving Ordinance No. 2006-12-16 on December 11, 2006; and

WHEREAS, since the applicant has withdrawn its 380 application for these funds, the City Council finds that it is no longer necessary to transfer this amount and desires to repeal Ordinance No. 2006-12-16 in its entirety.

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

Section I. Ordinance No. 2006-12-16 passed by the City Council on December 11, 2006 is hereby repealed in its entirety.

Section II. This Ordinance shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the ____ day of _____, 2007.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

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