

CITY COUNCIL

1520 AVENUE K



DATE: 1/25/2016
CALL TO ORDER: 7:00 p.m.
INVOCATION: Pastor Kelvin Foley
Prestonwood Baptist Church
PLEDGE OF ALLEGIANCE: Brownie Troop 6622
Haun Elementary

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p>OUR MISSION - THE CITY OF PLANO IS A REGIONAL AND NATIONAL LEADER, PROVIDING OUTSTANDING SERVICES AND FACILITIES THROUGH COOPERATIVE EFFORTS THAT ENGAGE OUR CITIZENS AND 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><u>PROCLAMATIONS & SPECIAL RECOGNITION</u></p> <p>SPECIAL RECOGNITION: Dr. Mark Gamber has been named the 2015 EMS Medical Director of the Year.</p> <p><u>CERTIFICATES OF APPRECIATION</u></p> <p><u>Tax Increment Financing Reinvestment Zone No. 2 Board</u></p> <p>David Stolle</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>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>	

ITEM NO.	EXPLANATION	ACTION TAKEN
(a)	<p><u>Approval of Minutes</u> January 11, 2016</p>	
(b)	<p><u>Approval of Expenditures</u> Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)</p>	
	<p>To ratify and approve the award for RFP 2016-0022-C for Stop Loss Insurance for the period of 1/1/2016 to 1/31/2016 in the estimated amount of \$133,042 and for the period of 2/1/2016 to 12/31/2016 in the estimated amount of \$1,463,459, for an estimated total contract amount of \$1,596,501, to be utilized by Human Resources to ReliaStar Life Insurance Company; and authorizing the City Manager to execute all necessary documents.</p>	
(c)	<p>Bid No. 2016-0125-B for the Sanitary Sewer Manhole Lining Contract, Project No. 6463, for Public Works Department to Infrastructure Rehabilitation USA, Inc. in the amount of \$920,990; and authorizing the City Manager to execute all necessary documents.</p>	
(d)	<p>Bid No. 2016-0035-C for a one (1) year contract with 3 one-year City optional renewals, for printing and mailing services of the Leisure Catalog for Parks & Recreation Department to Signature Offset in the estimated annual amount of \$52,037; and authorizing the City Manager to execute all necessary documents.</p>	
(e)	<p>Bid. No 2016-0111-C for a one (1) year contract with four (4) City optional renewals for Engineered Wood Fiber for the Parks and Recreation Department to Child's Play, Inc. in the amount of \$146,557; and authorizing the City Manager to execute all necessary documents.</p>	
(f)	<p>Bid No. 2016-0024-B for Plano City Hall Irrigation and Landscape Renovation, Project No. 6122 to J.C. Commercial, Inc. in the amount of \$988,747, plus a potential total of \$85,000 incentive fees; and authorizing the City Manager to execute all necessary documents.</p>	
	<p>Purchase from an Existing Contract</p>	
(g)	<p>To approve the purchase of five (5) Ford F450 Chassis with Versalift Body and Aerial for Fleet Services to be utilized by Public Works Operations in the amount of \$432,670 from Silsbee Ford through an existing TASB/BuyBoard contract; and authorizing the City Manager to execute all necessary documents. (TASB/BuyBoard Contract No. 430-13)</p>	
(h)	<p>To approve the purchase of one (1) Crane Carrier Refuse Rear Loading Truck Chassis and four (4) Crane Carrier Refuse Automated/Side Loading Truck Chassis in the amount of \$850,583 from Bond Equipment Company with one (1) Rear Loader Body and four (4) Automated/Side Loading Truck Bodies in the amount of \$569,692 from Heil of Texas for a total amount of \$1,420,275 for Fleet Services to be utilized by Environmental Waste Services through existing TASB/BuyBoard contracts; and authorizing the City Manager to execute all necessary documents. (TASB/BuyBoard Contract No. 425-13 and 430-13)</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p>Approval of Contract: (Purchase of products/services exempt from State of Texas Competitive Bid Laws)</p>	
(i)	<p>To approve a Professional Services Agreement by and between the City of Plano and Jerry Parche' Consulting Engineers, in the amount of \$239,385 for Water Rehab Belleview and Ranch Estates; and authorizing the City Manager to execute all necessary documents.</p>	
	<p>Approval of Contract Modification</p>	
(j)	<p>To approve and authorize Contract Modification No. 7 for the purchase of system maintenance for the Court Case Management and Imaging System in the estimated annual amount of \$85,070 from Tyler Technologies, Inc. for the Municipal Courts. This modification will provide for five (5) additional one-year renewal terms to the City of Plano current contract, 2012-23-1.</p>	
	<p>Approval of Expenditure</p>	
(k)	<p>To ratify and approve additional services for implementation, licensing and support for the Utiligy 360 - Enterprise Utility Management product. The ratification amount of \$220,706 covers an administrative adjustment and services rendered. The amount of \$222,361 is for additional services to complete the implementation, for an estimated total contract amount of \$1,065,769 for approved and additional services to be utilized by Technology Services from the sole source provider Denovo Ventures LLC; and authorizing the City Manager to execute all necessary documents. (2013-292-X)</p>	
	<p><u>Adoption of Resolutions</u></p>	
(l)	<p>To approve the changes to the actuarial assumptions pertaining to the discount rate, or assumed rate of return, and the mortality tables for the Retirement Security Plan as recommended by the Retirement Security Plan Committee and the Plan's Actuary; authorizing its execution by the City Manager; and providing an effective date.</p>	
(m)	<p>To approve the terms and conditions of an Economic Development Incentive Agreement by and between JPMorgan Chase Bank, NA, a national banking association, and the City of Plano, Texas; authorizing its execution by the City Manager; and providing an effective date.</p>	
(n)	<p>To ratify the terms and conditions of an Interlocal Cooperation Agreement by and between the City of Plano, Texas, and the City of Sachse, Texas, for Interim Fire Chief services; approving its execution by the City Manager; and providing an effective date.</p>	
(o)	<p>To repeal and replace Resolution No. 2002-12-1(R) and Resolution No. 96-9-33(R) with the herein Resolution to clarify that the Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano shall comply with the requirements of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, with the exception of holding closed meetings; and providing an effective date.</p>	
(p)	<p>To accept 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.</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
	<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>	
(1)	<p>Public Hearing and consideration of an Ordinance to designate a certain area within the City of Plano, Texas as Reinvestment Zone No. 141 for tax abatement, consisting of a 48.68 acre tract of land located in the J.C. Barrow Survey, Abstract No. 90, the H.N. Thompson Survey, Abstract No. 896 and the Garland Martin Survey, Abstract No. 662, City of Plano, Collin County, Texas, being all of Lots 1 and 2, Block B of Legacy West Addition, Lot 1 and Lot 2, Block B, Lot 1, Block C, Lot 1R, Block B and Lots 1 and 2, Block E, an addition to the City of Plano according to the plat thereof recorded in Cabinet 2015, Page 63, Map Records, Collin County, Texas and being part of called described in Limited General Warranty Deed, to SWC Tollway & 121 LLC, recorded in Instrument Number 20140205000109390, Official Public Records, Collin County, Texas, and described in Exhibit "A" attached hereto, establishing the boundaries of such zone; ordaining other matters related thereto; and providing an effective date.</p>	
(2)	<p>Consideration of a Resolution to approve the terms and conditions of an agreement by and between the City of Plano, Texas and JPMorgan Chase Bank, NA, a national banking association, providing for real and business personal property tax abatement; and authorizing its execution by the City Manager; and providing an effective date.</p>	
(3)	<p>Public Hearing and consideration of an Ordinance as requested in Zoning Case 2015-26 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to rezone 0.2± acre of land located on the north side of 12th Street, 181± feet east of Municipal Avenue in the City of Plano, Collin County, Texas, from Light Industrial-1 to Single-Family Residence-6; 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, a publication clause, and an effective date. Applicant: City of Plano</p>	

ITEM NO.	EXPLANATION	ACTION TAKEN
	<p><u>Plano Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal/L Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of the building. The Senator Florence Shapiro Council Chambers 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.</u></p>	



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		1/25/2016		
Department:		City Manager's Office		
Department Head		Bruce Glasscock		
Agenda Coordinator (include phone #): Melinda White X7548, Cindy Pierce X5161				
CAPTION				
SPECIAL RECOGNITION: Dr. Mark Gamber has been named the 2015 EMS Medical Director of the Year.				
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 WORK SESSION
January 11, 2016

COUNCIL MEMBERS PRESENT

Harry LaRosiliere, Mayor
Lissa Smith, Mayor Pro Tem
Ben Harris, Deputy Mayor Pro Tem
Angela Miner
Rick Grady
Ron Kelley
Tom Harrison
David Downs

STAFF PRESENT

Bruce Glasscock, City Manager
Frank Turner, Deputy City Manager
LaShon Ross, Deputy City Manager
Mark Israelson, Assistant City Manager
Jack Carr, Assistant City Manager
Paige Mims, City Attorney
Lisa C. Henderson, City Secretary

Mayor LaRosiliere convened the Council into the Work Session at 5:02 p.m. on Monday, January 11, 2016, in the Plano Municipal Center, Training Room A, 1520 K Avenue, Plano, Texas. A quorum was present.

Presentation and discussion with City Council on effective skills for public meetings

Ms. Cooksey, with Cooksey Communications, stated the purpose of the presentation was to provide tools to be more engaged with citizens when they appear to speak before Council. She spoke to body language and tone of voice over riding the content of the message. Ms. Cooksey provided body language dos and don'ts and suggested speaking in a happy, confident voice to allow for the message to be received as intended. She encouraged the Council to actively listen, repeat the question, take a moment to respond in a calm manner, disagree respectfully, and admit if the answer is not known.

Nothing further was discussed. Mayor LaRosiliere adjourned the meeting at 5:46 p.m.

Harry LaRosiliere, MAYOR

ATTEST

Lisa C. Henderson, City Secretary

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
January 11, 2016**

COUNCIL MEMBERS PRESENT

Harry LaRosiliere, Mayor
Lissa Smith, Mayor Pro Tem
Ben Harris, Deputy Mayor Pro Tem
Angela Miner
Rick Grady
Ron Kelley
Tom Harrison
David Downs

STAFF PRESENT

Frank Turner, Deputy City Manager
LaShon Ross, Deputy City Manager
Mark Israelson, Assistant City Manager
Jack Carr, Assistant City Manager
Paige Mims, City Attorney
Lisa C. Henderson, City Secretary

Mayor LaRosiliere called the meeting to order at 5:46 p.m., Monday, January 11, 2016, in Training Room A of the Municipal Center, 1520 K Avenue. A quorum was present. Mayor LaRosiliere 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; to receive information regarding Economic Development, Section 551.087; and discuss Real Estate, Section 552.072; for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor LaRosiliere reconvened the meeting back into the Preliminary Open Meeting at 6:35 p.m. in the Senator Florence Shapiro Council Chambers.

Consideration and action resulting from Executive Session discussion

No items were discussed.

Open Carry Briefing

Assistant City Manager Israelson discussed the change in the firearm laws and introduced Police Department Senior Legal Advisor Howard to provide the details. Mr. Howard spoke to the legislation, areas where carrying firearms openly or concealed are allowed or prohibited, notice requirements, and the changes to the statute language. Mr. Israelson provided options to Council regarding firearms during open meetings of the City Council and Boards and Commissions. He stated they could choose no firearms, concealed firearms, or open carry of firearms; and the open meetings in which they were prohibited. The Council expressed concurrence to prohibit all firearms during all Council and Board and Commission open meetings.

Consent and Regular Agendas

Council Member Grady requested Consent Agenda Items “H” & “J” be pulled for individual consideration and City Manager Glasscock requested Consent Agenda Item “B” be pulled for individual consideration.

Council Items for Discussion/Action on Future Agendas

No items were discussed.

Nothing further was discussed. Mayor LaRosiliere adjourned the meeting at 6:55 p.m.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, City Secretary

**PLANO CITY COUNCIL
REGULAR SESSION
January 11, 2016**

COUNCIL MEMBERS PRESENT

Harry LaRosiliere, Mayor
Lissa Smith, Mayor Pro Tem
Ben Harris, Deputy Mayor Pro Tem
Angela Miner
Rick Grady
Ron Kelley
Tom Harrison
David Downs

STAFF PRESENT

Frank Turner, Deputy City Manager
LaShon Ross, Deputy City Manager
Mark Israelson, Assistant City Manager
Jack Carr, Assistant City Manager
Paige Mims, City Attorney
Lisa C. Henderson, City Secretary

Mayor LaRosiliere convened the Council into the Regular Session on Monday, January 11, 2016, at 7:00 p.m. in the Senator Florence Shapiro Council Chambers of the Plano Municipal Center, 1520 K Avenue. A quorum was present.

Rabbi Michael Kushnick with Congregation Anshai Torah led the invocation and the Boys and Girls Clubs of Collin County - Plano led the Pledge of Allegiance and Texas Pledge.

COMMENTS OF PUBLIC INTEREST

Patti Snell spoke to the Collinwood House and its reported historical value.

CONSENT AGENDA

Upon a motion made by Council Member Downs and seconded by Deputy Mayor Pro Tem Harris, the Council voted 8-0 to approve and adopt all items on the Consent Agenda; with the exception of Item B, Item H, and Item J, as recommended, and as follows:

Approval of Minutes

December 22, 2015
(Consent Agenda Item "A")

Approval of Expenditures

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

Bid No. 2016-0128-C for a one-year contract with five (5) one-year City optional renewals, for the support and maintenance of the Police Department's records management and automated field reporting systems to Cohero in the estimated annual amount of \$253,500; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item "C")

Bid No. 2016-0119-B for Screening Wall – 15th & Custer to Ratliff Hardscape, Ltd. in the amount of \$1,128,323; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item "D")

Purchase from an Existing Contract

To approve the purchase of one (1) Kenworth K270 Chassis with a Wayne Tomcat Refuse Body for Fleet Services to be utilized by the Environmental Waste Services Division in the amount of \$172,994 from MHC Kenworth through an existing TASB/BuyBoard contract; and authorizing the City Manager to execute all necessary documents. (TASB/BuyBoard Contract No. 430-13) (Consent Agenda Item "E")

To approve the purchase of one (1) Toro GM5900 large area mower and one (1) Toro GM5910 large area mower for Fleet Services to be utilized by the Parks and Recreation Department in the amount of \$179,560 from Professional Turf Products through an existing TASB/BuyBoard contract; and authorizing the City Manager to execute all necessary documents. (TASB/BuyBoard Contract No. 447-14) (Consent Agenda Item "F")

Approval of Contract Modification

To approve and authorize Contract Modification No. 1 for the purchase of additional professional services for Independence Parkway Corridor - 15th Street to Parker Road project in the amount of \$16,810 from Terracon Consultants, Inc.; and authorizing the City Manager to execute all related documents. (Consent Agenda Item "G")

Approval of Change Order

To Jim Bowman Construction Co., LP, increasing the contract by \$181,496 for the Greenhollow Estates Water Line Rehabilitation project, Change Order No. 2. Original Bid No. 2013-148-B. (Consent Agenda Item "I")

Adoption of Resolutions

Resolution No. 2016-1-1(R): To authorize the filing of a grant application for regional funds in an amount not to exceed \$120,000 for a Waste Characterization and Recycling Behaviors Study through the North Central Texas Council of Governments; certifying that the City's matching share is readily available; designating the Director of Public Works as authorized representative of the City of Plano for the purpose of giving required assurances acting in connection with said application and providing required information; and providing an effective date. (Consent Agenda Item "K")

Resolution No. 2016-1-2(R): To approve the Third Amendment to an Interlocal Cooperation Agreement between North Texas Municipal Water District and the City of Plano, Texas for Regional Composting Program until April 30, 2016, as permitted by Article II of the Agreement; authorizing the City Manager to execute any and all documents in connection therewith; and providing an effective date. (Consent Agenda Item “L”)

Resolution No. 2016-1-3(R): To approve the terms and conditions of an Economic Development Incentive Agreement by and between the City of Plano and SWC Tollway & 121, LLC, a Delaware limited liability company, for the construction and installation of certain public infrastructure and improvements within the public rights-of-way and private property near the Legacy West development; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item “M”)

Resolution No. 2016-1-4(R): To approve the Bylaws of the Plano Improvement Corporation; and providing an effective date. (Consent Agenda Item “N”)

Resolution No. 2016-1-5(R): To approve the terms and conditions of a funding agreement by and between the City of Plano and the Historic Downtown Plano Association, a Texas non-profit corporation, governing the use of funds collected from property owner assessments through the Downtown Plano Public Improvement District in an amount not to exceed \$52,500; authorizing its execution by the City Manager; and providing an effective date. (Consent Agenda Item “O”)

Resolution No. 2016-1-6(R): To authorize the filing of a grant application for regional funds in an amount not to exceed \$82,010 for a Litter Education Program through the North Central Texas Council of Governments; designating the Director of Environmental Health as authorized representative of the City of Plano for the purpose of giving required assurances, acting in connection with said application, and providing required information; and declaring an effective date. (Consent Agenda Item “P”)

Adoption of Ordinances

Ordinance No. 2016-1-7: To adopt a new Article IV, Section 8-20 of Chapter 8, Fire Prevention and Protection, of the City of Plano Code of Ordinances, to establish the Mobile Community Healthcare Program and authorize Plano Fire-Rescue Paramedics to provide emergency medical services by performing appropriate medical interventions to certain individuals at their residences who routinely and frequently call 9-1-1 requesting emergency medical services within the City of Plano; and providing a repealer clause, a severability clause, a savings clause, and an effective date. (Consent Agenda Item “Q”)

Ordinance No. 2016-1-8: To abandon all right, title and interest of the City, in and to a portion of a certain 15-foot Drainage Easement recorded in Volume 2014, Page 9, of the Official Public Records of Collin County, Texas and being situated in the Daniel Rowlett Survey, Abstract No. 738, which is located within the city limits of Plano, Collin County, Texas; quitclaiming all right, title and interest of the City in such easement to the owner of the property underlying the easement, SAVOY PLANO HOTELS LLC, to the extent of its interest; authorizing the City Manager to execute any documents deemed necessary; and providing an effective date. (Consent Agenda Item “R”)

END OF CONSENT

Bid No. 2016-76-B for the purchase of twenty-six (26) Chevrolet, Black and White Police Tahoes and one (1) Chevrolet, Blue Police Tahoe for Fleet Services to be utilized by the Police Department from Sam Pack's Five Star Ford and Chevrolet in the amount of \$952,086; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item "B")

City Manager Glasscock spoke to the recent review of the different types of police vehicles and found the Tahoe's space allowed for all of the electronic equipment to be in air conditioned areas, more seating room caused fewer back problems, the height provided improved visibility, and the operational cost for the Tahoe is 71 cents per mile and 73 cents per mile for a sedan.

Upon a motion made by Mayor Pro Tem Smith and seconded by Deputy Mayor Pro Tem Harris, the Council voted 8-0 to approve Bid No. 2016-76-B for the purchase of twenty-six (26) Chevrolet, Black and White Police Tahoes and one (1) Chevrolet, Blue Police Tahoe for Fleet Services to be utilized by the Police Department from Sam Pack's Five Star Ford and Chevrolet in the amount of \$952,086.

To approve and authorize Contract Modification No. 1 for Professional Services for the design of Legacy Drive at Parkwood Boulevard and Coit Road between SH 190 and Mapleshade Lane in the amount of \$88,000 from R-Delta Engineers, Inc.; and authorizing the City Manager to execute all related documents. (Consent Agenda Item "H")

Director of Engineering Thornhill clarified for Council Member Grady the difference in cost resulted from an increase in the scope of work since the approval of the original contract.

Upon a motion made by Council Member Grady and seconded by Mayor Pro Tem Smith, the Council voted 8-0 to approve and authorize Contract Modification No. 1 for Professional Services for the design of Legacy Drive at Parkwood Boulevard and Coit Road between SH 190 and Mapleshade Lane in the amount of \$88,000 from R-Delta Engineers, Inc.

To approve a request for a Parking Reduction Program for Granite Park, Phase III, Block B located at the southeast corner of State Highway 121 and the Dallas North Tollway. Zoned Central Business-1/Dallas North Tollway/State Highway 121 Overlay Districts with Specific Use Permit #648 for Automobile Leasing/Renting. Applicant: Granite Park Association Inc. & Tollway/121 Partners Ltd. (Consent Agenda Item "J")

Director of Planning Day, responding to Council Member Grady, spoke to the change of use in the development allows for the reduction in parking and additional parking for future development will be addressed and included with the projects as they are submitted for approval.

Upon a motion made by Council Member Grady and seconded by Council Member Downs, the Council voted 8-0 to approve a request for a Parking Reduction Program for Granite Park, Phase III, Block B located at the southeast corner of State Highway 121 and the Dallas North Tollway.

Public Hearing and Resolution No. 2016-1-9(R) to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on the east side of Coit Road, 350± feet north of McDermott Road; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. (Regular Item “1”)

Community Services Manager Brown spoke to the application process and stated the application meets the requirements set forth in the City’s policy and staff recommends support of the application. Jean Brown, Plano Housing Corporation, spoke briefly about the project and asked for the Council’s support.

Mayor LaRosiliere opened the public hearing. Colleen Epstein stated her concern for the number of apartments in the City. Mayor LaRosiliere closed the public hearing.

City Attorney Mims stated the four items relating to Housing Tax Credits are for financing purposes and the owner’s ability to obtain federal tax credits.

Upon a motion made by Council Member Downs and seconded by Council Member Miner, the Council voted 8-0 to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on the east side of Coit Road, 350± feet north of McDermott Road; and further to adopt Resolution No. 2016-1-9(R).

Public Hearing and Resolution No. 2016-1-10(R) to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project, located on 4.8± acres bounded by 14th Street on the north, G Avenue on the east, 13th/14th Connector on the south and F Avenue on the west; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. (Regular Item “2”)

Community Services Manager Brown stated the application meets the requirements set forth in the City’s policy and staff recommends support of the application. She added the applicant would like to amend the request to reflect an increase to 232 units from the 176 units originally submitted and that staff supports the amendment. Jean Brown, Plano Housing Corporation, spoke briefly about the project and asked for the Council’s support. She clarified the Texas Department of Housing and Community Affairs requirements for the grants.

Mayor LaRosiliere opened the public hearing. Colleen Epstein stated her concern regarding Council support of the financing would provide support of the zoning change. City Attorney Mims stated the resolution expressing support of the tax credit specifically delineates the separation between the two processes. Mayor LaRosiliere closed the public hearing.

Upon a motion made by Council Member Downs and seconded by Council Member Grady, the Council voted 8-0 to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project, located on 4.8± acres bounded by 14th Street on the north, G Avenue on the east, 13th/14th Connector on the south and F Avenue on the west; and further to adopt Resolution No. 2016-1-10(R) as modified.

Public Hearing and Resolution No. 2016-1-11(R) to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on Enterprise Drive near West Park Boulevard; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. (Regular Item “3”)

Community Services Manager Brown stated the application meets the requirements set forth in the City’s policy and staff recommends support of the application. Megan Lasch, representing the applicant, was available to answer any questions regarding the project. Ms. Brown, in response to Council Member Downs, clarified the income percentage noted in the resolution correlates to the percentage provided in the application.

Mayor LaRosiliere opened the public hearing. Colleen Epstein asked for clarification on the source of the tax credit. Ms. Brown and City Attorney Mims advised it is a federal income tax credit awarded through the federal government. Mayor LaRosiliere closed the public hearing.

Upon a motion made by Council Member Downs and seconded by Mayor Pro Tem Smith, the Council voted 8-0 to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on Enterprise Drive near West Park Boulevard; and further to adopt Resolution No. 2016-1-11(R).

Public Hearing and Resolution No. 2016-1-12(R) to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located at Chase Oaks Boulevard and State Highway 75; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. (Regular Item “4”)

Community Services Manager Brown stated the application meets the requirements set forth in the City’s policy and staff recommends support of the application. Megan Lasch, representing the applicant, was available for questions regarding the project.

Mayor LaRosiliere opened the public hearing. Colleen Epstein requested clarification regarding the reason Council is required to support the applications. Director of Neighborhood Services Schwarz stated a resolution of support is required in the application process to the Texas Department of Housing and Community Affairs. Mayor LaRosiliere closed the public hearing.

Upon a motion made by Council Member Grady and seconded by Council Member Miner, the Council voted 8-0 to support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located at Chase Oaks Boulevard and State Highway 75; and further to adopt Resolution No. 2016-1-12(R).

Public Hearing and consideration of an Ordinance as requested in Zoning Case 2015-18 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to amend Planned Development-109-Retail/General Office and Planned Development-60-General Office on 61.6± acres of land located at the southwest corner of Park Boulevard and Alma Drive, in the City of Plano, Collin County, Texas, to allow for Patio Home with modified development standards; 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, a publication clause, and an effective date. Applicant: Pitman Partners LTD (Regular Item “5”)

Director of Planning Day spoke to the project location, current zoning, and requested changes to the current planned development language and stated that staff and the Planning and Zoning Commission recommend approval. In response to Council Ms. Day advised the project was in compliance with the comprehensive plan in effect at the time of application, the project aligned with the neighborhood to the west and the driveway to the adjacent office building would not provide access to the subdivision.

Brian Klein with ION Design Group, representing the applicant, provided an overview of the project and how it connects to the neighborhood to the west. In response to Council Member Downs, Mr. Klein stated there were no plans to remove the round-about on Columbia Drive at this time, but would consider if requested.

Mayor LaRosiliere opened the public hearing. Robert Miller spoke in support of the project. Jack Lagos spoke in opposition of the project. Mayor LaRosiliere closed the public hearing.

Council discussed the location of the homes next to the office buildings and other areas in the City with similar situations; the maximum height of adjacent office buildings; and the types of businesses allowed with the current zoning.

Upon a motion made Council Member Grady and seconded by Council Member Downs, the Council voted 4-4, with Mayor LaRosiliere, Mayor Pro Tem Smith, Deputy Mayor Pro Tem Harris, and Council Member Harrison voting in opposition, to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to amend Planned Development-109-Retail/General Office and Planned Development-60-General Office on 61.6± acres of land located at the southwest corner of Park Boulevard and Alma Drive, in the City of Plano, Collin County, Texas, to allow for Patio Home with modified development standards. With a lack of a majority vote, the motion failed.

Public Hearing and consideration of an Appeal of the Planning & Zoning Commission's denial of Zoning Case 2015-24 - Request to rezone 17.0± acres located on the east side of Alma Drive, 332± feet south of Park Boulevard from Corridor Commercial to Planned Development-Corridor Commercial to allow for multifamily residence with modified development standards. Zoned Corridor Commercial. Applicant: Plano Riverwalk Development Partners, Ltd. (Regular Item “6”)

Public Hearing and consideration of an Appeal of the Planning & Zoning Commission's denial of Zoning Case 2015-24 (Cont'd.)

Director of Planning Day spoke to the property's current zoning, zoning and uses of the surrounding properties, the planned development stipulations, and that the Planning and Zoning Commission denied the request. She stated the developer has requested that the Council remand the case back to the Planning and Zoning Commission to allow for amendments to the development to address the concerns. Deputy Mayor Pro Tem Harris requested staff clarify the process and requirements for an appeal or remanding back to the Planning and Zoning Commission.

Miller Sylvan, with JPI, representing the applicant, stated the applicant requests the item be sent back to the Planning and Zoning Commission for their reconsideration. He provided details of plan amendments, the park land dedication, community outreach details, and design improvements.

Mayor LaRosiliere opened the public hearing. Robert Miller, Colleen Epstein, and Jack Lagos spoke in support of the denial. Bill Lisle spoke in support of approval of the appeal. Mayor LaRosiliere closed the public hearing.

Upon a motion made by Deputy Mayor Pro Tem Harris and seconded by Council Member Downs, the Council voted 7-1, with Council Member Miner voting in opposition, to deny the appeal of the Planning & Zoning Commission's denial of Zoning Case 2015-24 - Request to rezone 17.0± acres located on the east side of Alma Drive, 332± feet south of Park Boulevard from Corridor Commercial to Planned Development-Corridor Commercial to allow for multifamily residence with modified development standards. The motion carried.

Consideration of an Appeal of the Planning & Zoning Commission's denial of the Concept Plan for JPI Plano Riverwalk, Block A, Lot 1 – 413 multifamily units on five lots on 16.4± acres located on the east side of Alma Drive, 332± feet south of Park Boulevard. Zoned Corridor Commercial. Neighborhood #58. Applicant: Plano Riverwalk Development Partners, Ltd. (Regular Item “7”)

Director of Planning Day stated based on the Council's action on Zoning Case 2015-24, the concept plan is not consistent with the zoning on the property.

Mayor LaRosiliere opened the public hearing. Colleen Epstein clarified the item would be denied by Council. Jack Lagos stated his support of denial of the plan. Mayor LaRosiliere closed the public hearing.

Upon a motion made by Council Member Downs and seconded by Mayor Pro Tem Smith, the Council voted 8-0, to deny the appeal of the Planning & Zoning Commission's denial of the Concept Plan for JPI Plano Riverwalk, Block A, Lot 1 – 413 multifamily units on five lots on 16.4± acres located on the east side of Alma Drive, 332± feet south of Park Boulevard.

With no further business, Mayor LaRosiliere adjourned the meeting at 7:49 p.m.

Harry LaRosiliere, Mayor

ATTEST

Lisa C. Henderson, City Secretary



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		1/25/16		
Department:		Human Resources		
Department Head		Shante' Akafia		
Agenda Coordinator (include phone #): Sharron Mason x7247				
CAPTION				
To ratify and approve the award for RFP 2016-0022-C for Stop Loss Insurance for the period of 1/1/2016 to 1/31/2016 in the estimated amount of \$133,042, and for the period of 2/1/2016 to 12/31/2016 in the estimated amount of \$1,463,459, for an estimated total contract amount of \$1,596,501, to be utilized by Human Resources to ReliaStar Life Insurance Company, and authorizing the City Manager to execute all necessary documents.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2015-16 thru 2016-17	Prior Year (CIP Only)	Current Year	Future Years
		0	2,313,525	399,123
		0	-817,767	0
		0	-1,197,378	-399,123
		0	298,380	0
TOTALS				
				2,712,648
				-817,767
				-1,596,501
				298,380
FUND(S): HEALTH CLAIMS FUND				
<p>COMMENTS: This item ratifies and approves the City of Plano's Stop Loss Coverage through December 31, 2016. The anticipated cost in FY 2015-16 of \$1,197,378, and cost in FY 2016-17 of \$399,123 for a total of \$1,596,501 will be funded via regular employee, retiree, and city contributions to the City's Health Claims Fund.</p> <p>STRATEGIC PLAN GOAL: Providing for Stop Loss Coverage against a high level of health claims relates to the City's Strategic Plan Goal of a Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
See recommendation memo.				
List of Supporting Documents: Recommendation Memo			Other Departments, Boards, Commissions or Agencies NA	



Memorandum

To: Diane Palmer-Boeck, Chief Purchasing Officer

From: Andrea Cockrell, Administrative Services Manager

Date: December 23, 2015

Re: Award of Bid RFP 2016-0022-C for Stop Loss Insurance Coverage

RFP 2016-0022-C

The Stop Loss Insurance Coverage contract encompasses reinsurance coverage for the self-insured medical plan. The Evaluation Committee reviewed and evaluated two (2) proposals in response to the Request for Proposal (RFP) for Stop Loss Insurance Coverage: United HealthCare Services, Inc. and Reliastar Life Insurance Company. SA Benefits was a third vendor who responded, however, they only included pricing for the existing individual stop loss limit and therefore was not considered.

Evaluation was based on the following factors:

- Pricing – 50%
- Meets/exceeds requirements – 50%

Final results showed Reliastar Life Insurance Company with the overall highest scores factoring in the pricing. The estimated annual cost without respect to any reimbursement of claims over the individual stop loss limit is \$1,596,501 (\$62.14 per member per month with an Individual Stop Loss level of \$200,000.) The Evaluation Committee recommends the contract be awarded to Reliastar Life Insurance Company based upon the overall highest score.

Human Resources requests City Council ratify the first monthly payment estimated to be \$133,042 and approve the remaining estimated expenditures of \$1,463,459 for a total estimated amount of \$1,596,501.

Failure to award this contract would result in the City taking on additional risk for catastrophic claims.

CITY OF PLANO

RFP No.: 2016-0022-C
RFP for STOP LOSS INSURANCE
RFP RECAP

RFP Opening Date/Time: **Thursday, November 19, 2015 @ 3:00 p.m. (CST)**

Number of Vendors Notified: 3515

Vendors Submitting "No Bids": None

Number of Proposals Considered: 2

Estimated Overall Cost:

United Healthcare Services, Inc.	\$2,012,197.44 (\$200,000 deductible)
Reliastar Life Insurance Company	\$1,627,331.28 (\$200,000 deductible)

Recommended Vendor(s):

Reliastar Life Insurance Company in the total estimated amount of \$1,596,501(\$200,000 deductible) **Best and Final Offer** for a twelve (12) month contract beginning January 1, 2016 and ending December 31, 2016.

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

Sharron Mason

December 23, 2015

Sharron Mason
Sr. Buyer

Date



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		1/25/2016		
Department:		Public Works/David Falls		
Department Head		Gerald P. Cosgrove		
Agenda Coordinator (include phone #): Shawn Breen (972) 769-4193				
CAPTION				
Bid No. 2016-0125-B for the Sanitary Sewer Manhole Lining Contract, Project No. 6463, for Public Works Department to Infrastructure Rehabilitation USA, Inc., in the amount of \$920,990 and authorizing the City Manager or his authorized designee to execute all necessary documents.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input checked="" type="checkbox"/> CIP				
FISCAL YEAR: 2015-16	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	372,398	2,227,602	1,000,000	3,600,000
Encumbered/Expended Amount	-372,398	-529,805	0	-902,203
This Item	0	-920,990	0	-920,990
BALANCE	0	776,807	1,000,000	1,776,807
FUND(s): SEWER CIP				
<p>COMMENTS: Funding is available for this item in the 2015-16 Sewer CIP. This manhole lining contract, in the amount of \$920,990, will leave a current year balance of \$776,807 available for future manhole lining or other sewer improvement expenditures.</p> <p>STRATEGIC PLAN GOAL: Rehabilitating existing infrastructure to prevent infiltration and restore structural strength relates to the City's goal of a Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
Public Works Department recommends the bid for the Sanitary Sewer Manhole Lining Contract to Infrastructure Rehabilitation USA, Inc., in the amount of \$920,990.49 be accepted as the lowest responsible bid for the project conditioned upon timely execution of all necessary documents.				
This project involves the lining of 1,531 vertical feet in sewer manholes to prevent infiltration and restore structural strength in various locations throughout the City of Plano.				
Engineer's estimate for this project is \$1,000,000. Thirty-two companies looked at the bid while only one submitted a bid.				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Bid Recap				

CITY OF PLANO

Bid No. 2016-0125-B

Sanitary Sewer Manhole Lining Contract – Project No. 6463

Bid Recap

Bid opening Date/Time: December 21, 2015 @ 10:00 AM

Number of Vendors Notified: 1,848

Vendors Submitting “No Bids”: 0

Number of Bids Submitted: 1

Vendor Name

Infrastructure Rehabilitation USA, Inc.

Total Base Bid

\$920,990.49

Recommended Vendor(s):

Infrastructure Rehabilitation USA, Inc.

\$920,990.49

Corey Isaacs

Corey Isaacs, Buyer II

December 21, 2015

Date



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		January 25, 2016			
Department:		Parks & Recreation			
Department Head		Amy Fortenberry			
Agenda Coordinator (include phone #): Teresa Shelstad ext:7539					
CAPTION					
Bid No. 2016-0035-C for a one (1) year contract with 3 one-year City optional renewals, for printing and mailing services of the Leisure Catalog for Parks & Recreation Department to Signature Offset in the estimated annual amount of \$52,037, and authorizing the City Manager to execute all necessary documents.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2015-16 thru 2019-20	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	76,000	173,862	249,862
Encumbered/Expended Amount		0	-19,917	0	-19,917
This Item		0	-34,285	-173,862	-208,147
BALANCE		0	21,798	0	21,798
FUND(s): RECREATION REVOLVING FUND					
COMMENTS: This item approves price quotes. Expenditures will be made in the Recreation Revolving Fund for each year of the contract. The estimated amount to be spent in FY 2015-16 is \$34,285. The estimated future amount is \$173,862, which will be made within approved budget appropriations in future years.					
STRATEGIC PLAN GOAL: Promoting recreational opportunities offered by the City of Plano to residents relates to Financially Strong City with Service Excellence and Great Neighborhoods - 1st Choice to Live.					
SUMMARY OF ITEM					
See attached recommendation memo.					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Recommendation Memo					
Bid Recap					



Memorandum

Date: January 4, 2016
To: Teresa Shelstad, Purchasing Buyer
From: K'Ann Parham, Parks & Recreation Business Manager
Subject: Award of Bid #2016-0035-C Leisure Catalog
CC: Amy Fortenberry, Parks & Recreation Director

After reviewing and evaluating all bids for bid number 2016-0035-C (Printing Services for our *Leisure* catalog), it is our recommendation that the bid be awarded to the lowest bidder, Signature Offset, in the amount of \$52,036.70 for three copies a year with an optional renewal for three years.

The cost of the catalog comes out of the Recreation Revolving Fund, which is generated by class registrations. If the City does not award this bid, our *Leisure* catalog would not be able to printed, mailed and given out to 55,000 citizens. Thus the amount of people who take our wide range of classes would be significantly reduced thus impacting the Recreation Revolving Fund in a negative manner.

The specifics of this bid are on file with the Purchasing Division.

If you need any additional information, please ask.

K'Ann Parham
PARD Business Manager

CITY OF PLANO
BID NO. 2016-0035-C
Printing Services for the Leisure Catalog

BID RECAP

Bid opening Date/Time: December 1, 2015 @ 2:00 PM

Number of Vendors Notified: 2144

Vendors Submitting "No Bids": 2

Bids Evaluated Non-Responsive to Specifications: 0

Number of Bids Submitted Responsive to Bid: 5

Signature Offset	Total: \$52,036.70
Midway Press, Ltd.	Total: \$55,956.00
DFW Printing Co, Inc.	Total: \$59,079.60
Trend Offset Printing	Total: \$68,476.50
Delta Videos & Prints	Total: \$150,001,929.00

Recommended Vendors:

Signature Offset	Total \$52,036.70
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Teresa Shelstad
Teresa Shelstad
Buyer I

January 5, 2016
Date



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		January 25, 2016			
Department:		Parks and Recreation			
Department Head		Amy Fortenberry			
Agenda Coordinator (include phone #): Leslie Hooker ext 7204					
CAPTION					
Bid. No 2016-0111-C for a one (1) year contract with four (4) City optional renewals for Engineered Wood Fiber for the Parks and Recreation Department to Child's Play, Inc. in the amount of \$146,557 and authorizing the City Manager to execute all necessary documents.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input checked="" type="checkbox"/> CIP					
FISCAL YEAR:	2015-16 thru 2020-21	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		286,323	563,677	1,900,000	2,750,000
Encumbered/Expended Amount		-286,323	-304,178	0	-590,501
This Item		0	-97,704	-635,081	-732,785
BALANCE		0	161,795	1,264,919	1,426,714
FUND(S): CAPITAL RESERVE FUND					
<p>COMMENTS: Funding is available for this item in the 2015-16 Capital Reserve CIP and is anticipated in future years. Engineered wood fiber, in the potential total amount of \$146,557 annually with four potential renewals, will leave a current year balance of \$161,795 available for future expenditures related to park maintenance and renovation. Future year expenditures will be made within Council approved appropriations.</p> <p>STRATEGIC PLAN GOAL: Obtaining material to provide for playground safety and accessibility relates to the City's goal of Great Neighborhoods - 1st Choice to Live.</p>					
SUMMARY OF ITEM					
See recommendation memo.					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Recommendation Memo					
Bid Recap					



Memorandum

Date: December 14, 2015
To: Diane Palmer-Boeck, Chief Purchasing Officer
From: Craig Vier, Field Technician Supervisor Park Services
Subject: Award Recommendation (2016-0111-C) Engineered Wood Fiber

Recommendation

The Parks and Recreation Department recommends awarding bid number 2016-0111-C Engineered Wood Fiber in the amount of \$146,556.60 to the lowest, responsive and responsible bidder: Child's Play, Inc. This contract is for the purchase, delivery, and spreading the engineered wood fiber inside specified playgrounds throughout the Park System.

The recommendation of award is based upon the following:

-lowest responsible bid.

-the engineered wood fiber material provided meets the requirements of ASTM F1292-13 & ASTM F2075-10a , Standard Specification for Impact Attenuation of Surface Systems Under and Around Playground Equipment Standards.

Engineered wood fiber provides a play area and fall surface under and around playground structures to help prevent injury from falls off of the equipment. The engineered wood fiber also provides an accessible ground surface for disabled persons to access the playground equipment.

If the contract is not awarded, playgrounds throughout the city would no longer be compliant with state and federal standards. The play areas could become inaccessible to disabled people, and the fall surfaces would no longer provide adequate fall attenuation from the playground structures.

CITY OF PLANO

BID NO. 2016-0111-C
Engineered Wood Fiber
BID RECAP

Bid opening Date/Time: December 10, 2015 @ 10:00 am

Number of Vendors Notified: 769

Vendors Submitting "No Bids": 0

Bids Evaluated Non-Responsive to Specifications: 0

Number of Bids Submitted Responsive to Bid: 4

Child's Play, Inc.	\$146,556.60
Naturomulch, LLC	\$161,421.60
Soil Building Systems	\$179,940.00
Soil Express, Ltd.	\$212,775.00

Recommended Vendors for a split award:

Child's Play, Inc.	\$146,556.60
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Leslie Hooker

December 10, 2015

Leslie Hooker
Buyer I

Date



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		1/25/16			
Department:		Parks and Recreation			
Department Head		Amy Fortenberry			
Agenda Coordinator (include phone #): Susan Berger (7255)					
CAPTION					
Bid No. 2016-0024-B for Plano City Hall Irrigation and Landscape Renovation, Project No. 6122 to J.C. Commercial, Inc. in the amount of \$988,747, plus a potential total of \$85,000 incentive fees, and authorizing the City Manager or his designee to execute all necessary documents.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input checked="" type="checkbox"/> CIP					
FISCAL YEAR:	2015-16; 2016-17	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		210,750	1,173,250	850,000	2,234,000
Encumbered/Expended Amount		-210,750	-78,213	0	-288,963
This Item		0	-692,123	-381,624	-1,073,747
BALANCE		0	402,914	468,376	871,290
FUND(S): CAPITAL RESERVE FUND					
<p>COMMENTS: Funding for this item is available in the 2015-16 Parks Capital Reserve CIP and is anticipated in the 2016-17 CIP as well. Renovation of irrigation and landscaping at Plano City Hall, in the potential total amount of \$1,073,747 if all incentives are met, will leave a total balance of \$871,290 available for future expenditures related to landscaping and irrigation renovation at other City of Plano facilities.</p> <p>STRATEGIC PLAN GOAL: Renovating existing landscaping and irrigation systems at city facilities relates to the City's goal of a Financially Strong City with Service Excellence.</p>					
SUMMARY OF ITEM					
<p>Staff recommends the disqualification of the lowest bidder, Cole Construction, Inc., on the basis that it is not a responsible bidder on this project.</p> <p>Staff recommends the bid of J.C. Commercial, Inc. in the amount of \$988,747 be accepted as the lowest responsible bid for the Plano City Hall Irrigation and Landscape Renovation project conditioned upon the timely execution of all necessary documents.</p> <p>The bid includes mobilization, site preparation, demolition, erosion controls, temporary fencing, traffic control, tree removal, new tree and landscape planting, and new, more efficient, irrigation system.</p>					
<p>Project Location Map: https://goo.gl/maps/LncAuj9Z4C32</p>					

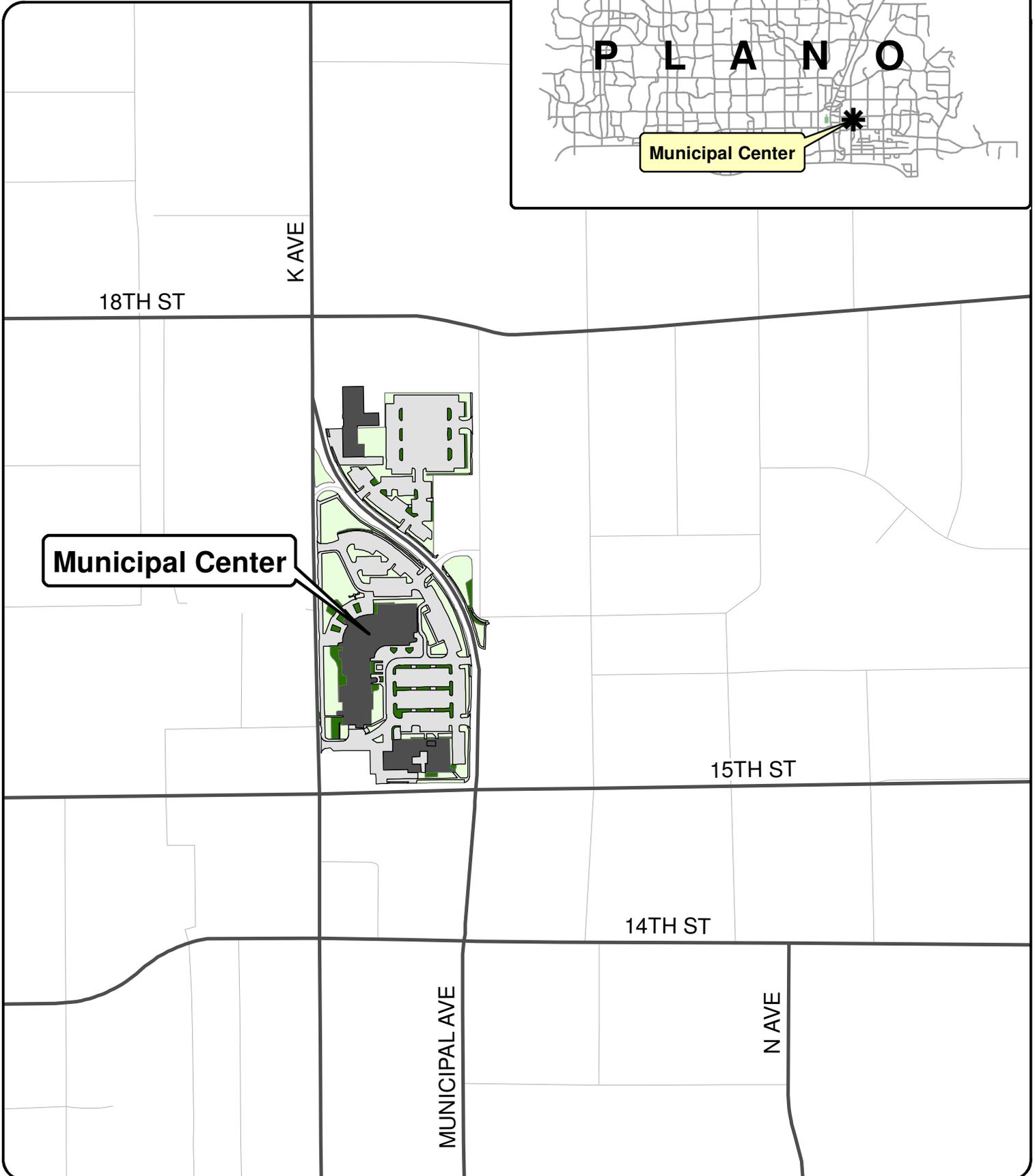
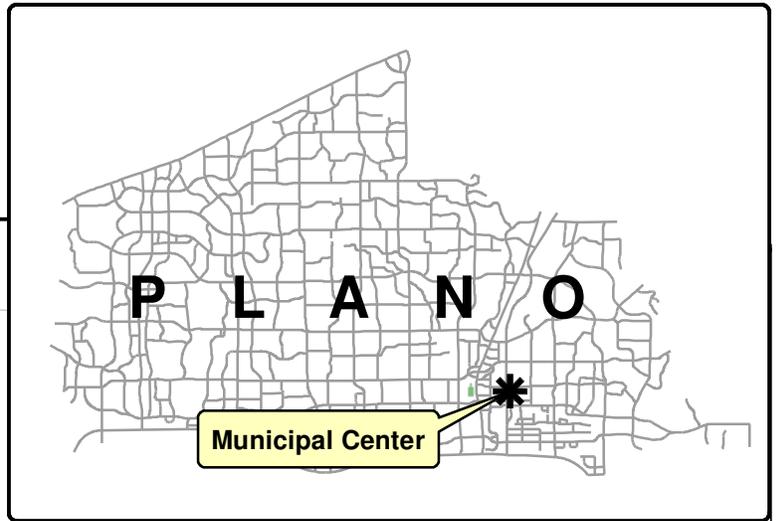


CITY OF PLANO COUNCIL AGENDA ITEM

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

Location Map

Municipal Center
1520 K Avenue
Plano, TX 75074





Memorandum

Date: December 22, 2015
To: Diane Palmer-Boeck, Purchasing Manager
From: Amy Fortenberry, Director, Parks and Recreation
Subject: Disqualification of Low Bidder, Cole Construction, Inc., Bid 2016-0024-B

This project will impact parking in Downtown and access to City Hall for employees and visitors. As a result, the work has been divided into four sequenced phases to mitigate impacts, requiring each phase to be completed before beginning the next. The phases of construction are incentivized to encourage the contractor to complete each phase early. The low bidder on this project, Cole Construction, Inc., is \$19,788.90 lower than the second low bid. The department is seeking to disqualify the bid per Item 1.11, Disqualification of Bidders, of the General Provisions of the North Central Texas Council of Governments' Standard Specifications for Public Works Construction, stating that bidders may be disqualified for being in arrears on any existing contract, and uncompleted work which in the judgement of the Owner should prevent or hinder the prompt completion of additional work, if awarded. Per the City of Plano Special Conditions, SC. 09, the bidder may be disqualified due to these reasons.

Cole Construction, Inc. is presently working on the McCall Plaza and Parking Lot Renovation, awarded by Council 3/17/15, a project that is currently behind schedule and is in Liquidated Damages. Extensions have been granted to the contractor due to weather conditions and changes in scope, with the current project deadline being 11/25/15. Current completion schedule envisions the project be completed by 1/29/16. Contractor has been advised that the contract was behind schedule numerous times, and was advised that the City would exercise their option to engage the liquidated damages clause on 9/28/15, after the contract time initially lapsed. Contractor has requested extensions to this schedule outside of changes in scope relating to the time required initially for the execution of contract, as well as the time required to obtain permits, which have not been granted.

Contractor's previous project with the City of Plano was the Courtyard Theatre Site Improvements, awarded 9/22/14, should have been completed in spring 2015. Contractor was provided with initial punch list on 3/31/15, but failed to return to complete the punch list items or perform required maintenance of the site while project remained incomplete. The City ultimately was required to engage the maintenance of the site, deducting this expense from Contractor's retainage, until final work was completed and accepted by the City on 7/28/15. The lag in time coincides with the award of the McCall Plaza and Parking Lot Renovation project.

The Department's recommendation is to disqualify this bidder, and to declare them not responsible for this project based on the above facts, and award to the second low bidder, J.C. Commercial, Inc.

CITY OF PLANO

BID NO. 2016-0024-B
(CIP) Plano City Hall Irrigation & Planting Renovation
Project Number 6122
BID RECAP

Bid opening Date/Time: December 2, 2015 @ 1:30 PM

Number of Vendors Notified: 10,572

Vendors Submitting "No Bids": 0

Bids Evaluated Non-Responsive to Specifications: 0

Number of Bids Submitted Responsive to Bid: 3

Cole Construction, Inc.	\$972,958.30
Dyna-Mist Construction Co.	\$1,089,562.65
J.C. Commercial, Inc.	\$988,747.20

Recommended Vendor:

J.C. Commercial, Inc.	\$988,747.20
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Leslie Hooker

December 2, 2015

Leslie Hooker
Buyer I

Date



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		01/25/16		
Department:		Public Works		
Department Head		Gerald Cosgrove		
Agenda Coordinator (include phone #): Lincoln Thompson (Ext. 7376)				
CAPTION				
To approve the purchase of five (5) Ford F450 Chassis with Versalift Body and Aerial for Fleet Services to be utilized by Public Works Operations in the amount of \$432,670 from Silsbee Ford through an existing TASB/BuyBoard contract and authorizing the City Manager to execute all necessary documents. (TASB/BuyBoard Contract No. 430-13)				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2015-16	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	452,400	0	452,400
Encumbered/Expended Amount	0	0	0	0
This Item	0	-432,670	0	-432,670
BALANCE	0	19,730	0	19,730
FUND(S): GENERAL FUND & EQUIPMENT REPLACEMENT FUND				
COMMENTS: Funds are available in the FY 2015-16 Adopted Budget to purchase five (5) Ford F450 Chassis with Versalift Body and Aerial for the scheduled replacement of unit #06344, #06353, and #06354 in Cost Center #743/Signals and two units are for New Additions to the Fleet in Cost Center #743/Signals. Remaining balance will be used for other Fleet and Equipment purchases. STRATEGIC PLAN GOAL: Providing five (5) Ford F450 Chassis with Versalift Body and Aerial for Fleet Services relates to the City's Goal of a Financially Strong City with Service Excellence.				
SUMMARY OF ITEM				
The City is authorized to purchase from a cooperative purchasing program with another local government or a local cooperative organization pursuant to Chapter 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. (TASB/BuyBoard Contract No. 430-13 / City of Plano Internal Contract No. 2016-182-O)				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
Recommendation Memo		NA		
Cooperative Quote Recap				



Memorandum

Date: January 6, 2016
To: Bruce D. Glasscock, City Manager
From: Reid Choate, Fleet Manager
Subject: Aerial Manlift Purchase Recommendation

It is the recommendation of Fleet Services to purchase five (5) Ford F450 Chassis with Versalift Body and Aerial from Silsbee Ford through TASB/BuyBoard Contract No. 430-13 in the amount of \$432,670.00.

Three units are for the replacements of 06344, 06353, and 06354 in Cost Center 743/Signals and two units are for New Additions to the Fleet in Cost Center 743/Signals, all approved in the FY15-16 Capital Outlay List.

Equipment replacement is analyzed based on age, mileage, maintenance cost, and re-sale value in determining the need for replacement. Based on these criteria, Fleet Services recommends the replacement of the above vehicles. If these vehicles are not purchased, we will incur additional maintenance cost and salvage value will be greatly depreciated. In addition, the user department will be limited in their ability to perform their duties due to additional down time of the older equipment.

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

**CITY OF PLANO
BID NO. 2016-182-O
FIVE (5) MANLIFT BUCKET TRUCKS
COOPERATIVE QUOTE RECAP**

Number of Vendors Contacted: 10

Vendors Submitting "No Bids": 1

Bids Deemed Nonresponsive: 1

Number of Responsive Quotes Submitted: 3

Silsbee Ford Via BuyBoard Contract No. 430-13	\$432,670.00
Caldwell Country Automotive (aka Baby Jack II) Via BuyBoard Contract No. 430-13	\$440,875.00
Chastang Ford Via BuyBoard Contract No. 430-13	\$488,900.00

Lowest Responsive Cooperative Quote:

Silsbee Ford Via BuyBoard Contract No. 430-13	\$432,670.00
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Lincoln Thompson

Lincoln Thompson
Senior Buyer

January 7, 2016

Date



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		01/25/16		
Department:		Public Works		
Department Head		Gerald Cosgrove		
Agenda Coordinator (include phone #): Lincoln Thompson (Ext. 7376)				
CAPTION				
To approve the purchase of one (1) Crane Carrier Refuse Rear Loading Truck Chassis and four (4) Crane Carrier Refuse Automated/Side Loading Truck Chassis in the amount of \$850,583 from Bond Equipment Company with one (1) Rear Loader Body and four (4) Automated/Side Loading Truck Bodies in the amount of \$569,692 from Heil of Texas for a total amount of \$1,420,275 for Fleet Services to be utilized by Environmental Waste Services through existing TASB/BuyBoard contracts and authorizing the City Manager to execute all necessary documents. (TASB/BuyBoard Contract No. 425-13 and 430-13)				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2015-16	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	1,450,000	0	1,450,000
Encumbered/Expended Amount	0	0	0	0
This Item	0	-1,420,275	0	-1,420,275
BALANCE	0	29,725	0	29,725
FUND(S): EQUIPMENT REPLACEMENT FUND				
COMMENTS: Funds are available in the FY 2015-16 Adopted Budget to purchase one (1) Crane Carrier Refuse Rear Loading Truck Chassis and four (4) Crane Carrier Refuse Automated/Side Loading Truck Chassis with one (1) Rear Loader Body and four (4) Automated/Side Loading Truck Bodies for the scheduled replacement of unit #10946, #10938, #10940, #10942 and #11906 in Cost Center #748/Environmental Waste Collections. Remaining balance will be used for other Fleet and Equipment purchases. STRATEGIC PLAN GOAL: Providing one (1) Crane Carrier Refuse Rear Loading Truck Chassis and four (4) Crane Carrier Refuse Automated/Side Loading Truck Chassis with one (1) Rear Loader Body and four (4) Automated/Side Loading Truck Bodies for Fleet Services relates to the City's Goal of a Financially Strong City with Service Excellence.				
SUMMARY OF ITEM				
The City is authorized to purchase from a cooperative purchasing program with another local government or a local cooperative organization pursuant to Chapter 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. (TASB/BuyBoard Contract No. 425-13 and 430-13 / City of Plano Internal Contract No. 2016-183-O)				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
Recommendation Memo		NA		
Cooperative Quote Recap				



Memorandum

Date: January 6, 2016
To: Bruce D. Glasscock, City Manager
From: Reid Choate, Fleet Manager
Subject: Refuse Truck Purchase Recommendation

It is the recommendation of Fleet Services to purchase one (1) Crane Carrier Refuse Rear Loading Truck Chassis and four (4) Crane Carrier Refuse Automated/Side Loading Truck Chassis from Bond Equipment Company through TASB/BuyBoard Contract No. 430-13 in the amount of \$850,583.00 with one (1) Rear Loader Body and four (4) Automated/Side Loading Truck Bodies from Heil of Texas through TASB/BuyBoard Contract No. 425-13 in the amount of \$569,692.00.

These units are for the replacements of unit 10946, 10938, 10940, 10942 and 11906 in Cost Center 748/Environmental Waste Collections approved from the FY15-16 Equipment Replacement Fund.

Equipment replacement is analyzed based on age, mileage, maintenance cost, and re-sale value in determining the need for replacement. Based on these criteria, Fleet Services recommends the replacement of the above vehicles. If these vehicles are not replaced, we will incur additional maintenance cost and salvage value will be greatly depreciated. In addition, the user department will be limited in their ability to perform their duties due to additional down time of the older equipment.

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

CITY OF PLANO
SOLICITATION NO. 2016-183-O
One (1) Rear Loading Refuse Truck and Four (4) Side Loading Refuse Trucks
COOPERATIVE QUOTE RECAP

Number of Vendors Contacted: 2

Vendors Submitting "No Bids": 0

Quotes Deemed Nonresponsive: 0

Number of Responsive Quotes Submitted: 6

Heil of Texas

One (1) Heil Power Track Commercial 20-yard Rear Loader Body

- Texas Association of School Boards / BuyBoard Contract 425-13 \$ 89,012.00
- Houston Galveston Area Council / HGAC Contract RH08-14 \$ 90,100.00

Four (4) Heil Rapid Rail 22-yard Automated Side Loader Body

- Texas Association of School Boards / BuyBoard Contract 425-13 \$480,680.00
- Houston Galveston Area Council / HGAC Contract RH08-14 \$488,260.00

Total Cost of Low Quotes from Heil of Texas: \$569,692.00

Bond Equipment Company

One (1) Crane Carrier LET2-26 Crew Cab Rear Loader Chassis

- Texas Association of School Boards / BuyBoard Contract 430-13 \$182,363.00

Four (4) Crane Carrier LET2-26 Automated Side Loader Chassis

- Texas Association of School Boards / BuyBoard Contract 430-13 \$668,220.00

Total Cost of Available Quotes from Bond Equipment Company: \$850,583.00

Grand Total Cost: \$1,420,275.00

Lincoln Thompson

Lincoln Thompson
Senior Buyer

January 7, 2016

Date



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		01/25/16		
Department:		Engineering		
Department Head:		Caleb Thornhill, PE		
Agenda Coordinator (include phone #): Kathleen Schonne (7198)				Project No. 6662
CAPTION				
To approve a Professional Services Agreement by and between the City of Plano and Jerry Parche', Consulting Engineers, in the amount of \$239,385, for Water Rehab Belleview and Ranch Estates; and authorizing the City Manager to execute all necessary documents.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input checked="" type="checkbox"/> CIP				
FISCAL YEAR: 2015-16	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	255,000	2,300,000	2,555,000
Encumbered/Expended Amount	0	0	0	0
This Item	0	-239,385	0	-239,385
BALANCE	0	15,615	2,300,000	2,315,615
FUND(S): WATER CIP				
<p>COMMENTS: Funding is available in the 2015-16 Water CIP for this item. Professional services for this water rehabilitation project, in the amount of \$239,385, will leave a current year balance of \$15,615 for future project expenditures.</p> <p>STRATEGIC PLAN GOAL: Obtaining professional engineering services for improvements to Plano's water system relates to the City's goal of a Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
This agreement is for engineering design services to include improvement of approximately 10,760 feet of 8-inch water line rehabilitation at the following twelve (12) locations:				
<ol style="list-style-type: none"> 1. Crest Forest Circle - End of Circle to End of Circle 2. Ridgeglen Circle - End of Circle to End of Circle 3. Stone Crest Circle -End of Circle to End of Circle 4. Camino Drive - Los Rios Boulevard to End 5. Carrizo Drive - Cul-de-sac to Cielo Drive 6. Anita Drive - Carrizo Drive to Merriman Drive 7. Rico Drive - Carrizo Drive to Camino Drive 8. Ranch Estates Drive - Carrizo Drive to Merriman Drive 9. Covina Drive - Carrizo Drive to Camino Drive 10. Cielo Drive - Carrizo Drive to Merriman Drive 11. Ridgewood Drive - 14th Street to Hillridge Drive 12. Rollingridge Circle - End of Circle to End of Circle 				
The contract fee is for \$ 239,385.00 and is detailed as follows:				



**CITY OF PLANO
COUNCIL AGENDA ITEM**

BASIC SERVICES

1. Research and Data Collection	\$ 4,000.00
2. Design Survey	44,000.00
3. Easement Requirements	0.00
4. Preliminary Design	97,200.00
5. Final Design	74,000.00
6. Bid Phase	4,600.00
7. Construction Administration	7,085.00
8. Construction Control Survey	<u>500.00</u>
TOTAL BASIC FEE	231,385.00

SPECIAL SERVICES

1. Temporary Easement Documents(2@ 2,000/ea.)	4,000.00
2. Permanent Easement Documents(2@ 2,000/ea.)	<u>4,000.00</u>
TOTAL SPECIAL SERVICES	\$ 8,000.00

TOTAL FEE **\$ 239,385.00**

Funding is available from the 2015-16 Community Investment Program. Staff feels the fee is reasonable for this project estimated to cost \$ 2,300,000.00.

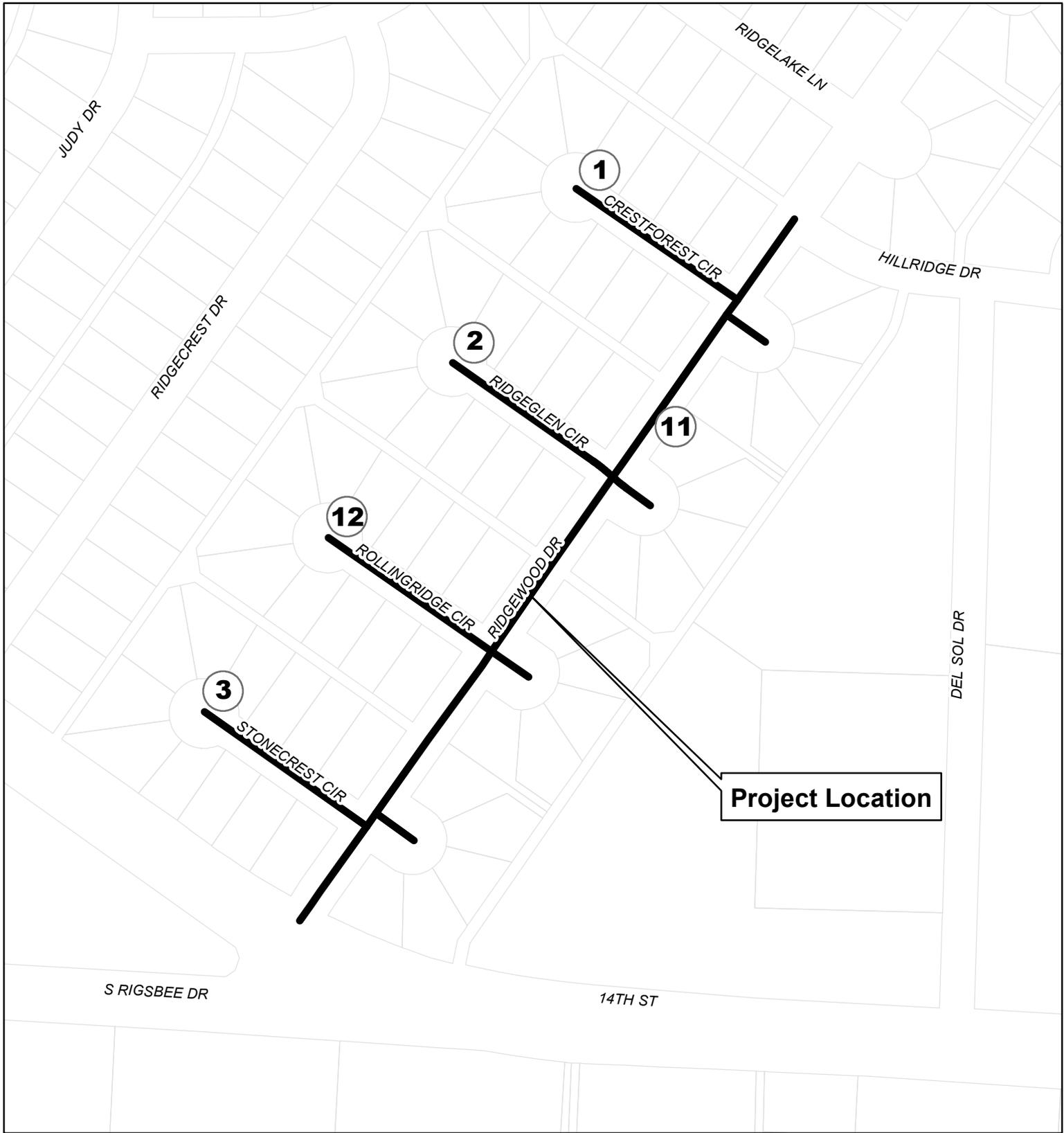
List of Supporting Documents:

Location Maps

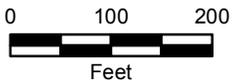
Professional Services Agreement

Other Departments, Boards, Commissions or Agencies

N/A

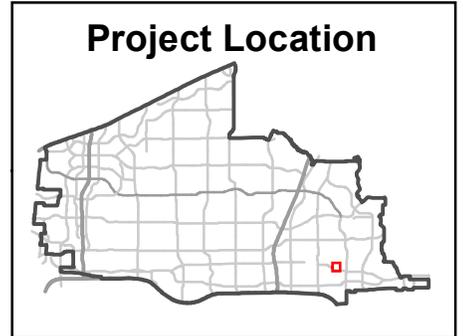


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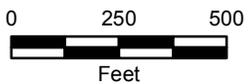
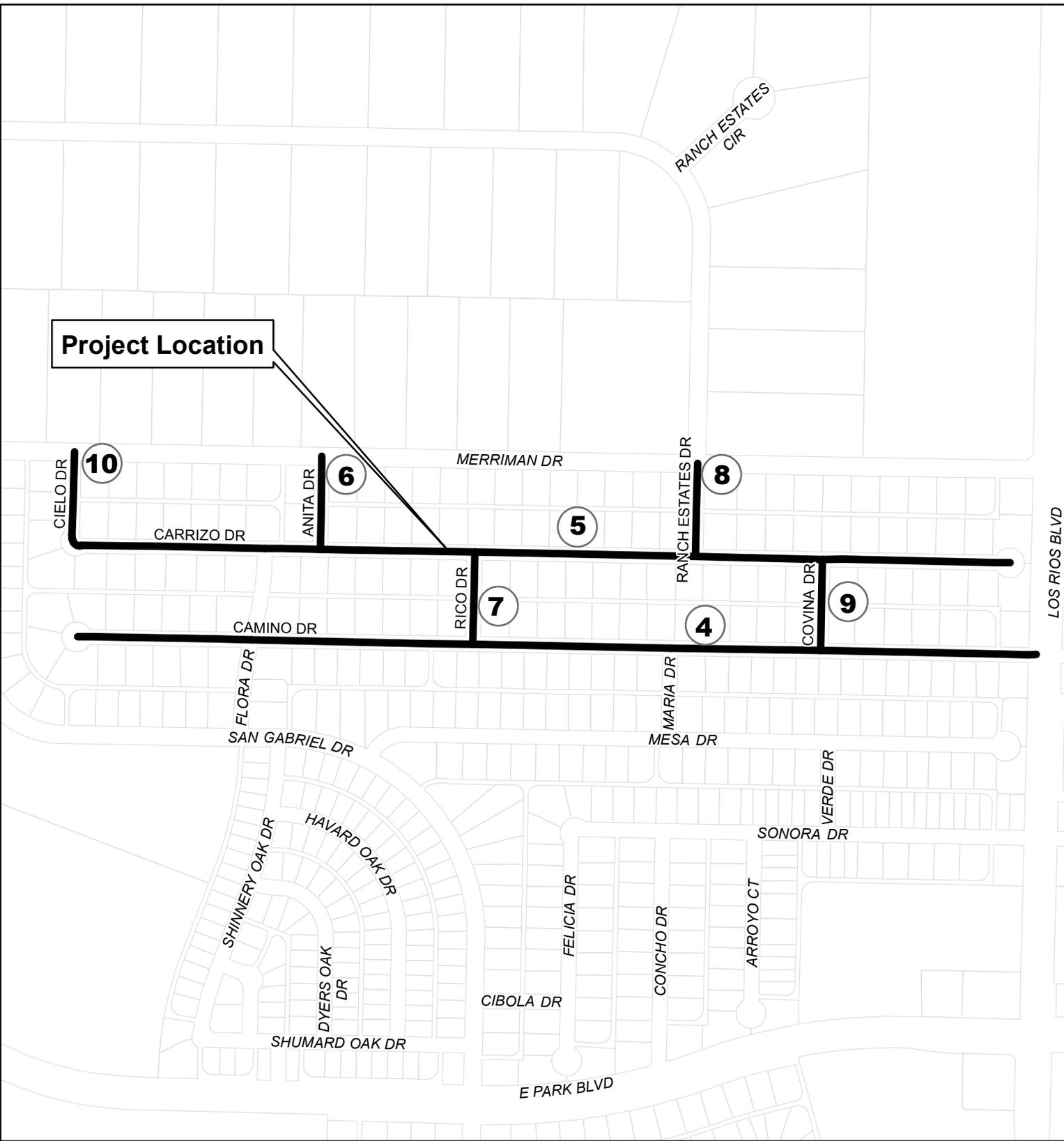


City of Plano GIS Division
December, 2015

Belleview and Ranch Estates Water Rehab Project No. 6662 1 of 2

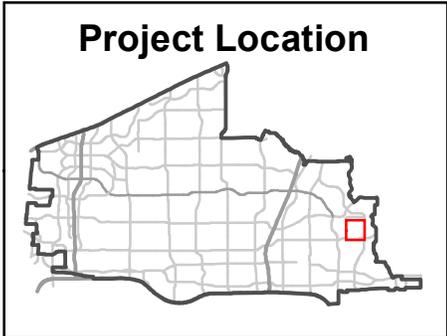


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**Bellevue and Ranch Estates
Water Rehab
Project No. 6662
2 of 2**

City of Plano GIS Division
December, 2015



WATER REHAB BELLEVIEW AND RANCH ESTATES

PROJECT NO. 6662

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered by and between the **CITY OF PLANO, TEXAS**, a Home-Rule Municipal Corporation, hereinafter referred to as "City", and **JERRY PARCHE', INDIVIDUALLY AND AS SOLE PROPRIETOR, D/B/A JERRY PARCHE' CONSULTING ENGINEERS**, a **SOLE PROPRIETORSHIP**, hereinafter referred to as "Engineer", to be effective from and after the date as provided herein.

WITNESSETH:

WHEREAS, the City desires to engage the services of the Engineer to prepare construction plans, specifications, details and special provisions and to perform other related engineering services in connection with the **WATER REHAB BELLEVIEW AND RANCH ESTATES** project located in the City of Plano, Collin County Texas, hereinafter referred to as the "Project"; and

WHEREAS, the Engineer desires to render such engineering services for the City upon the terms and conditions provided herein.

NOW, THEREFORE, for and in consideration of the covenants contained herein, and for the mutual benefits to be obtained hereby, the parties hereto agree as follows:

I. Employment of the Engineer

The City hereby agrees to retain the Engineer to perform professional engineering services in connection with the Project. Engineer agrees to perform such services in accordance with the terms and conditions of this Agreement.

II. Scope of Services

The parties agree that Engineer shall perform such services as are set forth and described in Exhibit "A", which is attached hereto and thereby made a part of this Agreement. The parties understand and agree that deviations or modifications in the form of written contract modifications may be authorized from time to time by the City.

Engineer shall perform his or her professional engineering services with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional

license. All such professional services shall be performed as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

III. Schedule of Work

The Engineer agrees to commence work immediately upon execution of this Agreement, and to proceed diligently with said work, except for delays beyond the reasonable control of Engineer, to completion as described in the Completion Schedule, attached hereto as Exhibit "B" and thereby made a part of this Agreement.

IV. Compensation and Method of Payment

The parties agree that Engineer shall be compensated for all services provided pursuant to this Agreement in the amount and manner described and set forth in the Payment Schedule attached hereto and incorporated herein as Exhibit "C". The contract amount specified in Exhibit "C" shall not be exceeded without the written permission of the City.

V. Information to be Provided by the City

The City agrees to furnish, prior to commencement of work, all that information requested by Engineer and available in City's files.

VI. Insurance

Engineer agrees to meet all insurance requirements, and to require all consultants who perform work for Engineer to meet all insurance requirements, as set forth on Exhibit "D", which is attached hereto and thereby made a part of this Agreement.

Engineer agrees to notify the City of any changes in insurance policy coverage, including but not limited to changes in limits and cancellation. The Engineer shall notify the City in writing of any changes within forty-eight (48) hours of the change. The Engineer's notice shall include a description of the changes and how those changes vary from the insurance requirements of the contract/agreement.

VII. INDEMNITY

THE ENGINEER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, OFFICIALS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, CAUSES OF ACTION, LOSSES, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS, DAMAGES, OR LIABILITY OF ANY CHARACTER, TYPE OR DESCRIPTION INCLUDING WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION, INCLUDING EXPERT OR CONSULTANT FEES, COURT COSTS, AND

ATTORNEY'S FEES, RESULTING FROM PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, TO THE EXTENT SUCH PERSONAL INJURY, PROPERTY DAMAGE OR HARM ARISES OUT OF OR IS OCCASIONED BY THE NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY OBLIGATIONS OWED BY THE ENGINEER, ITS OFFICERS, AGENTS, EMPLOYEES, CONSULTANTS, AND REPRESENTATIVES, IN THE PERFORMANCE OF THIS AGREEMENT.

IF THE CITY DEFENDS AN ACTION, CLAIM, LAWSUIT OR OTHERWISE INCURS ATTORNEY'S FEES AS A RESULT OF AN INDEMNIFIED CLAIM AS STATED ABOVE, ENGINEER AGREES TO REIMBURSE THE CITY IN PROPORTION TO THE ENGINEER'S LIABILITY.

VIII. Independent Contractor

Engineer covenants and agrees that Engineer is an independent contractor and not an officer, agent, servant or employee of City; that Engineer shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondeat superior shall not apply as between City and Engineer, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between City and Engineer.

IX. Assignment and Subletting

The Engineer agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of the City. The Engineer further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the Engineer from its full obligations to the City as provided by this Agreement.

X. Audits and Records/Prohibited Interest

The Engineer agrees that at any time during normal business hours and as often as City may deem necessary, Engineer shall make available to representatives of the City for examination all of its records with respect to all matters covered by this Agreement, and will permit such representatives of the City to audit, examine, copy and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement, all for a period of one (1) year from the date of final settlement of this Agreement or for such other or longer period, if any, as may be required by applicable statute or other lawful requirement.

The Engineer agrees that it is aware of the prohibited interest requirements of the City Charter and Code of Conduct and will abide by the same. Further, a lawful representative of Engineer shall execute the affidavit shown in Exhibit "E". Engineer understands and agrees that the existence of a prohibited interest during the term of this contract will render the contract voidable.

XI. Contract Termination

The parties agree that City shall have the right to terminate this Agreement with or without cause upon thirty (30) days written notice to Engineer. In the event of such termination, Engineer shall deliver to City all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by Engineer in connection with this Agreement. Engineer shall be entitled to compensation for any and all work completed to the satisfaction of City in accordance with the provisions of this Agreement prior to termination.

XII. Engineer's Opinion of Probable Construction Costs

The parties recognize and agree that any and all opinions of probable construction costs prepared by Engineer in connection with the Project represent the best judgment of Engineer as a design professional familiar with the construction industry, but that the Engineer does not guarantee that any bids solicited or received in connection with the Project will not vary from opinions prepared by Engineer.

XIII. Ownership of Documents

Original drawings and specifications are the property of the Engineer; however, the Project is the property of the City and Engineer may not use the drawings and specifications therefor for any purpose not relating to the Project without City's consent. City shall be furnished with such reproductions of drawings and specifications as City may reasonably require. Upon completion of the work or any earlier termination of this Agreement under Article XI, Engineer will revise drawings to reflect changes made during construction and he will promptly furnish the City with one (1) complete set of reproducible record prints. Prints shall be furnished, as an additional service, at any other time requested by City. All such reproductions shall be the property of the City who may use them without Engineer's permission for any proper purpose including, but not limited to, additions to or completion of the Project. However, use of the documents for other than their intended purpose shall be at the sole risk of the City.

XIV. Complete Contract

This Agreement, including the Exhibits lettered "A" through "E", constitute the entire agreement by and between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings. This

Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

XV. Mailing of Notices

Unless instructed otherwise in writing, Engineer agrees that all notices or communications to City permitted or required under this Agreement shall be addressed to City at the following address:

City of Plano
Attn: James Caswell, PE
Engineering Department, Suite 250
P.O. Box 860358
Plano, TX 75086-0358

City agrees that all notices or communications to Engineer permitted or required under this Agreement shall be addressed to Engineer at the following address:

Jerry Parche' Consulting Engineers
Attn: Jerry Parche', PE
1301 South Bowen Road, Suite 300
Arlington, TX 76013

All notices or communications required to be given in writing by one party or the other shall be considered as having been given to the addressee on the date such notice or communication is posted by the sending party.

XVI. Miscellaneous

A. Paragraph Headings:

The paragraph headings contained herein are for convenience only and are not intended to define or limit the scope of any provision in this Agreement.

B. Contract Interpretation:

Although this Agreement is drafted by the City, should any part be in dispute, the parties agree that the Agreement shall not be construed more favorably for either party.

C. Venue/Governing Law:

The parties agree that the laws of the State of Texas shall govern this Agreement, and that it is performable in Collin County, Texas. Exclusive venue shall lie in Collin County, Texas.

D. Successors and Assigns:

City and Engineer, and their partners, successors, subcontractors, executors, legal representatives, and administrators are hereby bound to the terms and conditions of this Agreement.

E. Severability:

In the event a term, condition, or provision of this Agreement is determined to be void, unenforceable, or unlawful by a court of competent jurisdiction, then that term, condition, or provision, shall be deleted and the remainder of the Agreement shall remain in full force and effect.

F. Effective Date:

This Agreement shall be effective from and after execution by both parties hereto.

G. Authority to Sign:

The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

SIGNED on the date indicated below.

**JERRY PARCHE' INDIVIDUALLY AND AS
SOLE PROPRIETOR D/B/A
JERRY PARCHE' CONSULTING ENGINEERS
A Sole Proprietorship**

DATE: _____

BY: _____
Jerry Parche', Individually and as
SOLE PROPRIETOR

CITY OF PLANO, TEXAS

DATE: _____

BY: _____
Bruce D. Glasscock
CITY MANAGER

APPROVED AS TO FORM:

Paige Mims
CITY ATTORNEY

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the _____ day of _____, 2016, by **JERRY PARCHE’, INDIVIDUALLY AND AS SOLE PROPRIETOR, D/B/A JERRY PARCHE’ CONSULTING ENGINEERS, a SOLE PROPRIETORSHIP**, individually and on behalf of said sole proprietorship.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of _____, 2016, by **BRUCE D. GLASSCOCK, CITY MANAGER**, of the **CITY OF PLANO, TEXAS**, a Home-Rule Municipal Corporation, on behalf of said municipal corporation.

Notary Public, State of Texas

**EXHIBIT A
SCOPE OF SERVICES
WATER REHAB
BELLEVIEW AND RANCH ESTATES
PROJECT NUMBER 6662**

PROJECT DESCRIPTION:

Upgrade existing water lines to 8" at the following locations: (1) Crest Forest Circle – End of Circle to End of Circle (approximately 420 linear feet), (2) Ridgeglen Circle –End of Circle to End of Circle (approximately 425 linear feet), (3) Stone Crest Circle –End of Circle to End of Circle (approximately 425 linear feet), (4) Camino Drive –Los Rios to End (approximately 3,245 linear feet), (5) Carrizo Drive –Cul-de-sac to Cielo Drive (approximately 3,245 linear feet), (6) Anita Drive – Carrizo Drive to Merriman Drive (approximately 275 linear feet), (7) Rico Drive – Carrizo Drive to Camino Drive (approximately 275 linear feet), (8) Ranch Estates Drive – Carrizo Drive to Merriman Drive (approximately 275 linear feet), (9) Covina Drive – Carrizo Drive to Camino Drive (approximately 275 linear feet), (10) Cielo Drive –Carrizo Drive to Merriman Drive (approximately 275 linear feet), (11) Ridgewood Drive -14th street to Hillridge Drive (approximately 1,200 linear feet), (12) Rollingridge Circle –End of Circle to End of Circle (approximately 425 linear feet). Survey will extend 100 feet up all side streets.

Water line installation shall include all related appurtenances (such as: valves, services, fire hydrants, etc.). Additional fire hydrants shall be installed if existing fire hydrants are more than 500' apart. Otherwise, fire hydrants will typically be installed near an existing hydrant (typically to be replaced on this project). Normal sanitary sewer location is at the street centerline. Normal water line location is 10' off the street centerline, which is 3' off existing curb face for a 26'(f-f) street width and would (with a 3' c-c separation between the existing and proposed waterlines) be replaced at the curb face. For a 36' (f-f) street width, the normal water line location would be 8' off the existing curb face and would be replaced at 5' off the existing curb face. However, if the existing water lines are in a non-standard location, the replacement location will vary. All services and meter boxes will be replaced. All existing meters, which fall in a walk or driveway, will need to be relocated out of the walk or driveway with the project. Barrier free ramps will need to be replaced on all street corners at street intersections and installed for mid-block crossings unless they are up to current standards. Barrier free ramps at alleys will not be replaced unless there is a need to replace the alley approach due to the water line construction location or a poor condition of the alley approach itself.

DESIGN PACKAGES:

Design and surveying for the two subdivision locations listed above will be completed and bid for construction as one package.

BASIC SERVICES:

A. Design Standards

1. This project shall be designed in accordance with the following:
 - Geodetic Monumentation Manual
 - Manual for Right-of-Way Management
 - Storm Drainage Design Manual
 - Stream Bank Stabilization Manual
 - Erosion & Sediment Control Manual
 - Thoroughfare Standards Rules & Regulations
 - Manual for the Design of Water & Sanitary Sewer Lines
 - Standard Construction Details
 - NCTCOG Standard Specifications for Public Works Construction –Third Edition -1998
 - Special Provisions to Standard Specifications for Public Works Construction - 1997
 - Sample Plan Set
 - Parks Department Standard Details for Landscaping and Irrigation
2. All plans submitted to the City shall be signed and sealed in accordance with state law.

B. Research and Data Collection –

1. Meet with City of Plano engineering staff and obtain design criteria, pertinent utility plans, street plans, plats and right-of-way maps, existing easement information, and other information available for the project area.
2. Meet with the City of Plano project manager and conduct an on-site review and walk through.
3. The extent of replacement due to existing condition of pavement, curb, sidewalk and driveways will be determined and provided to the consultant by City Engineering Dept. staff (after obtaining input from the City Public Works Dept.) with the first plan review and will be shown by

consultant on plans and included in the project. The extent of replacement for these items due to project construction will be determined and recommended by the consultant. This will depend upon where the water line replacement occurs. If water line work requires replacement of the adjacent curb, then lead walks and drives must be replaced. Drives replaced must have a minimum 4' section with a 2% cross slope matching existing walk.

C. Design Survey –

1. Establish a horizontal and vertical control network and project control baseline for the project areas. The network and baseline are to be tied into the existing City of Plano control network.
2. Establish horizontal and vertical project control monumentation.
3. Tie right-of-way lines and corners, property lines and corners, buildings, fence lines, trees 4-inches in diameter and larger, edges of pavements and all other visible surface features to the project control baseline. Existing utility structures shall be shown and referenced by utility name (i.e. Oncor Elec., Verizon Telephone, Atmos Gas, Etc.). Franchise utilities shall be located by the utility or Dig Tess, and field markings (e.g. paint, flagging) will be picked up by survey. Water valves shall require top of nut shots.
4. Vertical topographic information tying pavement, drives, walls, manholes (top and inverts), storm drain inlets (top and inverts), and other improvements as needed within the project areas for the design and include the entire area between ROW lines. Provide roadway cross sections at a fifty-foot (50') interval relative to the project baseline and at all driveways or other critical locations. Cross sections are for project design review and quantity takeoffs and will be a part of the preliminary and final construction plan sets. However, plotted cross sections are only required to be included in the plans in cases where the roadway replacement includes the curb or where driveways are to be replaced. In these cases a curb grade design through the replacement area will also be required on the plans.
5. When underground utilities are exposed by City, tie to project control baseline.
6. Identify the street address of all adjacent properties to the proposed construction and show on drawings.

D. Right-of-way and Easement Requirements –

1. Prepare a preliminary list of right-of-way parcels and easements necessary to construct the project (if any). Submit to the City of Plano as soon as possible and prior to the preliminary plan submittal.
2. Meet with the City of Plano Staff to determine easement and right-of-way requirements for preparation of field notes and exhibits.

E. Preliminary Design –

1. Prepare preliminary construction plans. Prepare the following sheets (22" x 34") at the engineering scale indicated:
 - Cover sheet.
 - Project layout control sheet(s). Scale 1"= 100'.
 - General Notes
 - Quantity sheet with sheet by sheet quantity breakdown.
 - Typical sections and detail sheets.
 - Construction phasing and temporary traffic control sheets, Scale 1"= 20' (scale may be reduced with approval)
 - Water line plan & profile sheets for water improvements. Scale 1"= 20' H; 1"=5' V. Profiles are required only for waterlines of 12" or larger diameter, at points where the proposed water line is in conflict with other existing utilities (typically sanitary sewer or storm drain lines) or at locations where the water line must be bored. Sheets should show: existing topographic features; existing utilities; property addresses with individual lot property lines; easements; public ROW lines; horizontal alignment of existing and proposed pipelines; plan view of existing and proposed waterlines; sidewalk; driveway and pavement replacement; existing and proposed curb profile if the curb or driveway is to be replaced. Otherwise plot the pavement elevation above the proposed water line.
 - SWPPP/Erosion Control sheets meeting EPA and City of Plano requirements. Scale 1"= 40'.
 - SWPPP Narrative sheet.
 - Cross-sections. Scale 1"=20' H; 1"= 2'V. See Design Survey section for instructions pertaining to plotting requirements.

Information required can be combined on sheets if the information can be clearly shown and is approved by the City of Plano project manager.

2. Coordinate with affected utilities such as water, gas, telephone, cable TV and electric to obtain accurate information for the location of their facilities.
3. Prepare outline of any special technical specifications needed for the project (if any).
4. Prepare an estimate of construction quantities and develop the preliminary statement of probable construction cost.
5. Submit 5 sets of preliminary plans, and 1 copy of an outline of special technical specifications and preliminary statement of probable construction cost to the City for review.

- Engineering
- Public Works
- Inspectors

- Transportation
- Parks (Not required for this project)
- File

6. Meet with City of Plano staff to discuss City comments on preliminary plans, specifications and cost estimates.
7. Provide a CD-ROM with an electronic PDF format half size set of preliminary utility coordination drawings (11" x 17" sheets to scale) to the City for distribution to the franchise utility companies affected by the construction. Utility coordination drawings shall include (as a minimum) the cover sheet, typical sections, paving sheets, utilities and cross sections. If other sheets are ready at this point, they shall be included as well.

F. Final Design –

1. Revise preliminary plans incorporating comments from the City of Plano.
2. Incorporate comments from the utility companies.
3. Finalize construction plans for proposed improvements.
4. Finalize special technical specifications and special conditions (if any).
5. Incorporate standard details into the construction plans and prepare additional details as required.
6. City shall provide TDLR/Registered Accessibility Specialist (RAS) plan review/coordination services (no such services to be performed by Consultant), if required.
7. Take off final construction quantities and prepare final construction cost estimates.
8. Submit 5 sets of pre-final plans and 1 set of special technical specifications, draft bid schedule and final statement of probable construction cost to the City for review.
9. Provide a CD-ROM with an electronic PDF format half size set of the final plans (11" x 17" sheets to scale) to the City for distribution to the franchise utility companies affected by the construction.
10. Incorporate City final comments into the plans and bid documents.
11. If required, attend a utility coordination meeting to start relocation process with affected franchise utilities.

G. Bid Phase Services –

Bid Phase Services assume all improvements designed under this contract will be contracted as one contract bid.

1. Assist the City staff in advertising for bids.
2. Submit three sets of final blue line prints, three bound copies of the bid documents and one unbound original bid document set to the City of Plano.
3. Provide a CD-ROM with an electronic PDF format half size set of the final plans (11" x 17" sheets to scale) to the City for utility distribution and publishing on Bidsync for bidders.
4. Assist City staff in conducting a pre-bid conference, if required.
5. Prepare and distribute addenda to bid documents as necessary.

6. Attend the bid opening and assist City staff as required.
7. Provide bid tabulation to the City of Plano within four working days of the bid letting.
8. Evaluate the low and second low bidders. Prepare letter of recommendation to the City of Plano for awarding a contract to the lowest responsible bidder within four working days of the bid letting.
9. Assist City staff in a pre-construction conference.
10. Furnish eleven (11) full size (22" x34") and four (4) half size (11" x 17") sets of final construction plans and five (5) sets of the contract documents manual to the City for construction.

H. Construction Administration –

Construction Phase Services assume all improvements designed under this contract will be contracted as one contract.

1. Provide up to 1 site visit per month (Max. 3 months) by the design engineer with a written inspection report submitted to the City for each visit if requested by the City.
2. Provide written responses to requests for information, review of material data submittals or clarifications.
3. Prepare plan and quantity revisions for use in change orders if requested by the city of Plano. The City of Plano will prepare the actual change order and get it executed by the contractor.
4. Assist the City staff in conducting the final inspection.
5. Recommend final acceptance of work when acceptable.
6. Prepare construction "Record Drawings" based upon mark-ups and information provided by the construction contractor(s). Submit one blackline set to the City and two (2) CD-ROM disks containing scanned images of the 22" x 34" final "as constructed" blackline drawings (with "record drawing stamps" bearing the signature of the Engineer and the date). The drawings shall be scanned 1 to 1 as Group 4 TIF files at a minimum resolution of 200 dots per inch and a maximum resolution of 400 dots per inch. The TIF files shall be legible and shall include any post processing that may be required to enhance image quality (e.g., de-speckling, de-shading, de-skewing, etc.). Each file shall be named in numeric order.

I. Construction Control Survey –

1. Set vertical and horizontal control stakes for construction at 500' intervals, or a minimum of one at each end of the project. Provide electronic copy of survey files to Contractor.

SPECIAL SERVICES:

A. Right-of-Way and Easement Surveying –

1. Prepare a metes and bounds description and an 8-1/2" x 11" exhibit for two (2) temporary construction easements on a per tract basis. Deliver three (3) reviewed and approved originals to the City.
2. Prepare a metes and bounds description and an 8-1/2" x 11" exhibit for two (2) Permanent easements on a per tract basis. Deliver three (3) reviewed and approved originals to the City.
3. Prepare exhibits with the field notes first and drawings second.

EXHIBIT B
COMPLETION SCHEDULE
WATER REHAB
BELLEVIEW AND RANCH ESTATES
PROJECT No. 6662

Activity	Completion Time (Calendar Days)
1. Notice to Proceed	0
2. Research and Data Collection	21
3. Design Survey and Concept Waterline Layout	75
4. City Review	30
5. Preliminary Design	100
6. City Review	30
7. Final Design (Pre-Final Submittal) / ROW & Easement Documents	80
8. City Review	30
9. Final Design/ Documents for Bidding	30
10. City Review	30
11. Advertise for Bids/Receive Bids	30
12. Recommendation	7
13. Prepare Council Agenda	21
14. Council Award	0
15. Prepare/Execute Contract	45
16. Schedule Preconstruction	14
17. Notice to Proceed	14
18. Construction	365

**EXHIBIT C
PAYMENT SCHEDULE
WATER REHAB
BELLEVIEW AND RANCH ESTATES
PROJECT No. 6662**

WORK STAGE SUBMITTAL OR COMPLETION	TOTAL
1. Research and Data Collection	\$ 4,000.00
2. Design Survey	\$ 44,000.00
3. Easement Requirements	\$ 0.00
4. Preliminary Design	\$ 97,200.00
5. Final Design	\$ 74,000.00
6. Bid Phase	\$ 4,600.00
7. Construction Administration	\$ 7085.00
8. Construction Control Survey	\$ 500.00
Total Basic Fee	<u>\$ 231,385.00</u>
9. Special Services –	
a. Temporary Easement Documents (2 @\$ <u>2,000.00</u> / ea.)	\$ 4,000.00
b. Permanent Easement Documents (2@\$ <u>2,000.00</u> /ea.)	\$ 4,000.00
Total Special Services	<u>\$ 8,000.00</u>
Total Fee	<u>\$ 239,385.00</u>

EXHIBIT "D"
ENGINEERING
INSURANCE

INSURANCE: (Review this section carefully with your insurance agent prior to bid or proposal submission. See "Insurance Checklist" on the last page or specific coverages applicable to this contract).

1. General Insurance Requirements:

- 1.1 The Engineer (hereinafter called "Engineer") shall not start work under this contract until the Engineer has obtained at his own expense all of the insurance called for here under and such insurance has been approved by the City. Approval of insurance required of the Engineer will be granted only after submission to the Purchasing Agent of original, signed certificates of insurance or, alternately, at the City's request, certified copies of the required insurance policies.
- 1.2 All insurance policies required hereunder shall be endorsed to include the following provision: "It is agreed that this policy is not subject to cancellation, non-renewal, without first providing the Risk Manager, City of Plano, at least ten (10) days prior written notice."
- 1.3 No acceptance and/or approval of any insurance by the City shall be construed as relieving or excusing the Engineer from any liability or obligation imposed upon the provisions of the Contract.
- 1.4 The City of Plano (including its elected and appointed officials, agents, volunteers, and employees) is to be named as an additional insured under Engineer's General Liability Policy, and the certificate of insurance, or the certified policy, if requested, must so state. Coverage afforded under this paragraph shall be primary as respects the City, its elected and appointed officials, agents and employees.
 - 1.4.1 The following definition of the term "City" applies to all policies issued under the contract:

The City Council of the City of Plano and any affiliated or subsidiary Board, Commission Authority, Committee, or Independent Agency (including those newly constituted), provided that such affiliated or subsidiary Board Commission, Authority, Committee, or Independent Agency is either a Body Politic created by the City Council of the City of Plano, or one in which controlling interest is vested in the City of Plano; and City of Plano Constitutional Officers.
- 1.5 The Engineer shall provide insurance as specified in the "Insurance Checklist" (Checklist) found on the last page of the bid or proposal form. Full limits of insurance required in the Checklist of this agreement shall be available for claims arising out of this agreement with the City of Plano.

- 1.6 Engineer agrees to defend and indemnify the City of Plano, its officers, agents and employees as provided in Paragraph VII. of this contract.
- 1.7 Insurance coverage required in these specifications shall be in force throughout the Contract Term. Should the Engineer fail to provide acceptable evidence of current insurance within seven (7) days of written notice at any time during the Contract Term, the City shall have the absolute right to terminate the Contract without any further obligation to the Engineer, and the Engineer shall be liable to the City for the entire additional cost of procuring performance and the cost of performing the incomplete portion of the Contract at time of termination.
- 1.8 Written requests for consideration of alternate coverages must be received by the City Purchasing Manager at least ten (10) working days prior to the date set for receipt of bids or proposals. If the City denies the request for alternative coverages, the specified coverages will be required to be submitted.
- 1.9 All required insurance coverages must be acquired from insurers authorized to do business in the State of Texas and acceptable to the City. The City prefers that all insurers also have a policyholder's rating of "A-" or better, and a financial size of "Class VI" or better in the latest edition of A.M. Best, or A or better by Standard and Poors, unless the City grants specific approval for an exception.
- 1.10 Any deductibles shall be disclosed in the Checklist and all deductibles will be assumed by the Engineer. Engineer may be required to provide proof of financial ability to cover deductibles, or may be required to post a bond to cover deductibles.

2. Engineer's Insurance - "Occurrence" Basis:

- 2.1 The Engineer shall purchase the following insurance coverages, including the terms, provisions and limits shown in the Checklist.
 - 2.1.1 Commercial General Liability - Such Commercial General Liability policy shall include any or all of the following as indicated on the Checklist:
 - i. General aggregate limit is to apply per project;
 - ii. Premises/Operations;
 - iii. Actions of Independent Contractors;
 - iv. Contractual Liability including protection for the Engineer from claims arising out of liability assumed under this contract;
 - v. Personal Injury Liability including coverage for offenses related to employment;
 - vi. Explosion, Collapse, or Underground (XCU) hazards; if applicable. This coverage required for any and all work involving drilling, excavation, etc.
 - 2.1.2 Business Automobile Liability including coverage for any owned, hired, or non-owned motor vehicles and automobile contractual liability.

- 2.1.3 Workers' Compensation - statutory benefits as required by the State of Texas, or other laws as required by labor union agreements, including Employers' Liability coverage.

3.0 Engineer's Insurance – Claims Made

Professional Errors and Omissions

The Engineer shall carry Professional Liability insurance which will pay for injuries arising out of negligent errors or omissions in the rendering, or failure to render professional services under the contract, for the term of the Contract and up to three years after the contract is completed in the amount shown in the Checklist.

Professional Errors and Omissions, Limit \$1,000,000
per claim and aggregate of \$2,000,000

ENGINEERING

City of Plano - Insurance Checklist

("X" means the coverage is required.)

Coverages Required

Limits (Figures Denote Minimums)

<input checked="" type="checkbox"/> 1. Workers' Compensation & Employers' Liability	Statutory limits of State of Texas \$100,000 accident \$100,000 disease \$500,000 policy limit disease
<input type="checkbox"/> 2. For Future Use	
<input type="checkbox"/> 3. City Approved Alternative Workers' Comp. Program	\$150,000 medical, safety program
<input checked="" type="checkbox"/> 4. General Liability	Complete entry No. 26 Minimum \$500,000 each occurrence \$1,000,000 general aggregate
<input checked="" type="checkbox"/> 5. General aggregate applies per project (CGL)	
<input checked="" type="checkbox"/> 6. Premises/Operations	(Items No. 3-10 & 12 require)
<input checked="" type="checkbox"/> 7. Independent Contractors	<u>\$500,000</u> combined single limit for bodily injury and property damage
<input type="checkbox"/> 8. Products	damage each occurrence with
<input type="checkbox"/> 9. Completed Operations	\$1,000,000 general aggregate that applies to project under contract
<input checked="" type="checkbox"/> 10. Contractual Liability	
<input checked="" type="checkbox"/> 11. Personal Injury Liability	\$500,000 each offense & aggregate
<input type="checkbox"/> 12. XCU Coverages	
<input checked="" type="checkbox"/> 13. Automobile Liability	\$500,000 Bodily Injury & Property
<input checked="" type="checkbox"/> 14. Owned, Hired & Non-owned	Damage each accident
<input type="checkbox"/> 15. Motor Carrier Act Endorsement	
<input checked="" type="checkbox"/> 16. Professional Liability	\$1,000,000 each claim \$2,000,000 aggregate
<input type="checkbox"/> 17. Garage Liability	\$_____ BI & PD each occurrence

EXHIBIT "E"

AFFIDAVIT OF NO PROHIBITED INTEREST AND COMPLIANCE WITH CITY OF PLANO'S EQUAL RIGHTS ORDINANCE

A. No Prohibited Interest

I, the undersigned, declare that I am authorized to make this statement on behalf of **Jerry Parche' Consulting Engineers**, a Sole Proprietorship organized under the laws of the State of Texas, and I have made a reasonable inquiry and, to the best of my knowledge, no person or officer of **Jerry Parche' Consulting Engineers**, is employed by the City of Plano or is an elected or appointed official of the City of Plano within the restrictions of the Plano City Charter.

I am aware that Section 11.02 of the City Charter states:

"No officer or employee of the city shall have a financial interest, direct or indirect, in any contract with the city, nor shall be financially interested, directly or indirectly, in the sale to the city of any land, or rights or interest in any land, materials, supplies or service. The above provision shall not apply where the interest is represented by ownership of stock in a corporation involved, provided such stock ownership amounts to less than one (1) per cent of the corporation stock. Any violation of this section shall constitute malfeasance in office, and any officer or employee of the city found guilty thereof shall thereby forfeit his office or position. Any violation of this section with the knowledge, express or implied, of the persons or corporation contracting with the city shall render the contract voidable by the city manager or the city council."

B. Equal Rights Compliance

1. Section 2-11(F) of the City Code of Ordinances reads as follows:

"It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;
- (d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;
- (f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;
- (h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment; or
- (i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;
- (j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or

- employment in, any program established to provide apprenticeship or other training;
- (k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;
- (l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or
- (m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

2. I am aware that my company, its directors, officers and employees must comply with Section 2-11(F) of the City Code of Ordinances unless an exclusion applies, as indicated below. Further, I understand that if Section 2-11(F) applies, I am entitled to apply to the City Manager for a waiver from signing this section of the affidavit based on a conflict with state or federal law. The contract will not be executed prior to the waiver issue being resolved.

Having made reasonable inquiry, I affirm that my company, its directors, officers and employees agree to comply with Section 2-11(F); or my company is excluded from this Ordinance based on the following: **[PLEASE CHECK BELOW, IF APPLICABLE]**

_____ A religious organization.

_____ A political organization.

_____ An educational institution.

_____ A branch or division of the United States government or any of its departments or agencies.

_____ A branch or division of the State of Texas or any of its departments, agencies or political subdivisions.

_____ A private club that is restricted to members of the club and guests and not open to the general public.

_____ Is not an “employer” under Section 2-11(F) because it has not had 15 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year.

[THIS SPACE INTENTIONALLY LEFT BLANK]

I also understand and acknowledge that a violation of Section 11.02 of the City Charter or Section 2-11(F) of the City Code of Ordinances, if applicable, at any time during the term of this contract may render the contract voidable by the City.

Jerry Parche' Consulting Engineers

By:

Signature

Print Name

Title

Date

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 2016.

Notary Public, State of Texas



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		January 25, 2016			
Department:		Municipal Courts			
Department Head		Don Stevenson			
Agenda Coordinator (include phone #): Leslie Hooker ext 7204					
CAPTION					
To approve and authorize the Contract Modification No. 7 for the purchase of system maintenance for the Court Case Management and Imaging System in the estimated annual amount of \$85,070 from Tyler Technologies, Inc. for the Municipal Courts. This modification will provide for five (5) additional one (1) year renewal terms to the City of Plano current contract, 2012-23-1.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2015-16 thru 2020-21	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	153,050	384,996	538,046
Encumbered/Expended Amount		0	-15,863	0	-15,863
This Item		0	-85,070	-384,996	-470,066
BALANCE		0	52,117	0	52,117
FUND(S): MUNICIPAL COURT TECHNOLOGY FUND					
COMMENTS: This item approves annual maintenance for the Court Case Management and Imaging System with Tyler Technologies, Inc. The cost in 2015-16 is \$85,070 and the total future estimated cost is \$384,996, if all renewal years are exercised. The term of this contract will be five (5) years.					
STRATEGIC PLAN GOAL: An annual maintenance contract for the Court Case Management and Imaging System relates to the City's goal of Financially Strong City with Service Excellence.					
SUMMARY OF ITEM					
See recommendation memo.					
List of Supporting Documents: Recommendation Memo			Other Departments, Boards, Commissions or Agencies		



Memorandum

Date: January 4, 2016

To: Leslie Hooker, Buyer

From: Don Stevenson, Chief Municipal Judge 

Subject: Award Memo

The Plano Municipal Court has been operating the Court Case Management and Imaging System from Tyler Technologies, Inc. for three years. The original purchase contract provided for system maintenance for three years.

The Municipal Court intends to continue to use Tyler's case management system for the next five years. Maintenance of the system will be required and Tyler Technologies, Inc. is willing to provide the necessary maintenance for an annual fee beginning at \$85,070.00. The annual maintenance fee may increase 5% per year.

The initial maintenance fee will be \$85,070 for the first year. Estimated increases of five percent (5%) per year would bring the total expenditures to \$470,066. The fees will be paid from the Municipal Court Technology Fund.

The Municipal Court staff recommends that the City award the five-year maintenance contract for the Court Case Management and Imaging System to Tyler Technologies, Inc.



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		1/25/2016		
Department:		Technology Services		
Department Head		Carlos Oregon		
Agenda Coordinator (include phone #): Dianna Wike x7549				
CAPTION				
To ratify and approve additional services for implementation, licensing and support for the Utiligy 360 - Enterprise Utility Management product. The ratification amount of \$220,706 covers an administrative adjustment and services rendered. The amount of \$222,361 is for additional services to complete the implementation for an estimated total contract amount of \$1,065,769, for approved and additional services, to be utilized by Technology Services, from the sole source provider, Denovo Ventures LLC, and authorizing the City Manager to execute all necessary documents. (2013-292-X)				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2015-16	Prior Year (CIP Only)	Current Year	Future Years
		TOTALS		
Budget	883,946	616,054	0	1,500,000
Encumbered/Expended Amount	-663,240	-158,062	0	-821,302
This Item	-220,706	-222,361	0	-443,067
BALANCE	0	235,631	0	235,631
FUND(S): TECHNOLOGY FUND				
COMMENTS: Funding is available in the Technology Fund for this item. Ratification of an administrative adjustment and services rendered, in the amount of \$220,706 and approval of additional services to complete implementation of the Utiligy 360 contract in the amount of \$222,361, for a total amount of \$443,067 will leave a project balance of \$235,631 available for future technology project expenditures in 2015-16.				
STRATEGIC PLAN GOAL: Ratifying and approving additional professional services to complete technology projects relates to the City's goal of a Financially Strong City with Service Excellence.				
SUMMARY OF ITEM				
The City is exempt from the competitive bid process for this purchase as allowed by Local Government Code Chapter 252 Subchapter B Section 252.022(a)(7)(A). See recommendation memo.				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Recommendation Memo				



Memorandum

Date: January 12, 2016
To: Diane Palmer-Boeck, Chief Purchasing Officer
From: Carlos Oregon, Interim Chief Information Officer
Subject: Ratification and Award

It is the recommendation of Technology Services to ratify and approve additional services to the licensing, implementation, and maintenance contract of Utiligy 360 project to Denovo Ventures LLC. Denovo Ventures LLC has been instrumental in the design and implementation of the Utiligy 360 product to replace our legacy Customer Information Systems (CIS). Customer Utility Services relies on this system to manage, maintain and bill over 80,000 accounts throughout the City of Plano and had a total billed revenue over \$146 Million dollars in FY14/15. Moving off the legacy IBM iSeries platform to a Windows server environment provides numerous benefits for ease of use, training, reporting, access, and mobility for staff as well as enhanced capabilities to the customer website. This will combine the utility billing system with our financial ERP system for greater visibility into the water and sewer funds and eliminate interfaces between the two systems. It allows the accounting and budget department access to data that previously had to be requested manually from disparate systems. This brings the utility billing system up to the next generation of software utilizing the latest in web standards providing maximum flexibility in technical, functional and integration requirements.

The ratification of the award to Denovo Ventures LLC is in the amount of \$220,706 which covers an administrative adjustment of \$77,298 due to expenses not covered in the original contract award and \$143,408 for services rendered due to the extension of the original timeline due to the extensive amount of time and data involved in the conversion from the legacy CIS product.

The remaining implementation, including the second statement of work along with change orders and travel expenses to complete the implementation, is a fixed fee amount of \$222,361. The total amount of this recommendation to reach full implementation is \$443,067 and is scheduled to go-live in March 2016.

The original contract was awarded by City Council on November 11, 2013 in the amount of \$622,702. The total contract amount including all work enhancements and this request for ratification and award will be \$1,065,769.



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		01/25/2016		
Department:		Human Resources		
Department Head		Shanté Akafia		
Agenda Coordinator (include phone #): Frank Haller x7296				
CAPTION				
A Resolution of the City of Plano, Texas, approving the changes to the actuarial assumptions pertaining to the discount rate, or assumed rate of return, and the mortality tables for the Retirement Security Plan as recommended by the Retirement Security Plan Committee and the Plan's Actuary; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.				
FINANCIAL SUMMARY				
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2016-17	Prior Year (CIP Only)	Current Year	Future Years
		TOTALS		
Budget	0	0	400,000	400,000
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	-400,000	-400,000
BALANCE	0	0	0	0
FUND(S): VARIOUS				
<p>COMMENTS: Based on recommended actuarial changes to the Retirement Security Plan, the actuarial accrued liability will increase thereby increasing the City's estimated contribution requirement beginning in FY 2016-17. The estimated increase in the cost of maintaining the Retirement Security Plan will be approximately \$400,000 annually. This additional cost will be covered in future budget appropriations.</p> <p>STRATEGIC PLAN GOAL: Changes to the Retirement Security Plan relates to the City's Goal of a Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
Updates to the Retirement Security Plan Actuarial Assumptions based on the recommendation by the Plan's actuary, Gabriel Roeder & Smith (GRS).				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Exhibit A, Resolution				



Memorandum

Date: January 14, 2016

To: Bruce Glasscock – City Manager

From: Shanté Akafia – Director of Human Resources/Risk Management

Subject: Update of Actuarial Assumptions for Funding and Benefit Payments of the Retirement Security Plan

The Retirement Security Plan (RSP or Plan) Committee voted unanimously to recommend two changes to the actuarial assumptions based upon recommendation of Gabriel Roeder & Smith (GRS), the plan's actuary. The two recommended changes detailed below pertain to 1) discount rate, or assumed rate of return, and 2) mortality tables:

There are several actuarial assumptions that are used in the calculation of the liability and cost of the RSP. The mortality and assumed rate of return are two of the more important assumptions. GRS recommends an update to both of these assumptions. Because the RSP has a relatively small number of retirees, the actuaries rely on the mortality experience of the Texas Municipal Retirement System (TMRS). TMRS, which is a large system with participants that are relatively homogenous to the employees of the City of Plano, identifies an appropriate mortality assumption for determining life expectancy for retirees in the RSP. TMRS has recently updated their mortality assumption and the recommendation is for the City of Plano to follow suit.

GRS also reviews the investment return assumption on a periodic basis using forward-looking capital market expectations developed by several outside and independent investment consulting firms. As a result of this analysis, GRS recommends a decrease in the investment return assumption from 7.75% to 7.50%. The decrease in the investment return assumption will increase the likelihood the assumed rate of return will be met and decrease the size of the investment loss in years the actual return is less than assumed. These updated assumptions will increase the actuarial accrued liability to an estimated \$120 million (an increase of \$4 million) and increase the City of Plano's estimated contribution requirement for FY 2017 to \$4.8 million (an increase of \$0.4 million). This is an annual increase in the cost of maintaining the RSP, also known as the normal cost.

Also, interest rate and mortality assumptions are used by the RSP to determine "actuarially equivalent" optional forms of payment, including a one-time lump-sum payment. The actuaries have recommended these assumptions be updated to be based on the updated assumptions that are used for funding purposes. The updated assumptions would not materially change the amounts of the various alternative annuity options (i.e. life only, joint and survivor forms, etc.) and would increase the amount of the lump-sum optional form of payment by 10% to 30% depending on the age of the participant when the lump-sum is distributed. The RSP Committee also increased the lump-sum amount maximum from \$12,000 to \$25,000. Note, while the amount of the lump-sum optional form of payment will increase, this payment option is only available to the participant if the lump-sum amount is below the ceiling limit specified in the plan document.

A Resolution of the City of Plano, Texas, approving the changes to the actuarial assumptions pertaining to the discount rate, or assumed rate of return, and the mortality tables for the Retirement Security Plan as recommended by the Retirement Security Plan Committee and the Plan's Actuary; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.

WHEREAS, on November 9, 2015, the City Council approved the Retirement Security Plan as Restated to be effective on January 1, 2016 ("Plan"); and

WHEREAS, Section 2.1 of the Plan authorizes the City Council to modify and approve new actuarial assumptions from time to time as recommended by the Retirement Security Plan Committee made in consultation with the Plan's actuary; and

WHEREAS, the Retirement Security Plan Committee and Gabriel Roeder & Smith, the Plan's actuary, have recommended two changes to the actuarial assumptions pertaining to (1) discount rate, or assumed rate of return, and (2) mortality tables for the Retirement Security Plan, as further detailed in the memorandum attached hereto as Exhibit "A"; and

WHEREAS, the City Council finds that the recommended changes to the Retirement Security Plan's actuarial assumptions should be approved, and that the City Manager or his designee shall be authorized to execute all related documents 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 City Council of the City of Plano hereby approves the recommended changes pertaining to (1) discount rate, or assumed rate of return, and (2) mortality tables, as further detailed in the memorandum attached hereto as Exhibit "A", pursuant to the authority under Section 2.1 of the Plan.

Section II. The City Manager or his authorized designee is hereby authorized to execute all related documents on behalf of the City of Plano, substantially according to the changes as noted in the attached memorandum.

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

DULY PASSED AND APPROVED this the 25th day of January, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY



Memorandum

Date: January 14, 2016

To: Bruce Glasscock – City Manager

From: Shanté Akafia – Director of Human Resources/Risk Management

Subject: Update of Actuarial Assumptions for Funding and Benefit Payments of the Retirement Security Plan

The Retirement Security Plan (RSP or Plan) Committee voted unanimously to recommend two changes to the actuarial assumptions based upon recommendation of Gabriel Roeder & Smith (GRS), the plan's actuary. The two recommended changes detailed below pertain to 1) discount rate, or assumed rate of return, and 2) mortality tables:

There are several actuarial assumptions that are used in the calculation of the liability and cost of the RSP. The mortality and assumed rate of return are two of the more important assumptions. GRS recommends an update to both of these assumptions. Because the RSP has a relatively small number of retirees, the actuaries rely on the mortality experience of the Texas Municipal Retirement System (TMRS). TMRS, which is a large system with participants that are relatively homogenous to the employees of the City of Plano, identifies an appropriate mortality assumption for determining life expectancy for retirees in the RSP. TMRS has recently updated their mortality assumption and the recommendation is for the City of Plano to follow suit.

GRS also reviews the investment return assumption on a periodic basis using forward-looking capital market expectations developed by several outside and independent investment consulting firms. As a result of this analysis, GRS recommends a decrease in the investment return assumption from 7.75% to 7.50%. The decrease in the investment return assumption will increase the likelihood the assumed rate of return will be met and decrease the size of the investment loss in years the actual return is less than assumed. These updated assumptions will increase the actuarial accrued liability to an estimated \$120 million (an increase of \$4 million) and increase the City of Plano's estimated contribution requirement for FY 2017 to \$4.8 million (an increase of \$0.4 million). This is an annual increase in the cost of maintaining the RSP, also known as the normal cost.

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CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		01/25/16			
Department:		Economic Development			
Department Head		Sally Bane			
Agenda Coordinator (include phone #): Paula Date X 8306					
CAPTION					
A Resolution of the City of Plano, Texas, approving the terms and conditions of an Economic Development Incentive Agreement by and between JPMorgan Chase Bank, NA, a national banking association, and the City of Plano, Texas; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2018-19 through 2027- 28	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	42,993,337	0	42,993,337
Encumbered/Expended Amount		0	-451,200	-24,566,155	-25,017,355
This Item		0	-4,930,000	0	-4,930,000
BALANCE		0	37,612,137	-24,566,155	13,045,982
FUND(s): ECONOMIC DEVELOPMENT INCENTIVE FUND					
COMMENTS: Strategic Plan Goal: Providing economic development incentives relates to the City's goal of Strong Local Economy.					
SUMMARY OF ITEM					
A request from JPMorgan Chase Bank, NA, a national banking association, to relocate its business to the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values to the City. JPMorgan Chase Bank, NA, agrees to occupy at least 800,000 gross square feet of office space at the southeast corner of State Highway 121 and Leadership Drive and transfer or create up to 4,800 Job Equivalents by 12/31/20.					
https://goo.gl/PpxF9o					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Resolution Economic Development Incentive Agreement					

A Resolution of the City of Plano, Texas, approving the terms and conditions of an Economic Development Incentive Agreement by and between JPMorgan Chase Bank, NA, a national banking association, and the City of Plano, Texas; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.

WHEREAS, the City Council has been presented a proposed Economic Development Incentive Agreement by and between JPMorgan Chase Bank, NA, a national banking association, and the City of Plano, Texas, 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 his authorized designee 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 his authorized designee 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 immediately upon its passage.

DULY PASSED AND APPROVED this the 25th day of January, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Plano, Texas (“City”), and JPMorgan Chase Bank, NA, a national banking association (“Company”), acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS, Company is engaged in the business of banking and financial services and plans to add One Hundred Fifty Million Dollars (\$150,000,000) of Real Property improvements and Seventy Million Dollars (\$70,000,000) of Business Personal Property (“BPP”) on the Real Property; and

WHEREAS, Company agrees to occupy at least 800,000 gross square feet of office space and transfer or create up to 4,800 Job Equivalents to be located on the Real Property for the term of this Agreement; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to relocate and expand its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

WHEREAS, the City Council finds that the occupancy of at least 800,000 gross square feet of office space and the creation or transfer of up to 4,800 Job Equivalents within the City will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

WHEREAS, the City has adopted programs for promoting economic development; and

WHEREAS, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Company” shall mean JPMorgan Chase Bank, NA, a national banking association, JPMorgan Chase and Co., and any wholly owned subsidiaries of JPMorgan Chase and Co. and its affiliates and companies having common management and control, all of which comprise the JPMorgan Chase Bank and Co. companies, located at the Property.

“Commencement Date” shall mean the earlier of the occupancy of the Property or December 31, 2018, whichever occurs first.

“Event of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly and significantly impact the Company’s operations in the City. An economic downturn shall not constitute an Event of Force Majeure.

“Job Equivalent” shall mean one or more Company employees, whether individual or combined with other employees, who are located at the Real Property and each Job Equivalent is paid a total 1,820 hours annually and issued an Internal Revenue Service W-2 form by the Company.

“Real Property” or “Property” shall mean a 48.68 acre parcel located at the southeast corner of State Highway 121 and Leadership Drive in Plano, Texas.

Article II Term

The term of this Agreement shall begin on the Commencement Date and continue for ten years thereafter, unless sooner terminated as provided herein.

Article III Obligations of Company

In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to perform the following:

(a) By the Commencement Date, partially occupy the Property and maintain occupancy throughout the term of the Agreement; and

(b) By December 31, 2018, create or transfer at least 750 Job Equivalents and maintain the Job Equivalents for a minimum of 180 days prior to grant payment and continue to maintain those Job Equivalents on the Real Property throughout the Agreement; and

(c) By December 31, 2019, and subject to maintaining the required number of Job Equivalents pursuant to Article III, Section (b) herein, Company may create or transfer up to 1,000 additional Job Equivalents, and maintain those Job Equivalents on the Real Property throughout the Agreement; and

(d) By December 31, 2020, and subject to full occupancy of the Property and maintaining the required number of Job Equivalents pursuant to Article III, Sections (b) and (c) herein, Company may create or transfer up to 3,050 additional Job Equivalents and maintain those Job Equivalents on the Real Property throughout the Agreement; and

(e) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's business activities, at facilities located in the City of Plano.

Article IV Economic Development Grant

4.01 **Grant.** The City agrees to provide the Company a cash grant in installments totaling up to Four Million Nine Hundred Thirty Thousand Dollars (\$4,930,000) as long as Company meets each of the obligations set out in Article III above and complies with the certification schedule and requirements set out in Section 4.02 below.

4.02 **Grant Payment Requirements and Schedule.** Except as otherwise indicated, the Company shall be entitled to the grant award in accordance with the following requirements and schedule:

(a) By December 31, 2018, Company shall occupy the Property and transfer or create at least 750 Job Equivalents to the Real Property and maintain the Job Equivalents for a minimum of 180 days to be eligible to receive a payment of Six Hundred Thirty-Seven Thousand Five Hundred Dollars (\$637,500). The payment will not be pro-rated. **Company must submit the Initial Certification form attached hereto as Exhibit "A" certifying compliance with the obligations set forth in Article III, Sections (a), (b), and (e) not earlier than June 30, 2019 and not later than September 30, 2019. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the entire grant.**

City will make the payment within thirty (30) days of receipt of the initial certification unless the City reasonably objects to the certification.

(b) By December 31, 2019, and subject to the Company transferring, creating and maintaining the minimum number of Job Equivalents required pursuant to Section 4.02(a) herein, Company may add up to an additional 1,000 Job Equivalents for a total maximum

number of 1,750 Job Equivalents at the Real Property to be eligible to receive a second (2nd) grant payment of up to Eight Hundred Fifty Thousand Dollars (\$850,000) which may be pro-rated at Eight Hundred Fifty Dollars (\$850) for each Job Equivalent up to the maximum amount allowed herein. **Company must submit the Annual Certification form attached hereto as Exhibit “B” as required by Section 4.02(e) below certifying the number of Job Equivalents added pursuant to Article III, Section (c) and compliance with Article III, Sections (a), (b) and (e) not later than January 31, 2020 to be eligible for the second (2nd) grant payment. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the remaining grant and invokes the City’s right to a full refund, including damages, as set out in Section 4.03 below.**

City will make the payment within thirty (30) days of receipt of the January 31, 2020 annual certification if Company qualifies for a second (2nd) grant payment pursuant to this Section 4.02(b), unless the City reasonably objects to the certification. In no event will the City make the second (2nd) grant payment prior to January 1, 2020.

(c) By December 31, 2020, and subject to the Company transferring, creating and maintaining the minimum number of Job Equivalents required pursuant to Sections 4.02(a) and (b) herein, Company may add up to an additional 3,050 Job Equivalents for a total maximum number of 4,800 Job Equivalents at the Real Property to be eligible to receive a third (3rd) grant payment of up to Two Million Five Hundred Ninety-Two Thousand Five Hundred Dollars (\$2,592,500) which may be pro-rated at Eight Hundred Fifty Dollars (\$850) for each Job Equivalent up to the maximum amount allowed herein. **Company must submit the Annual Certification form attached hereto as Exhibit “B” as required by Section 4.02(e) below certifying the number of Job Equivalents added pursuant to Article III, Section (d) and compliance with Article III, Sections (a), (b), (c) and (e) not later than January 31, 2021 to be eligible for the third (3rd) grant payment. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the remaining grant and invokes the City’s right to a full refund, including damages, as set out in Section 4.03 below.**

City will make the payment within thirty (30) days of receipt of the January 31, 2021 annual certification if Company qualifies for a third (3rd) grant payment pursuant to this Section 4.02(c), unless the City reasonably objects to the certification. In no event will the City make the third (3rd) grant payment prior to January 1, 2021.

(d) Subject to compliance with Section 4.02(a) above, Company may submit itemized costs paid by or caused to be paid by Company to the City of Plano for permit, building inspection, engineering and planning fees for the construction of the Property in Plano, Texas for a Rebate Grant up to Eight Hundred Fifty Thousand Dollars (\$850,000). Failure to comply with this Section 4.02(d) shall not subject the grant in Section 4.02 (a)-(c) to forfeiture. However, if the Company fails to occupy the Property for the entire term of the Agreement, Company shall refund to the City the entire Rebate Grant as provided in this Section 4.02(d). **Company must submit the Certification for Rebate Grant form attached hereto as Exhibit “C” certifying compliance with the obligations set forth in Section 4.02 not earlier than January 1, 2019 and not later than March 31, 2019.**

City will make the payment within thirty (30) days of receipt of the Certification for Rebate grant unless the City reasonably objects to the certification. In no event will the City make the Rebate grant payment prior to January 1, 2019.

(e) Beginning January 31, 2020, Company must submit an annual certification on the form attached hereto as Exhibit "B" not later than January 31st of each year for the duration of this Agreement certifying compliance with all of the obligations set out in Article III above. **A failure to file the annual certification by the January 31st deadline during the remaining years of the Agreement shall be an event of default and, if not cured, results in the City's right to a full refund, including damages, as set out in Section 4.03.**

(f) All certifications must be executed by the Company's chief executive or financial officer.

4.03 **Refund/Default.**

(a) If the Company fails to meet and maintain the required number of Job Equivalents for more than 180 consecutive days as set out in Section 4.02(a) and the loss is not the result of an Event of Force Majeure, the Company shall forfeit the entire grant. Thereafter, if the Company fails to maintain the required number of Job Equivalents, for which it has received payment, for more than 180 consecutive days at any time during the term of this Agreement and the loss is not the result of an Event of Force Majeure, the Company shall refund to the City an amount equal to Eight Hundred Fifty Dollars (\$850) for each lost Job Equivalent.

For the purposes of determining whether the City is due a refund under this section, the Company shall certify to the City as set out in Section 4.02 above the actual number of Job Equivalents at the Real Property for the compliance period using the form attached as Exhibit "B". A failure to make the refund payment prior to or at the time of filing certification shall constitute an event of default. If a refund has been paid for one or more Job Equivalent(s), Company is not entitled to any future payment for that lost Job Equivalent(s) notwithstanding that it subsequently complies with the Job Equivalent requirements of this Agreement at a later date.

(b) If the Company defaults on the payment of any refund or fails to timely provide any certification as required by Section 4.02, the full amount of the entire grant paid shall be refunded by Company to the City. City may use any efforts to collect such sums owed and Company agrees to pay any and all interest, and expenses, including attorney fees and costs incurred by City. This obligation shall survive termination of this Agreement.

(c) At any time during the term of this Agreement the Company is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers on the Real Property, it shall reimburse the City all grant funds paid pursuant to this Agreement together with interest charged from the date of payment of the funds at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but

without the addition of penalty. Repayment of grant funds and interest shall be due not later than 120 days after the date the Company is convicted of the offense.

Article V Termination

5.01 **Events of Termination.** This Agreement terminates upon any one or more of the following:

(a) By expiration of the term and where no defaults have occurred; or

(b) If a party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, damages and/or expenses shall survive the termination of the Agreement.

The City Manager is authorized on behalf of the City to send notice of default and to terminate this Agreement for any default that is not cured.

5.02 **Effect of Termination/Survival of Obligations.** The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

Article VI Retention and Accessibility of Records

6.01 Company shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. Company shall retain such records, and any supporting documentation for the greater of:

(a) Five (5) years from the end of the Agreement period; or

(b) The period required by other applicable laws and regulations.

6.02 Company gives City, its designee, or any of their duly authorized representatives, access to and the right to examine relevant books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or personal and Real Property belonging to or in use by Company pertaining to the Economic Development Program Grant (the "Records") upon receipt of ten (10) business days written notice from the City. The City's access to Company's books and records will be limited to information needed to verify that Company is and has been complying with the terms of this Agreement. Company's books and records need not be maintained on the Real Property, and copies of said books and

records may be made available to City electronically. Any information that is not required by law to be made public shall be kept confidential by City. In no event shall City's access to Company's Records include any access to any personal and/or medical data of any employees of Company except to confirm payroll information compliance for Job Equivalents. Company shall not be required to disclose to the City any information that by law Company is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the City reserves the right to require Company to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of Company. The rights to access the Records shall terminate five (5) years after the termination or expiration of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for in Section 5.01 above, or any portion thereof, for reason of default. All Records shall be retained by Company for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed. Company agrees to maintain the Records in an accessible location.

Article VII Assignment

This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent (a) to one of its wholly owned affiliates, or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the preceding paragraph, the Company must obtain the prior approval of the City through its City Manager and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City.

Article VIII Miscellaneous

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint

venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

8.02 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide written notice to the City within three (3) business days of such event.

8.03 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

8.04 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:
City of Plano, Texas
Attention: Mr. Bruce D. Glasscock
City Manager
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

With a copy to:
City of Plano, Texas
Attention: Ms. Paige Mims
City Attorney
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

With a copy to:
Winstead PC
Attention: Mr. Tommy Mann
500 Winstead Building
2728 N. Harwood Street
Dallas, TX 75201

If intended for the Company before relocation:
JP Morgan Chase & Co.
Attention: Mr. Robert Guardiola
Vice President
237 Park Avenue, Floor 12
New York, NY 10017

8.05 **Compliance with Equal Rights Ordinance.** Company agrees to comply with Section 2-11(F) of the City Code of Ordinances, which reads as follows:

“It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;
- (d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;
- (f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;
- (h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment; or
- (i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;
- (j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or employment in, any program established to provide apprenticeship or other training;
- (k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;

(l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or

(m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

Company also understands that it is entitled to apply to the City Manager for a waiver from the Equal Rights Ordinance’s application to its business if applying it would conflict with state or federal law. During the review of the waiver request, the contract will be placed on hold.

8.06 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

8.07 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.08 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.09 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

8.10 **Recitals.** The recitals to this Agreement are incorporated herein.

8.11 **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.

8.12 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule
municipal corporation

Lisa C. Henderson, CITY SECRETARY

Bruce D. Glasscock, CITY MANAGER
Date: _____

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

ATTEST:

JPMORGAN CHASE BANK, NA, a
national banking association

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"

INITIAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

_____ a. I hereby certify that JPMorgan Chase Bank, NA, a national banking association has partially occupied the Property as of _____, 20__ and transferred or added at least 750 Job Equivalent positions at the Real Property by December 31, 2018, and is in compliance with all terms of the Agreement and is entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.

_____ b. I hereby certify that JPMorgan Chase Bank, NA, a national banking association has failed to occupy the Property and/or has failed to transfer or add at least 750 Job Equivalent positions at the Real Property by December 31, 2018, and is not in compliance with the Agreement and is not entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.

ATTEST:

JPMORGAN CHASE BANK, NA, a national banking association

Name: _____
Title: _____

By: _____
Name: _____
Chief Talent & Enterprise Services Officer

Date

NOTE: This form is due not earlier than June 30, 2019 and not later than September 30, 2019.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358

EXHIBIT "B"
ANNUAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that JPMorgan Chase Bank, NA, a national banking association is in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has not fallen below the number for which JPMorgan Chase Bank, NA, a national banking association has received a grant payment in accordance with the terms and conditions set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____.
- _____ b. I hereby certify that JPMorgan Chase Bank, NA, a national banking association is not in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has fallen below the number for which JPMorgan Chase Bank, NA, a national banking association has received a grant payment. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____ and that that the City of Plano has been refunded the appropriate amount as required by Article IV, Section 4.03 of the Agreement.
- _____ c. **(FOR USE IN JANUARY 2020 ONLY IF APPLICABLE)** I hereby certify that JPMorgan Chase Bank, NA, a national banking association is in compliance with all terms and conditions of the Agreement and that as of December 31, 2019, JPMorgan Chase Bank, NA, a national banking association has added ___ total number of Job Equivalents (not to exceed 1,750), in addition to the 750 initial Job Equivalents, and is entitled to receive a second (2nd) grant payment in accordance with Section 4.02(b). I further certify that as of December 31 of the prior year, the total number of Job Equivalents was _____.
- _____ d. **(FOR USE IN JANUARY 2021 ONLY IF APPLICABLE)** I hereby certify that JPMorgan Chase Bank, NA, a national banking association is in compliance with all terms and conditions of the Agreement and that as of December 31, 2020, JPMorgan Chase Bank, NA, a national banking association has added ___ total number of Job Equivalents (not to exceed 4,800), in addition to the required initial transfer or creation of 750 Job Equivalents by December 31, 2018 and additional creation of 1,750 Job Equivalents by December 31, 2019, and is entitled to receive a third (3rd) grant payment in accordance with Section 4.02(c). I further certify that as of December 31 of the prior year, the total number of Job Equivalents was _____.

ATTEST:

JPMORGAN CHASE BANK, NA, a national banking association

Name: _____
Title: _____

By: _____
Name: _____
Chief Talent & Enterprise Services Officer

Date

NOTE: This form is due by January 31 of each year beginning on January 31, 2020, and as long as this Agreement is in effect.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358

EXHIBIT "C"

CERTIFICATION FOR REBATE GRANT

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that JPMorgan Chase Bank, NA, a national banking association has submitted for approval itemized costs paid by Company to the City of Plano for permit, building inspection, engineering and planning fees for the construction of the Property in Plano, Texas for reimbursement up to Eight Hundred Fifty Thousand Dollars (\$850,000), attached hereto as Exhibit "1", and is in compliance with all terms of the Agreement and is requesting payment in accordance with Section 4.02(d) of the Agreement in the amount of _____ Dollars.

- _____ b. I hereby certify that JPMorgan Chase Bank, NA, a national banking association has failed to submit itemized costs paid by Company to the City of Plano for permit, building inspection, engineering and planning fees for the construction of the Property in Plano, Texas for reimbursement up to Eight Hundred Fifty Thousand Dollars (\$850,000), and is not entitled to receive payment in accordance with Section 4.02(d) of the Agreement.

ATTEST:

JPMORGAN CHASE BANK, NA, a
national banking association

Name: _____
Title: _____

By: _____
Name: _____
Chief Talent & Enterprise Services Officer

Date

NOTE: This form is due not earlier than January 1, 2019 and not later than March 31, 2019.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		January 25, 2016			
Department:		Fire			
Department Head		Sam Greif, Fire Chief			
Agenda Coordinator (include phone #): Cynthia Morgan, ext. 7164					
CAPTION					
A Resolution of the City of Plano, Texas, ratifying the terms and conditions of an Interlocal Cooperation Agreement by and between the City of Plano, Texas, and the City of Sachse, Texas, for Interim Fire Chief services; approving its execution by the City Manager or his designee; and providing an effective date.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input checked="" type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2015-2016	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	0	0	0
Encumbered/Expended Amount		0	0	0	0
This Item		0	40,416	0	40,416
BALANCE		0	40,416	0	40,416
FUND(S): GENERAL FUND					
COMMENTS: Approval of this interlocal agreement providing Interim Fire Chief services to the City of Sachse, Texas, provides for reimbursement from the City of Sachse for the projected amount of \$40,416 to cover amount equal to employee's regularly-scheduled pay as a City of Plano employee. This Agreement shall be week-to-week and commence on or after January 11, 2016, and shall automatically renew each week unless terminated sooner.					
STRATEGIC PLAN GOAL: Utilizing interlocal agreements relates to the City's Goal of Financially Strong City with Service Excellence.					
SUMMARY OF ITEM					
The City of Sachse, Texas, desires to have an Interim Fire Chief while it conducts a search to hire a full-time Fire Chief and has requested the City of Plano allow Deputy Chief Martin Wade to serve as Interim Fire Chief for the City of Sachse in return for reimbursement for services rendered. This Agreement shall be week-to-week and commence on or after January 11, 2016, and shall automatically renew each week unless terminated sooner.					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Resolution & Interlocal Cooperation Agreement			N/A		

A Resolution of the City of Plano, Texas, ratifying the terms and conditions of an Interlocal Cooperation Agreement by and between the City of Plano, Texas, and the City of Sachse, Texas, for Interim Fire Chief services; approving its execution by the City Manager or his designee; and providing an effective date.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes governmental entities to contract with each other to perform government functions and services under the terms thereof; and

WHEREAS, the City Council has been presented an Interlocal Cooperation Agreement for providing Interim Fire Chief services by and between the City of Plano, Texas, and the City of Sachse, Texas, 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 ratified and approved.

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 interest of the City of Plano and its citizens, is hereby in all things ratified and execution by the City Manager or his designee on behalf of the City of Plano is hereby approved.

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

DULY PASSED AND APPROVED this the 25th day of January, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

**INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF PLANO,
TEXAS AND THE CITY OF SACHSE, TEXAS
FOR INTERIM FIRE CHIEF**

THIS AGREEMENT, (the “Agreement”), is made and entered into by and between the City of Plano, Texas, a home-rule municipal corporation located in Collin County, Texas (hereinafter referred to as “Plano”), and the City of Sachse, Texas, a home-rule municipal corporation located in Dallas County, Texas (hereinafter referred to as “Sachse”) (each a “Party” and collectively the “Parties”).

WHEREAS, this Agreement is being entered into pursuant to the Interlocal Cooperation Act, V.T.C.A., Government Code, Section 791.001, et seq. (the “Act”); and

WHEREAS, Plano and Sachse are both local governments as defined by Section 791.003(a) of the Act engaged in the provision of governmental functions and services to their citizens; and

WHEREAS, Sachse desires to have an Interim Fire Chief while it conducts a search to hire a full-time Fire Chief and has requested Plano to allow Deputy Chief Martin Wade (hereinafter referred to as “Chief Wade”) to serve as Interim Fire Chief for Sachse in return for compensation for services rendered; and

WHEREAS, Sachse has current revenues available to satisfy the fees and/or expenses incurred pursuant to this Agreement; and

WHEREAS, Plano and Sachse mutually desire to be subject to the provisions of V.T.C.A. Government Code §791.001, et. seq., the Interlocal Cooperation Act, and other applicable sections, statutes and contracts pursuant thereto;

NOW THEREFORE, for mutual consideration hereinafter stated, Plano and Sachse agree as follows:

**Article I
Term and Termination**

1.1 This Agreement shall be week-to-week and commence on or after Monday, January 11, 2016, and shall automatically renew each week unless terminated sooner by any one or more of the following terms:

- (a) This Agreement may be terminated by either Party for any reason or no reason by giving at least fourteen (14) days written notice to the other Party.
- (b) Sachse may terminate this Agreement immediately and without notice upon the conviction of Chief Wade in any felony, or of any misdemeanor involving theft, or the failure of Chief Wade to diligently or properly perform Chief Wade’s duties under this Agreement.

Article II Operating Standards

Chief Wade shall determine the method, details, and means of performing Interim Fire Chief services under this Agreement to the satisfaction of Sachse and under Sachse's direct oversight. Plano and Sachse mutually agree to fully adhere to all ethical and other operating standards, practices, and policies of Sachse, as defined from time to time by Sachse.

Article III Compensation for Services

3.1 Sachse shall compensate Plano under this Agreement at a rate of \$84.30 per hour for hours worked by Chief Wade. Chief Wade shall continue to draw the current salary being received by Plano. Chief Wade shall not be on paid leave from Plano during this assignment, nor will this assignment create a vacancy at the Plano Fire Department. Chief Wade will typically work five (5) days per week, forty (40) hours per week, unless otherwise authorized by Sachse. Any hours worked in excess of forty (40) hours per week, shall be paid at the standard contract rate of \$84.30 per hour. Plano is only paid for hours worked by Chief Wade and is not paid for Chief Wade's commute time, holidays, or any type of leave (vacation, sick, personal, etc.) that Chief Wade may take.

3.2 Chief Wade shall submit a weekly timesheet to Sachse for verification and approval of the total hours worked. Chief Wade shall then forward the approved time sheet to the Plano accounting department (c/o Crystal Swiere at crystals@plano.gov) in order for Plano to generate an invoice and send to Sachse's accounting department (c/o Teresa Savage @ tsavage@cityofsachse.com) for payment. The timesheet must be submitted Chief Wade for approval by Sachse no later than Monday each week for hours worked from the preceding week. Sachse shall pay Plano within fourteen (14) days receiving Plano's invoice.

Article IV Contractual Relationship Only

In performing services under this Agreement, Plano and/or Chief Wade shall not be considered an employee, agent, or servant of Sachse, and Sachse shall have no obligation to withhold federal income taxes, FICA taxes, or otherwise. Plano and Chief Wade will be solely responsible for compliance with any tax requirements, including without limitation, federal income tax and FICA taxes. None of the benefits provided by Sachse to full-time employees shall be made available to Plano or Chief Wade under this Agreement. Sachse and Plano acknowledge and agree that each will solely be responsible for its actions and those acts of its employees, including acts of omission, taken in connection with the performance of this Agreement. Neither Party shall have any right, power, or authority to act or create any obligation, express or implied, on behalf of the other Party. Neither Plano nor Chief Wade shall have any right to obligate Sachse to make any payments or provide any consideration to any person or organization.

**Article V
Compliance with Law**

Plano and Chief Wade shall abide by and comply with all laws, federal, state and local, including all ordinances, rules and regulations of Sachse. It is agreed and understood that, if Sachse calls to the attention of Plano and Chief Wade any such violation on the part of Plano and/or Chief Wade that Plano and/or Chief Wade shall immediately desist from and correct such violation.

**Article VI
Non-Discrimination**

In the execution, performance, or attempted performance of this Agreement, Plano and Chief Wade will not discriminate against any person or persons because of disability, age, familial status, sex, race, religion, color, national origin, or sexual orientation.

**Article VII
Governing Law and Venue**

This Agreement shall be construed in accordance with the laws of the State of Texas. Should any action, whether real or asserted, at law or in equity, arise out of the execution, performance, or attempted performance of this Agreement, venue for said action shall lie in Collin County, Texas.

**Article VIII
Disclosure of Conflicts**

8.1 Plano hereby warrants to Sachse that Plano has made full disclosure in writing of any existing or potential conflicts of interest related to Chief Wade's provision of the services. In the event that any conflicts of interest arise after the execution of this Agreement, Plano hereby agrees to make full disclosure to Sachse in writing immediately upon learning of such conflict.

8.2 Chief Wade shall not accept other employment or consulting work during the term of this Agreement without prior written consent of Sachse:

**Article IX
Indemnification**

9.1 **EACH PARTY DOES HEREBY AGREE TO WAIVE ALL CLAIMS AGAINST, RELEASE, AND HOLD HARMLESS THE OTHER PARTY AND ITS RESPECTIVE OFFICIALS, OFFICERS, AGENTS, EMPLOYEES, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM ANY AND ALL LIABILITY, CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, ATTORNEYS' FEES, INCLUDING ALL EXPENSES OF LITIGATION OR SETTLEMENT, OR CAUSES OF ACTION WHICH**

MAY ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR FOR LOSS.

9.2 TO THE EXTENT ALLOWED BY LAW, SACHSE DOES HEREBY AGREE TO DEFEND, HOLD HARMLESS, AND INDEMNIFY THE DESIGNATED INTERIM FIRE CHIEF, PLANO, AND ITS RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES, FROM ANY AND ALL DEMANDS, CLAIMS, SUITS, ACTIONS, JUDGMENTS, EXPENSES, AND ATTORNEYS' FEES INCURRED IN ANY LEGAL PROCEEDINGS BROUGHT AGAINST THEM AS A RESULT OF ACTION TAKEN IN THE INTERIM'S INDIVIDUAL OR OFFICIAL CAPACITY AS A CONTRACTOR AND AS INTERIM FIRE CHIEF, PROVIDING THE INCIDENT(S), WHICH IS (ARE) THE BASIS OF ANY SUCH DEMAND, CLAIM, SUIT, ACTION, JUDGMENTS, EXPENSES, AND ATTORNEYS' FEES, AROSE OR DOES ARISE IN THE FUTURE FROM AN ACT OR OMISSION OF THE INTERIM FIRE CHIEF AS A CONTRACTOR OF SACHSE ACTING WITHIN THE COURSE AND SCOPE OF THE INTERIM FIRE CHIEF'S ASSIGNMENT WITH SACHSE, EXCLUDING, HOWEVER, ANY SUCH DEMAND, CLAIM, SUIT, ACTION, JUDGMENT, EXPENSE, AND ATTORNEYS' FEES FOR THOSE CLAIMS OR ANY CAUSES OF ACTION WHERE IT IS DETERMINED THAT THE INTERIM FIRE CHIEF COMMITTED OFFICIAL MISCONDUCT, OR COMMITTED A WILLFUL OR WRONGFUL ACT OR OMISSION, OR AN ACT OR OMISSION CONSTITUTING NEGLIGENCE, OR ACTED IN BAD FAITH. IN THE CASE OF SUCH INDEMNIFIED DEMAND, CLAIM, SUIT, ACTION, OR JUDGMENT, THE SELECTION OF THE INTERIM FIRE CHIEF'S LEGAL COUNSEL SHALL BE WITH THE MUTUAL AGREEMENT OF THE INTERIM FIRE CHIEF AND SACHSE IF SUCH LEGAL COUNSEL IS NOT ALSO SACHSE'S LEGAL COUNSEL. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE TERMINATION, EXPIRATION, OR OTHER END OF THIS AGREEMENT AND/OR THE INTERIM FIRE CHIEF'S ASSIGNMENT WITH SACHSE.

**Article X
Entire Agreement**

This Agreement represents the full and complete agreement between Sachse and Plano and supersedes all prior written or verbal agreements. This Agreement may be modified or amended only by a written instrument signed by the Parties.

**Article XI
Notice**

Any notice provided under this Agreement shall be delivered by mail or personal service to the Parties named below:

PLANO

Bruce D. Glasscock
City Manager
City of Plano
P. O. Box 860358
Plano, Texas 75086-0358

SACHSE

Gina Nash
City Manager
City of Sachse
3815 Sachse Road
Sachse, Texas 75048

**Article XII
Authority to Sign/City Council Authorization**

The undersigned officer and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto. Plano has executed this Agreement pursuant to duly authorized action of the Plano City Council. Sachse has executed this Agreement pursuant to the authority granted by its governing body. Each of the Parties shall provide written documentation evidencing the grant of approval by its respective governing body.

(Signature Pages to Follow)

EXECUTED in duplicate originals this 0th day of January, 2016.

City of Sachse

By: *Gina Nash*
Gina Nash, City Manager

Approved as to Form:

By: *Peter G. Smith*
for Peter G. Smith, City Attorney
(01-06-2016/74933)

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 8 day of January, 2016, by Gina Nash, City Manager of the City of Sachse, Texas, a home-rule municipal corporation, on behalf of said corporation.



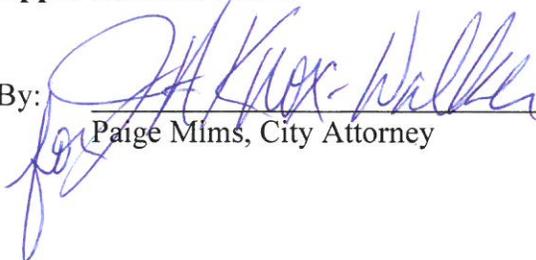
Michelle L. Lewis Sirianni
Notary Public, State of Texas

EXECUTED in duplicate originals this 8th day of January, 2016.

City of Plano

By: 
Bruce D. Glasscock, City Manager

Approved as to Form:

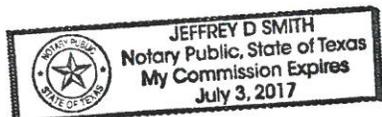
By: 
Paige Mims, City Attorney

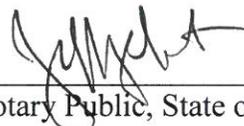
STATE OF TEXAS §

§

COUNTY OF COLLIN §

This instrument was acknowledged before me on the 8th day of January, 2016, by Bruce D. Glasscock, City Manager of the City of Plano, Texas, a home-rule municipal corporation, on behalf of said corporation.




Notary Public, State of Texas



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		1/25/16		
Department:		Legal		
Department Head		Paige Mims		
Agenda Coordinator (include phone #): Betsy Allen # 7545				
CAPTION				
<p>A Resolution of the City of Plano, Texas, repealing and replacing Resolution No. 2002-12-1(R) and Resolution No. 96-9-33(R) with the herein Resolution to clarify that the Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano shall comply with the requirements of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, with the exception of holding closed meetings; and providing an effective date.</p>				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2015-16	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): N/A				
COMMENTS: This item has no financial impact. STRATEGIC PLAN GOAL: Repealing and replacing existing resolutions to comply with laws of the State of Texas relates to the City's goal of a Financially Strong City with Service Excellence.				
SUMMARY OF ITEM				
<p>A Resolution repealing and replacing Resolution No. 2002-12-1(R) and Resolution No. 96-9-33(R) with new Resolution to clarify that Standing and Ad Hoc Advisory Board, Commissions and Committees comply with requirement of Texas Open Meetings Act with the exception of holding closed meetings.</p>				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	

A Resolution of the City of Plano, Texas, repealing and replacing Resolution No. 2002-12-1(R) and Resolution No. 96-9-33(R) with the herein Resolution to clarify that the Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano shall comply with the requirements of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, with the exception of holding closed meetings; and providing an effective date.

WHEREAS, on December 9, 2002 the City Council adopted Resolution No. 2002-12-1(R) which amended Resolution No. 96-9-33(R) adopted by the City Council on September 23, 1996 which adopted policies for Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano in conducting their meetings; and

WHEREAS, the Advisory Standing and Ad Hoc Boards, Commissions and Committees are not required to comply with the Texas Open Meetings Act; and

WHEREAS, the adopted policies implemented policies for conducting meetings for Advisory Boards, Commissions and Committees of the City of Plano that were consistent with the Texas Open Meetings Act Requirements; and

WHEREAS, the City Council finds it in the best interest of the City to clarify that Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano shall comply with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, in conducting meetings unless otherwise expressly excepted by City Council resolution and with the exception of holding closed meetings. Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano shall refrain from conducting closed meetings as defined by the Texas Open Meetings Act.

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

Section I. Resolution No. 2002-12-1(R) and Resolution No. 96-9-33(R) are hereby repealed in their entirety and replaced with the herein Resolution to adopt the policy for Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano in conducting their meetings.

Section II. All Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano shall comply with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, in conducting meetings unless otherwise expressly excepted by City Council resolution and with the exception of holding closed meetings. Standing and Ad Hoc Advisory Boards, Commissions and Committees of the City of Plano shall refrain from conducting closed meetings as defined by the Texas Open Meetings Act.

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

DULY PASSED AND APPROVED on this the 25th day of January, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		1/25/2016			
Department:		Accounting			
Department Head		Denise Tacke			
Agenda Coordinator (include phone #): Allison Friloux 972-941-5225					
CAPTION					
A Resolution 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					
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2015-16	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): N/A					
COMMENTS: This item has no fiscal impact.					
STRATEGIC PLAN GOAL: Accepting the findings and opinions of the Annual Audit relates to the City's Goal of a Financially Strong City with Service Excellence.					
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 2014-15 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 Single Audit			Other Departments, Boards, Commissions or Agencies		

A Resolution 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 a complete audit be made by a duly licensed Public Accountant at the close of each fiscal year; and

WHEREAS, the City Council has been presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2014-15, 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, KPMG 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.

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

DULY PASSED AND APPROVED this the 25th day of January, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015

Prepared By:

Accounting Division

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**CITY OF PLANO, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
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January 13, 2016

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 or Plano), for the year ended September 30, 2015, 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 controls established for this purpose.

KPMG LLP has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2015. The independent auditors' report is located in the beginning of the financial section of the CAFR.

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

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 72.1 square miles of land in the City's 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 Deputy City Managers, Assistant City Managers, and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined), as well as the Tax Increment Financing District, a discretely presented component unit. Discretely presented component units are legally separate entities and are not part of the primary government's operations. 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, and convention, tourism, and cultural events. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority 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 continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2014, Plano's population grew an estimated 1.3% to 273,600 in 2015. According to residential development projections by the City's planning department, it is projected to grow to 286,400 by 2025 and to 300,000 by 2035.

According to the U.S. Census Bureau, the median household income of Plano is \$81,571.

According to *Niche.com*, Plano is the Best City to Raise a Family taking into consideration school ratings, age demographics, crime rates and access to affordable housing and childcare. Plano is ranked as the #2 Best City for Families by *wallethub.com*. Scoring was based on socio-economic environment, education and child care, affordability, health and safety, family activities, and other factors.

Creditdonkey.com has ranked Plano #2 as part of their study for the Best Cities to Live in Texas. Factors considered include crime rate, commute time, income, education, and restaurants per capita.

In 2015, *liveability.com* listed Plano as the second Best City for Families citing the highly regarded education systems, recreation centers, opportunities to explore nature in addition to the diverse population. *Datingadvice.com* ranked Plano the #7 Best City to Start a Family taking into consideration education, entertainment, and safety.

Plano is the second city in Texas, and thirty-second in the nation to be awarded the 4-STAR Community Rating for Sustainability. The rating system evaluates cities based on natural systems, climate and energy, economy and jobs, arts and community, education, and health and safety.

Money.cnn.com notes that the Trust for Public Land, a U.S. nonprofit organization, ranks the best parks in America based on the percent of city land devoted to parks, park size, the amount of park spending per resident as well as dog runs, playgrounds, and recreation and senior centers available. In 2015, Plano was ranked #17 for the Best Parks in America.

Based on safety, affordability, education, home value, as well as other factors, *The Dallas Morning News* has included 3 Plano neighborhoods within the Top 10 Best Neighborhoods in the Metroplex.

According to *smartasset.com*, Plano is named a Top 10 Best City for Women in Tech taking into consideration, women as a percent of the tech workforce, income, and employment growth.

Wallethub.com has ranked Plano as the 3rd Hardest Working City in America. The ranking is based on average workweek hours, commute time, labor force participation rate, leisure time and other factors.

Plano's Parks and Recreation Department has been named the 2015 National Recreation and Parks Association's (NRPA) Gold Medal winner for Excellence in Park and Recreation Management. Factors considered include resource management, agency recognition, long-range planning in addition to being able to address the needs of the citizens, staff, and elected officials.

The American Planning Association has named Downtown Plano as one of America's four Great Neighborhoods stating it's 'DART-able, stroll-able, livable, shop-able...live-music-able'.

Plano remains one of only a few cities in the United States receiving an "AAA" bond rating, the highest possible bond rating from Moody's Investor Services, Standard & Poor's and Fitch IBCA. In issuing their ratings, they praised the City for its stable financial position driven by conservative budgeting as well as its large and diverse tax base and strong management practices.

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:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. Tax collections totaled \$139.8 million for fiscal year 2015, an increase of 7.2% from the prior year. According to the Collin County Appraisal District, Plano property appraisals increased 7.1% for 2015 on property tax estimates.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base including two major shopping malls, 70 shopping centers, The Shops at Legacy, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of specialty shops and major retailers throughout the City.

Sales tax allocations to the City totaled \$76.3 million from October 2014 through September 2015, an increase of 2.5% compared to fiscal year 2014.

Employment

A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The three largest job sectors are professional, scientific, and technical services; healthcare; and retail trade. According to the U.S. Census Bureau, 54% of Plano residents have a bachelor's degree or higher. The unemployment rate in Plano for fiscal year 2015 was 3.5% compared to 4.6% in 2014.

Plano's large businesses, employing 1000+, include Alcatel-Lucent, Bank of America Home Loans, Capital One Finance, CIGNA, Dell Services, Dr. Pepper Snapple Group, Ericsson, Frito-Lay, HP Enterprise Services, Intel Security, J.C. Penney, MedAssets, Medical Center of Plano, PepsiCo, and Texas Health Presbyterian Hospital Plano. Employing 500-999, companies having significant operations in Plano include Baylor Regional Medical Center at Plano, Children's Medical Center Plano, CROSSMARK, CVE Technologies Group, Denbury Resources, Flextronics, Intuit, Pizza Hut/YUM! Restaurants International, Rent-A-Center, St. Jude Medical Neuromodulation Division, Tektronix Communications, The Heart Hospital Baylor Plano, Transamerica and XO Communications. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2015, the following businesses announced relocation and expansion:

Liberty Mutual Insurance Company, a global insurance provider headquartered in Boston, MA, will construct a new regional operations campus in the Legacy West development. The campus, with two towers, will total over 900,000 square feet and employ over 4,000 by the end of 2017.

Cinemark Holdings, a global theater chain operator, purchased their headquarters located on 3900 Dallas Parkway. The 120,000-square-foot building, originally constructed in 1998, has been leased by Cinemark since the opening of the building.

Ciber, Inc., a global IT consulting company, opened its new Global Strategic Sales center and Global Learning and Development facility in January 2015. The company occupies 26,000 square feet, located on 6860 N. Dallas Parkway, and will employ up to 300 by the end of 2018.

Oceans Healthcare, which specializes in the development and management of behavioral health services, relocated its corporate headquarters from Louisiana to 5850 Granite Parkway. The company occupies 7,000 square feet with 25 employees.

Allied BioScience, founded in 2005, produces and distributes antimicrobial surface coatings to the healthcare industry. In May 2015, the company moved their national headquarters to 5000 Legacy Drive, occupying 6,000 square feet. The company moved their headquarters from Dallas, where they still maintain a small office presence. Allied BioScience employs 12 nationally, with 6 employees in the Plano office.

Alcatel-Lucent, a global telecommunications equipment company, announced plans to consolidate the company's operations in Plano. Formerly in two separate buildings in Plano, the company will move their employees to a new facility at the corner of Lotus Drive and Independence Parkway. The new four-story, 260,000-square-foot building will serve as the central operations facility. Construction is slated for completion in late 2016 and will include a rooftop terrace, state-of-the-art labs and creative work spaces.

Pizza Hut/Yum! Restaurants International will increase their footprint with plans to expand their Plano headquarters. The 60,000-square-foot addition will include a 3-story and single-story building. The company plans to add office space and a training facility that will create or transfer up to 150 jobs by 2020.

Hilti North America, a Tulsa-based global manufacturer and subsidiary of Hilti Corporation, relocated its corporate headquarters to Plano in June 2015. Hilti supplies specialized tools and fastening systems for the construction industry. The company has leased two floors, totaling 56,000 square feet, in the new Legacy Tower, at 7250 Dallas Parkway. Based in Tulsa since 1979, the company plans to transfer the majority of its corporate staff to Plano and will initially have a staff of 175 employees. The company's distribution centers, test lab and repair services will be located in surrounding Dallas-Fort Worth cities.

LegacyTexas, was formed recently when LegacyTexas Bank merged with ViewPoint Bank, creating one of the largest independent banks in Texas, representing 51 branches and over \$5 billion in pro forma assets. The company consolidated its corporate headquarters into the top three floors of the former Encana Tower, located at 5851 Legacy Circle. The banking firm occupies 78,700 square feet and will have 215 employees by 2016. The banks, previously located on Preston Road and Legacy Drive and 1201 W. 15th Street, moved into their new building in late 2014. Renamed Plano Tower, LegacyTexas is the first new tenant to occupy the 318,000-square-foot multi-tenant building.

The Renaissance Hotel began construction in 2015 on a 270,000-square-foot full-service hotel located west of the Dallas North Tollway in the new \$2 billion Legacy West development. The \$82 million hotel project will feature 300 rooms and over 26,000 square feet of conference space. The high-rise hotel is part of the 240-acre Legacy West development which will feature corporate office space, apartments and a shopping center.

L-3 Mustang Technology, a radar systems provider and weapons system integrator, has expanded their operations in Plano, located on 6900 K Avenue. The company moved its L-3 Unmanned Systems division to the third floor of their building, adding 28,000 square feet and 96 employees.

AREVA Med, a subsidiary of AREVA, was created in 2009 to develop innovative therapies to fight cancer. In November 2014, the company announced plans to build a new production facility in Plano. The company will occupy at least 8,000 square feet of office space at the northeast corner of E. Plano Parkway and Klein Road, and will transfer or create at least 10 jobs by the end of March 2016.

Long-Term Financial Planning

Long-term planning and responsiveness to changing economic conditions are a key factor in maintaining the City's fiscal health. While economic forecasts for Plano and the North Texas region remain favorable, a diminishing supply of undeveloped land and economic uncertainties at both the regional and national level remain factors when planning Plano's financial future. As Plano continues to transition to a mature community, it continues to utilize its Core Business Matrix to ensure expenditures are aligned with the Plano City Council's strategic plan and community goals.

Combined fiscal year 2016 budget appropriations across all of Plano's operating funds equal \$496.5 million, which is a \$28.8 million or 6.2% increase from the 2015 re-estimated budget. General Fund revenues in fiscal year 2016 are projected at \$263.3 million, an increase of \$15.6 million from the fiscal year 2015 re-estimated budget. Total appropriation in the General Fund for fiscal year 2016 are set at \$279.4 million, which is an increase of \$16.0 million from the fiscal year 2015 re-estimated budget.

Capital Reserve funding will be primarily supported by transfers of \$23.6 million from the General Fund, \$1.5 million from the Water and Sewer Fund, \$1.1 million from the Convention & Tourism Fund and \$500,000 from the Municipal Drainage Fund. As an established resource for renovating, repairing and replacing existing infrastructure, the Capital Reserve Fund has been a significant factor in maintaining the City's AAA bond ratings.

Of the \$79.1 million budgeted for General Obligation capital expenditures in fiscal year 2016, \$4.3 million pertains to municipal facilities, \$29.1 million for parks and recreation, \$39.7 million for street improvements and enhancements and \$6.0 million for public infrastructure.

The Equipment Replacement Fund allows the City to minimize budgetary impacts by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life. The fund collects regularly scheduled depreciation charges from city departments with vehicles and capital equipment, and then uses those funds to purchase new equipment on an as needed basis. For fiscal year 2016, the Equipment Replacement Fund's projected revenues total \$10.5 million, with depreciation charges totaling \$9.8 million being the primary source of revenue. The fund is also expected to collect \$508,500 from the auction of City equipment and \$175,000 from interest earnings.

In fiscal year 2016 the City anticipates a General Obligation bond sale of \$40.0 million, a Water and Sewer Revenue bond sale of \$36.4 million and a Municipal Drainage Revenue bond sale of \$4.5 million. The General Obligation sale will fund the continued development of Plano's park system, numerous street improvements, renovations and expansions at three recreation facilities, public infrastructure improvements and renovation of Fire Station #1 and the Fire Administration complex. The Water and Sewer and Municipal Drainage revenue bond sales will fund utility infrastructure construction and rehabilitation for their respective utility systems.

On November 1, 2014 billing for water use was increased by 10 percent to help pay for a 10.2 percent increase in fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The NTMWD has raised rates 63.8 percent since 2010. The Plano City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to residents to offset the increases. In continuing effort to minimize the overall effect of the increases, Plano City Council has elected to keep all minimum water and sewer charges static. Beginning November 1, 2015, a varying rate increase in volumetric tiers in both water and sewer rates will appear on bills to cover the additional 11.2 and 13.8 percent increase respectively being passed down from NTMWD.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance/reserve levels. The City Council adopted these policies and on a periodic basis, the financial policies are reviewed and updated.

Accounting Procedures and Budgetary Controls. The City's accounting records for governmental funds 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 proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable

assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Recognizing the value of internal control, an internal audit program has been in place since 1988. This program serves to enhance controls 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, require greater attention.

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 assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these 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 Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget, Director of Finance, Director of Human Resources and Assistant City Managers. 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 that 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 of each fiscal year.

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 Budget Committee 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 Budget Committee. 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 and 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. 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 a 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, 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 CMFR is presented quarterly to the City Council.

Major Initiatives

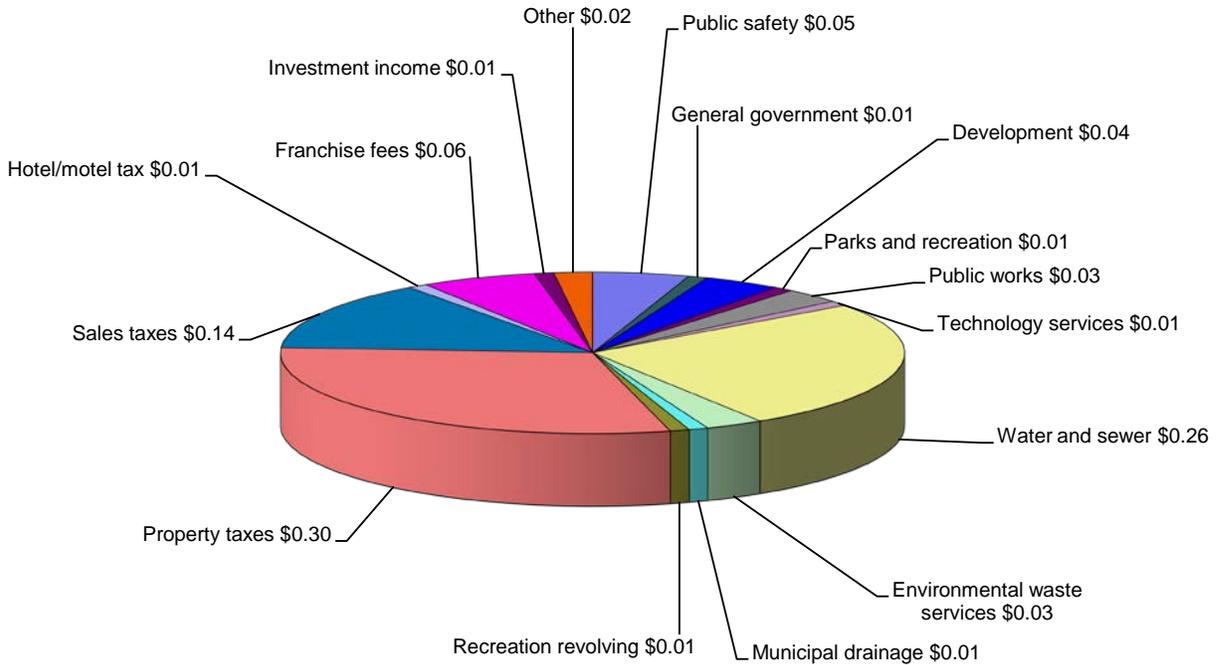
The fiscal year 2015 Community Investment Program (CIP) continued to reflect the City's commitment to enhancing and maintaining its infrastructure. Significant facility projects from the fiscal year 2015 CIP included completion of the Oak Point Nature and Retreat Center, Police Evidence Storage Facility, the second phase of the Technology Services Building renovation and renovations to Fire Stations #4 and #7, initial construction on the Jack Carter Pool renovation, substantial design progress on a number of future city facility projects. Plano's park system saw land acquisitions totaling \$3.4 million, as well as significant outlays for improvements to trails, athletic fields and general park improvements. Numerous major street projects were undertaken in FY 2015, most notably a \$5.0 million payment to the North Texas Tollway Authority for ramp improvements along Dallas North Tollway, expansion of Windhaven Parkway, renovation of a section of 15th Street, construction of a pedestrian crossing on Park Boulevard over US 75 among other joint venture street projects, roadway construction and reconstruction, intersection improvements, and signal systems improvements. Major water and sewer projects in FY 2015 included substantial renovation of Stadium Pump Station, repainting of elevated storage tanks, and \$2.0 million in inflow/infiltration repairs to sewer lines. In addition, nearly \$23.4 million was invested through the Capital Reserve Fund in repairs, renovations and rehabilitation projects for City streets, facilities, and park assets with the express intent of extending the useful life of those assets.

Fiscal year 2015 also saw the total replacement of mobile and portable radios for Plano's Police, Fire and Public Works departments. These new units have an expected life of 15 years and allow the current radio system to operate more efficiently while meeting current standards.

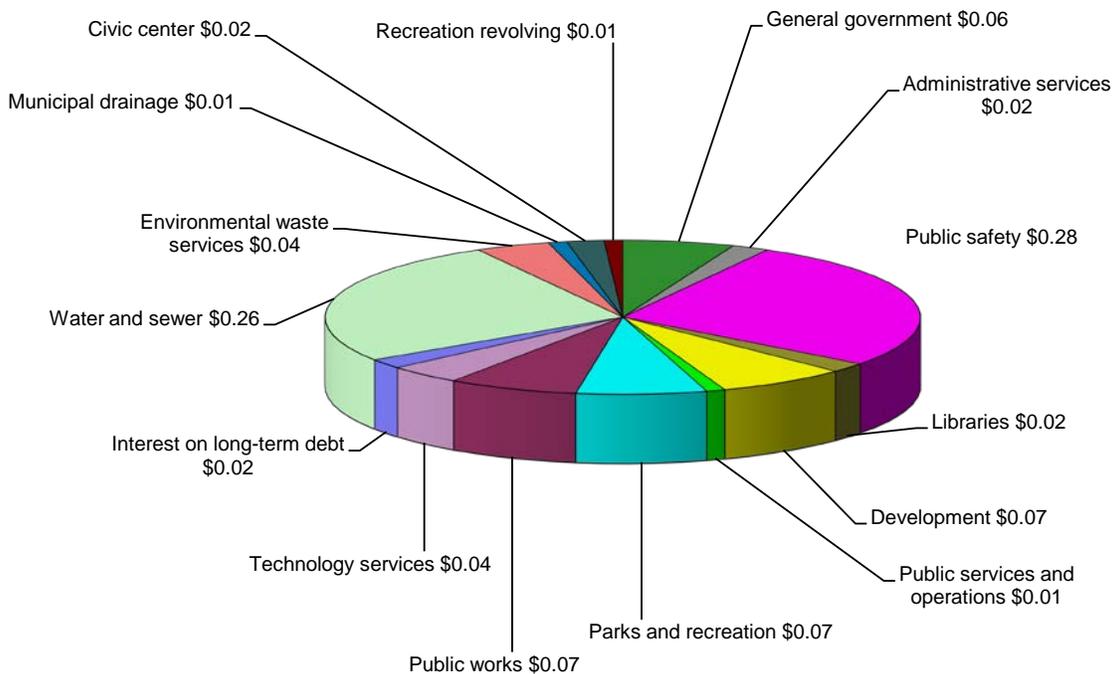
The City budgeted \$7.2 million for economic development incentives for fiscal year 2016 in order to remain competitive with surrounding neighboring cities. Fiscal year 2015 was the ninth year that two-cents of the property tax rate was dedicated for these incentives. The Economic Development Incentive fund is utilized to attract and retain major business and employees to the City.

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year-end 2015:

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 for its CAFR for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

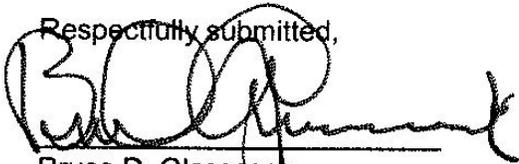
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 34 consecutive years (fiscal years ended 1981-2014). 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.

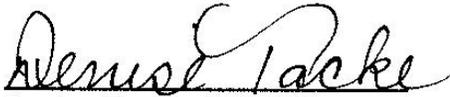
Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion 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.

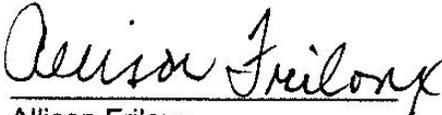
Respectfully submitted,



Bruce D. Glascock
CITY MANAGER



Denise Tacke, CPA
DIRECTOR OF FINANCE



Allison Fritoux
CONTROLLER





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Plano
Texas

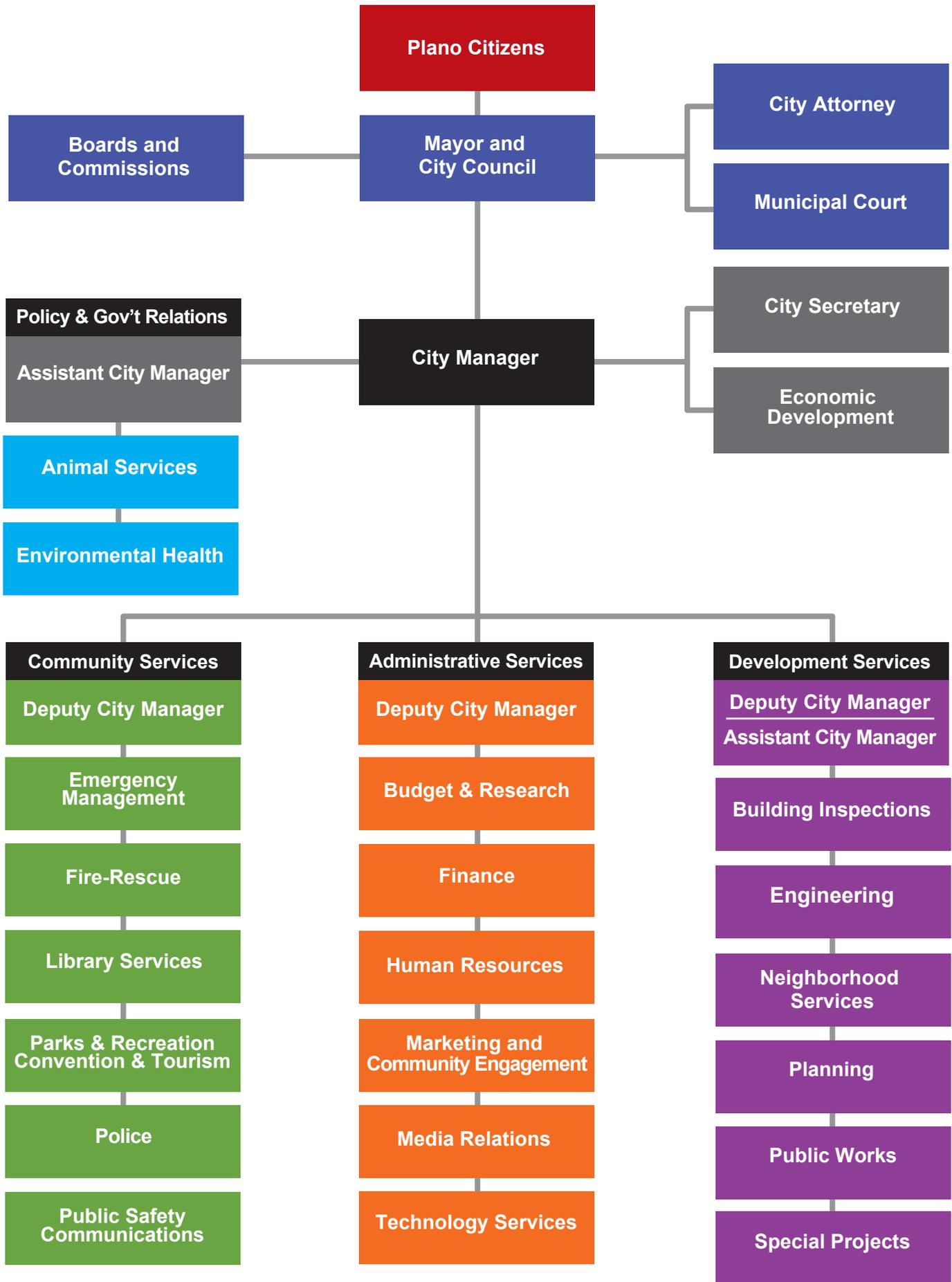
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO



**CITY OF PLANO
ORGANIZATION CHART**



CITY OF PLANO, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

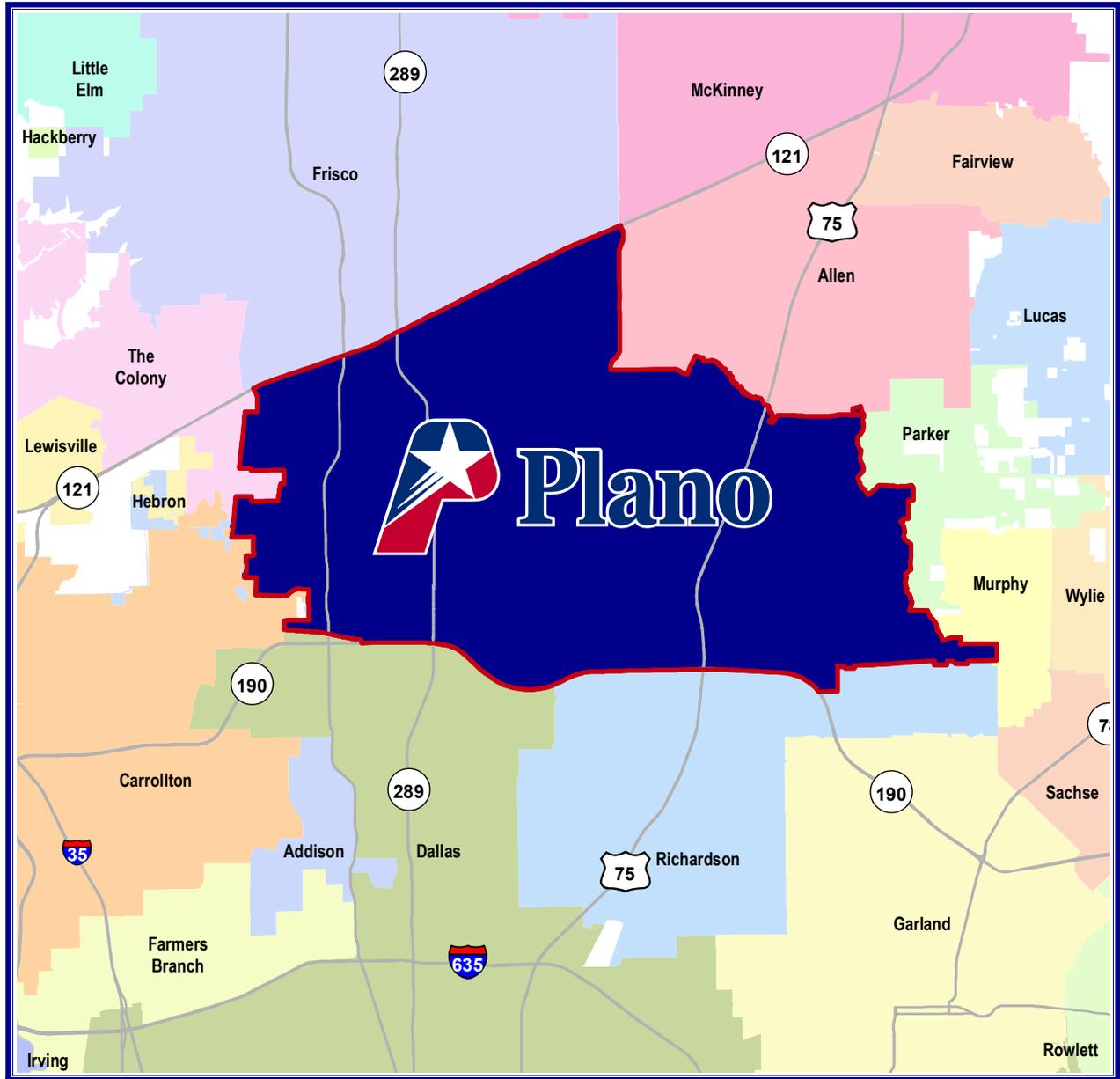
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
Harry LaRosiliere Mayor Place 6	May 2017
Lissa Smith Mayor Pro Tem Place 4	May 2017
Ben Harris Deputy Mayor Pro Tem Place 2	May 2017
Angela Miner Place 1	May 2019
Rick Grady Place 3	May 2019
Ron Kelley Place 5	May 2019
Tom Harrison Place 7	May 2019
David Downs Place 8	May 2017

Administrative Officers

<u>Name</u>	<u>Position</u>
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller

The City of Plano and Surrounding Areas







KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2709

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 2 to the financial statements, effective October 1, 2014 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27 and GASB Statement No. 71*, Pension Transition of Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management’s discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

KPMG LLP

Dallas, Texas
January 13, 2016

CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Our discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.4 billion (net position). Of this amount, \$1.1 billion (77.4 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$49.8 million (3.5 percent). The remaining \$268.2 million (19.1 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$67.9 million. Property tax revenues are higher over prior year by \$10.8 million as a result of higher assessed property values in the current year. For fiscal year 2016, the total appraised value will include an increase in new property coming on-line of \$536 million while existing property values are expected to increase by \$1.9 billion. Sales tax revenues increased over prior year by \$1.9 million as a result of greater business-to-business sales. Hotel/Motel tax revenues are higher over prior year by \$1.4 million primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by \$17.5 million primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Development charges for services increased over prior year by \$3.7 million due to an increase in single family residence permits and residential remodel permits. Additionally, GASB Statement No. 68 was implemented in fiscal year 2015 which records net pension assets and/or liabilities, deferred outflows and inflows of resources, as well as pension expense and contributions.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$272.3 million, an increase of \$12.7 million in comparison with the prior year. Within this total, \$83.5 million (30.6 percent) is restricted by specific legal requirements and \$142.8 million (52.4 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$45.3 million (16.6 percent) and can be used for any lawful purpose. The remaining \$707 thousand (0.3 percent) is nonspendable.
- The City's total debt increased by \$1.8 million primarily because of a larger general obligation and refunding bond issuance in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015**

consolidates governmental and business-type funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include 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.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, 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 in order to cover all or most of the cost of certain services the City provides. The City's water and sewer system, environmental waste system, municipal drainage system, civic center, municipal golf course, recreation revolving activities and downtown center development activities are reported as business-type activities.
- **Component unit** – The City includes one separate legal entity in its report – Tax Increment Financing District (TIF) East Side. Although legally separate, the City is financially accountable for the TIF.

The government-wide financial statements can be found on pages 16-18 of this report.

Fund Financial Statements

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

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

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

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

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015

Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 19-24.

- **Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, environmental waste services, municipal drainage, Plano Centre, golf course, recreation centers, and downtown development. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, employee health and disability programs, municipal warehouse and its information systems. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions, as they are considered major funds. Data from the remaining four enterprise funds are combined into a single, aggregated presentation. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 25-31 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 32 and 33 of this report.

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

The notes to the financial statements can be found on pages 34-72 of this report.

- **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 and health benefits to its employees and retirees.

The required supplementary information can be found on pages 73-79 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise and internal service funds can be found on pages 80-110 of this report.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was \$1.4 billion as of September 30, 2015. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (77.4 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 debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 400	\$ 378	\$ 115	\$ 110	\$ 515	\$ 488
Capital assets	991	954	386	376	1,377	1,330
Total assets	1,391	1,332	501	486	1,892	1,818
Deferred outflows	33	6	4	-	37	6
Noncurrent liabilities	448	364	30	22	478	386
Other liabilities	32	31	14	12	46	43
Total liabilities	480	395	44	34	524	429
Net position:						
Invested in capital assets, net of related debt	717	696	370	361	1,087	1,057
Restricted	47	32	3	2	50	34
Unrestricted	180	215	88	89	268	304
Total net position	\$ 944	\$ 943	\$ 461	\$ 452	\$ 1,405	\$ 1,395

An additional portion of the City's net position (3.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (19.1 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true to the prior fiscal year.

The City's net position increased by \$67.9 million during the current fiscal year. Property tax revenues are higher over prior year by \$10.8 million as a result of higher assessed property values in the current year. For fiscal year 2016, the total appraised value will include an increase in new property coming on-line of \$536 million while existing property values are expected to increase by \$1.9 billion. Sales tax revenues increased over prior year by \$1.9 million as a result of greater business-to-business sales. Hotel/Motel tax revenues are higher over

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015

prior year by \$1.4 million primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by \$ 17.5 million as a result of increased consumption primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Development charges for services increased over prior year by \$3.7 million due to an increase in single family residence permits and residential remodel permits. Additionally, GASB Statement No. 68 was implemented in fiscal year 2015 which records net pension assets and/or liabilities, deferred outflows and inflows of resources, as well as pension expense and contributions.

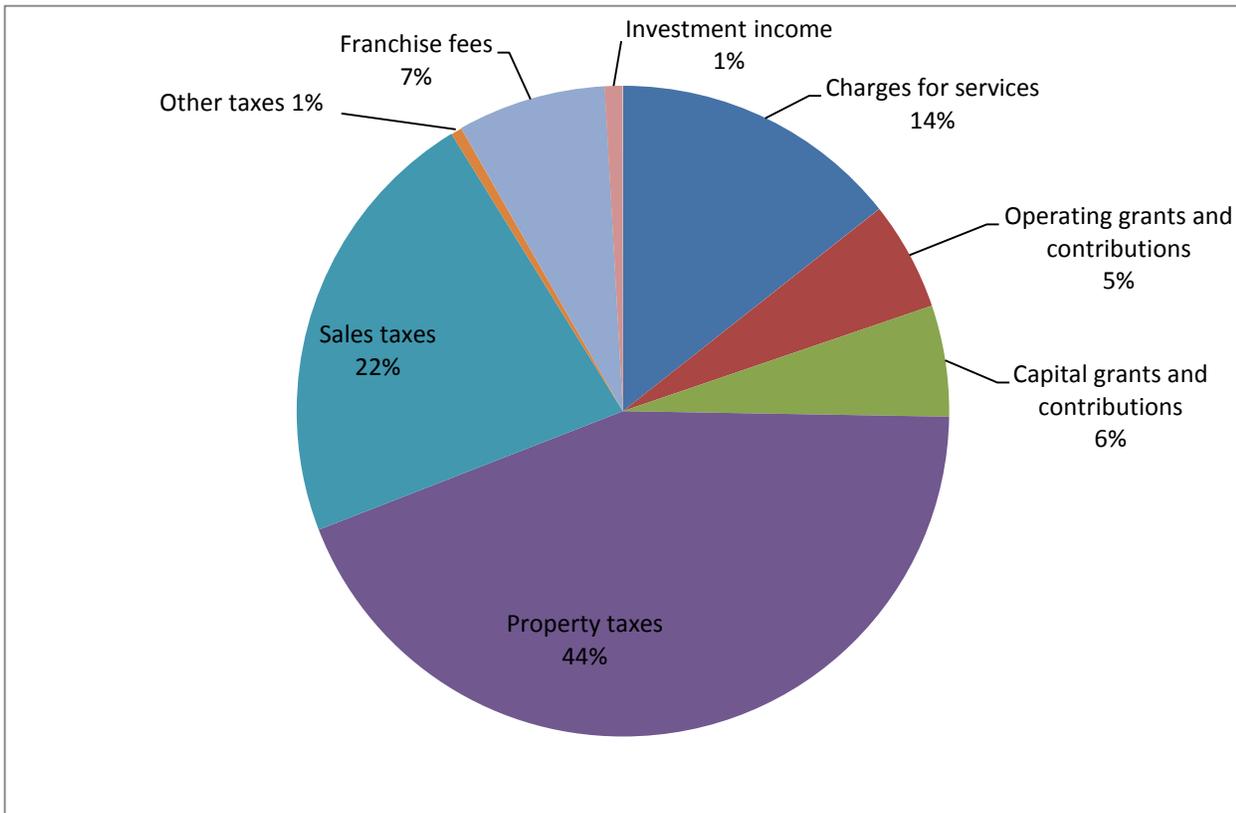
Governmental Activities

Governmental activities increased the City's net position by \$53.3 million, thereby accounting for 78.4 percent of the total growth in net position of the City. Key elements of this increase are as follows (Table 2):

Table 2
Change in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 49,475	\$ 43,562	\$ 162,352	\$ 144,663	\$ 211,827	\$ 188,225
Operating grants and contributions	18,587	15,264	61	-	18,648	15,264
Capital grants and contributions	19,044	11,543	5,548	3,463	24,592	15,006
General revenues:						
Property taxes	150,961	140,181	-	-	150,961	140,181
Sales taxes	76,326	74,469	-	-	76,326	74,469
Other taxes	1,893	1,824	7,343	5,985	9,236	7,809
Franchise fees	25,341	24,332	7,958	7,570	33,299	31,902
Investment income	3,096	1,397	544	450	3,640	1,847
Total revenues	344,723	312,572	183,806	162,131	528,529	474,703
Expenses:						
General government	27,637	22,837	-	-	27,637	22,837
Administrative services	9,556	9,004	-	-	9,556	9,004
Police	74,607	73,546	-	-	74,607	73,546
Fire	51,268	50,823	-	-	51,268	50,823
Libraries	10,647	11,153	-	-	10,647	11,153
Development	33,116	35,304	-	-	33,116	35,304
Public services and operations	6,576	7,350	-	-	6,576	7,350
Parks and recreation	30,934	32,445	-	-	30,934	32,445
Public works	30,532	29,654	-	-	30,532	29,654
Technology services	18,194	17,036	-	-	18,194	17,036
Interest on long-term debt	8,887	11,455	-	-	8,887	11,455
Water and sewer	-	-	117,748	113,528	117,748	113,528
Environmental waste services	-	-	22,044	22,665	22,044	22,665
Municipal drainage	-	-	4,614	4,576	4,614	4,576
Civic center	-	-	9,093	6,547	9,093	6,547
Municipal golf course	-	-	1,789	1,018	1,789	1,018
Recreation revolving	-	-	3,350	3,215	3,350	3,215
Downtown center development	-	-	11	29	11	29
Total expenses	301,954	300,607	158,649	151,578	460,603	452,185
Increase in net position before transfers	42,769	11,965	25,157	10,553	67,926	22,518
Transfers	10,492	11,898	(10,492)	(11,898)	-	-
Increase (decrease) in net position	53,261	23,863	14,665	(1,345)	67,926	22,518
Net position – October 1	-	918,901	-	453,912	-	1,372,813
Net position – as adjusted (Footnote C)	890,611	-	446,261	-	1,336,872	-
Net position – September 30	\$ 943,872	\$ 942,764	\$ 460,926	\$ 452,567	\$ 1,404,798	\$ 1,395,331

Revenues by Source – Governmental Activities



Program revenues were \$87.1 million, compared to \$70.4 million in fiscal year 2014. The breakdown of the increase is as follows:

- Charges for services for governmental activities increased \$5.9 million. Development charges for services increased over prior year by \$3.7 million due to an increase in single family residence permits and residential remodel permits.
- Operating grants and contributions increased \$3.3 million primarily due to receipt of federal funding related to criminal investigation activity of \$3.8 million.
- Capital grants increased \$7.5 million primarily due to increased developers' contributions as well as external agencies related to streets projects, as well as a larger volume of street projects funded through grant receipts.

General revenues increased from \$242.2 million in fiscal year 2014 to \$257.6 million in fiscal year 2015. Property tax revenues increased by \$10.8 million due to an increase in assessed valuations. For fiscal year 2016, the total appraised value will include an increase in new property coming on-line of \$536 million while existing property values are expected to increase by \$1.9 billion. Sales tax revenues increased over prior year by \$1.9 million as a result of greater business-to-business sales. Investment income increased \$1.7 million as a result of higher market adjustments in fiscal year 2015.

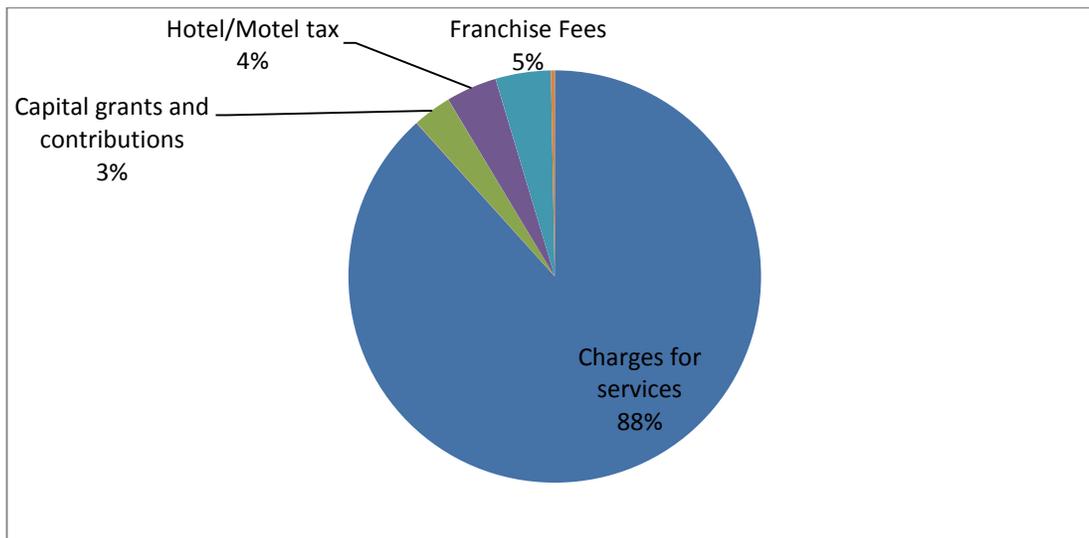
Overall, governmental activities expenses were \$302.0 million, an increase of \$1.3 million over the prior year which is the result of increased rollback taxes of \$1.1 million

Business-Type Activities

Revenues of the City's business-type activities were \$183.8 million for the fiscal year ended September 30, 2015. Revenues increased approximately \$21.7 million or 13.4 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$7.1 million or 4.7 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 \$132.1 million, an increase of \$17.5 million or 15.3 percent from the prior year primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Additionally, developers' contributions were \$2.1 million higher in the current fiscal year.
- The City's environmental waste services activities operated with program expenses exceeding program revenues by \$5.8 million compared to \$6.5 million in fiscal year 2014. The City's percentage of contractual payments to North Texas Municipal Water District (NTMWD) increased \$968 thousand over the prior year. Payment is based on allocation of tonnage between member cities. Franchise fee revenue increased \$387 thousand due to an increase in collection fees and disposal volumes.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$2.6 million, compared to \$2.8 million in the prior year. The municipal drainage system recorded charges for services of \$7.2 million, a decrease of \$237 thousand due to a rate decrease in November 2014.
- The City's Plano Centre activity operated with expenses exceeding charges for services by \$6.9 million as compared to \$4.8 million in the prior fiscal year. Charges for services are reported at \$2.2 million, an increase of \$487 thousand due to a large event held in the current year and client shift in ordering additional concessions and catering services.

Revenues by Source – Business-Type Activities

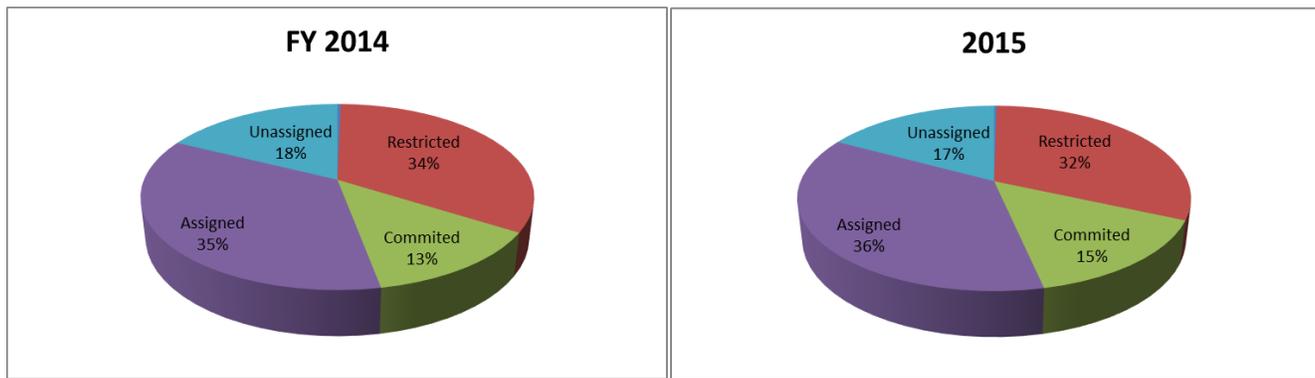


Financial Analysis of the City’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted fund balances (unassigned, assigned, and committed) may serve as a useful measure of a government’s net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$272.3 million. Within this total \$83.5 million is restricted by specific legal requirements, such as by debt covenants, and \$142.8 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$45.3 million and can be used for any lawful purpose. The remaining \$707 thousand is nonspendable.



The general fund is the chief operating fund of the City. The fund balance of the City’s general fund increased by \$279 thousand during the current fiscal year. Key factors in this increase are as follows:

- Expenditures increased \$11.2 million primarily due to a 3% across the board pay increase for non-civil and civil service employees, as well as the addition of 54 positions. Additionally, rollback taxes increased \$1.1 million over the prior fiscal year.
- The increases to expenditures are offset by increased revenue related to higher property and sales tax revenues of \$10.3 million and \$2.9 million, respectively. These increases are related to higher property valuations and increased business-to-business sales.

The debt service fund has a total fund balance of \$3.7 million, all of which is restricted for the payment of debt service. The debt service fund increased by \$361 thousand primarily because of the City’s refunding of general obligation debt.

The capital reserve fund balance of \$52.2 million is assigned for replacement and renewals of the City’s infrastructure. The capital reserve fund balance increased \$3.2 million from the prior year as the result of increased transfers from the general fund of \$4.0 million.

The street improvements fund balance of \$35.9 million is divided between restricted for street improvements (\$13.3 million), assigned to encumbrances (\$22.5 million) and nonspendable (\$60 thousand). The street improvements fund balance decreased \$4.9 million primarily due to increased capital outlay expenditures of \$6.7 million for various streets projects.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015**

The economic development incentive fund balance of \$41.2 million increased over prior year by \$7.1 million as a result of a decrease in expenditures over last fiscal year of \$1.9 million. Although fund balance increased compared to last year, contributions from the general fund decreased \$3.8 million.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer fund net position of \$407.3 million increased by \$10.8 million over the prior year. In the current fiscal year, total operating revenues increased by \$17.5 million primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure.
- The City's Environmental Waste Services fund net position of \$3.4 million increased by \$844 thousand over the prior year primarily due to an increase in franchise fee revenue and an increase in landfill services expense. Franchise fee revenues increased as a result of higher collection fees and disposal volumes.
- The City's Municipal Drainage fund net position increased over the prior year by \$1.5 million. Although drainage rates decreased in November 2014, revenues were reported at \$7.2 million with operating expenses and transfers out of \$5.0 million.

General Fund Budgetary Highlights

During the current year, the actual on a budgetary basis expenditures were \$237.6 million compared to the re-estimated final budget amount of \$240.6 million. Actual expenditures on a budgetary basis were \$2.6 million lower than the original budget implemented for fiscal year 2015 and \$3.0 million lower as compared to the re-estimate final. Decreases were due to continued prudent spending by the various departments, as well as salary savings from the original budget.

For fiscal year 2015, the actual on a budgetary basis revenues were \$244.4 million as compared to the re-estimated final budget amount and original budget amount of \$239.2 million and \$231.0 million, respectively. The primary reason for the increase in actual revenue compared to the re-estimated budget is related to a \$4.2 million increase in sales tax revenue as a result of the slight improvement in the local economy. The City Council has capped the amount that can be budgeted for sales tax revenue based upon a rolling three-year average, which is \$72.7 million.

The City has an actual on budgetary basis general fund balance of \$46.7 million as of the fiscal year-end, compared to the re-estimated budget fund balance and original budget fund balance of \$35.8 million and \$31.0 million, respectively. The variance in fund balance is primarily due to the aforementioned variance in sales tax and continued prudent spending by the departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2015, the City had \$1.4 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of \$46.9 million over the prior fiscal year.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 138,798	\$135,281	\$ 6,478	\$ 6,472	\$ 145,276	\$ 141,753
Buildings and improvements	197,039	188,441	325,074	332,278	522,113	520,719
Equipment	50,960	47,176	694	891	51,654	48,067
Construction in progress	49,986	31,385	23,530	5,353	73,516	36,738
Public art	1,699	1,699	-	-	1,699	1,699
Infrastructure	552,855	550,567	-	-	552,855	550,567
Drainage improvements	-	-	30,039	30,748	30,039	30,748
Totals	\$ 991,337	\$954,549	\$ 385,815	\$375,742	\$1,377,152	\$1,330,291

This year's major capital outlay additions for governmental capital projects included (in millions):

Park development and improvements	\$ 9.9
Recreational trail connections development	2.1
Athletic field renovations	2.9
Reconstruction of existing street pavement and sidewalks at various locations	3.7
Various intersection improvements	14.0
Residential street and alley repairs	2.5
Repair screening walls	1.2
Arterial concrete repair	4.3
Arterial joint sealing program	1.7
Rehabilitation of stadium pump station	8.6
Infiltration and inflow repairs	2.0
Creek erosion improvements	1.0
Repaint elevated storage tanks	1.1
Municipal center renovations	1.5
Evidence storage facility	2.4
Radio replacement	7.1
	<u>\$ 66.0</u>

The City's fiscal year 2016 general obligation capital budget includes \$79.1 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional \$40 million in general obligation bond proceeds will be required to support the entire 2014-2015 general obligation capital investment program.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015**

Street Improvements and Enhancements. The City plans to spend \$39.7 million on street improvements and enhancements including \$3.0 million for Headquarters at Communications intersection reconfiguration, \$2.6 million for intersection improvements at Plano Parkway and Los Rios Boulevard, \$2.3 million for Park Boulevard corridor improvements, \$2.0 million for Split Trail improvements, \$2.0 million for construction at Windhaven at the city limit to Spring Creek, \$2.0 million for bridge inspections and repairs and \$11.8 million for construction of corridor improvements along major thoroughfares. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are \$29.1 million including \$5.9 million for the addition of a pool at Carpenter Recreation Center, \$4.0 million for renovation of Jack Carter Pool, \$4.0 million for Oak Point Park and Nature Preserve improvements, \$4.0 million for various park improvements, \$3.2 million for maintenance of the Enfield Park facility, and \$3.0 million for various recreational trail improvements. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are \$4.2 million including \$3.5 million for fire station and fire administration renovations.

Public Infrastructure Improvement. Estimated expenditures of \$6.0 million to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

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 \$339.2 million in bonds and tax anticipation notes outstanding as compared to \$337.4 million at the end of the prior fiscal year, an increase of 0.5 percent – as shown in Table 4.

**Table 4
Outstanding Debt, at Year-end
(in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation bonds and tax anticipation notes (backed by the City)	\$322,852	\$319,362	\$ -	\$ -	\$322,852	\$ 319,362
Revenue bonds (backed by fee revenues)	-	-	16,368	18,016	16,368	18,016
Totals	\$322,852	\$319,362	\$ 16,368	\$ 18,016	\$339,220	\$ 337,378

During the current fiscal year, the City issued \$30.1 million in new general obligation bonds and tax anticipation notes and refunded \$51.3 million of general obligation debt. Additionally, the City refunded \$7.1 million in municipal drainage revenue bonds in fiscal year 2015.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2015**

The City's general obligation bonds and tax notes continue to carry an "AAA" rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's Investor Service, Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry Aa2 and AAA 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 City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of \$5.9 million outstanding at year-end compared with \$6.5 million at the end of the prior fiscal year. Claims and judgements of \$3.8 million relate to property/liability losses while \$2.1 million relate to health claims which are \$511 thousand lower than prior 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.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials addressed a variety of factors, departmental requests and public input when setting the budget and tax rates for fiscal year 2016. The focus of the 2016 budget is to address increased service demands from citizens, revitalize city infrastructure, and utilize revenues provided by increased property values and sales tax receipts to enhance public safety programs, reinvest in residential neighborhoods and address a backlog in major capital projects from the economic downturn.

The largest single revenue source in the fiscal year 2016 General Fund Budget is property taxes, which account for 42.0% of total revenues. Assessed property values in Plano increased 8.5% from the prior year, including \$536 million in new property entering the tax roll for the first time. Sales tax revenue remains the City's second largest revenue source, making up 27.6% of General Fund revenues.

Water expenditure projections are up primarily due to increased water and wastewater treatment increases from North Texas Municipal Water District (NTMWD). The significant increase in the water rate is to pay for debt service associated with capital improvements associated with aging infrastructure related to NTMWD's water treatment operations, as well as establishing future water supplies to meet the growing regional demand. As a result of increased expenses for NTMWD, budgeted water rates will be evaluated and increased accordingly.

REQUESTS FOR INFORMATION

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, Texas 75074.

**CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 76,548,910	\$ 15,444,745	\$ 91,993,655	\$ 2,044,560
Investments	278,238,508	53,660,850	331,899,358	7,571,742
Receivables (net of allowance for uncollectibles)	20,861,511	23,552,706	44,414,217	-
Internal balances	(13,330,947)	13,330,947	-	-
Due from other governments	4,476,119	-	4,476,119	-
Inventories	1,166,006	33,007	1,199,013	-
Prepays and other assets	22,003,034	831,034	22,834,068	-
Restricted assets:				
Cash and cash equivalents	-	1,623,018	1,623,018	-
Investments	-	5,972,583	5,972,583	-
Receivables	-	42,411	42,411	-
Net pension asset	9,323,295	1,148,788	10,472,083	-
Capital assets:				
Nondepreciable	190,483,470	30,008,653	220,492,123	2,921,432
Depreciable (net)	800,853,593	355,806,444	1,156,660,037	-
Total assets	1,390,623,499	501,455,186	1,892,078,685	12,537,734
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	25,601,886	3,154,586	28,756,472	-
Deferred charges on refunding	7,499,030	493,969	7,992,999	-
	33,100,916	3,648,555	36,749,471	-
LIABILITIES				
Accounts payable	5,351,909	6,490,312	11,842,221	16,700
Accrued liabilities	7,311,432	2,222,246	9,533,678	-
Accrued interest payable	1,062,847	198,464	1,261,311	-
Contracts payable	6,699,145	779,984	7,479,129	-
Customer deposits	-	2,758,314	2,758,314	-
Unearned revenue	7,149,411	799,136	7,948,547	-
Due to other governments	1,887,732	-	1,887,732	-
Retainage payable	2,411,703	911,305	3,323,008	-
Seized assets payable	67,044	-	67,044	-
Noncurrent liabilities				
Due within one year:				
Compensated absences	5,420,489	495,923	5,916,412	-
Bonds and notes payable	31,908,082	2,087,716	33,995,798	-
Liability for insurance claims	5,358,078	-	5,358,078	-
Due in more than one year:				
Compensated absences	34,441,809	3,388,159	37,829,968	-
Bonds and notes payable	290,944,189	14,279,894	305,224,083	-
Net pension liability	79,167,589	9,754,784	88,922,373	-
Liability for insurance claims	581,513	-	581,513	-
Total liabilities	479,762,972	44,166,237	523,929,209	16,700
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	89,621	11,043	100,664	-
NET POSITION				
Net investment in capital assets	716,648,113	370,220,021	1,086,868,134	2,921,432
Restricted for:				
Capital projects, special revenue and component unit	43,763,440	-	43,763,440	9,599,602
Debt service	3,701,797	2,377,534	6,079,331	-
Unrestricted	179,758,472	88,328,906	268,087,378	-
Total net position	\$ 943,871,822	\$ 460,926,461	\$ 1,404,798,283	\$ 12,521,034

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, 2015

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 27,636,869	\$ 6,551,280	\$ 529,557	\$ -
Administrative services	9,555,715	21,428	-	-
Police	74,607,299	17,361,393	5,637,733	151,423
Fire	51,268,423	5,496,159	72,133	-
Libraries	10,646,832	339,198	171,930	-
Development	33,116,211	10,206,808	11,387,927	-
Public services and operations	6,575,756	1,494,484	273,826	-
Parks and recreation	30,933,825	4,668,090	369,879	1,696,964
Public works	30,531,725	39,452	143,491	17,195,069
Technology services	18,193,965	3,297,065	-	-
Interest on long-term debt	8,887,609	-	-	-
Total governmental activities	301,954,229	49,475,357	18,586,476	19,043,456
Business-type Activities:				
Water and sewer	117,747,963	132,067,317	-	5,548,273
Environmental waste services	22,043,523	16,168,862	60,980	-
Municipal drainage	4,613,572	7,163,876	-	-
Plano centre	9,093,255	2,214,354	-	-
Municipal golf course	1,789,341	954,645	-	-
Recreation revolving	3,349,987	3,635,336	-	-
Downtown center development	11,726	147,789	-	-
Total business-type activities	158,649,367	162,352,179	60,980	5,548,273
Total primary government	\$ 460,603,596	\$ 211,827,536	\$ 18,647,456	\$ 24,591,729
Component unit:				
TIF East Side	\$ 1,908,837	\$ -	\$ -	\$ -

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel/Motel tax
Other taxes
Franchise fees based upon gross receipts
Investment income
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning as adjusted (see Footnote C)
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (20,556,032)		\$ (20,556,032)	
(9,534,287)		(9,534,287)	
(51,456,750)		(51,456,750)	
(45,700,131)		(45,700,131)	
(10,135,704)		(10,135,704)	
(11,521,476)		(11,521,476)	
(4,807,446)		(4,807,446)	
(24,198,892)		(24,198,892)	
(13,153,713)		(13,153,713)	
(14,896,900)		(14,896,900)	
(8,887,609)		(8,887,609)	
<u>(214,848,940)</u>		<u>(214,848,940)</u>	
	\$ 19,867,627	19,867,627	
	(5,813,681)	(5,813,681)	
	2,550,304	2,550,304	
	(6,878,901)	(6,878,901)	
	(834,696)	(834,696)	
	285,349	285,349	
	136,063	136,063	
	<u>9,312,065</u>	<u>9,312,065</u>	
<u>(214,848,940)</u>	<u>9,312,065</u>	<u>(205,536,875)</u>	
			<u>(1,908,837)</u>
150,960,855	-	150,960,855	4,435,491
76,326,156	-	76,326,156	-
1,761,817	-	1,761,817	-
-	7,342,639	7,342,639	-
131,642	-	131,642	-
25,341,454	7,957,587	33,299,041	-
3,096,190	544,194	3,640,384	-
10,491,502	(10,491,502)	-	-
<u>268,109,616</u>	<u>5,352,918</u>	<u>273,462,534</u>	<u>4,435,491</u>
53,260,676	14,664,983	67,925,659	2,526,654
890,611,146	446,261,478	1,336,872,624	9,994,380
<u>\$ 943,871,822</u>	<u>\$ 460,926,461</u>	<u>\$ 1,404,798,283</u>	<u>\$ 12,521,034</u>

**CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015**

	General	Debt Service	Capital Reserve	Street Improvements
ASSETS				
Cash and cash equivalents	\$ 11,575,757	\$ 786,007	\$ 11,350,865	\$ 9,346,288
Investments	42,509,720	2,892,448	41,770,354	34,393,660
Receivables (net of allowance for uncollectibles)				
Taxes	13,520,803	636,402	-	-
Accounts	1,651,702	-	915,633	30,153
Accrued interest	270,683	18,418	265,975	219,003
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	440,013	-	-	-
Due from other governments	12,412	-	-	3,060,167
Inventories	262,870	-	-	-
Prepaid items and other assets	243,706	-	-	60,480
Total assets	70,487,666	4,333,275	54,302,827	48,475,872
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	2,740,187	267	-	-
Accrued liabilities	7,072,726	-	-	-
Contracts payable	-	-	1,670,679	2,977,907
Unearned revenue	1,103,363	-	-	6,463,005
Due to other funds	137,174	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	415,138	853,407
Seized assets payable	-	-	-	-
Total liabilities	11,265,049	267	2,085,817	10,294,319
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	7,618,601	631,211	-	2,258,012
Fund Balance:				
Nonspendable:				
Prepaid items and inventories	506,576	-	-	60,480
Restricted for:				
Debt service	-	3,701,797	-	-
Street improvements	-	-	-	13,320,625
Other capital projects	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	993,360	-	-	-
Administrative services	113,147	-	-	-
Police	152,358	-	-	-
Fire	276,126	-	-	-
Libraries	809,138	-	-	-
Development	1,534,826	-	-	-
Public services and operations	76,004	-	-	-
Parks and recreation	789,353	-	-	-
Public works	199,900	-	-	-
Capital reserve	-	-	52,217,010	-
Street improvements	-	-	-	22,542,436
Other capital projects	-	-	-	-
Other purposes	364,306	-	-	-
Unassigned	45,788,922	-	-	-
Total fund balance	51,604,016	3,701,797	52,217,010	35,923,541
Total liabilities, deferred inflows, and fund balance	\$ 70,487,666	\$ 4,333,275	\$ 54,302,827	\$ 48,475,872

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

Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
\$ 8,803,316	\$ 20,692,172	\$ 62,554,405
32,395,561	72,778,189	226,739,932
-	-	14,157,205
-	546,661	3,144,149
206,281	463,065	1,443,425
-	-	1,366,121
-	263,377	263,377
-	-	440,013
-	1,403,540	4,476,119
-	-	262,870
-	139,630	443,816
<u>41,405,158</u>	<u>96,286,634</u>	<u>315,291,432</u>
229,000	1,106,454	4,075,908
-	25,869	7,098,595
-	2,050,559	6,699,145
-	949,164	8,515,532
-	410,975	548,149
-	1,676,133	1,887,732
-	1,143,158	2,411,703
-	67,044	67,044
<u>229,000</u>	<u>7,429,356</u>	<u>31,303,808</u>
-	1,142,477	11,650,301
-	139,630	706,686
-	-	3,701,797
-	-	13,320,625
-	32,287,260	32,287,260
-	34,142,395	34,142,395
-	69,287	69,287
41,176,158	-	41,176,158
-	-	993,360
-	-	113,147
-	-	152,358
-	-	276,126
-	-	809,138
-	-	1,534,826
-	-	76,004
-	-	789,353
-	-	199,900
-	-	52,217,010
-	-	22,542,436
-	21,517,457	21,517,457
-	-	364,306
-	(441,228)	45,347,694
<u>41,176,158</u>	<u>87,714,801</u>	<u>272,337,323</u>
<u>\$ 41,405,158</u>	<u>\$ 96,286,634</u>	<u>\$ 315,291,432</u>

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF GOVERNMENTAL FUNDS
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2015**

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

Total fund balance per balance sheet	\$ 272,337,323
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	955,321,921
Deferred outflows represent a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	7,499,030
Net pension asset and deferred outflows related to pensions.	34,925,181
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds.	22,590,250
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	81,810,763
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(363,005,737)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.	11,650,301
Net pension liability and deferred inflows related to pensions.	(79,257,210)
Net position of governmental activities	<u>\$ 943,871,822</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, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Reserve</u>	<u>Street Improvements</u>
REVENUES				
Taxes:				
Property taxes	\$ 98,311,322	\$ 41,473,070	\$ -	\$ -
Sales taxes	76,829,245	-	-	-
Other taxes	1,879,700	-	-	-
Franchise fees	24,452,648	-	-	-
Fines and forfeitures	7,448,485	-	-	-
Contributions	-	-	8,575	6,303,414
Rollback taxes	-	-	1,705,253	-
Licenses and permits	11,521,327	-	-	-
Intragovernmental	9,073,068	-	-	-
Intergovernmental	981,392	-	-	3,112,733
Fees for services	13,358,451	-	-	-
Assessments	-	-	-	4,555
Assessed taxes	-	-	-	-
Investment income	599,160	204,580	412,226	377,741
Miscellaneous	1,678,769	151,423	20,900	5,530
Total revenues	<u>246,133,567</u>	<u>41,829,073</u>	<u>2,146,954</u>	<u>9,803,973</u>
EXPENDITURES				
Current operating:				
General government	28,745,531	-	-	-
Administrative services	9,671,352	-	-	-
Police	69,407,335	-	-	-
Fire	51,248,379	-	-	-
Libraries	9,747,627	-	-	-
Development	29,445,362	-	-	-
Public services and operations	5,746,042	-	-	-
Parks and recreation	21,730,109	-	-	-
Environmental waste services	-	-	-	-
Public works	5,945,885	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	1,684,308	-	23,399,604	18,846,693
Interest and fiscal charges	-	-	-	31,876
Debt service:				
Principal retirement	-	29,430,000	-	-
Interest and fiscal charges	-	12,398,406	-	-
Total expenditures	<u>234,371,930</u>	<u>41,828,406</u>	<u>23,399,604</u>	<u>18,878,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,761,637</u>	<u>667</u>	<u>(21,252,650)</u>	<u>(9,074,596)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	3,557,954
Issuance of debt - refunding	-	51,300,000	-	-
Escrow payment - refunding	-	(57,298,532)	-	-
Premium on sale of bonds	-	6,358,891	-	574,075
Proceeds from sale of land	-	-	-	-
Transfers in	11,492,917	-	24,500,000	-
Transfers out	(22,975,356)	-	-	-
Total other financing sources (uses)	<u>(11,482,439)</u>	<u>360,359</u>	<u>24,500,000</u>	<u>4,132,029</u>
Net change in fund balances	279,198	361,026	3,247,350	(4,942,567)
Fund balances-beginning	51,324,818	3,340,771	48,969,660	40,866,108
Fund balances-ending	<u>\$ 51,604,016</u>	<u>\$ 3,701,797</u>	<u>\$ 52,217,010</u>	<u>\$ 35,923,541</u>

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

Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 139,784,392
-	-	76,829,245
-	-	1,879,700
-	-	24,452,648
-	9,556,125	17,004,610
8,059,880	79,978	14,451,847
-	-	1,705,253
-	-	11,521,327
-	-	9,073,068
-	4,667,958	8,762,083
-	3,877,258	17,235,709
-	-	4,555
-	87,955	87,955
311,436	661,096	2,566,239
648,679	95,540	2,600,841
<u>9,019,995</u>	<u>19,025,910</u>	<u>327,959,472</u>
-	-	28,745,531
-	-	9,671,352
-	6,937,815	76,345,150
-	353,166	51,601,545
-	146,463	9,894,090
1,910,695	1,812,449	33,168,506
-	857,132	6,603,174
-	-	21,730,109
-	51,856	51,856
-	-	5,945,885
-	-	1,000,000
-	35,328,530	79,259,135
-	241,604	273,480
-	-	29,430,000
-	-	12,398,406
<u>1,910,695</u>	<u>45,729,015</u>	<u>366,118,219</u>
<u>7,109,300</u>	<u>(26,703,105)</u>	<u>(38,158,747)</u>
-	26,572,046	30,130,000
-	-	51,300,000
-	-	(57,298,532)
-	3,570,424	10,503,390
-	456,000	456,000
-	2,742,796	38,735,713
-	(1,415)	(22,976,771)
-	33,339,851	50,849,800
7,109,300	6,636,746	12,691,053
34,066,858	81,078,055	259,646,270
<u>\$ 41,176,158</u>	<u>\$ 87,714,801</u>	<u>\$ 272,337,323</u>

**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, 2015**

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

Net change in fund balance - total governmental funds	\$ 12,691,053
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.	30,550,378
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	8,157,333
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 position. Also, governmental funds report the effect of premiums and discounts 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.	(4,952,526)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.	6,467,778
Other long-term liabilities related to pension expense in internal service funds.	377,827
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.	1,753,109
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds is reported within governmental activities.	(1,767,738)
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.	(16,538)
Change in net position of governmental activities	<u>\$ 53,260,676</u>

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



CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 12,188,259	\$ 1,089,835	\$ 523,861	\$ 1,642,790	\$ 15,444,745	\$ 13,994,505
Investments	41,688,991	4,008,927	1,927,771	6,035,161	53,660,850	51,498,576
Receivables (net of allowance for uncollectibles)						
Accounts	19,355,051	1,134,374	728,162	757,429	21,975,016	159,164
Accrued interest	265,456	25,527	12,275	38,429	341,687	327,920
Other	2,528	1,172,961	-	60,514	1,236,003	150
Due from other funds	-	1,893	-	135,281	137,174	-
Inventories	33,007	-	-	-	33,007	903,136
Prepaid expenses and other assets	156,201	618,810	600	55,423	831,034	335,089
Net pension asset	523,604	335,106	96,344	193,734	1,148,788	543,501
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	-	-	777,649	-	777,649	-
Investments	-	-	1,577,282	-	1,577,282	-
Accrued interest receivable	-	-	22,603	-	22,603	-
Revenue bond reserve fund-						
Investments	-	-	1,284,408	-	1,284,408	-
Revenue bond construction fund-						
Cash and cash equivalents	-	-	845,369	-	845,369	-
Investments	-	-	3,110,893	-	3,110,893	-
Accrued interest receivable	-	-	19,808	-	19,808	-
Total current assets	<u>74,213,097</u>	<u>8,387,433</u>	<u>10,927,025</u>	<u>8,918,761</u>	<u>102,446,316</u>	<u>67,762,041</u>
Capital assets:						
Land	3,391,539	-	94,548	2,992,154	6,478,241	62,522
Buildings	2,748,029	182,820	52,921	13,782,224	16,765,994	5,844,458
Improvements other than buildings	573,989,195	-	-	2,037,373	576,026,568	-
Equipment	129,045	402,406	-	1,394,947	1,926,398	36,624,054
Furniture and fixtures	129,460	2,448	4,421	290,015	426,344	231,396
Rolling equipment	2,417	-	-	-	2,417	50,412,019
Drainage improvements	-	-	37,705,157	-	37,705,157	-
Construction in progress	19,879,957	-	3,650,455	-	23,530,412	-
Less accumulated depreciation	(253,053,131)	(119,505)	(7,697,462)	(16,176,336)	(277,046,434)	(57,159,307)
Total capital assets (net of accumulated depreciation)	<u>347,216,511</u>	<u>468,169</u>	<u>33,810,040</u>	<u>4,320,377</u>	<u>385,815,097</u>	<u>36,015,142</u>
Total noncurrent assets	<u>347,216,511</u>	<u>468,169</u>	<u>33,810,040</u>	<u>4,320,377</u>	<u>385,815,097</u>	<u>36,015,142</u>
Total assets	<u>\$ 421,429,608</u>	<u>\$ 8,855,602</u>	<u>\$ 44,737,065</u>	<u>\$ 13,239,138</u>	<u>\$ 488,261,413</u>	<u>\$ 103,777,183</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	1,435,280	932,923	249,300	537,083	3,154,586	1,416,160
Deferred charges on refunding	-	-	493,969	-	493,969	-
	<u>1,435,280</u>	<u>932,923</u>	<u>743,269</u>	<u>537,083</u>	<u>3,648,555</u>	<u>1,416,160</u>

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

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2015
(continued)

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds		
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 5,202,408	\$ 401,029	\$ 701,393	\$ 185,482	\$ 6,490,312	\$ 1,276,001
Accrued liabilities	233,649	1,823,325	31,535	133,737	2,222,246	212,837
Unearned revenue	190	9,000	-	789,946	799,136	-
Due to other funds	-	-	-	29,038	29,038	-
Customer deposits	2,454,720	-	-	303,594	2,758,314	-
Liability for compensated absences	262,406	157,039	2,140	74,338	495,923	67,750
Liability for insurance claims	-	-	-	-	-	5,358,078
Total current liabilities	<u>8,153,373</u>	<u>2,390,393</u>	<u>735,068</u>	<u>1,516,135</u>	<u>12,794,969</u>	<u>6,914,666</u>
Current liabilities payable from restricted assets:						
Contracts payable	779,984	-	-	-	779,984	-
Current portion of long-term debt	-	-	2,087,716	-	2,087,716	-
Accrued interest payable	-	-	198,464	-	198,464	-
Retainage payable	748,476	-	162,829	-	911,305	-
Total current liabilities payable from restricted assets	<u>1,528,460</u>	<u>-</u>	<u>2,449,009</u>	<u>-</u>	<u>3,977,469</u>	<u>-</u>
Total current liabilities	<u>9,681,833</u>	<u>2,390,393</u>	<u>3,184,077</u>	<u>1,516,135</u>	<u>16,772,438</u>	<u>6,914,666</u>
Noncurrent liabilities:						
Bonds payable	-	-	14,279,894	-	14,279,894	-
Net pension liability	4,437,227	2,889,977	764,733	1,662,847	9,754,784	4,348,303
Liability for compensated absences	1,490,539	1,089,054	276,969	531,597	3,388,159	703,929
Liability for insurance claims	-	-	-	-	-	581,513
Total noncurrent liabilities	<u>5,927,766</u>	<u>3,979,031</u>	<u>15,321,596</u>	<u>2,194,444</u>	<u>27,422,837</u>	<u>5,633,745</u>
Total liabilities	<u>15,609,599</u>	<u>6,369,424</u>	<u>18,505,673</u>	<u>3,710,579</u>	<u>44,195,275</u>	<u>12,548,411</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	5,022	3,272	866	1,883	11,043	4,923
	<u>5,022</u>	<u>3,272</u>	<u>866</u>	<u>1,883</u>	<u>11,043</u>	<u>4,923</u>
NET POSITION						
Net investment in capital assets	347,216,511	468,169	18,214,964	4,320,377	370,220,021	36,015,142
Restricted for:						
Debt service	-	-	2,377,534	-	2,377,534	-
Unrestricted	60,033,756	2,947,660	6,381,297	5,743,382	75,106,095	56,624,867
Total net position	<u>\$ 407,250,267</u>	<u>\$ 3,415,829</u>	<u>\$ 26,973,795</u>	<u>\$ 10,063,759</u>	<u>\$ 447,703,650</u>	<u>\$ 92,640,009</u>

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

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015**

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

Total net position of proprietary funds	\$ 447,703,650
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Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.

The net receivable due from activities of the internal service funds which are reported within business-type activities.	13,222,811
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Net position of business-type activities	<u>\$ 460,926,461</u>
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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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	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	\$ 131,493,742	\$ 13,478,811	\$ 7,141,216	\$ 6,776,332	\$ 158,890,101	\$ 69,903,317
Franchise fees	-	7,957,587	-	-	7,957,587	-
Compost products	-	1,541,369	-	-	1,541,369	-
Subrogation receipts	-	-	-	-	-	415,678
Contributions	-	135,482	-	-	135,482	-
Miscellaneous charges	447,719	1,003,041	22,660	56,221	1,529,641	27,385
Total operating revenues	<u>131,941,461</u>	<u>24,116,290</u>	<u>7,163,876</u>	<u>6,832,553</u>	<u>170,054,180</u>	<u>70,346,380</u>
Operating expenses:						
Personnel services	10,392,881	6,679,854	2,261,642	4,691,796	24,026,173	9,536,500
Contractual services	7,739,923	7,542,057	712,049	5,894,284	21,888,313	14,605,310
Supplies	1,886,038	402,696	279,489	904,661	3,472,884	8,608,172
Claims expense	-	-	-	-	-	27,193,890
Depreciation	13,867,138	4,378	723,692	636,750	15,231,958	7,515,757
Solid waste disposal	-	7,659,694	-	-	7,659,694	-
Wastewater treatment	24,639,784	-	-	-	24,639,784	-
Charges in lieu of taxes	8,165,078	907,990	-	-	9,073,068	-
Water supply	50,579,800	-	-	-	50,579,800	-
Miscellaneous	952,862	116,909	30,636	108,227	1,208,634	52,788
Total operating expenses	<u>118,223,504</u>	<u>23,313,578</u>	<u>4,007,508</u>	<u>12,235,718</u>	<u>157,780,308</u>	<u>67,512,417</u>
Operating income (loss)	<u>13,717,957</u>	<u>802,712</u>	<u>3,156,368</u>	<u>(5,403,165)</u>	<u>12,273,872</u>	<u>2,833,963</u>
Nonoperating revenues (expenses):						
Investment income	369,289	30,775	93,076	51,054	544,194	531,323
Loss on property disposition	(151,137)	-	-	-	(151,137)	382,233
Interest and fiscal charges	-	-	(649,108)	-	(649,108)	-
Hotel/Motel tax	-	-	-	7,342,639	7,342,639	-
Intergovernmental revenues	-	-	-	-	-	155,869
Miscellaneous	125,856	10,159	(100,001)	119,571	155,585	49,769
Total nonoperating revenue (expenses)	<u>344,008</u>	<u>40,934</u>	<u>(656,033)</u>	<u>7,513,264</u>	<u>7,242,173</u>	<u>1,119,194</u>
Income before contributions and transfers	14,061,965	843,646	2,500,335	2,110,099	19,516,045	3,953,157
Contributions from developers	5,548,273	-	-	-	5,548,273	-
Transfers in	-	-	-	-	-	173,756
Transfers out	(8,804,830)	-	(1,001,191)	(685,481)	(10,491,502)	(5,441,196)
Change in net position	10,805,408	843,646	1,499,144	1,424,618	14,572,816	(1,314,283)
Total net position-beginning as adjusted (Footnote C)	396,444,859	2,572,183	25,474,651	8,639,141	433,130,834	93,954,292
Total net position-ending	<u>\$ 407,250,267</u>	<u>\$ 3,415,829</u>	<u>\$ 26,973,795</u>	<u>\$ 10,063,759</u>	<u>\$ 447,703,650</u>	<u>\$ 92,640,009</u>

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 POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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

Net change in net position - total proprietary funds	\$ 14,572,816
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds is reported within business-type activities.	75,629
The net revenues of grant activities of special revenue funds is reported within business-type activities.	16,538
Change in net position of business-type activities	<u>\$ 14,664,983</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, 2015

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 125,817,481	\$ 16,928,473	\$ 7,169,443	\$ 6,658,970	\$ 156,574,367	\$ 70,065,259
Cash received from subrogation	-	-	-	-	-	415,678
Franchise fees	-	7,957,587	-	-	7,957,587	-
Charges in lieu of taxes	(8,165,078)	(907,990)	-	-	(9,073,068)	-
Cash payments to suppliers for goods and services	(85,251,213)	(16,344,358)	(427,921)	(6,947,099)	(108,970,591)	(51,475,199)
Cash paid to or on behalf of employees for services	(10,728,075)	(6,350,589)	(2,279,241)	(4,752,075)	(24,109,980)	(9,814,936)
Net cash provided (used) by operating activities	21,673,115	1,283,123	4,462,281	(5,040,204)	22,378,315	9,190,802
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayments to other funds	-	(1,893)	-	-	(1,893)	-
Hotel/Motel tax	-	-	-	7,342,639	7,342,639	-
Transfers to other funds	(8,804,830)	-	(1,001,191)	(791,724)	(10,597,745)	(5,441,196)
Transfers from other funds	-	-	-	-	-	173,756
Intergovernmental receipts	-	-	-	-	-	155,869
Net cash provided (used) by noncapital financing activities	(8,804,830)	(1,893)	(1,001,191)	6,550,915	(3,256,999)	(5,111,571)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(16,553,828)	(174,239)	(2,948,594)	-	(19,676,661)	(8,281,463)
Bond issuance costs paid	-	-	(11,800)	-	(11,800)	-
Proceeds from sale of equipment	-	-	-	-	-	435,909
Principal paid on long-term debt	-	-	(1,875,000)	-	(1,875,000)	-
Interest and fees paid on long-term debt	-	-	(722,683)	-	(722,683)	-
Proceeds from insurance damages	125,256	10,159	3,430	119,571	258,416	49,769
Proceeds from construction participation	600	-	-	-	600	-
Net cash provided (used) by capital and related financing activities	(16,427,972)	(164,080)	(5,554,647)	119,571	(22,027,128)	(7,795,785)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(41,688,991)	(4,008,927)	(7,900,354)	(6,035,161)	(59,633,433)	(51,498,576)
Proceeds from sale and maturities of investment securities	44,687,035	3,145,160	9,573,876	4,772,011	62,178,082	54,588,927
Interest on investments	373,851	24,252	96,241	41,459	535,803	533,253
Net cash provided (used) by investing activities	3,371,895	(839,515)	1,769,763	(1,221,691)	3,080,452	3,623,604
Net increase (decrease) in cash and cash equivalents	(187,792)	277,635	(323,794)	408,591	174,640	(92,950)
Cash and cash equivalents, beginning of year	12,376,051	812,200	2,470,673	1,234,199	16,893,123	14,087,455
Cash and cash equivalents, end of year	\$ 12,188,259	\$ 1,089,835	\$ 2,146,879	\$ 1,642,790	\$ 17,067,763	\$ 13,994,505
Classified as:						
Current assets	\$ 12,188,259	\$ 1,089,835	\$ 523,861	\$ 1,642,790	\$ 15,444,745	\$ 13,994,505
Restricted assets	-	-	1,623,018	-	1,623,018	-
Total	\$ 12,188,259	\$ 1,089,835	\$ 2,146,879	\$ 1,642,790	\$ 17,067,763	\$ 13,994,505
Noncash disclosures:						
Developers' contributions	\$ 5,548,273	\$ -	\$ -	\$ -	\$ 5,548,273	\$ -
Premium amortization	-	-	24,970	-	24,970	-
Amortization of deferred charge on refunding	-	-	(65,228)	-	(65,228)	-
Loss on property disposition	(151,137)	-	-	-	(151,137)	(53,675)
Increase (decrease) in fair value of investments	6,703	2,658	(663)	3,937	12,635	7,984
Transfer in (out) of capital assets	1,434,000	(43,182)	1,399	-	1,392,217	-

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, 2015
(continued)

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	<u>\$ 13,717,957</u>	<u>\$ 802,712</u>	<u>\$ 3,156,368</u>	<u>\$ (5,403,165)</u>	<u>\$ 12,273,872</u>	<u>\$ 2,833,963</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	13,867,138	4,378	723,692	636,750	15,231,958	7,515,757
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(6,295,032)	(18,503)	5,567	(177,912)	(6,485,880)	134,974
Other accounts receivable	(825)	779,273	-	(44,435)	734,013	(150)
Due from other funds	-	-	-	-	-	-
Prepaid expenses and other assets	(13,098)	(615,179)	(600)	(9,405)	(638,282)	(17,843)
Inventories	71,555	-	-	-	71,555	76,037
Pensions	(383,747)	(249,589)	(66,493)	(143,667)	(843,496)	(377,827)
Increase (decrease) in-						
Accounts payable	488,737	(7,823)	597,678	13,913	1,092,505	(562,124)
Accrued liabilities	36,264	444,971	2,566	27,484	511,285	29,564
Due to other funds	-	-	(2,825)	-	(2,825)	4,588
Liability for compensated absences	12,289	133,883	46,328	55,904	248,404	64,972
Customer deposits	171,687	-	-	(31,648)	140,039	-
Unearned revenue	190	9,000	-	35,977	45,167	-
Liability for insurance claims	-	-	-	-	-	(511,109)
Total adjustments	<u>7,955,158</u>	<u>480,411</u>	<u>1,305,913</u>	<u>362,961</u>	<u>10,104,443</u>	<u>6,356,839</u>
Net cash provided (used) by operating activities	<u>\$ 21,673,115</u>	<u>\$ 1,283,123</u>	<u>\$ 4,462,281</u>	<u>\$ (5,040,204)</u>	<u>\$ 22,378,315</u>	<u>\$ 9,190,802</u>

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



**CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY AND AGENCY FUNDS
AS OF SEPTEMBER 30, 2015
(EXCEPT PENSION TRUST FUND, WHICH IS AS OF DECEMBER 31, 2014)**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,094,789	\$ 965,109	\$ 1,478,925
Investment pool			5,442,334
Other U.S. government obligations	16,713,968	497,540	-
Corporate bonds	20,954,587	8,113,381	-
Asset-backed securities	-	3,389,549	-
Common stocks	70,037,219	19,986,714	-
Foreign equities	7,658,543	-	-
Mutual funds	-	27,602,760	-
Master limited partnerships	2,314,200	-	-
Accrued interest	315,386	109,202	34,655
Total assets	<u>119,088,692</u>	<u>60,664,255</u>	<u>6,955,914</u>
LIABILITIES			
Accounts payable	53,060	276	-
Accrued liabilities	-	249,175	-
Payable from pending trades	-	407,220	-
Developers' escrow liability	-	-	6,867,262
Unclaimed property payable	-	-	88,652
Total liabilities	<u>53,060</u>	<u>656,671</u>	<u>6,955,914</u>
NET POSITION			
Held in trust for pension benefits	119,035,632	-	
Held in trust for other postemployment benefits	-	60,007,584	
Total net position	<u>\$ 119,035,632</u>	<u>\$ 60,007,584</u>	

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

**CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(EXCEPT PENSION TRUST FUND, WHICH IS YEAR ENDED DECEMBER 31, 2014)**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>
ADDITIONS		
Contributions		
From employers	\$ 4,037,995	\$ 5,192,408
From retirees	-	1,042,959
Total contributions	<u>\$ 4,037,995</u>	<u>\$ 6,235,367</u>
Investment return:		
Net increase (decrease) in fair value of investments	5,533,887	(1,988,594)
Interest	746,129	471,171
Dividends	1,675,711	907,680
Miscellaneous	56,322	78,413
Total investment return	<u>8,012,049</u>	<u>(531,330)</u>
Total additions, net	<u>12,050,044</u>	<u>5,704,037</u>
DEDUCTIONS		
Benefits	3,518,902	3,264,005
Administrative expenses	278,376	421,985
Miscellaneous expenses	22,051	21,413
Total deductions	<u>3,819,329</u>	<u>3,707,403</u>
Net increase	8,230,715	1,996,634
Net position held in trusts - beginning of year	<u>110,804,917</u>	<u>58,010,950</u>
Net position held in trusts - end of year	<u>\$ 119,035,632</u>	<u>\$ 60,007,584</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The 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 accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide* and by the Financial Accounting Standards Board when applicable. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, 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 unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense 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 and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The 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 and Debt Service Fund budgets with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

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 unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and 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 government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; and
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Unit.

The City has established a Tax Increment Financing district (TIF) for project improvements within the City. The TIF provides financing for public improvements associated with the future development of East Plano. The project was approved by the City Council in fiscal year 1999. The TIF is legally separate from the City, and the City appoints a majority of its governing board for the TIF; however, the entity is fiscally dependent on the City. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15 year term will include participation with the City, as well as Collin County. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014.

Blended Component Unit.

In fiscal year 2015, the City established a Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval.

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. Thus, they are not included in the primary government or as a discretely presented component unit.

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

C. Implementation of New Accounting Pronouncement Related to Pensions

During fiscal year 2015, the City adopted the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 67, "*Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25*," which replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trust or equivalent arrangements. GASB Statement No. 67 was implemented December 31, 2014 for the Retirement Security Plan (RSP) as is

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

available in a separately issued report. The adoption of Statement No. 67 has no impact on the City's financial statements.

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27," was implemented as required by GASB during fiscal year ending September 30, 2015. The objective of this statement is to improve accounting and financial reporting by state and local government pensions and improve the decision-usefulness of information in contributing entity financial reports and to enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Note disclosure and required supplementary information requirements about pensions also are addressed. This statement requires the asset or liability of employer and nonemployer contributing entities to employees for defined-benefit pensions (net pension asset/liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. This Statement impacts the City's Texas Municipal Retirement System Plan (TMRS) and RSP.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68," was implemented and amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

With the implementation of these statements, a restatement of the City's government-wide financial statements was made to reflect beginning net pension liability (TMRS) and asset (RSP), as well as the beginning deferred outflow of resources for contributions made between the start of the measurement period of the pension system and the City's prior fiscal year end. The restatement to beginning net position is noted below and reflected on the government-wide statements.

	Government-wide Statement of Activities	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position at 10/1/14	\$ 942,763,667	\$ 452,567,428
Change in reporting for pensions	(52,152,521)	(6,305,950)
Net position restated at 10/1/14	<u>\$ 890,611,146</u>	<u>\$ 446,261,478</u>

D. 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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. 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 (e.g., police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

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 properly excluded from program revenues are reported instead as general revenues.

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

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, capital reserve fund, street improvements fund and economic development incentive 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 nonmajor 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 is reflected in the appropriate functional activity (e.g., police, fire, public works, etc.). The City's internal service funds consist of the equipment maintenance and replacement, 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, postemployment benefits trust, developers' 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 year. 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.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, 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

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

revenues to be available if they are collected within 30 days of the end of the current fiscal year. 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 have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned 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 needed.

Paving assessments in the Street Improvements Fund 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. Unallocated assessments are recorded as unearned revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. 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, downtown center development 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 major governmental funds of the City:

- a. The General Fund accounts for several of the City's primary services (e.g., police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.
- b. The 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. The 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

- d. The 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.
- e. The Economic Development Incentive Fund accounts for \$0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City through usage of 380 agreements and tax incentives.
- f. Other Governmental Funds is a summarization of all of the nonmajor governmental funds.

2. Enterprise Funds:

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

- a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure financial integrity of the fund.
- b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. The Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds are a summarization of all of the nonmajor 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 (Unclaimed property) or developers (Developers' escrow). Agency funds record only assets and liabilities and therefore have no measurement focus.
- c. Trust funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

F. Cash, Cash Equivalents and Investments

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

Cash and cash equivalents for government-wide funds are 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, except for certificates of deposit and government agencies, which are recorded at amortized cost. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. 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.

H. Inventories, Prepaid Items and Other Assets

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 (i.e., first-in, first-out method) or market.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

The other assets category consists of other postemployment benefits.

I. 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 nonspendable 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 nonroutine 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital 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 2015, \$88,483 of such interest costs were capitalized in the Municipal Drainage Fund.

Property, plant and equipment of the primary government and business-type activities are 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 – 10
Furniture and fixtures	5 – 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 – 50

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave in excess of 480 hours will not be reimbursed upon termination. Police and firefighters 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 employment of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal agencies including the Departments of Energy and Transportation, Housing and Urban Development, Justice and Homeland Security, which are accounted for within the Grant Fund (Special Revenue) and Street Improvements Fund (Capital Projects). Various state grants are also included in the Grant Fund and Street Improvements Funds. 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 special revenue funds.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

M. Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category. First, the deferred charge on refunding reported in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt. Second, the City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year end. The last deferred outflow is the difference between projected and actual investment earnings that are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify in this category, which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. As a component of implementing GASB Statement No. 68, a deferred inflow is recorded in the government-wide Statement of Net Position and fund level financials for the proprietary Statements of Net Position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the Plan actuary. The differences are amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

Deferred outflows of resources are used to report consumptions of net position by the City that are applicable to a future reporting period. Deferred inflows of resources are used to report acquisitions of net position by the City that are applicable to future reporting periods. The deferred inflow is reclassified to revenue on the government-wide financial statements.

N. 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 position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

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 municipal drainage improvements. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2015**

O. Retirement Plans

The City has two separate retirement plans, TMRS and RSP, covering substantially all employees. In addition, the City has a deferred compensation plan and a postemployment benefit plan. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. 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 \$(363,005,737) difference are as follows:

Bonds and tax anticipation notes payable	\$ (300,470,000)
Add: Premium	(22,382,271)
Accrued interest payable	(1,062,847)
Compensated absences	(39,090,619)
	<hr/>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (363,005,737)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the 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 \$30,550,378 difference are as follows:

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

Capital outlay	\$ 79,259,135
Depreciation expense	(47,680,029)
Other capital-related transactions	<u>(1,028,728)</u>

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 30,550,378</u>
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Another element of the reconciliation states, "The issuance of long-term debt (e.g., bonds and 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 position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$(4,952,526) difference are as follows:

Bonds issued:	
New money	\$ (30,130,000)
Refunded bonds	(51,300,000)
Premium	(10,503,390)
Difference in refunded principal/interest and escrow deposit	252,332
Payment to escrow agent	57,298,532
Principal payments	<u>29,430,000</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (4,952,526)</u>
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The reconciliation also 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 \$1,753,109 difference are as follows:

Changes in:	
Compensated absences	\$ (1,646,510)
Accrued interest	(17,757)
Amortization of deferred charge on refunding	(1,142,167)
Amortization of bond premium	4,418,387
Change in net OPEB asset	<u>141,156</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,753,109</u>
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III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Compliance - Budgets

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

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

of the City, 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. Only the General Fund and Debt Service Fund have legally adopted annual budgets. 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 no 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.

Budgets and Budgetary Basis of Accounting

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.

For the year ended September 30, 2015, the Dallas Area Rapid Transit (DART) Fund reported a net deficit of \$(441,228) due to timing of reimbursement requests to the DART organization.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund and includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

The details of fund balance classifications for other governmental funds are as follows:

Restricted for:	
Other Capital Projects:	
Municipal facilities fund	\$ 8,040,038
Park improvements fund	20,759,047
Public Infrastructure	<u>3,488,175</u>
	<u>\$ 32,287,260</u>
Special Revenue funds:	
Criminal investigation fund	\$ 5,468,768
Grant fund	160,139
PTN fund	1,616,682
Public safety communications fund	14,727,084
Municipal court fund	11,618,784
Memorial library fund	370,649
Libraries fund	36,532
Animal shelter donations fund	<u>143,757</u>
	<u>\$ 34,142,395</u>
Blended Component Unit:	
PID	\$ 69,287
	<u>\$ 69,287</u>
Assigned to:	
Other Capital Projects:	
Municipal facilities fund	\$ 7,390,471
Park improvement fund	8,808,434
Park services fund	<u>5,318,552</u>
	<u>\$ 21,517,457</u>
Nonspendable:	
Special Revenue funds:	
Grant fund	\$ 2,300
PTN fund	127,430
Municipal court fund	<u>9,900</u>
	<u>\$ 139,630</u>
Unassigned:	
Other Capital Projects:	
DART	\$ (441,228)
	<u>\$ (441,228)</u>

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted, and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

It is the desire of the City to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a general fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by 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, 2015, the carrying amount of the City's demand deposits was \$58,632,353, which includes component unit deposits of \$1,263,390. The bank balance was \$60,786,611. At September 30, 2015, the City's cash on hand totaled \$886,745. At September 30, 2015, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) and Texas Term (a fixed-rate, fixed term portfolio) was \$39,960,156 and \$5,000,000, respectively. At September 30, 2015 the carrying value of cash held in trust by a bank trust department for the City's Postemployment Benefit Trust Fund was \$965,109. At December 31, 2014 the carrying value of cash held in trust by a bank trust department for the City's Retirement Security Plan was \$1,094,789.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

Investments

At September 30, 2015 (except Retirement Security Plan which is as of December 31, 2014), the City's investment balances were as follows:

Investment Type	Fair Value			Weighted Avg Maturity (Years)*
	Primary Government	Component Units	Total	
U.S. Agencies	\$ 120,238,325	\$ 6,558,702	\$ 126,797,027	0.3466
Texas Local Government Investment Pools**	35,609,122	781,171	36,390,293	0.0006
Municipal Bonds	178,735,575	-	178,735,575	0.7716
Total	<u>\$ 334,583,022</u>	<u>7,339,873</u>	<u>\$ 341,922,895</u>	1.1188
Investment Trust Funds				
Retirement Security Plan:				
U.S. Government obligations			\$ 14,148,648	1.7900
Government agency obligations			2,565,320	1.6800
Corporate bonds			20,954,587	5.5000
Equities:				
Common stocks			70,037,219	NA
Foreign equities			7,658,543	NA
Master limited partnerships			2,314,200	NA
Postemployment Benefit:				
Government agency obligations			497,540	3.7500
Corporate bonds			8,113,381	2.0360
Asset-backed securities			3,389,549	8.9750
Equities:				
Common stocks			19,986,714	NA
Mutual funds			27,602,760	NA
Total Investment Trust Funds			<u>177,268,461</u>	
TOTAL INVESTMENTS			<u>\$ 519,191,356</u>	

* Fair-value basis

** Texas Local Government Investment Pool is reported under cash equivalent on the Government-wide Statement of Net Position

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments. The City has contracted with a bank trust department to manage the investment portfolio of the Retirement Security Plan and Postemployment Benefit Trust Fund. The investments are subject to the policies and guidelines established by the Retirement Security Plan and Postemployment Benefit Trust Fund committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer; no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

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 a 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, including, Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and First Federal Community Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The investment in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAM by Standard & Poor's as of September 30, 2013.

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, 2015, five percent (5%) or more of the City's total investments are in: Municipal Bonds (41.17%), Federal Home Loan Mortgage Corporation securities (14.99%), Certificates of Deposits (8.94%), Investment Pools (9.26%) and Bank Accounts (13.60%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or 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 Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2014 upon which the original 2015 levy was based, was \$28,593,267,537. Subsequent adjustments decreased this value to \$28,566,377,609.

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 a maximum of 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 thirty days after year-end. Current tax collections for the year ended September 30, 2015, were 99.5% 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, 2015, was \$0.4886 (\$0.3438 for general government and \$0.1448 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of approximately \$2.0114 per \$100 and could have levied up to approximately \$574,584,119 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, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

3. RECEIVABLES:

Receivables at September 30, 2015 for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Capital Reserve	Street Improvements	Economic Development Incentive	Water and Sewer	Environmental Waste Services	Municipal Drainage	Nonmajor and Other Funds	Total
Property Taxes	\$ 3,161,309	1,483,571	-	-	-	-	-	-	-	\$ 4,644,880
Sales Taxes	11,979,166	-	-	-	-	-	-	-	-	11,979,166
Mixed Drink Taxes	472,535	-	-	-	-	-	-	-	-	472,535
Accounts	1,651,702	-	915,633	30,153	-	19,592,755	1,164,894	739,440	1,463,254	25,557,831
Accrued Interest	270,683	18,418	265,975	219,003	206,281	265,456	25,527	54,686	829,414	2,155,443
Assessments	-	-	-	1,366,121	-	-	-	-	-	1,366,121
Other	-	-	-	-	-	2,528	1,172,961	-	324,041	1,499,530
Gross Receivables	17,535,395	1,501,989	1,181,608	1,615,277	206,281	19,860,739	2,363,382	794,126	2,616,709	47,675,506
Less: Allowance for Uncollectibles	(2,092,207)	(847,169)	-	-	-	(237,704)	(30,520)	(11,278)	-	(3,218,878)
Net total Receivables	\$ 15,443,188	654,820	1,181,608	1,615,277	206,281	19,623,035	2,332,862	782,848	2,616,709	\$ 44,456,628

The enterprise fund accounts receivable includes unbilled charges for services of \$7,838,496 rendered at September 30, 2015.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2015 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 135,280,604	\$ 3,975,706	\$ (458,028)	\$ 138,798,282
Construction in progress	31,384,888	75,108,765	(56,507,205)	49,986,448
Public art	1,698,740	-	-	1,698,740
Total capital assets, not being depreciated	<u>168,364,232</u>	<u>79,084,471</u>	<u>(56,965,233)</u>	<u>190,483,470</u>
Capital assets, being depreciated:				
Buildings	195,426,237	12,194,193	-	207,620,430
Improvements other than buildings	184,795,080	10,563,085	-	195,358,165
Equipment	200,426,492	21,689,650	(5,956,420)	216,159,722
Infrastructure	1,076,698,996	26,042,463	-	1,102,741,459
Total capital assets being depreciated	<u>1,657,346,805</u>	<u>70,489,391</u>	<u>(5,956,420)</u>	<u>1,721,879,776</u>
Less accumulated depreciation for:				
Buildings	(107,667,290)	(8,710,944)	-	(116,378,234)
Improvements other than buildings	(84,112,508)	(5,449,475)	-	(89,561,983)
Equipment	(153,249,859)	(17,281,209)	5,331,450	(165,199,618)
Infrastructure	(526,132,190)	(23,754,158)	-	(549,886,348)
Total accumulated depreciation	<u>(871,161,847)</u>	<u>(55,195,786)</u>	<u>5,331,450</u>	<u>(921,026,183)</u>
Total capital assets, being depreciated, net	<u>786,184,958</u>	<u>15,293,605</u>	<u>(624,970)</u>	<u>800,853,593</u>
Governmental activities capital assets, net	<u>\$ 954,549,190</u>	<u>\$ 94,378,076</u>	<u>\$ (57,590,203)</u>	<u>\$ 991,337,063</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 11,483,940
Administrative services	31,343
Police	879,754
Fire	421,574
Libraries	1,262,329
Development	204,805
Public services and operations	99,053
Parks and recreation	9,130,591
Public works	24,166,640
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>7,515,757</u>
Total depreciation expense - governmental activities	<u>\$ 55,195,786</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

	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	\$ 6,472,289	\$ 5,952	\$ -	\$ 6,478,241
Construction in progress	5,352,557	19,783,926	(1,606,071)	23,530,412
Total capital assets, not being depreciated	<u>11,824,846</u>	<u>19,789,878</u>	<u>(1,606,071)</u>	<u>30,008,653</u>
Capital assets, being depreciated:				
Buildings	16,591,755	174,239	-	16,765,994
Improvements other than buildings	569,114,113	7,087,341	(174,886)	576,026,568
Drainage improvements	37,694,242	10,915	-	37,705,157
Furniture and fixtures	571,477	-	(145,133)	426,344
Equipment	9,408,137	163,720	(7,643,042)	1,928,815
Total capital assets, being depreciated	<u>633,379,724</u>	<u>7,436,215</u>	<u>(7,963,061)</u>	<u>632,852,878</u>
Less accumulated depreciation for:				
Buildings	(14,875,278)	(36,887)	-	(14,912,165)
Improvements other than buildings	(238,552,461)	(14,428,583)	174,886	(252,806,158)
Drainage improvements	(6,946,012)	(720,777)	-	(7,666,789)
Furniture and fixtures	(387,831)	(3,387)	145,133	(246,085)
Equipment	(8,701,098)	(42,324)	7,328,185	(1,415,237)
Total accumulated depreciation	<u>(269,462,680)</u>	<u>(15,231,958)</u>	<u>7,648,204</u>	<u>(277,046,434)</u>
Total capital assets, being depreciated, net	<u>363,917,044</u>	<u>(7,795,743)</u>	<u>(314,857)</u>	<u>355,806,444</u>
Business-type activities capital assets, net	<u>\$ 375,741,890</u>	<u>\$ 11,994,135</u>	<u>\$ (1,920,928)</u>	<u>\$ 385,815,097</u>

Business-type activities:	
Water and sewer	\$ 13,867,138
Environmental waste services	4,378
Plano centre	12,587
Municipal drainage	723,692
Municipal golf course	624,163
Total depreciation expense - business-type activities	<u>\$ 15,231,958</u>

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

Component Unit

	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	\$ 2,453,267	\$ 468,165	\$ -	\$ 2,921,432
Total capital assets, not being depreciated	<u>2,453,267</u>	<u>468,165</u>	<u>-</u>	<u>\$ 2,921,432</u>
TIF East side activities capital assets, net	<u>\$ 2,453,267</u>	<u>\$ 468,165</u>	<u>\$ -</u>	<u>\$ 2,921,432</u>

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2009, \$128,622,500 of various purpose general obligation bonds were authorized and \$100,430,000 of the 2009 bonds have been issued. In May 2013, \$98,313,000 of various purpose general obligation bonds were authorized and \$5,000,000 have been issued.

5. EMPLOYEE BENEFIT PLANS:

During fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The benefit plans impacted by GASB Statement No. 68 pertain to TMRS and RSP.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TMRS and RSP and additions to/deductions from TMRS and RSP's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) where further information can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

**CITY OF PLANO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2015**

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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 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 or her 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 December 2013):

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 of service and age 60 or 20 years of service and any age.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	942
Inactive employees entitled to but not yet receiving benefits	777
Active employees	<u>2,200</u>
	3,919

Contributions and Funding Policy

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 18.11% in 2015. The City's contributions to TMRS for fiscal year 2015, were \$25,309,703, and were equal to the required contributions. The City also contributed an additional \$3,000,000 in fiscal year 2015 to TMRS which was transferred from the Health Claims Fund.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The TPL in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic equity	17.50 %	4.80 %
International equity	17.50	6.05
Core fixed income	30.00	1.50
Non-core fixed income	10.00	3.50
Real return	5.00	1.75
Real estate	10.00	5.25
Absolute return	5.00	4.25
Private equity	<u>5.00</u>	8.50
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the Net Pension Liability

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at December 31, 2013	\$ 797,166,833	\$ 707,927,804	\$ 89,239,029
Changes for the year:			
Service cost	22,556,087		22,556,087
Interest (on the total pension liability)	55,667,118		55,667,118
Difference between expected and actual experience	(122,591)		(122,591)
Benefit payments, including refunds of employee contributions	(26,400,655)	(26,400,655)	-
Contributions - employer		28,690,370	(28,690,370)
Contributions - employee		9,684,277	(9,684,277)
Net investment income		40,500,200	(40,500,200)
Administrative expense		(422,815)	422,815
Other		<u>(34,762)</u>	<u>34,762</u>
Net changes	<u>51,699,959</u>	<u>52,016,615</u>	<u>(316,656)</u>
Balance at December 31, 2014	<u>\$ 848,866,792</u>	<u>\$ 759,944,419</u>	<u>\$ 88,922,373</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the sensitivity of the NPL to changes in the discount rate when calculating it at 1-percentage-point-lower (6%) and 1-percentage-point-higher (8%).

<u>1% Decrease 6.0%</u>	<u>Current Single Rate Assumption 7.0%</u>	<u>1% Increase 8.0%</u>
\$ 212,744,999	\$ 88,922,373	\$ (12,715,174)

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report which may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of \$21,230,581.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience	\$ -	\$ (100,664)
Difference between projected and actual investment earnings on pension plan investments	7,243,797	-
Employer contributions subsequent to the measurement date	18,189,883	-
	<u>\$ 25,433,680</u>	<u>\$ (100,664)</u>

Deferred outflows of resources of \$18,189,883 related to pensions resulting from contributions subsequent to the measurement date. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$ 1,789,022
2017	1,789,022
2018	1,789,022
2019	1,789,023
2020	(12,956)
Total	<u>\$ 7,143,133</u>

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the 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 issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

As of the December 31, 2014 biennial actuarial valuation, the following employees were covered by the benefit terms:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

Inactive employees or beneficiaries currently receiving benefits	646
Inactive employees entitled to but not yet receiving benefits	51
Active employees	<u>2,054</u>
	2,751

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as detailed following.

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).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are 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 amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

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. 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 to eligible employees. 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 that 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.

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed \$4,037,995 for the year ended December 31, 2014.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

The contribution amount is a 21-year level percentage of pay funding with a 3.5% 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.

Net Pension Asset

The City's Net Pension Asset (NPA) was measured as of December 31, 2014 and the TPL used to calculate the NPA was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2013. The TPL as of December 31, 2014 was determined by rolling forward the liability from the actuarial valuation date using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	21 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	3.00%
Salary increases:	8.10% to 3.50% including inflation
Investment rate of return:	7.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality:	RP-2000 mortality for combined healthy annuitants. Female rates are multiplied by 0.85.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

Rate of Return

<u>Asset Class</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Development of Long-Term Arithmetic Return for Investment Portfolio</u>
U.S. Government Obligations	2.3%	18%	0.41%
Government Agency Obligations	2.3%	2%	0.05%
Corporate Bonds	1.3%	12%	0.16%
U.S. Large Cap Stocks	5.7%	44%	2.51%
U.S. Mid Cap Stocks	7.3%	10%	0.73%
U.S. Small Cap Stocks	7.3%	3%	0.22%
Foreign Equities	6.6%	8%	0.53%
Alternatives (REITS), MLPs	5.7%	3%	0.17%
	Total Expected Arithmetic Real Return:		4.78%
	Inflation Assumption for Actuarial Valuation:		3.00%
	Total Expected Arithmetic Nominal Return:		7.78%

Note: The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Retirement Plan's target asset allocation as of December 31, 2014 are summarized in the above table.

Discount Rate

A single discount rate of 7.75% was used to measure the total pension liability for the plan years ended December 31, 2014 and 2013. This single discount rate was based on the expected rate of return on pension plan investment of 7.75%. Based on the stated assumptions and the projection of cash flows as of each plan year ending December 31, the pension plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Retirement Committee will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the closed period ending September 30, 2035, as a level percentage of payroll. Under this policy, there are 20 years remaining in the amortization period.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

Changes in the Net Pension Asset

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balance at December 31, 2013	\$ 100,604,971	\$ 110,804,917	\$ (10,199,946)
Changes for the year:			
Service cost	3,674,544		3,674,544
Interest (on the total pension liability)	7,802,936		7,802,936
Benefit payments	(3,518,902)	(3,518,902)	-
Contributions - employer		4,037,995	(4,037,995)
Net investment income		8,012,049	(8,012,049)
Administrative expense		(278,376)	278,376
Other		(22,051)	22,051
Net changes	7,958,578	8,230,715	(272,137)
Balance at December 31, 2014	\$ 108,563,549	\$ 119,035,632	\$ (10,472,083)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

1% Decrease 6.75%	Current Single Rate Assumption 7.75%	1% Increase 8.75%
\$ 5,152,573	\$ (10,472,083)	\$ (23,555,397)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of \$3,298,814.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings on pension plan investments	\$ 467,044	\$ -
Employer contributions subsequent to the measurement date	2,855,748	-
	<u>\$ 3,322,792</u>	<u>\$ -</u>

Deferred outflows of resources of \$2,855,748 related to pensions resulting from contributions subsequent to the measurement date. Deferred outflows of resources of \$116,761 related to the difference between projected and actual earnings on investments will be recognized in the current fiscal year. The remaining years reported as deferred outflows of resources will be recognized in pension expense as follows:

2016	\$ 116,761
2017	116,761
2018	116,761
2019	116,761
Total	<u>\$ 467,044</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit 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 under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2015 was 387 of which 208 were on the same plan as the active employees and 179 on Medicare supplementary insurance. 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 healthcare benefits are recognized as retirees report claims. Claims paid for retired employees for 2015 were \$3,264,005.

Postemployment Benefits Trust Fund - Section 115 Trust

Plan Description

On March 1, 2008, the City established a Section 115 Trust (the Trust) to comply with the requirements of Governmental Accounting Standards Board Statement (GASB) No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions (OPEB), for the purpose of funding and providing certain benefits to its eligible retirees and dependents. The single-employer, joint contributor hybrid defined-benefit plan is created by City ordinance and administered by the Risk Pool Trustees who meet four times a year. The Risk Pool Trustees consist of three or more City employees who are appointed by the City pursuant to the Plano Welfare Benefit Plan. Professional investment management is used and a custodial bank retains the assets of the Trust. The Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the Trust's fiscal year-end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Receipt of Contributions

The City delivers to the Section 115 Trustee the amounts of money that are contributed to the Trust Fund by the City and by participants. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. For fiscal year ending September 30, 2015, the City contributed \$5,192,408 to the Trust, which represents approximately 102.8% of the annual required contribution of the employer (ARC). In addition, retirees contributed \$1,042,959 to the Trust.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the City's ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount annually contributed to the Trust, and the changes in the City's net OPEB asset to the Trust.

	2015	2014	2013
Annual required contribution (ARC)	\$ 5,050,024	5,050,024	4,579,847
Interest on net OPEB asset	(1,463,996)	(1,463,996)	(1,566,048)
Adjustment to the ARC	1,465,224	1,465,224	1,387,754
Annual OPEB cost	5,051,252	5,051,252	4,401,553
Contributions made	(5,192,408)	(5,219,998)	(4,911,473)
(Increase) Decrease in net OPEB asset	(141,156)	(168,746)	(509,920)
Net OPEB asset, beginning of year	(21,082,973)	(20,914,227)	(20,404,307)
Net OPEB asset, end of year	<u>\$ (21,224,129)</u>	<u>(21,082,973)</u>	<u>(20,914,227)</u>

The net OPEB asset has been recorded in prepaid and other assets in the government-wide financial statements.

The following table shows the assumed annual OPEB cost and net OPEB asset for the prior three years (7% discount and level percent of pay amortization):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/13	7%	4,401,553	111.6%	(20,914,227)
9/30/14	7%	5,051,252	103.3%	(21,082,973)
9/30/15	7%	5,051,252	102.8%	(21,224,129)

Funding Status and Funding Progress

The funding status as of the most recent actuarial valuation date, is as follows:

Fiscal Year	Valuation Date	Value of Assets at Fiscal Year End	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/13	10/01/11	51,322,263	59,410,089	86.4%	(8,087,826)	124,090,481	(6.5%)
9/30/14	10/01/13	50,780,101	73,844,336	68.8%	(23,064,235)	128,505,673	(17.9%)
9/30/15	10/01/13	60,478,815	73,844,336	81.9%	(13,365,521)	128,505,673	(17.9%)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

Actuarial Methods and Assumptions

	2015	2014	2013
Actuarial valuation date	10/01/13	10/01/13	10/01/11
Actuarial cost method	Projected	Projected	Projected
	Unit Credit	Unit Credit	Unit Credit
Amortization method	Level%	Level%	Level%
Remaining amortization period	22.2 years-	22.2 years-	24.2 years-
	Closed	Closed	Closed
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7%	7%	7%
Payroll growth	3%	3%	3%
Inflation rate	2.5%	2.5%	2.8%
Medical inflation trend rate	5.7% initial	5.7% initial	10.9% initial

In the October 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the Trust assets and on the employer's own investments calculated based on the funded level of the Trust at the valuation date, and an annual healthcare trend rate of 5.7% initially, adjusted each year with an ultimate trend rate of 4.5% reached in 76 years. Both rates include a 2.5% inflation assumption. The initial UAAL was amortized over the maximum permissible period of 30 years as a level percentage of projected payroll on a closed basis, where salaries are assumed to increase at 3% per annum. The effective remaining amortization period at October 1, 2013 was 22.2 years. The value of assets is equal to the market value of assets as of the valuation date.

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2015, 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 and certificates of obligation	\$ 298,365	75,685	(80,040)	294,010	26,435
Tax anticipation notes	4,700	5,745	(3,985)	6,460	1,295
Deferred amounts:					
Premium	16,297	10,503	(4,418)	22,382	4,178
Bond issuance costs	-	-	-	-	-
Total bonds and notes payable	319,362	91,933	(88,443)	322,852	31,908
Compensated absences	38,146	16,013	(14,297)	39,862	5,420
Liability for insurance claims	6,451	27,194	(27,705)	5,940	5,358
Governmental activities					
Long-term debt	\$ 363,959	135,140	(130,445)	368,654	42,686

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, 0.7% by Special Revenue Funds and 3.7% by Internal Service Funds.

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 80.7% of the claims and judgments liability. The Enterprise Funds bear approximately 14.0% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 5.0% and 0.3%, respectively.

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Municipal Drainage revenue bonds	\$ 17,705	7,105	(9,005)	15,805	2,045
Deferred amounts:					
Premium	311	277	(25)	563	43
Bond issuance costs	-	-	-	-	-
Total bonds payable	18,016	7,382	(9,030)	16,368	2,088
Compensated absences	3,636	1,759	(1,511)	3,884	496
Business-type activities					
Long-term debt	\$ 21,652	9,141	(10,541)	20,252	2,584

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

Long-term debt at September 30, 2015 includes the following individual issues (not including the unamortized premium of \$22,382,271 and the unamortized deferred charge on refunding of \$7,499,030 of the General Obligation Bonds, and the unamortized premium of \$562,609 and unamortized deferred charges of \$493,969 of the Municipal Drainage Revenue Bonds):

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2005 Refunding and Improvements	3.50 – 5.00	5/15/2005	9/1/2025	84,880,000	84,880,000	-
2006 Various purpose	4.00 – 5.00	2/1/2006	9/1/2026	40,925,000	40,925,000	-
2007 Various purpose	4.25 – 5.25	5/1/2007	9/1/2027	35,675,000	34,080,000	1,595,000
2008 Various purpose	3.50 – 5.00	1/15/2008	9/1/2028	41,295,000	10,755,000	30,540,000
2009 Refunding and Improvements	2.25 – 4.75	1/15/2009	9/1/2029	35,330,000	14,880,000	20,450,000
2010 Refunding and Improvements	2.00 – 4.00	1/15/2010	9/1/2030	28,520,000	11,365,000	17,155,000
2011 Various purpose	2.50 - 4.75	1/15/2011	9/1/2031	21,400,000	2,945,000	18,455,000
2011 Refunding and Improvements	2.00 – 5.00	11/17/2011	9/1/2032	46,400,000	7,135,000	39,265,000
2013 Refunding and Improvements	2.00 – 5.00	3/6/2013	9/1/2033	61,925,000	1,790,000	60,135,000
2014 Refunding and Improvements	2.00 - 4.00	4/28/2014	9/1/2034	29,325,000	4,185,000	25,140,000
2015 Refunding and Improvements	2.00 - 5.00	5/14/2015	9/1/2035	75,685,000	1,080,000	74,605,000
				<u>501,360,000</u>	<u>214,020,000</u>	<u>287,340,000</u>
Tax Anticipation Notes:						
2008 Tax anticipation notes	3.00 – 3.25	1/15/2008	9/1/2015	17,075,000	17,075,000	-
2009 Tax anticipation notes	2.25 – 3.00	1/15/2009	9/1/2016	6,355,000	5,350,000	1,005,000
2015 Tax anticipation notes	2.00 - 3.00	5/14/2015	9/1/2021	5,745,000	290,000	5,455,000
				<u>29,175,000</u>	<u>22,715,000</u>	<u>6,460,000</u>
Certificates of Obligation:						
2006 Various purpose	4.25 – 4.50	2/1/2006	9/1/2026	3,765,000	3,765,000	-
2010 Various purpose	2.00 – 4.00	1/15/2010	9/1/2022	9,660,000	2,990,000	6,670,000
				<u>13,425,000</u>	<u>6,755,000</u>	<u>6,670,000</u>
Municipal Drainage Revenue Bonds:						
2005 Refunding and Improvements	3.00 – 5.00	5/15/2005	5/15/2025	11,610,000	11,610,000	-
2006 Improvements	4.00 – 5.00	2/1/2006	5/15/2026	1,455,000	1,385,000	70,000
2007 Improvements	4.00 – 5.50	5/1/2007	5/15/2027	2,000,000	1,815,000	185,000
2008 Improvements	4.00 – 4.50	1/15/2008	5/15/2028	2,085,000	515,000	1,570,000
2009 Refunding and Improvements	3.00 – 3.50	1/15/2009	5/15/2029	4,790,000	2,870,000	1,920,000
2010 Refunding and Improvements	2.00 – 4.25	1/15/2010	5/15/2030	6,790,000	1,835,000	4,955,000
2015 Refunding	2.00 - 4.00	5/14/2015	5/15/2027	7,105,000	-	7,105,000
				<u>\$ 35,835,000</u>	<u>20,030,000</u>	<u>15,805,000</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

The annual requirements to amortize debt outstanding as of September 30, 2015, including interest payments of \$101,701 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 (noted in thousands):

Year Ended September 30	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Municipal Drainage	
	Principal	Interest	Principal	Interest
2016	\$ 27,730	12,739	2,045	505
2017	25,525	11,833	1,775	469
2018	24,750	10,814	1,600	423
2019	24,050	9,759	1,440	380
2020	20,450	8,688	1,285	342
2021-2025	94,975	30,116	5,235	1,072
2026-2030	58,625	11,798	2,425	270
2031-2035	24,365	2,493	-	-
Total	\$ 300,470	98,240	15,805	3,461

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 and the Municipal Drainage Fund.

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 \$3,701,797 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 bonds and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2015.

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. There are no future rebates estimated as of September 30, 2015. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In May 2015, the City issued \$75,685,000 in General Obligation refunding and improvements bonds, with interest rates ranging from 2.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2005, 2006, and 2007 general obligation bonds totaling \$54,040,000 and carried interest rates ranging from 4.0% to 5.0% with maturity dates of 2016 through 2027 and Series 2006 certificates of obligation totaling \$555,000 with interest rates of 4.25% with maturity dates of 2016 through 2018. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$3,577,659. In May 2015, the City also issued \$5,745,000 in Tax Notes, with interest rates ranging from 2.0% to 3.0%. At September 30, 2015, \$29,850,000 of the defeased bonds are still outstanding.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015

B. Municipal Drainage Revenue Bonds

The Municipal Drainage Revenue 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 requirements as they become due. At September 30, 2015, \$2,377,534 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, 2015 the reserve required and restricted within the Municipal Drainage Fund is \$1,284,408.

In May of 2015, the City issued \$7,105,000 in Municipal Drainage refunding bonds, with interest ranging from 2.0% to 4.0%. The portion of the debt that represents refunded bonds were 2005, 2006, and 2007 series municipal drainage revenue bonds totaling \$7,130,000 and carried interest rates ranging from 3.75 % to 5.0% with maturity dates in 2016 through 2026. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$483,244.

Municipal Drainage revenue bonds 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, 2015. The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2015.

Restricted assets of the Municipal Drainage Fund at September 30, 2015 are as follows:

Cash and cash equivalents	\$	1,623,018
Investments		5,972,583
Accrued interest receivable		<u>42,411</u>
	\$	<u><u>7,638,012</u></u>

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2015 is as follows:

Due To	Due From			Total
	General Fund	Environmental Waste Service	Nonmajor Enterprise Funds	
General Fund	\$ -	1,893	135,281	\$ 137,174
Nonmajor Governmental Funds	410,975	-	-	410,975
Nonmajor Enterprise Funds	29,038	-	-	29,038
Total	\$ 440,013	1,893	135,281	\$ 577,187

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

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 2015, charges in lieu of taxes were \$9,073,068.

Transfers between funds during the year were as follows:

Transfers Out	Transfers In					Total
	General Fund	Capital Reserve	Internal Service	Nonmajor Governmental Funds	Component Unit	
General Fund	\$ -	22,500,000	173,756	251,600	50,000	\$ 22,975,356
Nonmajor Governmental Funds	1,415	-	-	-	-	1,415
Internal Service	3,000,000	-	-	2,441,196	-	5,441,196
Water and Sewer	7,304,830	1,500,000	-	-	-	8,804,830
Municipal Drainage	501,191	500,000	-	-	-	1,001,191
Nonmajor Enterprise Funds	685,481	-	-	-	-	685,481
Total	\$ 11,492,917	24,500,000	173,756	2,692,796	50,000	38,909,469

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Reserve fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

8. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City 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 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 customer cities. 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. Because of the factors mentioned above, the District is not included in the City's basic financial statements. 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 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.

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, 2015 was \$50,579,800. 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 2015, this payment was \$819,950. Future years' payments to debt service are as follows:

2016	824,600
2017	836,650
2018	222,525

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 and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City 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 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

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2015 was \$24,639,784, 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 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, 2015 was \$7,659,694.

9. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$49,471,072 in the Capital Projects Funds, \$14,185,699 in the Water and Sewer Fund, and \$1,886,915 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. 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 that may arise as the result of these audits is not believed to be material.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2015**

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 Fund (Internal Service) has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund (Internal Service), 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 GASB 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 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 2015 and 2014 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2015				
Property/Liability Loss	\$ 3,976,274	\$ 3,040,888	\$ (3,177,118)	\$ 3,840,044
Health Claims	2,474,426	24,153,002	(24,527,881)	2,099,547
Total	\$ 6,450,700	\$ 27,193,890	\$ (27,704,999)	\$ 5,939,591

2014				
Property/Liability Loss	\$ 4,079,902	\$ 3,066,430	\$ (3,170,058)	\$ 3,976,274
Health Claims	\$ 2,326,614	23,256,457	(23,108,645)	2,474,426
Total	\$ 6,406,516	\$ 26,322,887	\$ (26,278,703)	\$ 6,450,700



**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	<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	\$ 98,401,884	\$ 98,154,106	\$ 98,311,322	\$ (1,705,253)	\$ 96,606,069	\$ (1,548,037)
Sales taxes	65,947,054	72,673,623	76,829,245	-	76,829,245	4,155,622
Other taxes	1,644,618	1,863,740	1,879,700	-	1,879,700	15,960
Franchise fees	23,890,591	24,643,020	24,452,648	-	24,452,648	(190,372)
Fines and forfeitures	8,045,043	7,596,802	7,448,485	-	7,448,485	(148,317)
Licenses and permits	8,464,920	9,349,785	11,521,327	-	11,521,327	2,171,542
Intragovernmental	9,073,068	9,073,068	9,073,068	-	9,073,068	-
Intergovernmental	1,052,102	926,415	981,392	-	981,392	54,977
Fees for services	12,729,850	12,734,288	13,358,451	-	13,358,451	624,163
Investment income	150,000	600,000	599,160	-	599,160	(840)
Miscellaneous	1,576,119	1,634,903	1,678,769	-	1,678,769	43,866
Total revenues	230,975,249	239,249,750	246,133,567	(1,705,253)	244,428,314	5,178,564
EXPENDITURES:						
General government	29,291,521	25,936,503	28,745,531	(711,893)	28,033,638	(2,097,135)
Administrative services	9,760,373	10,254,318	9,671,352	113,147	9,784,499	469,819
Police	71,236,589	70,387,586	69,407,335	152,358	69,559,693	827,893
Fire	51,833,887	52,294,494	51,248,379	274,011	51,522,390	772,104
Libraries	9,844,583	10,360,311	9,747,627	306,153	10,053,780	306,531
Development	30,813,025	32,274,300	29,445,362	1,309,794	30,755,156	1,519,144
Public services and operations	6,022,572	6,131,751	5,746,042	76,004	5,822,046	309,705
Parks and recreation	22,373,160	23,345,461	21,730,109	783,222	22,513,331	832,130
Public works	6,089,131	6,139,747	5,945,885	199,899	6,145,784	(6,037)
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	1,987,802	2,437,465	1,684,308	736,264	2,420,572	16,893
Total expenditures	240,252,643	240,561,936	234,371,930	3,238,959	237,610,889	2,951,047
Excess (deficiency) of revenues over (under) expenditures	(9,277,394)	(1,312,186)	11,761,637	(4,944,212)	6,817,425	8,129,611
OTHER FINANCING SOURCES (USES):						
Transfers in	9,158,556	8,491,502	11,492,917	-	11,492,917	3,001,415
Transfers out	(20,250,000)	(22,750,000)	(22,975,356)	-	(22,975,356)	(225,356)
Total other financing uses	(11,091,444)	(14,258,498)	(11,482,439)	-	(11,482,439)	2,776,059
Net change in fund balance	(20,368,838)	(15,570,684)	279,198	(4,944,212)	(4,665,014)	10,905,670
FUND BALANCE, October 1	51,324,818	51,324,818	51,324,818	-	51,324,818	-
FUND BALANCE, September 30	\$ 30,955,980	\$ 35,754,134	\$ 51,604,016	\$ (4,944,212)	\$ 46,659,804	\$ 10,905,670

See accompanying independent auditors' report.

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER
 FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Net Change in Fund Balance
GAAP basis	<u>\$ 279,198</u>
Revenues:	
Decrease due to rolled back taxes	(1,705,253)
Expenditures:	
Increase due to encumbrances	(3,238,959)
Budgetary basis	<u><u>\$ (4,665,014)</u></u>

See accompanying independent auditors' report.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST 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 Percent of Covered Payroll	Annual Required Contributions	Actual City Contributions	Actual Retiree Contributions	Percent Contributed By City
2010	10/1/09	27,256,812	50,657,828	(23,401,016)	53.81%	113,388,754	(20.6%)	4,036,553	5,474,975	789,146	135.63%
2011	10/1/09	33,647,178	50,657,828	(17,010,650)	66.42%	113,388,754	(15.0%)	4,036,553	4,192,847	908,333	103.87%
2012	10/1/11	35,008,862	59,410,089	(24,401,227)	58.93%	124,090,481	(19.7%)	4,579,847	4,243,468	812,013	92.66%
2013	10/1/11	51,322,263	59,410,089	(8,087,826)	86.39%	124,090,481	(6.5%)	4,579,847	4,911,473	938,320	107.24%
2014	10/1/13	50,780,101	73,844,336	(23,064,235)	68.77%	128,505,673	(17.9%)	5,050,024	5,219,998	1,001,647	103.37%
2015	10/1/13	60,478,815	73,844,336	(13,365,521)	81.90%	128,505,673	(10.4%)	5,050,024	5,192,408	1,042,959	102.82%

See accompanying independent auditors' report.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

TMRS (see accompanying independent auditors' report)

Schedule of Changes in Net Pension Liability and Related Ratios (10 years)

Fiscal year ending December 31,	<u>2014</u>
Total pension liability	
Service cost	\$ 22,556,087
Interest (on the total pension liability)	55,667,118
Difference between expected and actual experience	(122,591)
Benefit payments, including refunds of employee contributions	<u>(26,400,655)</u>
Net change in total pension liability	\$ 51,699,959
Total pension liability - beginning	<u>797,166,833</u>
Total pension liability - ending (a)	<u><u>\$ 848,866,792</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 28,690,370
Contributions - employee	9,684,277
Net investment income	40,500,200
Benefit payments, including refunds of employee contributions	(26,400,655)
Administrative expense	(422,815)
Other	<u>(34,762)</u>
Net change in plan fiduciary net position	\$ 52,016,615
Plan fiduciary net position - beginning	<u>707,927,804</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 759,944,419</u></u>
Net pension liability (a) - (b)	<u><u>\$ 88,922,373</u></u>
Plan fiduciary net position as a percentage of the total pension liability	89.52%
Covered - employee payroll	\$ 138,229,574
Net pension liability as a percentage of covered employee payroll	64.33%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

Schedule of Contributions (10 years)

	<u>2015</u>
Actuarially determined contributions	\$ 25,309,703
Contributions in relation to the actuarially determined contribution	<u>28,309,703</u>
Contribution deficiency (excess)	<u>(3,000,000)</u>
Covered employee payroll	\$ 138,720,040
Contributions as a percentage of covered employee payroll	20.4%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	3.0%
Salary increases	3.5% to 12.0% including inflation
Investment rate of return	7.0%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combine Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

RSP (see accompanying independent auditors' report)

Schedule of Changes in Net Pension Asset and Related Ratios (10 years)

Fiscal year ending December 31,	2014
Total pension liability	
Service cost	\$ 3,674,544
Interest (on the total pension liability)	7,802,936
Benefit payments	(3,518,902)
Net change in total pension liability	7,958,578
Total pension liability - beginning	100,604,971
Total pension liability - ending (a)	\$ 108,563,549
Plan Fiduciary Net Position	
Contributions - employer	\$ 4,037,995
Net investment income	8,012,049
Benefit payments	(3,518,902)
Administrative expense	(278,376)
Other	(22,051)
Net change in plan fiduciary net position	8,230,715
Plan fiduciary net position - beginning	110,804,917
Plan fiduciary net position - ending (b)	\$ 119,035,632
Net pension asset (a) - (b)	(10,472,083)
Plan fiduciary net position as a percentage of the total pension liability	109.65%
Covered - employee payroll	\$ 117,023,684
Net pension asset as a percentage of covered employee payroll	(8.95)%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2015**

Schedule of Contributions (10 years)

RSP Schedule of Contributions	2015
Actuarially determined contributions	\$ 3,908,790
Contributions in relation to the actuarially determined contribution	3,908,790
Contribution deficiency (excess)	-
Covered employee payroll	\$ 125,281,726
Contributions as a percentage of covered employee payroll	3.12%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	21 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	3.00%
Salary increases:	8.10% to 3.50% including inflation
Investment rate of return:	7.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality:	RP-2000 mortality for combined healthy annuitants. Female rates are multiplied by 0.85.



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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.

PLANO TELEVISION NETWORK (PTN) FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

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.

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.

BLENDED COMPONENT UNIT:

PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

The City's nonmajor Capital Projects Funds are as follows:

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.

PARK IMPROVEMENTS – to account for the financing and construction of park construction projects.

MUNICIPAL FACILITIES – to account for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.

PARK SERVICES – to account for building permit fees exclusively for the acquisition and development of new neighborhood and parks.

PUBLIC INFRASTRUCTURE – to account for Improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.



CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2015

Special Revenue

	Criminal Investigation	Grant	PTN	Public Safety Communications
ASSETS				
Cash and cash equivalents	\$ 1,168,231	\$ 1,020,025	\$ 397,483	\$ 3,092,441
Investments	4,299,007	385,763	1,462,707	11,379,959
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	-
Accrued interest	27,374	2,454	9,314	72,462
Other	-	262,511	-	-
Due from other governments	7,532	384,806	-	194,825
Prepaid items and other assets	-	2,300	127,430	-
Total assets	<u>5,502,144</u>	<u>2,057,859</u>	<u>1,996,934</u>	<u>14,739,687</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	25,844	85,871	241,157	12,603
Accrued liabilities	-	2,210	11,665	-
Contracts payable	-	-	-	-
Unearned revenue	5,156	229,033	-	-
Due to other funds	-	410,975	-	-
Due to other governments	-	27,230	-	-
Retainage payable	-	-	-	-
Seized assets payable	-	-	-	-
Total liabilities	<u>31,000</u>	<u>755,319</u>	<u>252,822</u>	<u>12,603</u>
Deferred inflows of resources:				
Unavailable revenue	2,376	1,140,101	-	-
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	2,300	127,430	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue	5,468,768	160,139	1,616,682	14,727,084
Blended component unit	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned:				
Total fund balances	<u>5,468,768</u>	<u>162,439</u>	<u>1,744,112</u>	<u>14,727,084</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 5,502,144</u>	<u>\$ 2,057,859</u>	<u>\$ 1,996,934</u>	<u>\$ 14,739,687</u>

					Blended Component Unit	
Municipal Court	Memorial Library	Seized Assets	Libraries	Animal Shelter Donations	Public Improvement District	
\$ 2,748,645	\$ 79,144	\$ 14,255	\$ 7,767	\$ 30,625	\$ 15,075	
10,114,818	291,245	52,456	28,583	112,697	55,829	
546,600	-	-	-	61	-	
64,411	1,855	333	182	718	-	
-	-	-	-	-	-	
101,402	-	-	-	-	-	
9,900	-	-	-	-	-	
<u>13,585,776</u>	<u>372,244</u>	<u>67,044</u>	<u>36,532</u>	<u>144,101</u>	<u>70,904</u>	
296,195	1,595	-	-	344	1,617	
11,994	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,648,903	-	-	-	-	-	
-	-	-	-	-	-	
-	-	67,044	-	-	-	
<u>1,957,092</u>	<u>1,595</u>	<u>67,044</u>	<u>-</u>	<u>344</u>	<u>1,617</u>	
-	-	-	-	-	-	
9,900	-	-	-	-	-	
-	-	-	-	-	-	
11,618,784	370,649	-	36,532	143,757	69,287	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>11,628,684</u>	<u>370,649</u>	<u>-</u>	<u>36,532</u>	<u>143,757</u>	<u>69,287</u>	
<u>\$ 13,585,776</u>	<u>\$ 372,244</u>	<u>\$ 67,044</u>	<u>\$ 36,532</u>	<u>\$ 144,101</u>	<u>\$ 70,904</u>	

(continued)

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2015
 (continued)

	<u>Capital Projects</u>					Total Nonmajor Governmental Funds
	DART	Park Improvements	Municipal Facilities	Public Infrastructure	Park Services	
ASSETS						
Cash and cash equivalents	\$ -	\$ 6,846,663	\$ 3,399,384	\$ 741,635	\$ 1,130,799	\$ 20,692,172
Investments	-	25,195,221	12,509,486	2,729,162	4,161,256	72,778,189
Receivables (net of allowance for uncollectible)						
Accounts	-	-	-	-	-	546,661
Accrued interest	-	160,432	79,655	17,378	26,497	463,065
Other	-	866	-	-	-	263,377
Due from other governments	714,975	-	-	-	-	1,403,540
Prepaid items and other assets	-	-	-	-	-	139,630
Total assets	<u>714,975</u>	<u>32,203,182</u>	<u>15,988,525</u>	<u>3,488,175</u>	<u>5,318,552</u>	<u>96,286,634</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	441,228	-	-	-	-	1,106,454
Accrued liabilities	-	-	-	-	-	25,869
Contracts payable	-	1,682,279	368,280	-	-	2,050,559
Unearned revenue	714,975	-	-	-	-	949,164
Due to other funds	-	-	-	-	-	410,975
Due to other governments	-	-	-	-	-	1,676,133
Retainage payable	-	953,422	189,736	-	-	1,143,158
Seized assets payable	-	-	-	-	-	67,044
Total liabilities	<u>1,156,203</u>	<u>2,635,701</u>	<u>558,016</u>	<u>-</u>	<u>-</u>	<u>7,429,356</u>
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	1,142,477
Fund Balances:						
Nonspendable:						
Prepaid items and other assets	-	-	-	-	-	139,630
Restricted for:						
Capital projects	-	20,759,047	8,040,038	3,488,175	-	32,287,260
Special revenue	-	-	-	-	-	34,142,395
Blended component unit	-	-	-	-	-	69,287
Assigned to:						
Capital projects	-	8,808,434	7,390,471	-	5,318,552	21,517,457
Unassigned:	(441,228)	-	-	-	-	(441,228)
Total fund balances	<u>(441,228)</u>	<u>29,567,481</u>	<u>15,430,509</u>	<u>3,488,175</u>	<u>5,318,552</u>	<u>87,714,801</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 714,975</u>	<u>\$ 32,203,182</u>	<u>\$ 15,988,525</u>	<u>\$ 3,488,175</u>	<u>\$ 5,318,552</u>	<u>\$ 96,286,634</u>



CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Special Revenue</u>			
	<u>Criminal Investigation</u>	<u>Grant</u>	<u>PTN</u>	<u>Public Safety Communications</u>
REVENUES				
Fines and forfeitures	\$ 4,297,251	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Intergovernmental	19,780	2,741,130	-	210,084
Fees for services	-	-	888,806	1,628,191
Assessed taxes	-	-	-	-
Investment income	25,863	5,494	13,165	123,584
Miscellaneous	37,550	42,031	-	-
Total revenues	<u>4,380,444</u>	<u>2,788,655</u>	<u>901,971</u>	<u>1,961,859</u>
EXPENDITURES				
Police	97,072	401,692	-	1,548,309
Fire	-	36,042	-	317,124
Libraries	-	134,964	-	-
Development	-	1,743,372	-	-
Public services and operations	-	-	761,868	86,713
Environmental waste services	-	51,856	-	-
Capital outlay	1,189,000	190,767	78,420	921,663
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,286,072</u>	<u>2,558,693</u>	<u>840,288</u>	<u>2,873,809</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,094,372</u>	<u>229,962</u>	<u>61,683</u>	<u>(911,950)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	-
Premium on sale of bonds	-	-	-	-
Proceeds from sale of land	-	-	-	-
Transfers in	-	-	500,000	1,600
Transfers out	-	(1,415)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,415)</u>	<u>500,000</u>	<u>1,600</u>
Net change in fund balances	<u>3,094,372</u>	<u>228,547</u>	<u>561,683</u>	<u>(910,350)</u>
Fund balances-beginning	<u>2,374,396</u>	<u>(66,108)</u>	<u>1,182,429</u>	<u>15,637,434</u>
Fund balances-ending	<u>\$ 5,468,768</u>	<u>\$ 162,439</u>	<u>\$ 1,744,112</u>	<u>\$ 14,727,084</u>

				Blended Component Unit
Municipal Court	Memorial Library	Libraries	Animal Shelter Donations	Public Improvement District
\$ 5,258,874	\$ -	\$ -	\$ -	\$ -
-	17,848	-	62,130	-
-	-	-	-	-
1,049,027	-	-	-	-
-	-	-	-	87,955
96,466	3,105	304	982	-
-	-	-	-	409
<u>6,404,367</u>	<u>20,953</u>	<u>304</u>	<u>63,112</u>	<u>88,364</u>
4,890,742	-	-	-	-
-	-	-	-	-
-	9,897	1,602	-	-
-	-	-	-	69,077
-	-	-	8,551	-
-	-	-	-	-
51,284	34,928	-	-	-
-	-	-	-	-
<u>4,942,026</u>	<u>44,825</u>	<u>1,602</u>	<u>8,551</u>	<u>69,077</u>
1,462,341	(23,872)	(1,298)	54,561	19,287
-	-	-	-	-
-	-	-	-	-
-	-	-	-	50,000
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
1,462,341	(23,872)	(1,298)	54,561	69,287
10,166,343	394,521	37,830	89,196	-
<u>\$ 11,628,684</u>	<u>\$ 370,649</u>	<u>\$ 36,532</u>	<u>\$ 143,757</u>	<u>\$ 69,287</u>

(continued)

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015
 (continued)

	Capital Projects					Total Nonmajor Governmental Funds
	DART	Park Improvements	Municipal Facilities	Public Infrastructure	Park Services	
REVENUES						
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,556,125
Contributions	-	-	-	-	-	79,978
Intergovernmental	-	1,696,964	-	-	-	4,667,958
Fees for services	-	-	-	-	311,234	3,877,258
Assessed taxes	-	-	-	-	-	87,955
Investment income	1,175	181,963	140,089	26,575	42,331	661,096
Miscellaneous	-	15,550	-	-	-	95,540
Total revenues	<u>1,175</u>	<u>1,894,477</u>	<u>140,089</u>	<u>26,575</u>	<u>353,565</u>	<u>19,025,910</u>
EXPENDITURES						
Police	-	-	-	-	-	6,937,815
Fire	-	-	-	-	-	353,166
Libraries	-	-	-	-	-	146,463
Development	-	-	-	-	-	1,812,449
Public services and operations	-	-	-	-	-	857,132
Environmental waste services	-	-	-	-	-	51,856
Capital outlay	714,975	18,456,491	13,150,442	-	540,560	35,328,530
Interest and fiscal charges	-	186,618	54,986	-	-	241,604
Total expenditures	<u>714,975</u>	<u>18,643,109</u>	<u>13,205,428</u>	<u>-</u>	<u>540,560</u>	<u>45,729,015</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(713,800)</u>	<u>(16,748,632)</u>	<u>(13,065,339)</u>	<u>26,575</u>	<u>(186,995)</u>	<u>(26,703,105)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of bonds	-	20,827,046	5,745,000	-	-	26,572,046
Premium on sale of bonds	-	3,360,438	209,986	-	-	3,570,424
Proceeds from sale of land	-	-	-	456,000	-	456,000
Transfers in	-	-	2,191,196	-	-	2,742,796
Transfers out	-	-	-	-	-	(1,415)
Total other financing sources (uses)	<u>-</u>	<u>24,187,484</u>	<u>8,146,182</u>	<u>456,000</u>	<u>-</u>	<u>33,339,851</u>
Net change in fund balances	<u>(713,800)</u>	<u>7,438,852</u>	<u>(4,919,157)</u>	<u>482,575</u>	<u>(186,995)</u>	<u>6,636,746</u>
Fund balances-beginning	<u>272,572</u>	<u>22,128,629</u>	<u>20,349,666</u>	<u>3,005,600</u>	<u>5,505,547</u>	<u>81,078,055</u>
Fund balances-ending	<u>\$ (441,228)</u>	<u>\$ 29,567,481</u>	<u>\$ 15,430,509</u>	<u>\$ 3,488,175</u>	<u>\$ 5,318,552</u>	<u>\$ 87,714,801</u>





**CITY OF PLANO, TEXAS
 BUDGETARY COMPARISON SCHEDULE-GAAP BASIS
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 41,090,089	\$ 41,274,412	\$ 41,473,070	\$ 198,658
Investment income	33,000	120,000	204,580	84,580
Miscellaneous	150,597	151,423	151,423	-
Total revenues	41,273,686	41,545,835	41,829,073	283,238
EXPENDITURES:				
Principal retirement	28,350,000	29,430,000	29,430,000	-
Interest and fiscal charges	13,508,246	12,029,147	12,398,406	(369,259)
Total expenditures	41,858,246	41,459,147	41,828,406	(369,259)
Excess (deficiency) of revenues over (under) expenditures	(584,560)	86,688	667	(86,021)
OTHER FINANCING SOURCES (USES):				
Issuance of debt-refunding	-	-	51,300,000	51,300,000
Escrow payment-refunding	-	-	(57,298,532)	(57,298,532)
Premium from sale of bonds	-	-	6,358,891	6,358,891
Transfers in	-	-	-	-
Total other financing sources	-	-	360,359	360,359
Net change in fund balance	(584,560)	86,688	361,026	274,338
FUND BALANCE, October 1	3,340,771	3,340,771	3,340,771	-
FUND BALANCE, September 30	\$ 2,756,211	\$ 3,427,459	\$ 3,701,797	\$ 274,338



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.

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 that 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
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 AS OF SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
ASSETS					
Cash and cash equivalents	\$ 858,080	\$ 42,245	\$ 103,456	\$ 639,009	\$ 1,642,790
Investments	3,148,225	155,457	380,708	2,350,771	6,035,161
Receivables:					
Accounts	731,344	6,336	17,520	2,229	757,429
Accrued interest	20,046	990	2,424	14,969	38,429
Other	60,370	-	-	144	60,514
Due from other funds	-	-	-	135,281	135,281
Prepaid expenses and other assets	43,290	-	-	12,133	55,423
Net pension asset	136,137	29,322	-	28,275	193,734
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Buildings	11,354,841	2,427,383	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	-	2,037,373
Equipment	1,325,525	40,278	-	29,144	1,394,947
Furniture and fixtures	205,226	14,915	-	69,874	290,015
Less accumulated depreciation	(12,888,805)	(3,188,513)	-	(99,018)	(16,176,336)
Total capital assets (net of accumulated depreciation)	3,146,667	1,136,711	36,999	-	4,320,377
Total assets	8,144,159	1,371,061	541,107	3,182,811	13,239,138
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	384,008	80,519	-	72,556	537,083
	384,008	80,519	-	72,556	537,083
LIABILITIES					
Current liabilities:					
Accounts payable	127,917	27,215	579	29,771	185,482
Accrued liabilities	101,814	11,632	-	20,291	133,737
Unearned revenue	209,936	-	-	580,010	789,946
Due to other funds	-	-	-	29,038	29,038
Customer deposits	-	-	-	303,594	303,594
Liability for compensated absences	49,208	3,980	-	21,150	74,338
Total current liabilities	488,875	42,827	579	983,854	1,516,135
Noncurrent liabilities:					
Net pension liability	1,191,559	248,982	-	222,306	1,662,847
Liability for compensated absences	358,781	65,552	-	107,264	531,597
Total noncurrent liabilities	1,550,340	314,534	-	329,570	2,194,444
Total liabilities	2,039,215	357,361	579	1,313,424	3,710,579
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	1,349	282	-	252	1,883
	1,349	282	-	252	1,883
NET POSITION					
Net investment in capital assets	3,146,667	1,136,711	36,999	-	4,320,377
Unrestricted	3,340,936	(42,774)	503,529	1,941,691	5,743,382
Total net position	\$ 6,487,603	\$ 1,093,937	\$ 540,528	\$ 1,941,691	\$ 10,063,759

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
Operating revenues:					
Charges for sales and services:					
Service charges	\$ 2,214,238	\$ 870,211	\$ 147,789	\$ 3,544,094	\$ 6,776,332
Miscellaneous charges	116	-	-	56,105	56,221
Total operating revenues	<u>2,214,354</u>	<u>870,211</u>	<u>147,789</u>	<u>3,600,199</u>	<u>6,832,553</u>
Operating expenses:					
Personnel services	2,813,054	609,965	-	1,268,777	4,691,796
Contractual services	3,919,862	186,420	11,726	1,776,276	5,894,284
Supplies	595,436	123,521	-	185,704	904,661
Depreciation	12,587	624,163	-	-	636,750
Miscellaneous	78,464	1,803	-	27,960	108,227
Total operating expenses	<u>7,419,403</u>	<u>1,545,872</u>	<u>11,726</u>	<u>3,258,717</u>	<u>12,235,718</u>
Operating income (loss)	<u>(5,205,049)</u>	<u>(675,661)</u>	<u>136,063</u>	<u>341,482</u>	<u>(5,403,165)</u>
Nonoperating revenues:					
Investment income	23,216	919	3,393	23,526	51,054
Hotel/motel tax	7,342,639	-	-	-	7,342,639
Miscellaneous	-	84,434	-	35,137	119,571
Total nonoperating revenue	<u>7,365,855</u>	<u>85,353</u>	<u>3,393</u>	<u>58,663</u>	<u>7,513,264</u>
Income (loss) before transfers	<u>2,160,806</u>	<u>(590,308)</u>	<u>139,456</u>	<u>400,145</u>	<u>2,110,099</u>
Transfers in	-	-	-	-	-
Transfers out	(455,438)	(41,772)	-	(188,271)	(685,481)
Change in net position	1,705,368	(632,080)	139,456	211,874	1,424,618
Total net position-beginning as adjusted (Footnote C)	<u>4,782,235</u>	<u>1,726,017</u>	<u>401,072</u>	<u>1,729,817</u>	<u>8,639,141</u>
Total net position-ending	<u>\$ 6,487,603</u>	<u>\$ 1,093,937</u>	<u>\$ 540,528</u>	<u>\$ 1,941,691</u>	<u>\$ 10,063,759</u>

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,107,050	\$ 863,875	\$ 147,189	\$ 3,540,856	\$ 6,658,970
Cash payments to suppliers for goods and services	(4,622,767)	(320,677)	(11,147)	(1,992,508)	(6,947,099)
Cash paid to or on behalf of employees for services	(2,900,188)	(600,011)	-	(1,251,876)	(4,752,075)
Net cash provided (used) by operating activities	(5,415,905)	(56,813)	136,042	296,472	(5,040,204)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	7,342,639	-	-	-	7,342,639
Transfers to other funds	(455,438)	(41,772)	-	(294,514)	(791,724)
Net cash provided (used) by noncapital financing activities	6,887,201	(41,772)	-	(294,514)	6,550,915
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from insurance damages	-	84,434	-	35,137	119,571
Net cash provided in capital and related financing activities	-	84,434	-	35,137	119,571
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(3,148,225)	(155,457)	(380,708)	(2,350,771)	(6,035,161)
Proceeds from sale and maturities of investment securities	2,000,878	167,647	274,624	2,328,862	4,772,011
Interest on investments	15,260	942	2,628	22,629	41,459
Net cash provided (used) in investing activities	(1,132,087)	13,132	(103,456)	720	(1,221,691)
Net increase (decrease) in cash and cash equivalents	339,209	(1,019)	32,586	37,815	408,591
Cash and cash equivalents, beginning of year	518,871	43,264	70,870	601,194	1,234,199
Cash and cash equivalents, end of year	\$ 858,080	\$ 42,245	\$ 103,456	\$ 639,009	\$ 1,642,790

Noncash disclosures:

Increase in fair value of investments	\$ 2,907	\$ 23	\$ 295	\$ 712	\$ 3,937
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(continued)

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015
 (continued)

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Plano Centre	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (5,205,049)	\$ (675,661)	\$ 136,063	\$ 341,482	\$ (5,403,165)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	12,587	624,163	-	-	636,750
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(168,747)	(6,336)	(600)	(2,229)	(177,912)
Other receivable	(45,204)	-	-	769	(44,435)
Prepaid expenses and other assets	(8,903)	-	-	(502)	(9,405)
Pensions	(102,791)	(21,531)	-	(19,345)	(143,667)
Increase (decrease) in:					
Accounts payable	25,102	(8,933)	579	(2,835)	13,913
Accrued liabilities	23,883	1,771	-	1,830	27,484
Liability for compensated absences	(8,226)	29,714	-	34,416	55,904
Customer deposits	-	-	-	(31,648)	(31,648)
Unearned revenue	61,443	-	-	(25,466)	35,977
Total adjustments	<u>(210,856)</u>	<u>618,848</u>	<u>(21)</u>	<u>(45,010)</u>	<u>362,961</u>
Net cash provided (used) by operating activities	<u>\$ (5,415,905)</u>	<u>\$ (56,813)</u>	<u>\$ 136,042</u>	<u>\$ 296,472</u>	<u>\$ (5,040,204)</u>



INTERNAL SERVICE FUNDS

Internal Service Funds accounts for the financing of goods or services provided by one department for another.

The City has five 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.

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 POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2015**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
ASSETS			
Cash and cash equivalents	\$ 5,210,788	\$ 62,009	\$ 2,260,539
Investments	19,175,320	228,005	8,318,617
Receivables:			
Accounts	-	16,147	-
Accrued interest	122,100	1,452	52,969
Other	150	-	-
Inventories	56,515	846,621	-
Prepaid items	2,175	-	24,605
Net pension asset	131,948	27,228	353,956
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	579,543
Equipment	14,183,546	-	21,947,022
Furniture and fixtures	165,547	9,413	55,625
Rolling equipment	50,412,019	-	-
Less accumulated depreciation	<u>(44,790,409)</u>	<u>(9,413)</u>	<u>(11,865,188)</u>
Total capital assets (net of accumulated depreciation)	<u>25,287,133</u>	<u>-</u>	<u>10,728,009</u>
Total assets	<u>49,986,129</u>	<u>1,181,462</u>	<u>21,738,695</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	341,985	72,223	921,101
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	381,217	180,860	642,023
Accrued liabilities	50,382	10,658	127,861
Compensated absences	19,357	355	47,570
Liability for insurance claims	-	-	-
Total current liabilities	<u>450,956</u>	<u>191,873</u>	<u>817,454</u>
NONCURRENT LIABILITIES:			
Net pension liability	1,049,284	222,306	2,827,731
Compensated absences	150,899	35,185	471,506
Liability for insurance claims	-	-	-
Total liabilities	<u>1,651,139</u>	<u>449,364</u>	<u>4,116,691</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	1,188	252	3,201
	<u>1,188</u>	<u>252</u>	<u>3,201</u>
NET POSITION			
Net investment in capital assets	25,287,133	-	10,728,009
Unrestricted	23,388,654	804,069	7,811,895
Total net position	<u>\$ 48,675,787</u>	<u>\$ 804,069</u>	<u>\$ 18,539,904</u>

Property/ Liability Loss	Health Claims	Total
\$ 1,398,818	\$ 5,062,351	\$ 13,994,505
5,147,549	18,629,085	51,498,576
143,017	-	159,164
32,777	118,622	327,920
-	-	150
-	-	903,136
3,930	304,379	335,089
30,369	-	543,501
-	-	62,522
-	-	5,844,458
493,486	-	36,624,054
811	-	231,396
-	-	50,412,019
(494,297)	-	(57,159,307)
-	-	36,015,142
<u>6,756,460</u>	<u>24,114,437</u>	<u>103,777,183</u>
80,851	-	1,416,160
52,416	19,485	1,276,001
23,936	-	212,837
468	-	67,750
<u>3,258,531</u>	<u>2,099,547</u>	<u>5,358,078</u>
<u>3,335,351</u>	<u>2,119,032</u>	<u>6,914,666</u>
248,982	-	4,348,303
46,339	-	703,929
581,513	-	581,513
<u>4,212,185</u>	<u>2,119,032</u>	<u>12,548,411</u>
282	-	4,923
<u>282</u>	-	<u>4,923</u>
-	-	36,015,142
2,624,844	21,995,405	56,624,867
<u>\$ 2,624,844</u>	<u>\$ 21,995,405</u>	<u>\$ 92,640,009</u>

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
REVENUES:			
Charges for services	\$ 15,772,489	\$ 4,082,725	\$ 16,176,173
Subrogation receipts	-	-	-
Miscellaneous	11,668	5,422	4,295
Total operating revenues	<u>15,784,157</u>	<u>4,088,147</u>	<u>16,180,468</u>
EXPENSES:			
Personnel services	2,440,581	564,277	6,027,024
Contractual services	1,313,552	36,035	8,413,326
Supplies	3,861,643	3,533,479	1,179,955
Claims expense	-	-	-
Depreciation	6,280,751	-	1,235,006
Miscellaneous	17,846	28,337	2,995
Total operating expenses	<u>13,914,373</u>	<u>4,162,128</u>	<u>16,858,306</u>
Operating income (loss)	<u>1,869,784</u>	<u>(73,981)</u>	<u>(677,838)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	200,822	1,368	84,618
Gain (loss) on capital asset disposal	357,132	25,715	(614)
Intergovernmental revenues	750	-	155,119
Miscellaneous	1,341	-	48,428
Total nonoperating revenues	<u>560,045</u>	<u>27,083</u>	<u>287,551</u>
Income (loss) before transfers	2,429,829	(46,898)	(390,287)
Transfers in	173,756	-	-
Transfers out	-	-	(2,441,196)
Change in net position	<u>2,603,585</u>	<u>(46,898)</u>	<u>(2,831,483)</u>
Total net position-beginning as adjusted (Footnote C)	46,072,202	850,967	21,371,387
Total net position-ending	<u>\$ 48,675,787</u>	<u>\$ 804,069</u>	<u>\$ 18,539,904</u>

Property/ Liability Loss	Health Claims	Total
\$ 5,250,782	\$ 28,621,148	\$ 69,903,317
415,678	-	415,678
-	6,000	27,385
<u>5,666,460</u>	<u>28,627,148</u>	<u>70,346,380</u>
504,618	-	9,536,500
1,151,757	3,690,640	14,605,310
33,095	-	8,608,172
3,040,888	24,153,002	27,193,890
-	-	7,515,757
3,358	252	52,788
<u>4,733,716</u>	<u>27,843,894</u>	<u>67,512,417</u>
<u>932,744</u>	<u>783,254</u>	<u>2,833,963</u>
50,677	193,838	531,323
-	-	382,233
-	-	155,869
-	-	49,769
<u>50,677</u>	<u>193,838</u>	<u>1,119,194</u>
983,421	977,092	3,953,157
-	-	173,756
-	(3,000,000)	(5,441,196)
<u>983,421</u>	<u>(2,022,908)</u>	<u>(1,314,283)</u>
1,641,423	24,018,313	93,954,292
<u>\$ 2,624,844</u>	<u>\$ 21,995,405</u>	<u>\$ 92,640,009</u>

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 16,039,172	\$ 4,085,504	\$ 16,180,468
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(5,442,270)	(3,530,519)	(9,752,095)
Cash paid to or on behalf of employees for services	(2,503,467)	(577,051)	(6,212,203)
Net cash provided (used) by operating activities	<u>8,093,435</u>	<u>(22,066)</u>	<u>216,170</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	-	-	(2,441,196)
Transfers from other funds	173,756	-	-
Intergovernmental receipts	750	-	155,119
Net cash provided (used) by noncapital financing activities	<u>174,506</u>	<u>-</u>	<u>(2,286,077)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(7,071,006)	-	(1,210,457)
Proceeds on sale of equipment	408,878	25,715	1,316
Proceeds from insurance damages	1,341	-	48,428
Net cash provided (used) by capital and related financing activities	<u>(6,660,787)</u>	<u>25,715</u>	<u>(1,160,713)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(19,175,320)	(228,005)	(8,318,617)
Proceeds from sales and maturities of investment securities	17,957,540	226,562	10,899,504
Interest on investments	187,229	1,285	97,509
Net cash provided (used) by investing activities	<u>(1,030,551)</u>	<u>(158)</u>	<u>2,678,396</u>
Net increase (decrease) in cash and cash equivalents	576,603	3,491	(552,224)
Cash and cash equivalents, beginning of year	<u>4,634,185</u>	<u>58,518</u>	<u>2,812,763</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,210,788</u></u>	<u><u>\$ 62,009</u></u>	<u><u>\$ 2,260,539</u></u>
Noncash disclosure:			
Increase (decrease) in fair value of investments	\$ 7,624	\$ 68	\$ (3,498)

Property/ Liability Loss	Health Claims	Total
\$ 5,132,967	\$ 28,627,148	\$ 70,065,259
415,678	-	415,678
(4,391,501)	(28,358,814)	(51,475,199)
(522,215)	-	(9,814,936)
<u>634,929</u>	<u>268,334</u>	<u>9,190,802</u>
-	(3,000,000)	(5,441,196)
-	-	173,756
-	-	155,869
<u>-</u>	<u>(3,000,000)</u>	<u>(5,111,571)</u>
-	-	(8,281,463)
-	-	435,909
-	-	49,769
<u>-</u>	<u>-</u>	<u>(7,795,785)</u>
(5,147,549)	(18,629,085)	(51,498,576)
4,662,219	20,843,102	54,588,927
46,071	201,159	533,253
<u>(439,259)</u>	<u>2,415,176</u>	<u>3,623,604</u>
195,670	(316,490)	(92,950)
1,203,148	5,378,841	14,087,455
<u>\$ 1,398,818</u>	<u>\$ 5,062,351</u>	<u>\$ 13,994,505</u>
\$ 2,323	\$ 1,467	\$ 7,984

(continued)

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
(continued)**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,869,784	\$ (73,981)	\$ (677,838)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	6,280,751	-	1,235,006
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	255,165	(2,376)	-
Other receivable	(150)	-	-
Prepaid items	(2,175)	-	28,029
Inventories	22,567	53,470	-
Pensions	(91,219)	(19,283)	(245,733)
Increase (decrease) in:			
Accounts payable	(269,621)	13,862	(183,848)
Accrued liabilities	9,039	1,921	16,428
Due to other funds	-	4,588	-
Compensated absences	19,294	(267)	44,126
Liability for insurance claims	-	-	-
Total adjustments	<u>6,223,651</u>	<u>51,915</u>	<u>894,008</u>
 Net cash provided (used) by operating activities	 <u>\$ 8,093,435</u>	 <u>\$ (22,066)</u>	 <u>\$ 216,170</u>

<u>Property/ Liability Loss</u>	<u>Health Claims</u>	<u>Total</u>
<u>\$ 932,744</u>	<u>\$ 783,254</u>	<u>\$ 2,833,963</u>
-	-	7,515,757
(117,815)	-	134,974
-	-	(150)
(54)	(43,643)	(17,843)
-	-	76,037
(21,592)	-	(377,827)
(26,119)	(96,398)	(562,124)
2,176	-	29,564
-	-	4,588
1,819	-	64,972
<u>(136,230)</u>	<u>(374,879)</u>	<u>(511,109)</u>
<u>(297,815)</u>	<u>(514,920)</u>	<u>6,356,839</u>
<u>\$ 634,929</u>	<u>\$ 268,334</u>	<u>\$ 9,190,802</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 or escheatment to the State of Texas.

**CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF AGENCY FUNDS ASSETS AND LIABILITIES
 AS OF SEPTEMBER 30, 2015**

	Agency Funds		Total Agency Funds
	Developers' Escrow	Unclaimed Property	
ASSETS			
Cash and cash equivalents	\$ 1,460,076	\$ 18,849	\$ 1,478,925
Investment pool	5,372,973	69,361	5,442,334
Accrued interest	34,213	442	34,655
Total Assets	6,867,262	88,652	6,955,914
LIABILITIES			
Developers' escrow liability	6,867,262	-	6,867,262
Unclaimed property payable	-	88,652	88,652
Total Liabilities	\$ 6,867,262	\$ 88,652	\$ 6,955,914

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Balance September 30, 2014	Additions	Deductions	Balance September 30, 2015
Developers' Escrow				
ASSETS:				
Cash and cash equivalents	\$ 553,668	\$ 906,408	\$ -	\$ 1,460,076
Investments	2,145,471	3,227,502	-	5,372,973
Accrued interest receivable	12,964	21,249	-	34,213
Total Assets	\$ 2,712,103	\$ 4,155,159	\$ -	\$ 6,867,262
LIABILITIES:				
Developers' escrow liability	\$ 2,712,103	\$ 4,155,159	\$ -	\$ 6,867,262
	\$ 2,712,103	\$ 4,155,159	\$ -	\$ 6,867,262
Unclaimed Property				
ASSETS:				
Cash and cash equivalents	\$ 17,949	\$ 900	\$ -	\$ 18,849
Investments	69,552	-	191	69,361
Accrued interest receivable	420	22	-	442
Total Assets	\$ 87,921	\$ 922	\$ 191	\$ 88,652
LIABILITIES:				
Unclaimed property payable	\$ 87,921	\$ 922	\$ 191	\$ 88,652
Total Agency Funds				
ASSETS:				
Cash and cash equivalents	\$ 571,617	\$ 907,308	\$ -	\$ 1,478,925
Investments	2,215,023	3,227,502	191	5,442,334
Accrued interest receivable	13,384	21,271	-	34,655
Total Assets	\$ 2,800,024	\$ 4,156,081	\$ 191	\$ 6,955,914
LIABILITIES:				
Developers' escrow liability	\$ 2,712,103	\$ 4,155,159	\$ -	\$ 6,867,262
Unclaimed property payable	87,921	922	191	88,652
Total Assets	\$ 2,800,024	\$ 4,156,081	\$ 191	\$ 6,955,914



COMPONENT UNIT

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
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
AS OF SEPTEMBER 30, 2015**

	TIF East Side
ASSETS	
Current:	
Cash and cash equivalents	\$ 2,044,560
Investments	7,571,742
Noncurrent:	
Capital assets, net	<u>2,921,432</u>
Total assets	<u><u>12,537,734</u></u>
LIABILITIES	
Current:	
Accounts payable	<u>16,700</u>
Total liabilities	<u><u>16,700</u></u>
NET POSITION	
Net investment in capital assets	2,921,432
Restricted	<u>9,599,602</u>
Total net position	<u><u>\$ 12,521,034</u></u>

**CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>TIF East Side</u>
EXPENSES	
Contractual services	\$ 1,908,837
Total operating expenses	<u>1,908,837</u>
Operating loss	(1,908,837)
 NONOPERATING REVENUES	
Property taxes	4,435,491
Total nonoperating revenues	<u>4,435,491</u>
 NET INCOME	 <u>2,526,654</u>
Change in net position	2,526,654
 Total net position-beginning	 9,994,380
Total net position-ending	<u><u>\$ 12,521,034</u></u>

**CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>TIF</u> <u>East Side</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	<u>\$ (2,274,488)</u>
Net cash used by operating activities	<u>(2,274,488)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	<u>4,435,491</u>
Net cash provided by noncapital financing activities	<u>4,435,491</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	<u>(468,165)</u>
Net cash provided (used) by operating and related financing activities	<u>(468,165)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(7,571,742)
Proceeds from sales and maturities of investment securities	6,301,562
Interest on investments	<u>4,351</u>
Net cash used by investing activities	<u>(1,265,829)</u>
Net increase in cash and cash equivalents	427,009
Cash and cash equivalents, beginning of year	<u>1,617,551</u>
Cash and cash equivalents, end of year	<u>\$ 2,044,560</u>

CITY OF PLANO, TEXAS
 STATEMENT OF CASH FLOWS
 DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED SEPTEMBER 30, 2015
 (continued)

	<u>TIF East Side</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	<u>\$ (1,908,837)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities-	
Decrease in:	
Accounts payable	<u>(365,651)</u>
Total adjustments	<u>(365,651)</u>
 Net cash used by operating activities	 <u><u>\$ (2,274,488)</u></u>



**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.	112-117
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	118-121
<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.	122-127
<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.	128-129
<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.	130-134

**CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

Table 1

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	\$ 716,648,113	\$ 695,615,093	\$ 672,747,769	\$ 663,420,473	\$ 665,695,098	\$ 663,597,387	\$ 728,662,561	\$ 700,704,326	\$ 680,315,170	\$ 650,438,402
Restricted	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136	1,182,560	3,270,626	5,473,218	4,647,374	2,149,959
Unrestricted	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262	165,352,118	72,524,094	78,416,391	78,312,580	75,071,790
Total governmental activities net position	943,871,822	942,763,667	918,901,436	899,674,180	874,642,496	830,132,065	804,457,281	784,593,935	763,275,124	727,660,151
Business-type activities:										
Net investment in capital assets	370,220,021	360,960,813	362,997,446	363,340,513	362,757,006	367,024,467	383,531,217	376,593,433	370,233,734	356,802,993
Restricted	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172	2,639,954	3,911,737	6,588,596	4,735,897	6,532,464
Unrestricted	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936	57,584,753	25,620,288	25,092,659	19,637,859	24,893,803
Total business-type activities net position	460,926,461	452,567,428	453,911,822	444,621,293	446,509,114	427,249,174	413,063,242	408,274,688	394,607,490	388,229,260
Primary government:										
Net investment in capital assets	1,086,868,134	1,056,575,906	1,035,745,215	1,026,760,986	1,028,452,104	1,030,621,854	1,112,193,778	1,077,297,759	1,050,548,904	1,007,241,395
Restricted	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308	3,822,514	7,182,363	12,061,814	9,383,271	8,682,423
Unrestricted	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198	222,936,871	98,144,382	103,509,050	97,950,439	99,965,593
Total primary government net position	\$ 1,404,798,283	\$ 1,395,331,095	\$ 1,372,813,258	\$ 1,344,295,473	\$ 1,321,151,610	\$ 1,257,381,239	\$ 1,217,520,523	\$ 1,192,868,623	\$ 1,157,882,614	\$ 1,115,889,411

Source: Comprehensive Annual Financial Report

**CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

Table 2

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 27,636,869	\$ 22,837,719	\$ 22,902,283	\$ 23,945,434	\$ 17,854,055	\$ 18,468,819	\$ 14,360,212	\$ 9,052,498	\$ 12,820,474	\$ 12,869,160
Administrative services	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755	7,799,815	8,294,111	8,423,416	7,814,137	7,249,106
Police	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966	66,061,326	65,225,173	68,433,179	60,136,573	52,661,945
Fire	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064	43,654,787	44,279,959	44,201,284	39,368,057	40,171,670
Libraries	10,646,832	11,152,367	10,268,273	9,765,576	10,136,834	10,295,418	11,104,945	11,765,263	10,560,624	9,616,271
Development	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554	18,945,171	19,929,365	20,447,190	19,508,839	18,482,899
Public services and operations	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338	5,662,869	5,645,771	5,402,333	5,213,097	5,069,129
Parks and recreation	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639	27,219,522	26,170,315	26,134,622	22,645,606	20,491,397
Public works	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916	34,002,485	28,025,006	27,944,393	26,677,227	25,864,753
Technology services	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189	13,806,148	14,008,840	13,686,048	12,951,258	11,113,407
Other	-	-	-	-	-	1,963,496	5,480,962	7,401,221	6,577,443	858,379
Interest on Long-Term Debt	8,887,609	11,454,975	16,606,292	13,546,098	13,821,383	14,089,411	14,640,081	14,625,019	12,503,580	12,009,766
Unallocated depreciation	-	-	-	-	-	111,959	96,934	102,199	100,907	93,337
Total governmental activities expenses	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693	262,081,226	257,261,674	257,618,665	236,877,822	216,551,219
Business-type activities:										
Water and sewer	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618	97,546,366	96,352,987	83,264,179	78,413,719	79,400,088
Environmental waste services	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488	21,163,351	21,354,795	21,863,854	19,298,289	18,346,330
Municipal drainage	4,613,572	4,576,230	4,475,248	4,223,993	3,952,974	4,051,080	3,843,011	3,530,079	3,429,488	3,118,453
Plano centre	9,093,255	6,547,215	6,287,787	6,098,248	5,889,739	6,393,145	7,331,173	7,311,505	6,416,054	5,751,129
Municipal golf course	1,789,341	1,017,816	1,021,602	965,133	231,640	718,046	870,436	1,000,257	885,158	935,483
Property management	-	-	-	-	-	59,678	32,053	39,291	78,759	25,940
Recreation revolving	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716	3,216,311	3,191,594	3,096,166	2,642,687	2,436,064
Downtown center development	11,726	28,931	9,893	9,327	55,683	47,918	47,917	46,176	46,784	43,356
Total business-type activities expenses	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858	133,195,895	133,023,966	120,151,507	111,210,938	110,056,843
Total primary government expenses	\$ 460,603,596	\$ 452,185,008	\$ 432,872,624	\$ 418,491,062	\$ 400,554,551	\$ 395,277,121	\$ 390,285,640	\$ 377,770,172	\$ 348,088,760	\$ 326,608,062
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 6,551,280	\$ 6,152,383	\$ 5,913,645	\$ 5,561,420	\$ 4,739,503	\$ 1,394,826	\$ 994,964	\$ 1,634,183	\$ 1,009,164	\$ 1,056,168
Administrative services	21,428	5,296	11,515	8,200	-	-	-	-	-	-
Police	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080	15,429,740	15,344,518	12,939,924	12,413,238	12,839,712
Fire	5,496,159	4,898,085	4,549,906	4,461,129	3,630,026	3,882,667	4,161,383	3,801,412	3,446,175	3,396,538
Libraries	339,198	432,864	467,501	449,743	473,956	500,514	545,755	453,572	496,697	478,457
Development	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730	3,990,274	3,175,176	4,686,571	5,124,766	7,038,776
Public services and operations	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479	1,333,016	1,277,357	1,150,449	1,016,193	1,005,080
Parks and recreation	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352	4,058,923	3,952,244	3,685,465	2,357,306	2,629,899
Public works	39,452	48,710	112,267	175,256	194,348	247,408	40,592	104,028	84,217	93,534
Technology services	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768	2,870,243	2,882,354	2,590,036	2,459,419	2,315,210
Operating grants and contributions	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013	6,858,965	7,430,737	4,773,881	4,592,308	9,695,987
Capital grants and contributions	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398	20,765,810	10,939,098	9,654,400	13,499,864	16,672,181
Total governmental activities program revenues	87,105,289	70,368,602	65,276,360	56,332,467	56,815,653	61,332,386	50,744,178	45,473,921	46,499,347	57,221,542

**CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

**Table 2
(continued)**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-type activities:										
Charges for services:										
Water and sewer	\$ 132,067,317	\$ 114,554,767	\$ 121,115,371	\$ 114,415,670	\$ 128,109,639	\$ 116,516,442	\$ 108,076,125	\$ 100,049,904	\$ 83,598,039	\$ 90,197,835
Environmental waste services	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530	15,616,880	15,101,758	14,772,782	14,196,523	12,784,020
Municipal drainage	7,163,876	7,400,810	6,292,462	5,208,675	5,228,986	5,161,087	5,050,406	4,995,106	4,986,648	4,918,531
Civic center	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231	2,180,520	2,439,129	2,693,882	2,589,358	2,414,989
Municipal golf course	954,645	965,465	994,125	933,533	65,906	600,919	792,753	846,096	823,353	907,325
Property management	-	-	-	-	9,967	7,594	42,309	72,567	81,587	85,789
Recreation revolving	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434	3,545,142	3,325,754	3,080,725	2,765,100	2,656,865
Downtown center development	147,789	93,896	67,928	67,828	68,128	68,128	68,127	68,127	68,127	68,127
Operating grants and contributions	60,980	-	358,588	1,070,468	1,568,388	60,194	339,804	60,609	289,052	22,828
Capital grants and contributions	5,548,273	3,463,123	4,254,902	2,078,980	1,377,582	3,721,845	5,128,295	7,354,169	7,991,489	10,048,819
Total business-type activities program revenues	167,961,432	148,126,183	155,067,366	145,554,822	157,966,791	147,478,751	140,364,460	133,993,967	117,389,276	124,105,128
Total primary government program revenues	\$ 255,066,721	\$ 218,494,785	\$ 220,343,726	\$ 201,887,289	\$ 214,782,444	\$ 208,811,137	\$ 191,108,638	\$ 179,467,888	\$ 163,888,623	\$ 181,326,670
Net (expense) revenue										
Governmental activities	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)	(200,748,840)	(206,517,496)	(212,144,744)	(190,378,475)	(159,329,677)
Business-type activities	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933	14,282,856	7,340,494	13,842,460	6,178,338	14,048,285
Total primary government net (expense)	\$ (205,536,875)	\$ (233,690,223)	\$ (212,528,898)	\$ (216,603,773)	\$ (185,772,107)	\$ (186,465,984)	\$ (199,177,002)	\$ (198,302,284)	\$ (184,200,137)	\$ (145,281,392)
General revenues and transfers										
Governmental activities:										
Property taxes	\$ 150,960,855	\$ 140,180,751	\$ 133,922,409	\$ 130,761,336	\$ 128,274,660	\$ 129,741,125	\$ 127,265,332	\$ 123,054,998	\$ 114,157,316	\$ 104,809,088
Sales taxes	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697	58,652,787	56,064,538	62,122,119	61,573,210	65,320,897
Mixed drink taxes	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818	1,103,815	997,051	1,003,932	983,663	814,346
Other taxes	131,642	164,195	398,357	167,773	206,389	77,968	118,580	360,115	225,445	215,439
Franchise fees	25,341,454	24,332,547	23,283,089	22,668,521	23,220,388	22,361,082	23,995,388	23,022,217	22,463,447	22,114,560
Investment income	3,096,190	1,396,949	973,519	2,926,435	4,756,044	3,473,366	4,632,949	10,683,028	13,985,970	9,914,048
Transfers	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475	11,013,481	13,307,004	13,217,146	12,604,397	11,907,529
Total governmental activities	268,109,616	254,101,420	241,129,797	240,760,000	249,865,471	226,423,624	226,380,842	233,463,555	225,993,448	215,095,907
Business-type activities:										
Hotel/Motel tax	7,342,639	5,984,727	5,095,504	4,669,257	4,722,431	4,098,810	3,951,890	4,909,061	4,741,492	4,416,422
Franchise fees	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347	6,286,201	6,198,973	6,721,464	6,259,512	5,876,771
Investment income	544,194	449,967	196,590	639,758	795,789	531,546	604,201	1,411,359	1,803,285	1,882,100
Transfers	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)	(11,013,481)	(13,307,004)	(13,217,146)	(12,604,397)	(11,907,529)
Total business-type activities	5,352,918	2,106,640	(83,114)	(1,012,364)	(322,993)	(96,924)	(2,551,940)	(175,262)	199,892	267,764
Total primary government	\$ 273,462,534	\$ 256,208,060	\$ 241,046,683	\$ 239,747,636	\$ 249,542,478	\$ 226,326,700	\$ 223,828,902	\$ 233,288,293	\$ 226,193,340	\$ 215,363,671
Change in net position										
Governmental activities	\$ 53,260,676	\$ 23,862,231	\$ 19,227,256	\$ 25,031,684	\$ 44,510,431	\$ 25,674,784	\$ 19,863,346	\$ 21,318,811	\$ 35,614,973	\$ 55,766,230
Business-type activities	14,664,983	(1,344,394)	9,290,529	(1,887,821)	19,259,940	14,185,932	4,788,554	13,667,198	6,378,230	14,316,049
Total primary government	\$ 67,925,659	\$ 22,517,837	\$ 28,517,785	\$ 23,143,863	\$ 63,770,371	\$ 39,860,716	\$ 24,651,900	\$ 34,986,009	\$ 41,993,203	\$ 70,082,279

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 3

	Fiscal year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 506,576	\$ 793,454	\$ 152,616	\$ 189,920	\$ 176,588	\$ 2,321,839	\$ 6,976,517	\$ 6,678,087	\$ 7,015,867	\$ 7,539,035
Assigned	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127	4,604,162	4,055,302	2,683,725	1,566,433	2,776,694
Unassigned	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010	34,474,576	31,712,311	35,379,734	37,101,360	38,488,933
Total general fund	<u>\$ 51,604,016</u>	<u>\$ 51,324,818</u>	<u>\$ 56,310,424</u>	<u>\$ 52,966,763</u>	<u>\$ 44,833,725</u>	<u>\$ 41,400,577</u>	<u>\$ 42,744,130</u>	<u>\$ 44,741,546</u>	<u>\$ 45,683,660</u>	<u>\$ 48,804,662</u>
All Other Governmental Funds										
Nonspendable	\$ 200,110	\$ 64,510	\$ 22,830	\$ 905	\$ 4,405	\$ -	\$ 2,680	\$ 6,195	\$ 2,702	\$ 4,490
Restricted	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218	61,975,246	85,435,605	74,471,250	56,380,230	35,828,799
Committed	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538	-	-	-	-	-
Assigned	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814	71,516,720	61,199,709	76,924,976	61,357,467	73,919,423
Unassigned	(441,228)	-	-	-	-	(374,071)	-	-	-	-
Total all other governmental funds	<u>\$ 220,733,307</u>	<u>\$ 208,321,452</u>	<u>\$ 191,203,276</u>	<u>\$ 178,088,005</u>	<u>\$ 155,843,975</u>	<u>\$ 133,117,895</u>	<u>\$ 146,637,994</u>	<u>\$ 151,402,421</u>	<u>\$ 117,740,399</u>	<u>\$ 109,752,712</u>

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

	Fiscal year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes:										
Property taxes	\$ 139,784,392	\$ 130,387,583	\$ 124,453,986	\$ 121,496,666	\$ 117,691,853	\$ 121,312,517	\$ 119,568,563	\$ 114,494,640	\$ 107,059,153	\$ 97,121,351
Other taxes	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345	59,176,584	57,577,341	63,266,376	63,425,218	59,581,037
Franchise fees	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634	21,886,667	23,586,443	22,628,847	22,039,441	21,720,865
Fines and forfeitures	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125	10,912,913	10,982,616	9,167,406	9,822,913	10,125,683
Contributions	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721	10,691,912	5,206,878	3,845,932	306,924	1,081,788
Rollback taxes	1,705,253	593,756	704,467	896,012	172,594	63,296	263,577	1,134,487	1,172,609	735,757
Licenses and permits	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204	5,763,535	4,786,291	5,235,695	5,524,955	6,800,126
Intragovernmental	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036	8,211,958	7,739,588	7,276,212	6,399,935	6,592,673
Intergovernmental	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550	7,236,142	7,118,445	3,432,643	3,915,812	8,744,104
Fees for services	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139	13,769,089	13,808,677	13,488,581	10,476,645	11,177,263
Assessments	4,555	-	13,512	56,776	157,805	88,375	10,094	25,465	99,741	443,672
Investment income	2,566,239	539,548	803,395	2,323,962	3,932,542	2,884,604	3,988,091	8,420,799	10,779,409	7,777,156
Proceeds from sale of capital assets	-	-	-	-	-	-	2,456,619	-	-	-
Miscellaneous	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782	1,398,742	-	1,909,910	1,407,342	4,865,976
Total revenues	\$ 327,959,472	\$ 300,218,803	\$ 282,594,982	\$ 275,320,227	\$ 269,283,330	\$ 263,396,334	\$ 257,093,223	\$ 254,326,993	\$ 242,430,097	\$ 236,767,451
Expenditures:										
Current:										
General government	\$ 28,745,531	\$ 23,153,000	\$ 22,100,556	\$ 23,684,196	\$ 21,355,266	\$ 392,129	\$ 613,652	\$ 878,675	\$ 1,255,206	\$ 1,309,980
Administrative services	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998	7,901,744	8,239,334	8,208,019	7,916,611	7,282,215
Police	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061	65,289,730	63,987,283	61,831,212	59,114,102	53,618,495
Fire	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799	42,984,135	43,080,441	41,361,437	39,096,906	40,124,063
Libraries	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127	9,926,819	10,314,568	10,467,040	10,139,905	9,238,861
Development	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560	19,694,309	19,924,444	19,635,957	19,644,186	18,420,446
Public services and operations	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648	5,634,193	5,757,144	5,377,281	5,403,953	5,063,124
Parks and recreation	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674	19,909,716	21,407,832	20,681,818	18,785,397	16,709,740
Environmental waste services	51,856	-	664,613	875,569	1,284,956	88,202	300,339	53,576	258,275	19,845
Public works	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454	5,592,600	5,840,246	5,820,027	5,764,590	5,273,610
Technology services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-
Other	-	-	-	-	-	27,809,863	27,609,726	27,266,420	26,335,719	18,381,077
Capital outlay	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962	64,827,368	60,362,017	54,679,984	68,000,143	49,933,401
Interest and fiscal charges	273,480	100,335	175,051	105,385	-	-	-	-	-	-
Debt service:										
Principal retirement	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000	27,650,000	25,645,000	23,510,000	21,020,000	20,510,000
Interest and fiscal charges	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251	14,553,158	15,037,063	14,598,200	12,837,888	12,154,302
Total expenditures	\$ 366,118,219	\$ 318,942,351	\$ 304,991,589	\$ 284,552,123	\$ 294,592,756	\$ 312,253,966	\$ 308,119,089	\$ 294,369,646	\$ 295,572,881	\$ 258,039,159
Deficiency of revenues over expenditures	\$ (38,158,747)	\$ (18,723,548)	\$ (22,396,607)	\$ (9,231,896)	\$ (25,309,426)	\$ (48,857,632)	\$ (51,025,866)	\$ (40,042,653)	\$ (53,142,784)	\$ (21,271,708)

Table 4
(continued)

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	Fiscal year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other financing sources:										
Proceeds from sale of bonds	\$ 30,130,000	\$ 20,680,000	\$ 22,175,000	\$ 25,860,000	\$ 21,400,000	\$ 22,615,000	\$ 29,315,000	\$ 58,370,000	\$ 46,675,000	\$ 44,690,000
Bond proceeds-refunding	51,300,000	8,645,000	39,750,000	20,540,000	-	16,633,613	12,370,000	-	-	-
Premium on sale of bonds	10,503,390	952,750	11,439,780	3,820,972	114,918	444,228	250,350	925,415	1,162,822	1,615,017
Discount on sale of bonds	-	-	-	(253,786)	-	-	-	-	-	(350,017)
Escrow payment-refunding	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-	(16,777,204)	(12,428,331)	-	-	-
Sale of land	456,000	-	144,020	-	-	426,129	-	-	-	-
Disbursements from component unit	-	-	-	-	1,793,418	-	-	-	-	-
Transfer of assets from Plano Economic Development Board	-	-	-	-	16,052,538	-	-	-	-	-
Operating transfers in	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126	21,898,253	25,390,773	24,276,733	23,414,508	23,687,190
Operating transfers out	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)	(11,246,039)	(10,633,769)	(10,809,587)	(13,242,861)	(15,156,161)
Total other financing sources	\$ 50,849,800	\$ 30,856,118	\$ 38,855,539	\$ 39,608,964	\$ 51,964,988	\$ 33,993,980	\$ 44,264,023	\$ 72,762,561	\$ 58,009,469	\$ 54,486,029
Net change in fund balances	\$ 12,691,053	\$ 12,132,570	\$ 16,458,932	\$ 30,377,068	\$ 26,655,562	\$ (14,863,652)	\$ (6,761,843)	\$ 32,719,908	\$ 4,866,685	\$ 33,214,321
Debt service as a percentage of noncapital expenditures	14.6%	15.0%	17.1%	17.2%	17.2%	17.1%	16.4%	15.9%	14.9%	15.7%

**CITY OF PLANO, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
 TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (unaudited)**

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			
2006	16,979,745,491	6,758,241,962	2,255,993,450	4,344,715,518	21,649,265,385	0.4535
2007	17,812,371,500	7,138,331,140	2,375,828,520	4,497,389,848	22,829,141,312	0.4735
2008	18,954,823,683	7,727,575,850	2,462,948,501	4,633,847,568	24,511,500,466	0.4735
2009	20,436,560,005	8,494,498,706	2,836,955,143	5,982,698,546	25,785,315,308	0.4735
2010	20,331,824,829	8,516,248,849	2,669,986,601	6,010,842,123	25,507,218,156	0.4886
2011	20,081,379,973	7,798,953,065	2,648,600,517	5,848,034,850	24,680,898,705	0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127	25,014,043,679	0.4886
2013	20,614,106,560	8,261,636,814	2,793,315,064	6,021,553,525	25,647,504,913	0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886

Source: City of Plano Budget Department and 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	City of Plano			Plano School District		Allen School District		Collin County		Frisco School District		Lewisville School District		Denton County		Collin 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
2006	0.2888	0.1647	0.4535	100	1.7334	100	1.91	100	0.250	100	1.580	100	1.7700	100	0.2460	100	0.0890	100
2007	0.3080	0.1655	0.4735	100	1.5784	100	1.78	100	0.245	100	1.580	100	1.6400	100	0.2320	100	0.0880	100
2008	0.3210	0.1525	0.4735	100	1.2680	100	1.47	100	0.245	100	1.350	100	1.3800	100	0.2360	100	0.0800	100
2009	0.3268	0.1467	0.4735	100	1.3030	100	1.47	100	0.243	100	1.370	100	1.3800	100	0.2360	100	0.0860	100
2010	0.3284	0.1602	0.4886	100	1.3284	100	1.54	100	0.243	100	1.390	100	1.4087	100	0.2500	100	0.0860	100
2011	0.3135	0.1751	0.4886	100	1.3534	100	1.54	100	0.240	100	1.390	100	1.4267	100	0.2739	100	0.0863	100
2012	0.3149	0.1737	0.4886	100	1.3734	100	1.67	100	0.240	100	1.420	100	1.4260	100	0.2774	100	0.0863	100
2013	0.3192	0.1694	0.4886	100	1.3734	100	1.67	100	0.240	100	1.460	100	1.4530	100	0.2829	100	0.0836	100
2014	0.3296	0.1590	0.4886	100	1.4530	100	1.67	100	0.235	100	1.460	100	1.4770	100	0.2849	100	0.0836	100
2015	0.3438	0.1448	0.4886	100	1.4390	100	1.64	100	0.225	100	1.460	100	1.4770	100	0.2849	100	0.0820	100

(1) For School Districts, fiscal years ended on August 31 and 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

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Name of Taxpayer	2015			2006		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Oncor Electric Delivery Company	\$ 212,619,887	1	0.73%			
TM Willow Bend Shops LP	200,800,000	2	0.69%			
J C Penney Corporation Inc	165,336,836	3	0.57%			
HP Enterprise Services LLC	146,470,263	4	0.50%			
HSP Of Texas Inc	142,050,006	5	0.49%	62,722,157	10	0.29%
Legacy Campus LP	139,950,145	6	0.48%			
T5@Dallas LLC	125,500,000	7	0.43%			
Bank Of America NA	120,500,000	8	0.41%			
KBSIII Legacy Town Center LLC	114,974,237	9	0.40%			
United Dominion Realty LP	110,031,618	10	0.38%			
TXU Electric Delivery Company				176,546,432	1	0.81%
J C Penney Co Inc #9900-2				163,857,633	2	0.75%
Electronic Data Systems Corporation				134,115,136	3	0.62%
Willow Bend Shopping Center LP				120,000,004	4	0.55%
Alcatel USA Sourcing LP				116,760,944	5	0.54%
Tollway/121 Partners LTD				95,603,795	6	0.44%
Collin Creek Mall LP				76,487,218	7	0.35%
Texas Instruments Inc				70,915,159	8	0.33%
Dallas Morning News LP				69,258,840	9	0.32%
	<u>\$ 1,478,232,992</u>		<u>5.08%</u>	<u>\$ 1,086,267,318</u>		<u>5.00%</u>

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	Accumulated Delinquent Taxes	Ratio of Total Tax Collections to Current Levy
2006	98,580,157	95,754,030	1,588,800	97,342,830	98.7	1,138,088	98,480,918	91,467	99.90
2007	108,186,053	105,461,839	1,870,213	107,332,052	99.2	748,210	108,080,262	99,239	99.90
2008	116,214,292	113,215,333	2,127,954	115,343,287	99.3	696,257	116,039,544	105,791	99.85
2009	121,434,014	118,459,942	2,205,306	120,665,248	99.4	525,577	121,190,825	174,748	99.80
2010	123,231,506	120,537,005	1,976,550	122,513,555	99.42	516,708	123,030,263	243,189	99.84
2011 *	119,311,553	117,076,366	1,740,962	118,817,328	99.59	244,294	119,061,622	201,243	99.79
2012	121,179,947	120,112,398	682,096	120,794,494	99.68	51,341	120,845,835	249,931	99.72
2013	124,539,135	123,491,655	765,800	124,257,455	99.77	-	124,257,455	334,112	99.77
2014	130,892,241	129,629,986	765,689	130,395,675	99.62	-	130,395,675	495,813	99.62
2015	139,575,321	137,952,646	866,051	138,818,697	99.46	-	138,818,697	730,564	99.46

* 2011 Total Levy has been reduced by \$29,552 refund for tax abatement.

**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, Certificates of Obligation, Tax Anticipation Notes	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds			
2006	287,619,422	10,472,042	22,078,478	320,169,942	3.37	1,260
2007	310,825,564	8,030,000	22,805,443	341,661,007	3.33	1,326
2008	344,466,792	5,750,000	23,482,263	373,699,055	3.44	1,429
2009	349,122,792	3,895,000	23,834,830	376,852,622	3.49	1,426
2010	342,254,729	1,955,000	26,060,884	370,270,613	3.77	1,397
2011	334,358,571	695,000	24,200,916	359,254,487	3.53	1,370
2012	332,298,643	365,000	22,210,947	354,874,590	3.49	1,345
2013	330,423,813	-	20,150,978	350,574,791	3.19	1,318
2014	319,362,268	-	18,016,010	337,378,278	3.06	1,249
2015	322,852,271	-	16,367,610	339,219,881	2.92	1,240

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

Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2005	266,227,097	1,937,365	264,289,732	1.21	1,014
2006	287,619,422	2,171,565	285,447,857	1.25	1,073
2007	310,825,564	4,754,700	306,070,864	1.26	1,116
2008	344,466,792	3,250,126	341,216,666	1.26	1,179
2009	349,122,792	5,491,973	343,630,819	1.20	1,162
2010	342,254,729	1,175,155	341,079,574	1.17	1,126
2011	334,358,571	2,035,641	332,322,930	1.23	1,133
2012	332,298,643	2,224,744	330,073,899	1.20	1,134
2013	330,423,813	1,573,430	328,850,383	1.16	1,112
2014	319,362,268	3,340,771	316,021,495	1.08	1,075
2015	322,852,271	3,701,797	319,150,474	1.01	1,050

Note: See Table 5 for property value data.
Note: See Table 15 for population data.

**CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2015
(unaudited)**

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 319,150,474	100.00%	\$ 319,150,474
Total direct debt	319,150,474		319,150,474
Plano Independent School District	889,853,678	69.81%	621,206,853
Collin County	31,787,200	33.38%	10,610,567
Denton County	634,275,000	1.58%	10,021,545
Frisco Independent School District	1,917,140,546	13.45%	257,855,403
Allen Independent School District	506,009,127	0.65%	3,289,059
Lewisville Independent School District	1,177,472,052	3.91%	46,039,157
Collin College	31,787,200	33.38%	10,610,567
Total overlapping debt	5,188,324,803		959,633,151
Total direct and overlapping bonded debt	\$ 5,507,475,277		\$ 1,278,783,625
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.47%
Per capita overlapping bonded debt			\$ 4,674

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, 2015
(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, 2014 is \$0.4886 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			
				Principal	Interest	Total	Coverage
2006	89,735,898	61,879,529	27,856,369	1,322,784	218,834	1,541,618	18.07
2007	83,223,811	61,514,435	21,709,376	1,357,183	143,305	1,500,488	14.47
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043	27.96
2009	107,388,857	77,222,182	30,166,675	994,468	73,915	1,068,383	28.24
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555	54.99
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731	124.18
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109	64.04
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Direct operating expense excludes depreciation and charges in lieu of taxes.

Note: Water and sewer bonds were paid off in fiscal year 2013.

**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	Average Annual Debt Service Requirement			Coverage
				Principal	Interest	Total	
2006	5,620,198	2,062,502	2.72	1,086,500	392,652	1,479,152	2.41
2007	5,590,039	2,099,427	2.66	1,123,750	397,823	1,521,573	2.29
2008	5,490,072	2,248,948	2.44	1,158,500	403,715	1,562,215	2.07
2009	5,250,108	2,444,101	2.15	1,250,250	436,656	1,686,906	1.66
2010	5,331,169	2,475,433	N/A	1,282,500	421,898	1,704,398	1.68
2011	5,432,677	2,411,295	N/A	1,253,421	387,407	1,640,828	1.84
2012	5,334,131	2,615,205	N/A	1,213,889	356,451	1,570,340	1.73
2013	6,327,655	2,524,631	N/A	1,165,588	325,751	1,491,339	2.55
2014	7,475,077	2,852,291	N/A	1,106,563	295,615	1,402,178	3.30
2015	7,256,952	3,283,816	N/A	1,053,667	230,741	1,284,408	3.09

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds. Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

**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 (%)
2005	248,912	8,535,705	34,292	51,446	4.4
2006	254,082	9,491,143	37,355	53,181	4.0
2007	257,600	10,250,853	39,794	52,997	3.9
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0
2011	262,200	10,167,592	38,778	55,570	7.4
2012	263,750	10,162,288	38,530	55,659	5.6
2013	265,900	11,004,272	41,385	54,735	5.6
2014	270,100	11,308,547	41,868	54,822	4.6
2015	273,600	11,604,197	42,413	54,689	3.5

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau for the year 2014. 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 SIX YEARS AGO
(unaudited)**

Table 16

2015			2009		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Bank of America Home Loans	8,000	5.36	Electronic Data Systems	10,530	8.48
Capital One Finance	4,500	3.01	Alcatel	5,560	4.48
HP Enterprise Services	4,500	3.01	J. C. Penney, Inc.	3,700	2.98
Ericsson	3,020	2.02	Countrywide Home Loans	3,000	2.42
J. C. Penney Company, Inc.	3,000	2.01	Frito-Lay	2,400	1.93
18 Frito-Lay	2,500	1.67	Perot Systems	1,500	1.21
Dell Services	2,250	1.51	J.C. Penney Direct Marketing Plans	1,200	0.97
Texas Health Presbyterian Hospital Plano	1,680	1.13	Medical Center of Plano	1,200	0.97
MedAssets	1,600	1.07	Raytheon	1,200	0.97
Medical Center of Plano	1,600	1.07	Dr. Pepper/SevenUp Corporation	1,100	0.89
Total	<u>32,650</u>	<u>21.86</u>	Total	<u>31,390</u>	<u>25.30</u>

Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

**CITY OF PLANO, TEXAS
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 17

	Fiscal year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	93.0	91.0	96.5	95.0	93.5	54.5	64.5	63.5	65.0	67.0
Administrative services	87.5	83.5	81.5	79.5	79.0	79.5	79.5	86.0	79.0	74.5
Police	611.0	625.5	616.0	606.0	604.5	620.0	651.5	661.0	661.5	622.0
Fire	365.0	359.0	349.0	335.0	334.0	335.0	334.0	335.5	333.0	322.0
Libraries	149.0	148.5	148.5	149.0	159.0	157.0	156.0	172.0	170.0	167.0
Development	167.0	155.5	147.5	148.0	148.0	149.5	159.5	164.0	164.0	174.0
Public services and operations	71.5	69.0	66.5	66.5	67.5	60.5	66.0	64.0	66.5	64.0
Parks and recreation	358.0	347.5	386.0	357.0	342.0	387.5	378.0	376.5	311.5	303.5
Public works	61.0	61.0	61.0	55.0	56.5	64.0	61.5	65.5	61.0	63.0
Technology services	55.0	57.0	50.0	46.0	47.0	49.0	50.0	50.0	47.0	46.0
Water and sewer	147.0	150.0	147.0	146.0	144.5	152.0	153.0	146.5	147.5	139.5
Environmental waste services	95.5	97.5	94.0	95.5	95.5	95.0	93.0	90.5	89.5	85.0
Municipal drainage	28.0	25.0	22.0	22.0	20.0	22.0	19.0	18.0	18.0	18.0
Civic center	40.0	42.0	40.0	40.5	43.0	48.5	50.0	47.5	49.0	46.0
Municipal golf course	8.0	9.5	8.0	8.5	7.0	6.0	7.0	8.0	9.0	9.0
Recreation revolving	126.5	138.5	139.0	160.5	159.0	160.5	169.0	148.0	107.0	111.5
Total	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0	2,440.5	2,491.5	2,496.5	2,378.5	2,312.0

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 18

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Administrative Services										
Legal										
Ordinance/resolution review/preparation	194	226	237	240	258	266	552	658	677	605
Human Resources										
Full-time civilian employees	1,378	1,363	1,330	1,308	1,320	1,349	1,387	1,422	2,050	1,991
Accounting										
Payment requests processed	64,268	64,765	66,076	63,183	65,723	70,850	81,677	86,869	82,630	84,642
Police										
Employees (uniformed)	346	352	345	340	335	340	341	344	343	335
Citations	65,269	68,258	72,507	75,009	60,378	68,598	92,133	87,801	79,224	101,199
Public Safety Communications										
911 Calls*	166,304	164,299	160,196	150,508	150,614	157,277	234,876	228,214	165,194	169,559
911 Dispatches*	218,773	226,704	235,572	239,491	232,981	240,175	229,669	222,252	146,277	150,904
Fire										
Employees (uniformed)	347	341	333	316	315	313	323	317	319	308
Fire runs	24,618	22,615	21,801	20,342	21,040	19,893	20,235	19,665	18,964	18,178
EMS runs	15,462	14,521	14,155	13,293	12,902	12,782	13,693	12,297	11,734	10,786
Libraries										
Volumes in collection	786,982	803,074	811,941	807,343	798,347	757,837	793,073	804,410	761,236	738,939
Registered borrowers	200,369	203,478	205,512	206,550	204,234	200,386	196,093	192,578	173,341	174,970
Development										
Building Inspections										
Inspections (all construction)	59,384	56,014	62,479	58,217	53,890	50,790	52,805	80,600	80,732	91,166
New construction permits issued	1,070	810	818	854	1,885	1,010	825	1,718	1,578	1,957
Engineering										
New Streets/Alleys paved (miles)	4	5	5	2	4	3	2	9	15	12
New Water lines installed (miles)	24	16	21	14	10	23	28	36	46	195
Public Services and Operations										
Environmental Health										
Inspections	5,929	6,087	5,898	5,478	4,489	4,554	3,931	3,961	3,909	3,445
Animal Control										
Animals impounded	7,687	8,302	9,152	9,388	7,591	9,616	8,728	8,307	6,241	5,464

Table 18
(continued)

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Parks and Recreation										
Recreation attendance	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763	2,361,390	2,377,182	2,341,119	1,691,348	1,675,541
Recreation center members	49,857	52,664	50,476	35,222	21,690	22,246	22,083	38,341	16,371	15,849
Public Works										
Streets										
Streets, Alleys, and Sidewalks										
Excavate/Replace (Sq Ft)	1,661,006	1,607,939	1,490,877	975,140	1,639,893	1,377,388	877,475	984,657	1,091,732	945,618
Water and Sewer										
Water Customers	80,371	79,139	78,534	78,144	77,720	79,243	77,082	77,440	77,961	77,400
Average Daily Water Consumption (gal)	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731	63,893,260	62,645,000	61,657,000	52,211,000	66,758,838
Maximum Storage Capacity (gal)	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	58,703	57,154	57,191	57,810	62,078	59,530	60,670	62,982	63,154	61,095
Bulky waste pickups (tons)	5,095	4,925	4,600	4,194	5,544	5,142	5,264	5,650	5,240	4,717
Recyclables collected (tons)	18,627	18,623	18,816	18,882	19,216	19,435	19,632	20,867	20,469	20,667
Yard trimmings collected (tons)	20,840	24,299	21,108	19,614	21,139	21,704	21,465	26,836	24,541	19,021
Municipal Drainage										
Environmental assessment requests	207	133	92	74	70	65	54	82	120	128
Storm sewer inlets maintained	8,462	8,983	9,527	9,673	10,483	10,483	10,483	4,139	10,483	10,200
Civic Center										
Event days booked and serviced	275	247	249	693	883	834	1,145	1,200	1,256	1,205
Municipal Golf Course										
Rounds of golf played	45,223	50,447	53,324	50,759	4,902	41,592	54,109	55,004	51,254	55,670
Recreation Revolving										
Courses completed	7,137	6,966	7,172	6,810	6,924	7,046	6,822	6,896	6,504	6,220

Source: City Departments

Notes: *911 Calls and 911 dispatches include all calls to 911 which represent 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

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Number of stations	3	3	3	3	3	3	3	3	3	1
Number of patrol units	127	124	128	126	121	143	166	189	135	140
Number of motorcycle units	5	6	6	7	7	6	6	6	8	9
Fire										
Number of stations	13	13	13	13	13	12	11	11	11	10
Number of fire engines/trucks	22	22	22	22	22	22	22	22	21	21
Number of EMS trucks	10	10	10	10	10	10	7	7	8	9
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- Paved (miles)	1,035	1,031	1,026	1,021	1,019	1,016	1,014	1,012	1,004	990
Alleys- Paved (miles)	519	519	519	519	519	518	517	517	516	515
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	15	14	11
Parks and Recreation										
Parks* (acres)	4,244	4,241	4,002	3,995	3,994	3,936	3,858	3,858	3,858	3,827
Athletic fields	179	179	179	179	179	179	179	179	175	175
Playgrounds	70	69	69	69	71	71	71	71	68	67
Recreation centers	4	4	4	4	4	4	5	5	5	4
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	7	8	9	9	9	9	9	9	4	3
Public Works										
Traffic signals	221	220	219	219	216	215	212	211	207	205

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

**Table 19
(continued)**

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Water and Sewer										
Water mains (miles)	1,405	1,391	1,384	1,373	1,367	1,362	1,351	1,335	1,317	1,295
Sanitary sewers (miles)	1,029	1,024	1,019	1,014	1,009	1,007	1,001	999	992	981
Fire hydrants	15,111	14,918	14,817	14,677	14,604	14,516	14,369	14,109	13,840	13,555
Environmental Waste Services										
Collection trucks	50	50	50	50	48	45	45	45	42	38
Municipal Drainage										
Storm sewers (miles)	682	677	673	668	665	662	656	646	635	622
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.



CITY OF PLANO, TEXAS

OMB Circular A-133 Single Audit – Federal and State Awards

Fiscal Year Ended September 30, 2015

CITY OF PLANO, TEXAS

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**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 13, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Dallas, Texas
January 13, 2016



KPMG LLP
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2323 Ross Avenue
Dallas, TX 75201-2709

Independent Auditors' Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards Required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of Texas Single Audit Circular

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

Report on Compliance for Each Major Federal and State Program

We have audited the City of Plano, Texas' (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the State of Texas Single Audit Circular (SAC) that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2015. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular (SAC). Those standards, OMB Circular A-133 and SAC, 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 or state 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2015.



Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and SAC, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and SAC. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and State of Texas Single Audit Circular

We have audited the financial statements of the City as of and for the year ended September 30, 2015, and have issued our report thereon dated January 13, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and SAC and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Dallas, Texas
January 13, 2016

CITY OF PLANO, TEXAS

Schedule of Expenditures of Federal and State Awards

Fiscal Year ended September 30, 2015

Federal	Contract number	Federal CFDA number	FY2015 Total grant expenditures
U.S. Department of Homeland Security, Federal Emergency Management Agency:			
Assistance to Firefighters Grant	EMW-2012-FO-01688	97.044	\$ 35
Passed through Texas Department of Public Safety:			
Urban Areas Security Initiative LETPA 2013	13-SR 58016-01	97.067	123,628
Urban Areas Security Initiative DFWA 2014	14-SR 58016-01	97.067	34,334
Urban Areas Security Initiative LETPA 2014	14-SR 58016-02	97.067	60,399
Total CFDA 97.067			<u>218,361</u>
Total U.S. Department of Homeland Security, Federal Emergency Management Agency			<u>218,396</u>
U.S. Department of Housing and Urban Development:			
Community Development Block Grants/Entitlement Grants	B-14-MC-48-0035	14.218	1,615,894
HOME Investment Partnerships Program	M-14-MC-480234	14.239	200,597
Total U.S. Department of Housing and Urban Development			<u>1,816,491</u>
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	N/A	16.607	7,211
Edward Byrne Memorial Justice Assistance Grant Program	2013-DJ-BX-0870	16.738	21,633
Edward Byrne Memorial Justice Assistance Grant Program	2014-DJ-BX-0698	16.738	18,655
Total CFDA 16.738			<u>40,288</u>
Drug Enforcement Administration Task Force 2	N/A	16.UNK	4,987
Federal Bureau of Investigation Computer Crime Lab Task Force	N/A	16.UNK	6,372
Federal Bureau of Investigation Cyber Crime Task Force	N/A	16.UNK	6,900
Federal Bureau of Investigation Joint Terrorism Task Force	N/A	16.UNK	9,161
Total CFDA 16.UNK			<u>27,420</u>
Department of Justice Equitable Sharing Program	N/A	16.922	350,000
Total U.S. Department of Justice			<u>424,919</u>
U.S. Department of Transportation:			
Passed through Texas Department of Transportation:			
Highway Planning and Construction	CSJ: 0918-24-143	20.205	1,900,392
State and Community Highway Safety	2015-PlanoPD-S-1YG-0055	20.600	133,558
Total U.S. Department of Transportation			<u>2,033,950</u>
U.S. Department of Treasury:			
U.S. Secret Service North Texas Financial Crimes Task Force	N/A	21.UNK	11,000
Treasury Forfeiture Fund Program	N/A	21.000	451,330
Total U.S. Department of Treasury			<u>462,330</u>
U.S. Institute of Museum and Library Services:			
Passed through Texas State Library and Archives Commission:			
TSLAC Special Projects Grant Program	478-15012	45.310	66,502
TSLAC Impact Grant Program	475-15016	45.310	9,956
TSLAC Edge Implementation Program	N/A	45.310	9,812
Total U.S. Institute of Museum and Library Services			<u>86,270</u>
U.S. Office of National Drug Control Policy:			
Passed through Navarro County Sheriff's Office:			
High Intensity Drug Trafficking Areas Program	G15NT001A	95.001	8,728
Total U.S. Office of National Drug Control Policy			<u>8,728</u>
Total federal assistance			<u>\$ 5,051,084</u>

See accompanying notes to schedule of expenditures of federal and state awards.

CITY OF PLANO, TEXAS
Schedule of Expenditures of Federal and State Awards
Fiscal Year ended September 30, 2015

<u>State</u>	<u>Contract number</u>	<u>Federal CFDA number</u>	<u>FY2015 Total grant expenditures</u>
The Texas Commission on Environmental Quality: Passed through North Central Texas Council of Governments: Purchase a Community Cleanup Trailer	14-04-G06		\$ 58,124
Total Texas Commission on Environmental Quality			<u>58,124</u>
Texas Department of State Health Services: Passed through North Central Texas Trauma Regional Advisory Council, Inc.: EMS Trauma Care System Program			<u>3,265</u>
Total Texas Department of State Health Services			<u>3,265</u>
Texas Department of Transportation: 15th Street – G Avenue to US 75	CSJ: 0918-24-144		1,192,891
Independence Parkway Corridor	CSJ: 0918-24-153		854,897
Parker Road Corridor Improvement	CSJ: 0918-24-156		1,842
Park Boulevard Corridor Improvements	CSJ: 0918-24-155		5,257
Preston Road Corridor Improvement	CSJ: 0091-05-057		978,911
Passed through North Central Texas Council of Governments: Park Boulevard/US 75 Pedestrian Crossing			<u>985,973</u>
Total Texas Department of Transportation			<u>4,019,771</u>
Texas Office of the Governor/Comptroller: Law Enforcement Officer Standards and Education			<u>31,071</u>
Total Texas Office of the Governor/Comptroller			<u>31,071</u>
Texas State Library and Archives Commission: TSLAC Family Place Library Grant			<u>6,000</u>
Total Texas State Library and Archives Commission			<u>6,000</u>
Office of the Total CFDA 16.UNK Texas Crime Victims Compensation			<u>21,948</u>
Total Office of the Attorney General			<u>21,948</u>
Criminal Investigation: State/Local Criminal Investigation			<u>458,209</u>
Total Criminal Investigation			<u>458,209</u>
Total state assistance			<u>\$ 4,598,388</u>

See accompanying notes to schedule of expenditures of federal and state awards.

CITY OF PLANO, TEXAS

Notes to Schedule of Expenditures of Federal and State Awards

September 30, 2015

(1) General

The accompanying schedule of expenditures of federal and state awards includes the federal and state 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 requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular. Therefore, some amounts presented in this schedule may differ from amounts presented 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 and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included on the schedule.

(2) Subrecipients

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount</u>
Community Development Block Grants/Entitlement Grants	14.218	\$ 118,472
HOME Investment Partnerships Program	14.239	157,623
		<u>\$ 276,095</u>

(3) Loans

At September 30, 2015, the amount of loans outstanding related to the Community Development Block Grants and HOME Investment Partnerships Program was approximately \$876,264 and \$75,882, respectively.

CITY OF PLANO, TEXAS

Schedule of Findings and Questioned Costs

Year ended September 30, 2015

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal and State Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 or State Single Audit Circular?	No

Identification of Major Programs

CFDA/grant number/state identification number	Name of federal and state program or cluster
Major Federal Programs:	
16.922	Department of Justice - Equitable Sharing Program
21.000	Treasury Forfeiture Fund Program
20.205	Highway Planning and Construction
Major State Programs:	
	State and Local Criminal Investigations
	State of Texas Department of Transportation

Dollar threshold used to distinguish between type A and type B programs:	\$300,000 for federal programs \$300,000 for state programs
--	--

Auditee qualified as low-risk auditee?	Yes
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CITY OF PLANO, TEXAS

Schedule of Findings and Questioned Costs

Year ended September 30, 2015

Section II – Findings Relating to the Financial Statements

The audit disclosed no findings required to be reported.

Section III – Findings and Questioned Costs Related to Federal and State Awards

The audit disclosed no findings required to be reported.



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		01/25/16		
Department:		Economic Development		
Department Head		Sally Bane		
Agenda Coordinator (include phone #): Paula Date X 8306				
CAPTION				
<p>An Ordinance of the City of Plano, Texas designating a certain area within the City of Plano, Texas as Reinvestment Zone No. 141 for tax abatement, consisting of a 48.68 acre tract of land located in the J.C. Barrow Survey, Abstract No. 90, the H.N. Thompson Survey, Abstract No. 896 and the Garland Martin Survey, Abstract No. 662, City of Plano, Collin County, Texas, being all of Lots 1 and 2, Block B of Legacy West Addition, Lot 1 and Lot 2, Block B, Lot 1, Block C, Lot 1R, Block B and Lots 1 and 2, Block E, an addition to the City of Plano according to the plat thereof recorded in Cabinet 2015, Page 63, Map Records, Collin County, Texas and being part of called described in Limited General Warranty Deed, to SWC Tollway & 121 LLC, recorded in Instrument Number 20140205000109390, Official Public Records, Collin County, Texas, and described in Exhibit "A" attached hereto, establishing the boundaries of such zone; ordaining other matters related thereto; and providing an effective date.</p>				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: 2015-16	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): N/A				
<p>COMMENTS: The item has no fiscal impact. Notice of public hearing published on January 14, 2016 to create Reinvestment Zone 141. The real property improvements amount is \$150,000,000 and the business personal property amount is \$70,000,000.</p> <p>Strategic Plan Goal: Providing economic development incentives relates to the City's goal of Strong Local Economy.</p>				
SUMMARY OF ITEM				
<p>This relates to JPMorgan Chase Bank, NA, a national banking association, request for tax abatement on Reinvestment Zone 141 and the creation of the zone at the southeast corner of State Highway 121 and Leadership Drive.</p> <p>https://goo.gl/PpxF9o</p>				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Ordinance				
Metes and Bounds				

An Ordinance of the City of Plano, Texas designating a certain area within the City of Plano, Texas as Reinvestment Zone No. 141 for tax abatement, consisting of a 48.68 acre tract of land located in the J.C. Barrow Survey, Abstract No. 90, the H.N. Thompson Survey, Abstract No. 896 and the Garland Martin Survey, Abstract No. 662, City of Plano, Collin County, Texas, being all of Lots 1 and 2, Block B of Legacy West Addition, Lot 1 and Lot 2, Block B, Lot 1, Block C, Lot 1R, Block B and Lots 1 and 2, Block E, an addition to the City of Plano according to the plat thereof recorded in Cabinet 2015, Page 63, Map Records, Collin County, Texas and being part of called described in Limited General Warranty Deed, to SWC Tollway & 121 LLC, recorded in Instrument Number 20140205000109390, Official Public Records, Collin County, Texas, and described in Exhibit "A" attached hereto, establishing the boundaries of such zone; ordaining other matters related 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 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 25th day of January, 2016, 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:

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 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 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. 141, City of Plano, Texas.

Section V. The zone shall be effective as of January 25, 2016.

Section VI. To be eligible for tax abatement a project shall:

- a) Be located wholly within the zone as established herein.
- b) 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.
- c) Conform to the requirements of the City's Zoning Ordinance and all other applicable laws and regulations.
- d) 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 Improvements and Tangible Personal Property value from taxation as approved hereunder as shown below:

- a) Ten (10) consecutive tax years beginning with and including the January 1, 2019 assessment date for the Real Property Improvements.
- b) Ten (10) consecutive tax years beginning with and including the January 1, 2019 assessment date for the Tangible Personal Property Improvements.
- c) Share of taxes abated – fifty percent (50%) of taxes on the total value of appraised Real Property Improvements for the years 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, and 2028.

- d) Share of taxes abated – fifty percent (50%) of taxes on the total appraised value of Tangible Personal Property for the years 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, and 2028.

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; and
- 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; and
- 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.

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 the 25th day of January, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

EXHIBIT "A"
LEGAL DESCRIPTION

BEING a tract of land situated in the J.C. Barrow Survey, Abstract No. 90, the H.N. Thompson Survey, Abstract No. 896 and the Garland Martin Survey, Abstract No. 662, City of Plano, Collin County, Texas, being all of Lots 1 and 2, Block B of Legacy West Addition, Lot 1 and Lot 2, Block B, Lot 1, Block C, Lot 1R, Block B and Lots 1 and 2, Block E, an addition to the City of Plano according to the plat thereof recorded in Cabinet 2015, Page 63, Map Records, Collin County, Texas and being part of called described in Limited General Warranty Deed, to SWC Tollway & 121 LLC, recorded in Instrument Number 20140205000109390, Official Public Records, Collin County, Texas and being more particularly described as follows:

BEGINNING at a point for the north corner of a corner clip at the intersection of the east right-of-way line of Leadership Drive (110' ROW) and the south right-of-way of State Highway 121 (variable width ROW);

THENCE with the south right-of-way line, North $71^{\circ}34'10''$ East, a distance of 2143.80 feet to a point for corner;

THENCE leaving said west right-of-way line, South $63^{\circ}25'53''$ East, a distance of 35.23 feet to a point for corner in the west right-of-way line of Communication Parkway (92' ROW);

THENCE with said west right-of-way line, the following courses and distances to wit:

South $18^{\circ}13'53''$ East, a distance of 90.92 feet to a point at the beginning of a tangent curve to the right having a central angle of $17^{\circ}45'10''$, a radius of 654.00 feet, a chord bearing and distance of South $9^{\circ}21'18''$ East, 201.83 feet;

In a southeasterly direction, with said curve to the right, an arc distance of 202.64 feet to a point for corner;

South $0^{\circ}28'43''$ East, a distance of 986.23 feet to a point at the beginning of a tangent curve to the right having a central angle of $12^{\circ}02'26''$, a radius of 238.00 feet, a chord bearing and distance of South $5^{\circ}32'30''$ West, 49.92 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 50.02 feet to a point at the beginning of a reverse curve to the left having a central angle of $12^{\circ}02'26''$, a radius of 262.00 feet, a chord bearing and distance of South $5^{\circ}32'30''$ West, 54.96 feet;

In a southwesterly direction, with said curve to the left, an arc distance of 55.06 feet to a point for corner;

South $0^{\circ}28'43''$ East, a distance of 94.20 feet to a point at the beginning of a tangent curve to the right having a central angle of $104^{\circ}30'48''$, a radius of 105.00 feet, a chord bearing and distance of South $51^{\circ}46'41''$ West, 166.06 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 191.53 feet to a point in the north right-of-way line of Headquarters Drive (variable width ROW) for the beginning of a compound curve to the right having a central angle of $21^{\circ}44'23''$, a radius of 870.00 feet, a chord bearing and distance of North $65^{\circ}05'43''$ West, 328.13 feet;

THENCE with said north right-of-way line, the following courses and distances to wit:

In a northwesterly direction, with said curve to the right, an arc distance of 330.10 feet to a point at the beginning of a reverse curve to the left having a central angle of $68^{\circ}41'37''$, a radius of 1212.43 feet, a chord bearing and distance of North $88^{\circ}34'20''$ West, 1368.11 feet;

In a northwesterly direction, with said curve to the left, an arc distance of 1453.62 feet to a point for corner;

South $57^{\circ}12'08''$ West, a distance of 16.51 feet to a point for corner;

North $77^{\circ}52'30''$ West, a distance of 35.40 feet to a point for corner in the east right-of-way line of said Leadership Drive;

THENCE with said east right-of-way line, the following course and distances to wit:

North $32^{\circ}57'07''$ West, a distance of 23.72 feet to a point at the beginning of a tangent curve to the right having a central angle of $13^{\circ}44'23''$, a radius of 1445.00 feet, a chord bearing and distance of North $26^{\circ}04'56''$ West, 345.69 feet;

In a northwesterly direction, with said curve to the right, an arc distance of 346.52 feet to a point for corner;

North $19^{\circ}12'44''$ West, a distance of 400.66 feet to a point for corner;

North $26^{\circ}10'43''$ East, a distance of 35.11 feet to the **POINT OF BEGINNING** and containing 48.68 acres of land.



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		01/25/16			
Department:		Economic Development			
Department Head		Sally Bane			
Agenda Coordinator (include phone #): Paula Date X 8306					
CAPTION					
<p>A Resolution of the City of Plano, Texas, approving the terms and conditions of an agreement by and between the City of Plano, Texas and JPMorgan Chase Bank, NA, a national banking association, providing for real and business personal property tax abatement; and authorizing its execution by the City Manager or his authorized designee; and providing an effective date.</p>					
FINANCIAL SUMMARY					
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2018-19 through 2027- 28	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): N/A					
COMMENTS: This item has no fiscal impact. Strategic Plan Goal: Providing economic development incentives relates to the City's goal of Strong Local Economy.					
SUMMARY OF ITEM					
This relates to JPMorgan Chase Bank, NA, a national banking association, request for tax abatement on Reinvestment Zone 141 and the creation of the zone at the southeast corner of State Highway 121 and Leadership Drive. https://goo.gl/PpxF9o					
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies		
Resolution					
Tax Abatement Agreement					

A Resolution of the City of Plano, Texas, approving the terms and conditions of an agreement by and between the City of Plano, Texas and JPMorgan Chase Bank, NA, a national banking association, providing for real and business personal property tax abatement; and authorizing its execution by the City Manager or his authorized designee; 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 and JPMorgan Chase Bank, NA, a national banking association, 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 his authorized designee 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, Texas 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 his authorized designee 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 immediately upon its passage.

DULY PASSED AND APPROVED this the 25th day of January, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

3. Owner shall maintain the taxing situs of the Personalty on the Real Property and may not relocate the taxing situs of the Personalty to other Reinvestment Zones in the City.

IMPROVEMENTS

4. (a) Owner agrees to add the Personalty required under Section 2 by December 31, 2018, unless an extension as a result of an Event of Force Majeure is approved by the City in writing. The term "Event of Force Majeure" means any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns, shortages or unavailability of materials or labor, or work stoppages any of which event(s) directly impact the Owner at the Real Property. The term shall not include a downturn in the economy.

(b) By December 31, 2019, Owner shall make or cause to be made improvements to the Real Property consisting of a new building(s) and/or building improvements that are at least 800,000 gross square feet of office space with an assessed taxable value of not less than One Hundred Fifty Million Dollars (\$150,000,000) for **new improvements added** to the Real Property between the dates of February 1, 2016 through December 31, 2019, as determined by the Collin Central Appraisal District. The real property abatement for the new improvements shall begin in the 2019 tax year pursuant to Section 11(a) herein unless an extension as a result of an Event of Force Majeure has been approved by the City in writing.

(c) Upon the occurrence of an Event of Force Majeure, Owner shall notify the City in writing not less than sixty (60) days after the commencement of the Event of Force Majeure with supporting documentation, the anticipated duration and the actions that the party will take to alleviate the Event of Force Majeure. The City Manager shall consider such request and may grant an extension of time to complete the obligations; such extension shall not be unreasonably withheld. If the Event of Force Majeure results in a delay of meeting the required improvement value, Owner agrees that in the following year the minimum required taxable value of the improvements and/or Personalty shall be met.

DEFAULT

5. Any of the following events shall be deemed a breach of this Agreement resulting in default:

(a) Owner allows its personal property taxes or real property improvement taxes owed the City to become delinquent, and fails to either:

(i) Timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes; or

(ii) Cure such delinquency within thirty (30) days of receipt of notice of such delinquency; or

(b) Owner fails to construct or cause to be constructed the Real Property improvements required in Section 4(b); or

(c) (i) In the first year of the abatement period for the Personalty, the assessed taxable value is less than the minimum amount set forth in Section 2; or

(ii) At any time during the Agreement, the Personalty is removed from the Real Property for reasons other than routine maintenance, repair, or replacement and the result is the taxable appraised value of the Personalty is below the minimum amount set forth in Section 2; or

(d) At any time during the Agreement, the assessed taxable value of the Real Property improvements is less than the minimum amount set forth in Section 4(b) as a result of the Owner's protest; or

(e) Owner or Owner's duly authorized representative fails to provide the annual certification as required in Section 9; or

(f) Owner fails to comply with the Assignment provision in Section 10; or

(g) Owner has been convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of aliens at the Real Property.

6. In the event that the Owner defaults under Section 5(b) of this Agreement, the City shall give Owner written notice of such default and if the default is not cured or a waiver obtained thereof within thirty (30) days of said written notice, this Agreement shall be automatically terminated except any damages as specified below shall survive the termination of this Agreement. In the event of a default under Section(s) 5(a), (c), (d), (e), (f) and/or (g) above, the City shall give the Owner written notice of such default and if the default is not cured or a waiver obtained thereof within thirty (30) days of said written notice, this Agreement shall be automatically terminated except any damages as specified below shall survive the termination of this Agreement. Notice shall be in writing as provided below. The City Manager is authorized on behalf of the City to send notice of default and to terminate the Agreement for any default that is not cured.

7. Upon the occurrence of an event of default under Section(s) 5(a), (b) and/or (g) above and that remains uncured, all taxes, including previously abated taxes which would have been paid to the City by the Owner without the benefit of this Agreement, shall become due and owing to the City from the Owner, together with interest charged from the date of the initial tax abatement per Section 11(a)(i) and (ii) 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 and Texas Government Code Chapter 2264.

Upon the occurrence of an event of default under Section(s) 5(c), (d), (e) and/or (f) above and that remains uncured, at the City's sole option, it may require all or a portion of all previously abated taxes which would have been paid to the City by the Owner without the benefit of this Agreement to become due and owing to the City from the Owner, together with interest charged from the date of the initial tax abatement per Section 11 (a)(i) and (ii) 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. City shall exercise such option within ninety (90) days of notice of default.

EFFECT OF TERMINATION/SURVIVAL OF OBLIGATIONS

8. The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

ANNUAL CERTIFICATION

9. Beginning November 1, 2019, and on or before the 1st day of November of each calendar year thereafter during the Term (as defined below) of this Agreement, Owner, or its successors or assigns, must each provide annual certification (substantially in the form attached as **EXHIBIT "B"** hereto) to the City certifying compliance with each applicable term of the Agreement.

ASSIGNMENT

10. If Owner wishes to assign its rights and duties under this Agreement, it must comply with the following provisions. A failure to comply is an event of default and all remedies may apply including but not limited to a suspension of the abatement for the year(s) for which non-compliance occurred.

(a) **City Consent Required.** Except as permitted by Section 10(b) below, this Agreement may not be assigned without the express written consent of the City, which will not be unreasonably withheld or delayed. The assignment agreement must be furnished in a form acceptable to the City and be provided at least sixty (60) days prior to the effective assignment date for the City Council review and approval.

(b) **Exceptions to City Consent.** Owner may assign this Agreement without obtaining the City's consent:

- (i) To a wholly owned affiliate of Owner; or
- (ii) Any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety percent (90%) of the assets of the Owner; or
- (iii) Upon the sale of the Real Property by Owner.

(c) Prior to the effective date of the assignment or sale under Section 10(a) or (b) above, the assigning party agrees to have the assignee or successor execute an agreement with the City to be bound to all the terms and conditions of this Agreement, without exception, and the assignee or successor shall be responsible for any default(s) of the assignee or seller that occurred prior to or after the effective date of the assignment.

ABATEMENT PROVISIONS

11. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the City, a portion of ad valorem personal property taxes and real property improvement taxes belonging to Owner located on the Real Property otherwise owed to the City shall be abated as follows:

(a) (i) The tax abatement as to Real Property improvements, as provided for herein, shall be for a period of ten (10) tax years, from January 1, 2019 through December 31, 2028.

(ii) The tax abatement as to Personalty, as provided for herein, shall be for a period of January 1, 2019 through December 31, 2028.

(b) In accordance with all applicable federal, state, and local laws and regulations, the abatement shall be based on amounts equal to fifty percent (50%) of the taxable value of the Personalty and Real Property improvements for the tax years set forth above.

(c) The Owner shall have the right to protest and/or contest any assessment of the Personalty or Real Property improvements where such assessment is above the minimum amount required to be maintained under Sections 2 and 4 of this Agreement. 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. Notwithstanding the above, it shall be a breach of this Agreement if assessed values fall below those required in Sections 2 and 4 as a result of a protest and/or contest filed by Owner, or the removal of Personalty from the Real Property.

NOTICE

12. 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
Attention: Mr. Bruce D. Glasscock
City Manager
P.O. Box 860358
Plano, Texas 75086-0358

With copy to:

City of Plano
Attention: Ms. Paige Mims
City Attorney
P.O. Box 860358
Plano, Texas 75086-0358

With copy to:

Winstead PC
Attention: Mr. Tommy Mann
500 Winstead Building
2728 N. Harwood Street
Dallas, TX 75201

For Owner by notice to:

JPMorgan Chase Bank, NA, a national banking association
Attention: Mr. Robert Guardiola
Vice President
237 Park Avenue, Floor 12
New York, NY 10017

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

13. During the term of the Agreement, the Owner further agree that the City, its agents and employees, shall have reasonable right (with no less than five (5) business days prior written notice to Owner) to access the Real Property during regular business hours to inspect the Personalty and Real Property improvements in order to insure that the location of the Personalty and Real Property improvements are in accordance with this Agreement and all applicable federal, state, and local laws and regulations.

14. It is understood and agreed between the parties that the Owner, in performing their respective obligations hereunder, are acting independently, and the City assumes no responsibilities or liabilities in connection therewith to third parties and Owner agrees to indemnify and hold harmless City from any and all claims, suits, and causes of actions, including attorneys' fees, of any nature whatsoever arising out of their respective defaults of their obligations hereunder.

15. Based upon the certification provided by Owner, the City represents that the Real Property is not owned by any member of the City Council of the City of Plano or by a member of the Planning and Zoning Commission.

16. Owner agrees to comply with Section 2-11(F) of the City Code of Ordinances, which reads as follows:

“It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;
- (d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;
- (f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;
- (h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment; or
- (i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;
- (j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or employment in, any program established to provide apprenticeship or other training;
- (k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;
- (l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or

(m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

Owner also understands that they are entitled to apply to the City Manager for a waiver from the Equal Rights Ordinance’s application to their business if applying it would conflict with state or federal law. During the review of the waiver request, the Agreement will be placed on hold.

17. This Agreement was authorized by Resolution of the City Council at its Council meeting on the 25th day of January, 2016, authorizing the City Manager to execute the Agreement on behalf of the City.

18. This Agreement was entered into by Owner pursuant to its duly authorized representatives.

19. This instrument shall constitute a valid and binding agreement between the City and the Owner when executed in accordance herewith.

20. 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.

21. This Agreement is performable in Collin County, Texas and venue for any dispute arising out of this Agreement shall be in Collin County, Texas.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule
municipal corporation

Lisa C. Henderson, CITY SECRETARY

Bruce D. Glasscock, CITY MANAGER
Date: _____

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

ATTEST:

Title: _____

OWNER
JPMORGAN CHASE BANK, NA, a national
banking association

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION

BEING a tract of land situated in the J.C. Barrow Survey, Abstract No. 90, the H.N. Thompson Survey, Abstract No. 896 and the Garland Martin Survey, Abstract No. 662, City of Plano, Collin County, Texas, being all of Lots 1 and 2, Block B of Legacy West Addition, Lot 1 and Lot 2, Block B, Lot 1, Block C, Lot 1R, Block B and Lots 1 and 2, Block E, an addition to the City of Plano according to the plat thereof recorded in Cabinet 2015, Page 63, Map Records, Collin County, Texas and being part of called described in Limited General Warranty Deed, to SWC Tollway & 121 LLC, recorded in Instrument Number 20140205000109390, Official Public Records, Collin County, Texas and being more particularly described as follows:

BEGINNING at a point for the north corner of a corner clip at the intersection of the east right-of-way line of Leadership Drive (110' ROW) and the south right-of-way of State Highway 121 (variable width ROW);

THENCE with the south right-of-way line, North 71°34'10" East, a distance of 2143.80 feet to a point for corner;

THENCE leaving said west right-of-way line, South 63°25'53" East, a distance of 35.23 feet to a point for corner in the west right-of-way line of Communication Parkway (92' ROW);

THENCE with said west right-of-way line, the following courses and distances to wit:

South 18°13'53" East, a distance of 90.92 feet to a point at the beginning of a tangent curve to the right having a central angle of 17°45'10", a radius of 654.00 feet, a chord bearing and distance of South 9°21'18" East, 201.83 feet;

In a southeasterly direction, with said curve to the right, an arc distance of 202.64 feet to a point for corner;

South 0°28'43" East, a distance of 986.23 feet to a point at the beginning of a tangent curve to the right having a central angle of 12°02'26", a radius of 238.00 feet, a chord bearing and distance of South 5°32'30" West, 49.92 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 50.02 feet to a point at the beginning of a reverse curve to the left having a central angle of 12°02'26", a radius of 262.00 feet, a chord bearing and distance of South 5°32'30" West, 54.96 feet;

In a southwesterly direction, with said curve to the left, an arc distance of 55.06 feet to a point for corner;

South 0°28'43" East, a distance of 94.20 feet to a point at the beginning of a tangent curve to the right having a central angle of 104°30'48", a radius of 105.00 feet, a chord bearing and distance of South 51°46'41" West, 166.06 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 191.53 feet to a point in the north right-of-way line of Headquarters Drive (variable width ROW) for the beginning of a compound curve to the right having a central angle of 21°44'23", a radius of 870.00 feet, a chord bearing and distance of North 65°05'43" West, 328.13 feet;

THENCE with said north right-of-way line, the following courses and distances to wit:

In a northwesterly direction, with said curve to the right, an arc distance of 330.10 feet to a point at the beginning of a reverse curve to the left having a central angle of 68°41'37",

a radius of 1212.43 feet, a chord bearing and distance of North 88°34'20" West, 1368.11 feet;

In a northwesterly direction, with said curve to the left, an arc distance of 1453.62 feet to a point for corner;

South 57°12'08" West, a distance of 16.51 feet to a point for corner;

North 77°52'30" West, a distance of 35.40 feet to a point for corner in the east right-of-way line of said Leadership Drive;

THENCE with said east right-of-way line, the following course and distances to wit:

North 32°57'07" West, a distance of 23.72 feet to a point at the beginning of a tangent curve to the right having a central angle of 13°44'23", a radius of 1445.00 feet, a chord bearing and distance of North 26°04'56" West, 345.69 feet;

In a northwesterly direction, with said curve to the right, an arc distance of 346.52 feet to a point for corner;

North 19°12'44" West, a distance of 400.66 feet to a point for corner;

North 26°10'43" East, a distance of 35.11 feet to the **POINT OF BEGINNING** and containing 48.68 acres of land.

**EXHIBIT “B”
CERTIFICATION FORM**

[DATE]

City of Plano
Finance Department
P.O. Box 860358
Plano, Texas 75086-0358

RE: Certification Form – Reinvestment Zone No. 141
Tax Abatement Agreement (the “Agreement”) between JPMorgan Chase Bank, NA, a
national banking association (“Owner”); and the City of Plano.

This letter certifies that Owner is in compliance with each applicable term as set forth in the Agreement. The term of the tax abatement pursuant to the Agreement is January 1, 2019 through December 31, 2028. This form is due on November 1, 2019 and on November 1 of each year thereafter that the Agreement is in force.

JPMORGAN CHASE BANK, NA, a national
banking association

By: _____
Name: _____
Title: _____

DATE: January 5, 2016
TO: Honorable Mayor & City Council
FROM: John Muns, Chair, Planning & Zoning Commission
SUBJECT: Results of Planning & Zoning Commission Meeting of January 4, 2016

AGENDA ITEM NO. 1
PUBLIC HEARING: ZONING CASE 2015-26
APPLICANT: CITY OF PLANO

Request to rezone 0.2± acre located on the north side of 12th Street, 181± feet east of Municipal Avenue **from** Light Industrial-1 **to** Single-Family Residence-6. Zoned Light Industrial-1.

APPROVED: 8-0 **DENIED:** _____ **TABLED:** _____

LETTERS RECEIVED WITHIN 200 FOOT NOTICE AREA: **SUPPORT:** 3 **OPPOSE:** 2

LETTERS RECEIVED OUTSIDE 200 FOOT NOTICE AREA: **SUPPORT** 0 **OPPOSE** 0

PETITION(s) RECEIVED: 0 **# OF SIGNATURES:** 0

STIPULATIONS:

Recommended for approval as submitted.

FOR CITY COUNCIL MEETING OF: January 25, 2016 (To view the agenda for this meeting, see www.plano.gov)

PUBLIC HEARING - ORDINANCE

RA/dr.

xc: City of Plano
Wayne Snell, Permit Services Manager

<https://goo.gl/maps/7q3S99Tm5Tv>

CITY OF PLANO
PLANNING & ZONING COMMISSION

January 4, 2016

Agenda Item No. 1

Public Hearing: Zoning Case 2015-26

Applicant: City of Plano

DESCRIPTION:

Request to rezone 0.2± acre located on the north side of 12th Street, 181± feet east of Municipal Avenue **from** Light Industrial-1 **to** Single-Family Residence-6. Zoned Light Industrial-1.

REMARKS:

On November 16, 2015, the Planning & Zoning Commission called a public hearing to consider rezoning the subject property from Light-Industrial-1 (LI-1) to Single-Family Residence-6 (SF-6) as part of their recommendation for approval of a similar, adjacent zoning request, Zoning Case 2015-25. The property is currently being used as a single-family residence, and the property owner has provided a response form supporting the zoning request. The LI-1 district is intended to provide areas for light manufacturing firms engaged in processing, assembling, warehousing, research and development, and incidental services that are developed in accordance with the same performance standards applicable to all other zoning districts.

The requested zoning is SF-6. The SF-6 district is intended to provide for small-lot urban, single-family development protected from excessive noise, illumination, odors, visual clutter, and other objectionable influences to family living. The property was initially zoned as Single-Family Residence-3 (SF-3) and developed as a single-family residence. The property was rezoned to LI-1 between 1971 and 1974; however, the property has always been occupied as a residence.

The applicant is requesting to rezone the property so that the zoning on the subject property conforms to the existing long-term single-family residence use consistent with the neighboring properties on 12th Street.

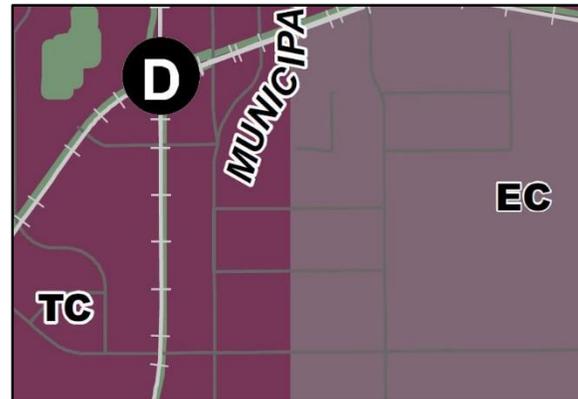
Surrounding Land Use and Zoning

The area of the request is currently developed and occupied as a single-family residence. The subject property is a part of an established residential neighborhood, with properties

to the east, south and west developed as single-family residences, zoned SF-6. To the northwest is an existing service contractor operating out of a former single-family residence, zoned LI-1. The property to the north is an automobile storage yard zoned LI-1.

Conformance to the Plano Tomorrow Comprehensive Plan

Future Land Use Map - The Future Land Use Map designates this property as Transit Corridor (TC). The Transit Corridor future land use category applies to the Downtown Plano core and the adjoining rail corridor linking the Dallas Area Rapid Transit (DART) red/orange line and the future Cotton Belt line. It is the intention to continue the transformation of the Downtown Plano core into a distinct and authentic urban center and expand the vision for transit-oriented development within the entire corridor. Land uses which are supported within the Transit Corridor category include housing, retail, cultural facilities, hotels, and government offices.



Residential zoning requests should be carefully examined to ensure that they are supported with established transit options. Although transit has not been established within walking distance, this request makes the zoning consistent with the existing land use, and it is within an established residential neighborhood. Furthermore, staff does not anticipate any adverse impacts on the subject property should the 12th Street station not be constructed. For these reasons, staff believes this request is in conformance with the Transit Corridor future land use category.

Growth and Change Map - The purpose of the Growth and Change Map is to describe the level of change that is expected to occur on sites around the city and provide general direction for new development and redevelopment projects. The Growth and Change Map designates the subject property as Evolve Urban (EU). Evolve Urban is classified as existing areas that are expected to experience extensive large-scale change through major redevelopment projects that evolve into distinct walkable districts. The Evolve Urban classification is intended to encourage large-scale redevelopment projects. Although this request is inconsistent with this classification, staff does not believe that rezoning the subject property will inhibit future development opportunities for reinvestment and enhancement of the general area.



Neighborhood Conservation Policy - The Plano Tomorrow Neighborhood Conservation policy states: "Plano will conserve and enhance established residential neighborhoods through city programs, initiatives, and regulations that support neighborhood identity and ensure safe, walkable communities; and preserve the suburban form that contributes to

the overall character and livability of the neighborhoods.” This request is in conformance with this policy because the existing zoning conflicts with the residential use. Changing the zoning is consistent with the policy recommendations for this established neighborhood.

Adequacy of Public Facilities - Water and sanitary sewer services are currently in place to serve residential uses on the subject property.

School Capacity - The subject property has always been used as a single-family residence. Therefore, there will be no impact to the Plano Independent School District.

Public Safety Response Time - Based upon existing personnel, equipment, and facilities, fire emergency response times will be sufficient to serve the site.

Access to and Availability of Amenities and Services - The property is located within the Harrington Library service area which has sufficient capacity to serve the residence. In addition, the Douglas Community Center and Haggard Park are both located less than a mile from the zoning request.

Downtown Plano Vision and Strategy Update

This request is within the study area of the Downtown Plano Vision and Strategy Update, which contains downtown’s historic commercial core and locations with the greatest potential for redevelopment along the two and a half mile DART corridor. The subject property is located within a “Neighborhood Preservation Area” and continuing effort is needed to preserve, protect, and enhance the neighborhood. This request is in conformance with the neighborhood preservation efforts within the Downtown Plano Vision and Strategy Update.

Residential Use

The property to the north is zoned LI-1, while properties to the east, south and west are zoned SF-6. Although LI-1 zoning is not appropriate in close proximity to residential uses, the residential neighborhood was established prior to the LI-1 zoning designation for the adjacent property. Staff believes rezoning the residence is appropriate since the property is part of an existing residential neighborhood, is currently used as a single-family residence, and the zoning will be a continuation of the adjacent SF-6 zoning. Furthermore, this property only has access and frontage on a residential street. For these reasons, staff believes residential zoning is appropriate for the subject property.

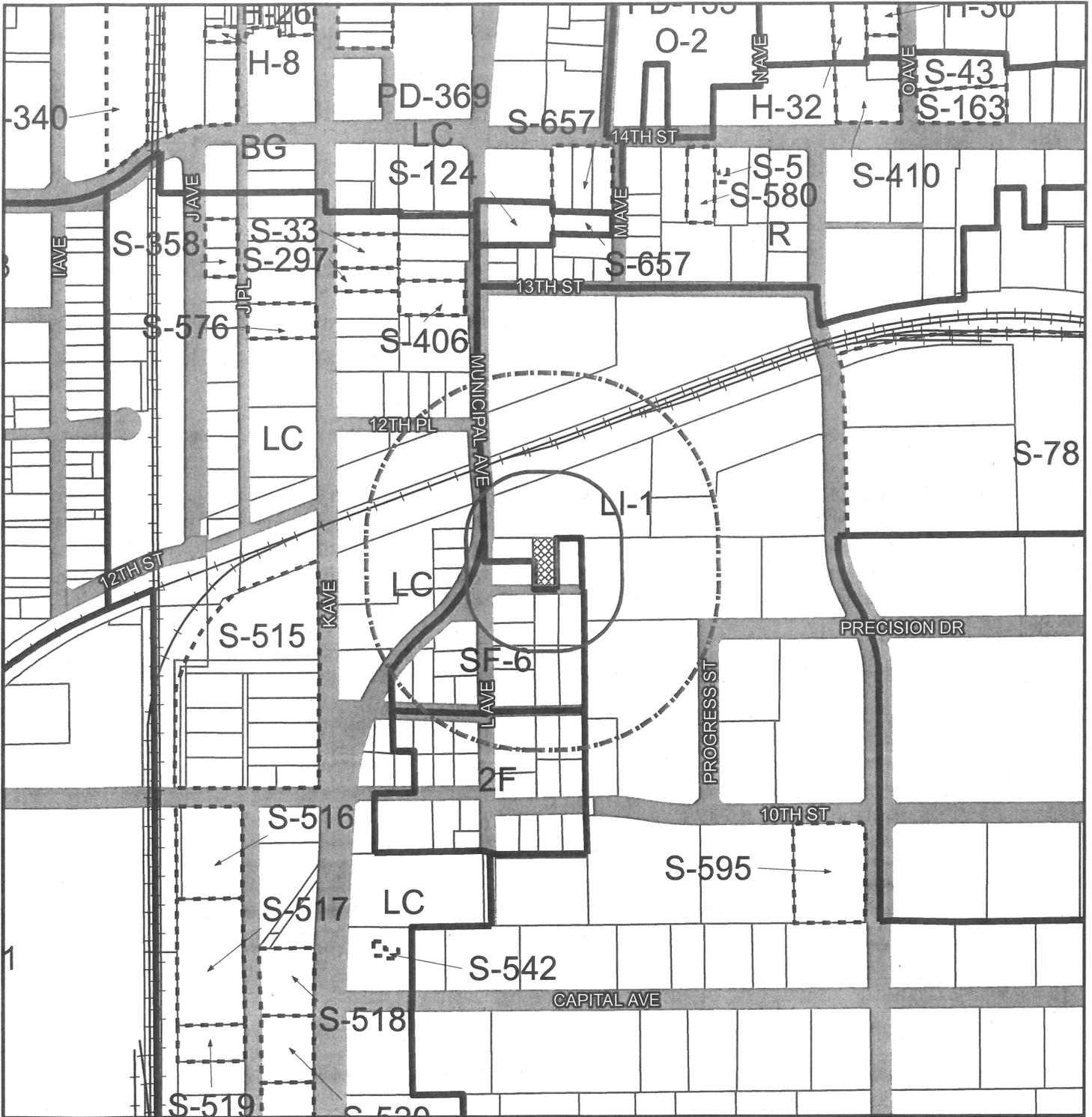
SUMMARY:

This is a request to rezone 0.2± acre located on the north side of 12th Street, 181± feet east of Municipal Avenue from Light Industrial-1 to Single-Family Residence-6. The proposed zoning request is in conformance with the Future Land Use Map, the Neighborhood Conservation Policy, and the Downtown Plano Vision and Strategy Update. Although the request is not in conformance with the Growth and Change Map, rezoning the property would not be detrimental to future potential redevelopment opportunities for the general area. Furthermore, the subject property is currently being

used as a residence and is a part of an established residential neighborhood. For these reasons, staff supports the zoning request.

RECOMMENDATION:

Recommended for approval as submitted.

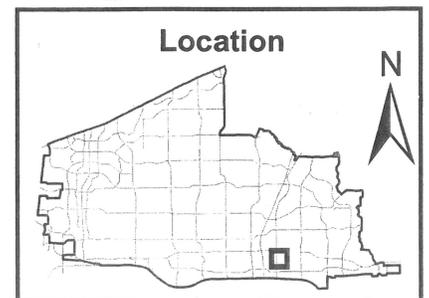


Zoning Case #: 2015-26

Existing Zoning: Light Industrial-1 (LI-1)

Proposed Zoning: Single-Family Residence-6 (SF-6)

-  500' Notification Buffer
-  200' Notification Buffer
-  Subject Property
-  Zoning Boundary
-  Specific Use Permit
-  City Limits
-  Right-of-Way



Source: City of Plano Planning Department

12TH PLACE

MUNICIPAL /AND L AVENUE

Area of Request

12TH STREET

MUNICIPAL AVENUE

L AVENUE

11TH STREET



Source: City of Plano, Planning Dept.
Date : 1/5/2016

Zoning Case 2015-26

Zoning Case 2015-26

An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to rezone 0.2± acre of land out of the Sanford Beck Survey, Abstract No. 73, located on the north side of 12th Street, 181± feet east of Municipal Avenue in the City of Plano, Collin County, Texas, from Light Industrial-1 to Single-Family Residence-6; 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, a publication 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 25th day of January, 2016, for the purpose of considering rezoning 0.2± acre of land out of the Sanford Beck Survey, Abstract No. 73, located on the north side of 12th Street, 181± feet east of Municipal Avenue in the City of Plano, Collin County, Texas, from Light Industrial-1 to Single-Family Residence-6; 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 25th day of January, 2016; and

WHEREAS, the City Council is of the opinion and finds that such rezoning 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. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to rezone 0.2± acre of land out of the Sanford Beck Survey, Abstract No. 73, located on the north side of 12th Street, 181± feet east of Municipal Avenue in the City of Plano, Collin County, Texas, from Light-Industrial-1 to Single-Family Residence-6, 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 violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and 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 25TH DAY OF JANUARY, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

Zoning Case 2015-26

SITUATED in the State of Texas, County of Collin, City of Plano, being in the Sanford Beck Survey, Abstract No. 73, and being a part of a 59.34 acre tract conveyed to J.O. Reed by LaRoy Kidd, et ux, by deed recorded in Volume 364, Page 30, of the Collin County, Texas, Deed Records, and being more particularly described as follows:

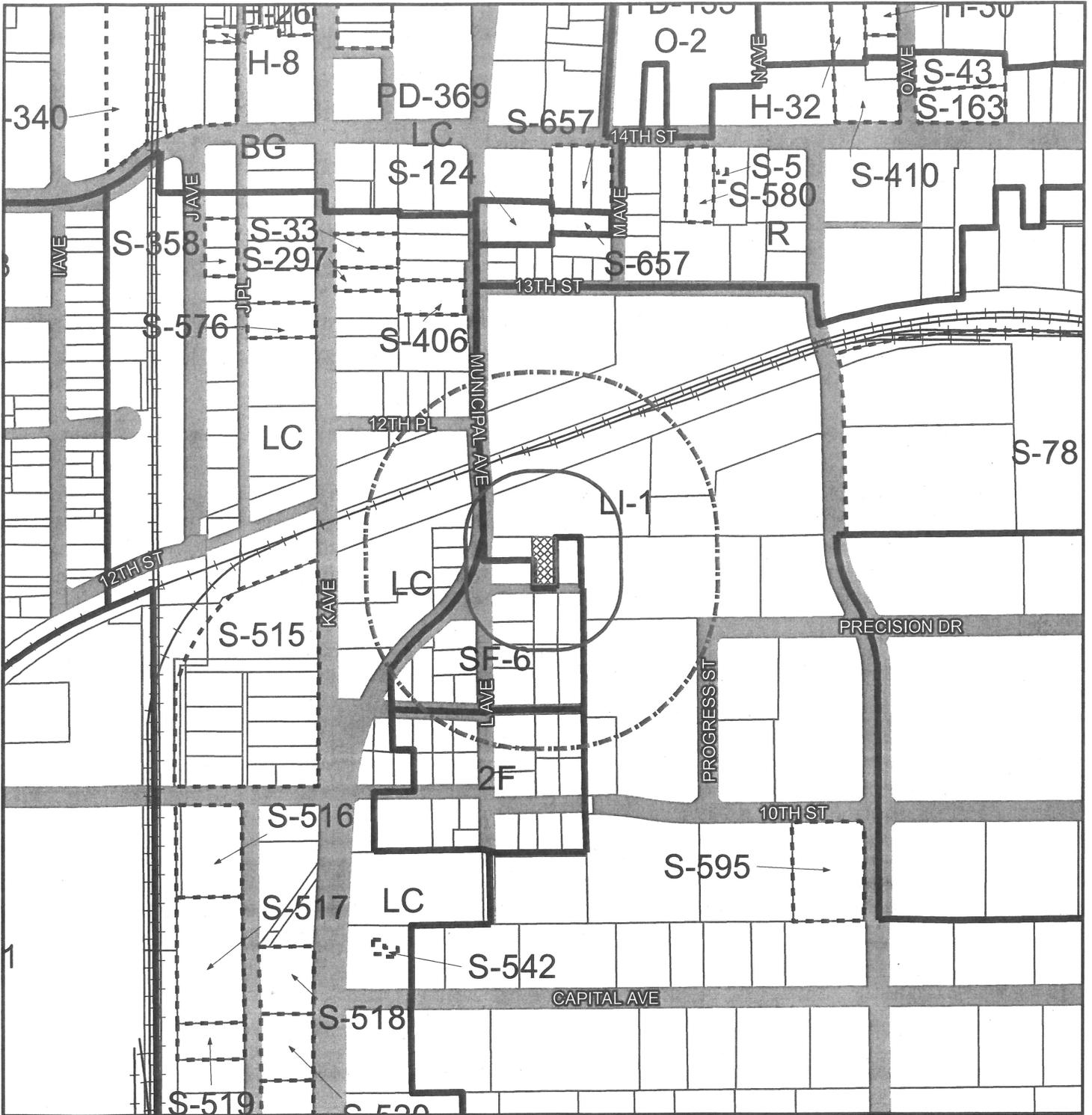
BEGINNING at a 3/4-inch iron pipe found in the north line of 12th Street, said point being South 89°42'00" East, a distance of 130.49 feet from the intersection of the north line of 12th Street with the east line of Avenue L;

THENCE, North 00°25'00" West, a distance of 136.00 feet to an iron rod set for corner;

THENCE, South 89°47'50" East, a distance of 70.00 feet to an iron rod set for corner;

THENCE, South 00°25'00" East, a distance of 136.12 feet to an iron rod set for corner in the north line of said 12th Street;

THENCE, with the north line of said 12th Street, North 89°42'00" West, a distance of 70.00 feet to the PLACE OF BEGINNING and CONTAINING 9,523 square feet or 0.219 acres of land.

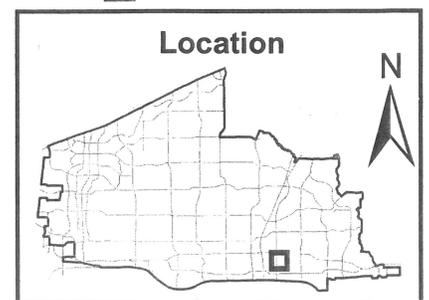


Zoning Case #: 2015-26

Existing Zoning: Light Industrial-1 (LI-1)

Proposed Zoning: Single-Family Residence-6 (SF-6)

- 500' Notification Buffer
- 200' Notification Buffer
- Subject Property
- Zoning Boundary
- Specific Use Permit
- City Limits
- Right-of-Way



Source: City of Plano Planning Department