

Community Interest

Pursuant to Section 5510415 of the Texas Government Code, the City Council may report on the following items: 1) expression of thanks, congratulations or condolences; 2) information about holiday schedules; 3) recognition of individuals; 4) reminders about upcoming City Council events; 5) information about community events; and 6) announcements involving imminent threat to public health and safety.

2. Items of Community Interest

Consent Agenda

All items listed under the consent agenda are considered routine and are recommended to the City Council for a single vote approval. If discussion is desired, an item may be removed from the consent agenda for a separate vote.

3. Consent Agenda:

- A. Approval of the minutes of the September 3, 2020 City Council meeting. **(City Secretary Stacy Henderson)**
- B. Consider authorizing the City Manager to enter into Amendment No. 3 of an interlocal agreement between the City of Lucas and Collin County for law enforcement services for year three of a four-year contract for the period beginning October 1, 2020 through September 30, 2021. **(City Manager Joni Clarke)**

Regular Agenda

- 4. Consider the approval of 1) Resolution R-2020-09-00506 of the City Council of the City of Lucas, Texas authorizing the approval of an agreement to contribute to right-of-way funds (fixed price), 2) authorize the Mayor to execute the agreement to contribute to right-of-way funds (fixed price) to the State of Texas through the Texas Department of Transportation for a transportation improvement project located at FM 1378 at FM 3286, and 3) using funds from the 2019 Certificates of Obligation for the City's participation in the right-of-way and utility adjustments for the Bait Shop Intersection (FM 1378/FM 3286) project and appropriate funds to line item 21-8210-491-138 in an amount not to exceed \$129,517.60. **(City Engineer Stanton Foerster)**
- 5. Consider the financial condition of the City and the following financial matters as it relates to:
 - A. Consider authorizing City staff and SAMCO Capital, the City's financial advisor, to proceed with paying off the City's outstanding General Obligation Refunding Bonds (Series 2007) and Refunding the City's Certification of Obligation (Series 2011) so long as certain savings thresholds can be achieved.
 - B. Consider the policy regarding reserves in both the General Fund and Water Fund, trends associated with reserves, and the pay as you go program.
 - C. Consider the prioritization and funding strategies associated with future capital projects in both the General Fund and Water Fund.

(City Council, Mark McLiney, SAMCO Capital, Andrew Friedman, SAMCO Capital, City Manager Joni Clarke, City Engineer Stanton Foerster, Finance Director Liz Exum)

6. Discuss and consider the following topics as it relates to the City of Lucas Broadband Project: **(Councilmember Wayne Millsap)**
 - A. Matters relating to public communication, information placed on the City's website, questions received from citizens and proposed distribution of factual material regarding Proposition B on the November ballot;
 - B. Update on the Economic Development Administration grant application;
 - C. Broadband Feasibility Study including the financial model;
 - D. Provide direction and consider authorizing the City Manager to acquire additional services from Magellan Advisors;
 - E. Financial information by SAMCO Capital; and
 - F. Legal information from the City Attorney and/or Bond Counsel.
7. Consider the provision of Law Enforcement Services by Collin County Sheriff's Office and provide guidance to the City Manager regarding contractual negotiations. **(City Manager Joni Clarke)**
8. Consider moving to Action Minutes for City Council and board/commission meetings. **(City Secretary Stacy Henderson)**

Executive Session Agenda

9. Executive Session: An Executive Session is not scheduled for this meeting.

As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney regarding any item on the agenda at any time during the meeting. This meeting is closed to the public as provided in the Texas Government Code.

10. Reconvene from Executive Session.

Certification

I do hereby certify that the above notice was posted in accordance with the Texas Open Meetings Act on the bulletin board at Lucas City Hall, 665 Country Club Road, Lucas, TX 75002 and on the City's website at www.lucastexas.us on or before 5:00 p.m. on September 11, 2020.

Stacy Henderson, City Secretary

In compliance with the American with Disabilities Act, the City of Lucas will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services should be directed to City Secretary Stacy Henderson at 972.912.1211 or by email at shenderson@lucastexas.us at least 48 hours prior to the meeting.



City of Lucas

City Council Agenda Request

September 17, 2020

Item No. 01

Requester: Mayor Jim Olk

Agenda Item Request

Citizen Input

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas

Council Agenda Request

September 17, 2020

Requester: Mayor Jim Olk

Agenda Item Request

2. Items of Community Interest.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas Council Agenda Request September 17, 2020

Item No. 03

Requester: City Secretary Stacy Henderson, City Manager Joni Clarke

Agenda Item Request

3. Consent Agenda:
 - A. Approval of the minutes of the September 3, 2020 City Council meeting.
 - B. Consider authorizing the City Manager to enter into Amendment No. 3 of an interlocal agreement between the City of Lucas and Collin County for law enforcement services for year three of a four-year contract for the period beginning October 1, 2020 through September 30, 2021.

Background Information

Agenda Item 3B:

Collin County Law Enforcement Services Amendment No. 3 interlocal agreement is at a rate of \$212,449.00. This contract rate has decreased from the previous contract year that was a rate of \$214,402.88.

Attachments/Supporting Documentation

1. Minutes of the September 3, 2020 City Council meeting.
2. Amended Law Enforcement Services Contract with Collin County.

Budget/Financial Impact

See contracted rate.

Recommendation

City Staff recommends approval of the Consent Agenda.

Motion

I make a motion to approve the Consent Agenda as presented.



**City of Lucas
City Council Meeting/Budget Workshop**

September 3, 2020

Video Conference Meeting

7:05 P.M.

(or immediately following the Lucas Fire Control, Prevention and EMS District Meeting)

City Hall, 665 Country Club Road, Lucas, Texas

MINUTES

Call to Order

City Councilmembers Present:

Mayor Jim Olk
Mayor Pro Tem Kathleen Peele
Councilmember Wayne Millsap
Councilmember Tim Baney
Councilmember Steve Duke
Councilmember Philip Lawrence
Councilmember Debbie Fisher

City Staff Present:

City Manager Joni Clarke
City Secretary Stacy Henderson
City Attorney Joe Gorfida
City Engineer Stanton Foerster
Finance Director Liz Exum

This meeting was conducted by video conference.

Mayor Olk called the meeting to order at 7:03 p.m., determined that a quorum was present, and the Pledge of Allegiance was recited.

Citizen Input

1. Citizen Input

The following citizens spoke during Citizen Input:

Neal Polan, Lucas resident, spoke regarding the broadband item on the ballot in November. He discussed the validity of the feasibility study, potential income from Lovejoy ISD as a proposed anchor participant, and asked that Magellan Advisors be allowed to conduct several other model scenario options with different percentage rates.

Paul Rathgeb, Lucas resident, discussed the need for a standing item on the agenda to receive updates from staff regarding communication efforts.

Mayor Olk read emails from Lucas residents, Paul Rathgeb and Renee Sims, asking that the outcome of the GCEC meeting be placed on the next City Council agenda. Mayor Olk stated that GCEC meeting notes had been placed on the City's website and communication efforts from staff were actively being worked on.

Community Interest

2. Community Interest

Mayor Olk noted that the following items of Community Interest:

- Farmers Market would be in operation on September 12 from 8 am to Noon.
- Public Lands Trails Cleanup event is scheduled for September 26 at Brockdale Park Trailhead.
- City offices closed September 7 for the Labor Day holiday.
- City of Lucas placed 2nd in the Keep Texas Beautiful Governor's Community Achievement Award for overall efforts in the KTB program.
- Current cases in Lucas related to COVID-19

Executive Session Agenda

3. **Per Section 551.071 of the Texas Government Code the City Council will convene into Executive Session for the purposes of seeking legal advice from the City Attorney regarding Agenda Item No. 8, terminating the Construction Agreement between the City and McMahon Contracting, LP for Winningkoff Road Phase 2 and awarding a construction agreement to the next lowest bidder, Camino Construction LP.**

The City Council convened into Executive Session at 7:16 pm.

4. Reconvene from Executive Session.

The City Council reconvened from Executive Session at 7:49 pm. There was no action taken as a result of the Executive Session.

The City Council moved to Agenda Item No. 8 at this time.

8. **Consider terminating the Construction Agreement between the City and McMahon Contracting, LP regarding Bid #017-19 for Winningkoff Road Phase 2 and awarding a construction agreement to the next lowest bidder, Camino Construction LP regarding Bid #017-19 for Winningkoff Road Phase 2, authorize the City Manager to execute such Agreement and appropriate \$331,885.00 to line item 21-8210-491-127 from unrestricted general fund reserves.**

Ms. Fisher noted that the funds needed to appropriate for this project was \$225,970 not \$331,885 but asked why the funds were coming from the general fund reserves. Councilmember Fisher also expressed her concern regarding construction of another large project at this time.

City Manager Joni Clarke stated that funding for this project consisted of Certificates of Obligation and general fund reserves.

MOTION: A motion was made Councilmember Millsap, seconded by Councilmember Baney to terminate the Construction Agreement between the City and McMahon Contracting, LP regarding Bid #017-19 for Winningkoff Road Phase 2 and awarding a construction agreement to the next lowest bidder, Camino Construction LP regarding Bid #017-19 for Winningkoff Road Phase 2, authorize the City Manager to execute such Agreement and appropriate \$225,970 to line item 21-8210-491-127 from unrestricted general fund reserves. The motion passed unanimously by a 7 to 0 vote.

The City Council moved to Agenda Item No. 5 at this time.

Consent Agenda

5. Consent Agenda:

- A. Approval of the minutes of the August 6, 2020 City Council Meeting.
- B. Approval of the minutes of the August 20, 2020 City Council meeting.
- C. Consider approving R-2020-09-00504 City of Lucas Investment Policy.

Councilmember Millsap asked that Item 5A be removed from the Consent Agenda.

MOTION: A motion was made by Mayor Pro Tem Peele, seconded by Councilmember Duke to approve Agenda Items B and C on the Consent Agenda. The motion passed unanimously by a 7 to 0 vote.

5A. Approval of the minutes of the August 6, 2020 City Council Meeting.

Councilmember Millsap noted that the motion for Agenda Item No. 4, the 5th bullet point references permeable pavers, which should be included as part of the 6th bullet point that reads as follows:

- Provide six-foot iron fencing and Knox box on the portion of the connection from the Inspiration property line to Brockdale Park Road, and emergency access from Brockdale Park Road to Inspiration shall be made of permeable pavers.

MOTION: A motion was made by Councilmember Millsap, seconded by Councilmember Baney to approve Agenda Item 5A as amended. The motion passed unanimously by a 7 to 0 vote.

Public Hearing Agenda

6. Public hearing to consider the budget for Fiscal Year 2020-2021.

Mayor Olk opened the public hearing at 7:58 pm, there being no one wishing to speak, the public hearing was closed.

There was no action on this item, it was for discussion purposes only.

7. Public hearing to consider the tax rate for Fiscal Year 2020-2021.

Mayor Olk opened the public hearing at 7:59 pm, there being no one wishing to speak, the public hearing was closed.

There was no action on this item, it was for discussion purposes only.

Regular Agenda

9. Consider adopting Ordinance 2020-09-00921 approving the budget for fiscal year beginning October 1, 2020 and ending September 30, 2021.

MOTION: A motion was made by Councilmember Baney, seconded by Councilmember Lawrence to adopt Ordinance 2020-09-00921 approving the budget for fiscal year beginning October 1, 2020 and ending September 30, 2021. The motion passed unanimously by a 7 to 0 vote. The following roll call vote was taken:

Councilmember Lawrence:	Yes
Councilmember Millsap:	Yes
Councilmember Fisher:	Yes
Councilmember Duke:	Yes
Councilmember Baney:	Yes
Mayor Pro Tem Peele:	Yes
Mayor Olk:	Yes

10. Consider adopting Ordinance 2020-09-00922 of the City of Lucas, Texas, levying Ad Valorem Taxes for the Tax Year 2020 (Fiscal Year 2020-2021) at a rate of \$0.299795 per one hundred (\$100) assessed valuation on all taxable property within the corporate limits of the City of Lucas as of January 1, 2020.

Mayor Olk noted that the tax rate being proposed was \$0.299795, which was the voter approval tax rate.

MOTION: A motion was made by Councilmember Fisher, seconded by Mayor Pro Tem Peele, to adopt Ordinance 2020-09-00922 of the City of Lucas, Texas, levying Ad Valorem Taxes for the Tax Year 2020 (Fiscal Year 2020-2021) at a rate of \$0.299795 per one hundred (\$100) assessed valuation on all taxable property within the corporate limits of the City of Lucas as of January 1, 2020. The motion passed unanimously by a 7 to 0 vote. The following roll call vote was taken:

Councilmember Lawrence:	Yes
Councilmember Millsap:	Yes
Councilmember Fisher:	Yes
Councilmember Duke:	Yes
Councilmember Baney:	Yes
Mayor Pro Tem Peele:	Yes
Mayor Olk:	Yes

11. **Consider authorizing City staff and SAMCO, the City’s financial advisor, to proceed with refunding the City’s outstanding General Obligation Refunding Bonds, Series 2007 and Certificates of Obligation, Series 2011 so long as certain savings thresholds can be achieved.**

Mark McLiney, SAMCO Financial, spoke regarding restructuring some of the City’s general obligation and certificates of obligation debt in both the general fund and utility fund explaining that refunding outstanding general obligation refunding bonds, series 2007 and Certificates of obligation, series 2011 would generate approximately \$521,886 in future savings.

Mr. McLiney discussed with the Council refunding existing debt for lower interest rates without extending debt and creating savings. Mr. McLiney reviewed the debt service and projected annual savings.

Councilmember Fisher asked why the City wouldn’t pay off debt using reserves rather than refunding debt.

Councilmember Millsap discussed the funds currently in reserves that could be used to pay off debt rather than having large amounts of reserve while the City’s carries debt.

The Council discussed the water tower project that needed additional funding from reserves along with various roadway projects that would also need funding from reserves.

The Council was in agreement that they would like to see the Capital Improvement Plan outlining projects, estimated costs, and projected started dates before any decisions regarding refunding were made.

No action was taken, this item will be placed on the September 17, 2020 City Council agenda.

12. **Consider casting votes on the ballot for the Texas Municipal League Intergovernmental Risk Pool Board of Trustees, Places 1 through 4 election.**

MOTION: A motion was made by Mayor Olk, seconded by Councilmember Baney, to cast votes for the following individuals for the Texas Municipal League Intergovernmental Risk Pool Board of Trustees, Places 1 through 4 election. The motion passed unanimously by a 7 to 0 vote.

Place 1:	Robert Herrera
Place 2:	John Fullen
Place 3:	Jeffrey Snyder
Place 4:	Robert Hauck

Adjournment

13. **Adjournment.**

MOTION: A motion was made by Councilmember Millsap, seconded by Mayor Olk to adjourn the meeting at 8:37 pm. The motion passed unanimously by a 7 to 0 vote.

APPROVED:

ATTEST:

Stacy Henderson, City Secretary

Jim Olk, Mayor



Contract Amendment

Three (3)

Office of the Purchasing Agent
Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, TX 75071
972-548-4165

Vendor: City of Lucas
Joni Clarke, City Manager
665 Country Club Road
Lucas, TX 75002
Effective Date 10/1/2020
Contract No. 2017-238
Contract Law Enforcement Services

Awarded by Court Order No.: 2017-670-0-11
Amendment 1 Court Order No.: 2018-831-10-01
Amendment 2 Court Order No.: 2019-1023-11-04
Amendment 3
Amendment

YOU ARE DIRECTED TO MAKE THE FOLLOWING AMENDMENT TO THIS CONTRACT

ITEM #1 For the period October 1, 2020 through September 30, 2021 the reimbursement amount will be:
Deputy 1: \$ 105,309.00
Deputy 2: \$ 92,628.00
Maintenance & Operations: \$ 14,000.00
Vehicle Insurance (\$256 Each) \$ 512.00
\$ 212,449.00 (four payments of \$53,112.25)

ITEM #2 Add Force Majeure to Terms and Conditions:
Force Majeure: No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including, without limitation: acts of God; flood, fire or explosion; war, invasion, riot or other civil unrest; actions, embargoes or blockades in effect on or after the date of this Agreement; or national or regional emergency (each of the foregoing, a "Force Majeure Event"). A party whose performance is affected by a Force Majeure Event shall give notice to the other party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

Except as provided herein, all terms and conditions of the contract remain in full force and effect and may only be modified in writing signed by both parties.

ACCEPTED BY:
(Print Name)

ACCEPTED AND AUTHORIZED BY
AUTHORITY OF COLLIN COUNTY
COMMISSIONERS' COURT

Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, Texas 75071

SIGNATURE
TITLE:
DATE:

Purchasing Agent
DATE:



Contract Amendment

Two

Office of the Purchasing Agent
Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, TX 75071
972-548-4165

Vendor: City of Lucas
Joni Clarke, City Manager
665 Country Club Road
Lucas, TX 75002

Effective Date 1-Oct-19
Contract No. 2017-238
Contract Law Enforcement Services

Awarded by Court Order No.: 2017-670-09-11
Amendment 1 Court Order No.: 2018-831-10-01
Amendment 2 Court Order No.: 2019-1023-11-04

YOU ARE DIRECTED TO MAKE THE FOLLOWING AMENDMENT TO THIS CONTRACT

1. For the period October 1, 2019 through September 30, 2020 the reimbursement amount will be:

Deputy 1: \$103,854.97
Deputy 2: \$ 96,093.91
Maintenance and Operations: \$ 14,000.00
Vehicle Insurance (\$227 each) \$ 454.00
\$214,402.88 (four payments of \$53,600.72)

Except as provided herein, all terms and conditions of the contract remain in full force and effect and may only be modified in writing signed by both parties.

ACCEPTED BY:

Joni Clarke (Print Name)

City of Lucas
665 Country Club Road
Lucas, TX 75002

SIGNATURE

TITLE

DATE

Joni Clarke
City Manager
10/18/19

ACCEPTED AND AUTHORIZED BY
AUTHORITY OF COLLIN COUNTY
COMMISSIONERS' COURT

Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, Texas 75071

Michalyn Rains
Michalyn Rains, CPPC, CPPB
Purchasing Agent

DATE:

11/19/19



Contract Amendment

One (1)

Office of the Purchasing Agent
Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, TX 75071
972-548-4165

Vendor: City of Lucas
Joni Clarke, City Manager
665 Country Club Road
Lucas, TX 75002

Effective Date 1-Oct-18
Contract No. 2017-238
Contract Law Enforcement Services

Awarded by Court Order No.:

2017-670-09-11

Amendment 1

Court Order No.:

2018-831-10-01

YOU ARE DIRECTED TO MAKE THE FOLLOWING AMENDMENT TO THIS CONTRACT

1. For the period October 1, 2018 through September 30, 2019 the reimbursement amount will be:

Deputy 1:	\$ 97,406.35
Deputy 2:	\$ 89,355.99
Maintenance and Operations:	\$ 14,000.00
Vehicle Insurance	\$ 324.00
New Vehicle	\$ 83,987.00
	<u>\$ 285,073.34</u> (three payments of \$71,268.33 and one payment of \$71,266.35)

Except as provided herein, all terms and conditions of the contract remain in full force and effect and may only be modified in writing signed by both parties.

ACCEPTED BY:

ACCEPTED AND AUTHORIZED BY
AUTHORITY OF COLLIN COUNTY
COMMISSIONERS' COURT

Joni Clarke (Print Name)

City of Lucas
665 Country Club Road
Lucas, TX 75002

Collin County Administration Building
2300 Bloomdale Rd, Ste 3160
McKinney, Texas 75071

Joni Clarke
SIGNATURE
TITLE: City Manager
DATE: 8/17/18

Michalyn Rains
SIGNATURE
TITLE: CPPA, CPPB
Purchasing Agent
DATE: 10/3/18

MC

COURT ORDER NO. 2017- 0070 -09-11

THE STATE OF TEXAS

COUNTY OF COLLIN

Subject: Interlocal Agreement, Law Enforcement Services, City of Lucas – Sheriff

On September 11, 2017, the Commissioners Court of Collin County, Texas, met in regular session with the following members present and participating, to wit:

Keith Self
Susan Fletcher
Cheryl Williams
Chris Hill
Duncan Webb Not Present

County Judge, Presiding
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4

During such session the court considered a request for approval of an Interlocal Agreement with the City of Lucas.

Thereupon, a motion was made, seconded and carried with a majority vote of the court for approval of an Interlocal Agreement with the City of Lucas for Law Enforcement Services. Same is hereby approved as per the attached documentation.



Keith Self, County Judge

Susan Fletcher, Commissioner, Pct. 1

Cheryl Williams, Commissioner, Pct. 2

Chris Hill, Commissioner, Pct. 3

Not Present

Duncan Webb, Commissioner, Pct. 4

ATTEST:

Stacey Kemp, Ex-Officio Clerk
Commissioners Court
Collin County, TEXAS



City of Lucas

City Council Agenda Request

September 17, 2020

Requester: City Engineer Stanton Foerster

Agenda Item Request

Consider the approval of 1) Resolution R-2020-09-00506 of the City Council of the City of Lucas, Texas authorizing the approval of an agreement to contribute to right-of-way funds (fixed price), 2) authorize the Mayor to execute the agreement to contribute to right-of-way funds (fixed price) to the State of Texas through the Texas Department of Transportation for a transportation improvement project located at FM 1378 at FM 3286, and 3) using funds from the 2019 Certificates of Obligation for the City's participation in the right-of-way and utility adjustments for the Bait Shop Intersection (FM 1378/FM 3286) project and appropriate funds to line item 21-8210-491-138 in an amount not to exceed \$129,517.60.

Background Information

In May 2017, the City entered into an agreement with Collin County for the purchase of 2.194 acres of land (Lucas Corners Tract) on the north side of Lucas Road. The City's cost was \$300,000, and the land is being held in Collin County's name.

In July 2020, the City was contacted by members of the TxDOT ROW Division requesting that the City enter an LPA. The Bait Shop Intersection project will have 11 parcels, and an estimate by TxDOT shows that the City's 10% participation cost (Texas Administrative Code: (43 TAC § Local Governments to contribute to the State funding participation for the cost of acquiring the right of way and relocating or adjusting utilities for the proper improvement of the State Highway System) is \$129,517.60.

The City of Lucas has waterlines within the Lucas Road and Southview Drive TxDOT rights-of-way. This LPA does not include any funds for the relocation of City owned utilities. The City may have to relocate all or some these waterlines at the City's expense depending on the final design of the TxDOT project.

On August 20, 2020, the City Council took no action on this item until a meeting with TxDOT could be arranged.

Mayor Pro Tem Peele noted her opposition to this agreement moving forward as the proposed alignment cuts off access to Cedar Bend Trail with four lanes turning into two lanes at Edgefield Lane. Residents would not be able to turn left out of their neighborhood and trailers would not be able to make a left turn. Mayor Pro Tem Peele stated that a better solution needs to be considered.



City of Lucas

City Council Agenda Request

September 17, 2020

The City Council discussed funding that Collin County and the City would receive when TxDOT purchases a portion of the Lucas Corners tract, and the relocation of waterlines in the area. The Council also discussed the negative impact of removing certain access to the Edgefield Lane/Cedar Bend Trail neighborhood, as well as emergency response.

Mayor Olk asked the City Engineer if he would request a representative from TxDOT attend a City Council meeting and discuss the design of the roadway and intersection further.

A motion was made by Mayor Olk, seconded by Councilmember Lawrence to table this item until a representative from TxDOT could attend the meeting to discuss the matter further. The motion passed unanimously.

Collin County Area Engineer Jennifer Vorster, PE is planning to attend this meeting and provide information about TxDOT's design. Ms. Vorster is responsible for all TxDOT work within Collin County.

Attachments/Supporting Documentation

1. Resolution R-2020-09-00506 with TxDOT/Lucas Local Participation Agreement (Fixed Price) as Exhibit A.
2. Local Participation Agreement (Fixed Price)

Budget/Financial Impact

The City budgeted \$800,000 for the Bait Shop Intersection in the 2019 Certificates of Obligation. Once TxDOT buys a portion of the 2.194-acre Lucas Corners Tract, which is held in the County's name, the proceeds would be divided between Collin County and the City of Lucas. At this time, the specifics of the division of funds has not been determined. As the design of the project continues, the City will need to fund the relocation of any City improvements within the TxDOT rights-of-way: waterlines, traffic signal Opticom equipment, etc.

Recommendation

Staff recommends proceeding as quickly as possible with the TxDOT LPA in an amount not to exceed \$129,517.60 to not impede the progress of the Bait Shop Intersection project.

Motion

I make a motion to (approve/not approve) 1) Resolution R-2020-09-00506 of the City Council of the City of Lucas, Texas, approving the agreement to contribute to right-of-way funds to the



Item No. 04

City of Lucas

City Council Agenda Request

September 17, 2020

State of Texas through the Texas Department of Transportation for a transportation improvement project; and providing for an effective date; and 2) using funds from the 2019 Certificates of Obligation for the City's participation in the right-of-way and utility adjustments for the Bait Shop Intersection (FM 1378/FM 3286) project and appropriate funds to line item 21-8210-491-138 in an amount not to exceed \$129,517.60.



RESOLUTION NO. R-2020-09-00506

[Approving Agreement to Contribute to Right-of-Way Funds (Fixed Price)]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LUCAS, TEXAS, APPROVING THE AGREEMENT TO CONTRIBUTE TO RIGHT-OF-WAY FUNDS TO THE STATE OF TEXAS THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR A TRANSPORTATION IMPROVEMENT PROJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Texas Transportation Code, Sections 201.103 and 222.052, establishes that the State shall design, construct, and operate a system of highways in cooperation with local governments; and

WHEREAS, the Texas Transportation Code, Section 201.209, authorizes the State and a Local Government to enter into agreements in accordance with Texas Government Code, Chapter 791; and

WHEREAS, the State has deemed it necessary to make certain highway improvements on Highway No. FM 1378 at FM 3286, and this section of highway improvements will necessitate the acquisition of certain right-of-way and the relocating and adjusting of utilities (the "Project"); and

WHEREAS, the Local Government requests that the State assume responsibility for acquisition of all necessary right-of-way and adjustments of utilities for this highway project; and

WHEREAS, the Local Government desires to enter into a fixed price joint participation agreement pursuant to 43 TAC §15.52 to contribute to the State funding participation as defined in 43 TAC §15.55 for the cost of acquiring the right of way and relocating or adjusting utilities for the proper improvement of the State Highway System; and

WHEREAS, the City Council of the City of Lucas, Texas, desires to enter into an Agreement To Contribute Right of Way Funds for a Transportation Improvement Project (the "Agreement") between the Texas Department of Transportation and the City for the Project;

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

SECTION 1. The Mayor is hereby authorized to execute the Agreement to Contribute Right of Way Funds (Fixed Price), for certain highway improvements on FM 1378 at FM 3286 with the Texas Department of Transportation.

SECTION 2. This Resolution shall take effect immediately upon its passage.

DULY PASSED by the City Council of the City of Lucas, Texas, on the 17th day of September, 2020.

APPROVED:

Jim Olk, Mayor

ATTEST:

Stacy Henderson, City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr., City Attorney



125 EAST 11TH STREET, AUSTIN, TEXAS 78701-2483 | 512.463.8588 | WWW.TXDOT.GOV

August 11, 2020

Joni Clarke, City Manager
City of Lucas
c/o Stanton Foerster, P.E.
665 Country Club Road
Lucas, Texas 75002

RE: Collin County
RCSJ-1392-01-049, CCSJ-1392-01-044
FM 1378 at FM 3286

Dear Ms. Clarke,

Enclosed for your execution are three "Agreement to Contribute Right of Way Funds (Fixed Price)" agreements for City of Lucas, and the project stated above.


Please sign and return the following to the address stated below: **three original agreements, Approval Ordinance/Resolution, and/or Certified Minutes** and a contribution check. Once final signatures are obtained, the City will have a fully executed agreement returned.

Texas Department of Transportation (TxDOT)
Attention: Tresa Mixon – ROW
4777 US Highway 80 East
Mesquite, Texas 75150-6643

Please understand that TxDOT cannot proceed with ROW acquisition until this process is completed.

If you have any questions, please contact Tresa Mixon at (214) 320-3546.

Sincerely,

DocuSigned by:


CD610F8E0D584EF
John Hudspeth, P.E.
Director of Transportation, Planning and Development

Attachments

cc: Craig Dearman



OUR VALUES: *People • Accountability • Trust • Honesty*
OUR MISSION: *Connecting You With Texas*

An Equal Opportunity Employer

County Collin
District Dallas
ROW CSJ 1392-01-049
CCSJ # 1392-01-044
Federal Project #: - - -
CFDA Title: Highway Planning & Construction
CFDA # 20.205
Federal Highway Administration
Not Research and Development

STATE OF TEXAS §

COUNTY OF TRAVIS §

AGREEMENT TO CONTRIBUTE RIGHT OF WAY FUNDS (FIXED PRICE)

THIS AGREEMENT is made by and between the State of Texas, acting through the Texas Department of Transportation, (the "**State**"), and the City of Lucas, Texas, acting through its duly authorized officials (the "**Local Government**").

WITNESSETH

WHEREAS, Texas Transportation Code §§ 201.103 and 222.052 establish that the State shall design, construct, and operate a system of highways in cooperation with local governments; and

WHEREAS, Texas Transportation Code, §§ 201.209 authorizes the State and a Local Government to enter into agreements in accordance with Texas Government Code, Chapter 791; and

WHEREAS, the State has deemed it necessary to make certain highway improvements on Highway No. FM 1378 at FM 3286, and this section of highway improvements will necessitate the acquisition of certain right of way and the relocating and adjusting of utilities (the "**Project**"); and

WHEREAS, the Local Government requests that the State assume responsibility for acquisition of all necessary right of way and adjustment of utilities for this highway project; and

WHEREAS, the Local Government desires to enter into a fixed price joint participation agreement pursuant to 43 TAC §15.52 to contribute to the State funding participation as defined in 43 TAC §15.55 for the cost of acquiring the right of way and relocating or adjusting utilities for the proper improvement of the State Highway System;

WHEREAS, the Governing Body of the Local Government has approved entering into this agreement by resolution or ordinance dated _____, 20__, which is attached to and made a part of this agreement as Attachment A. A map showing the Project location appears in Attachment B, which is attached to and made a part of this agreement.

NOW THEREFORE, the State and the Local Government do agree as follows:

County Collin
District Dallas
ROW CSJ 1392-01-049
CCSJ # 1392-01-044
Federal Project #: ---
CFDA Title: Highway Planning & Construction
CFDA # 20.205
Federal Highway Administration
Not Research and Development

AGREEMENT

1. Agreement Period

This agreement becomes effective when signed by the last party whose signing makes the agreement fully executed. This agreement shall remain in effect until the Project is completed or unless terminated as provided below.

2. Termination

This agreement shall remain in effect until the Project is completed and accepted by all parties, unless:

- A. The agreement is terminated in writing with the mutual consent of the parties;
- B. The agreement is terminated by one party because of a breach, in which case any cost incurred because of the breach shall be paid by the breaching party; or
- C. The Project is inactive for thirty-six (36) months or longer and no expenditures have been charged against federal funds, in which case the State may in its discretion terminate this agreement.

3. Local Project Sources and Uses of Funds

- A. The total estimated cost of the Project is shown in Attachment C, Project Budget Estimate and Payment Schedule, which is attached to and made a part of this agreement. The expected cash contributions from the Federal or State government, the Local Government, or other parties is shown in Attachment C. The Local Government shall pay to the State the amount shown in Attachment C as its required contribution of the total cost of the Project and shall transmit to the State with the return of this agreement, duly executed by the Local Government, a warrant or check for the amount and according to the payment schedule shown in Attachment C.
- B. The Local Government's fixed price contribution set forth in Attachment C is not subject to adjustment unless:
 1. site conditions change;
 2. work requested by the Local Government is ineligible for federal participation; or
 3. the adjustment is mutually agreed on by the State and the Local Government.
- C. If the Local Government will perform any work under this contract for which reimbursement will be provided by or through the State, the Local Government must complete training before federal spending authority is obligated. Training is complete when at least one individual who is working actively and directly on the Project successfully completes and receives a certificate for the course entitled *Local Government Project Procedures Qualification for the Texas Department of Transportation*. The Local Government shall provide the certificate of qualification to the State. The individual who receives the training certificate may be an employee of the Local Government or an employee of a firm that has been contracted by the Local

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Government to perform oversight of the Project. The State in its discretion may deny reimbursement if the Local Government has not designated a qualified individual to oversee the Project.

- D. Whenever funds are paid by the Local Government to the State under this agreement, the Local Government shall remit a warrant or check made payable to the "Texas Department of Transportation Trust Fund." The warrant or check shall be deposited by the State in an escrow account to be managed by the State. Funds in the escrow account may only be applied to this highway project.
- E. Notwithstanding that this is a fixed price agreement, the Local Government agrees that in the event any existing, future, or proposed Local Government ordinance, commissioner's court order, rule, policy, or other directive, including, but not limited to, outdoor advertising or storm water drainage facility requirements, is more restrictive than State or federal regulations, or any other locally proposed change, including, but not limited to, plats or re-plats, results in any increased costs to the State, then the Local Government will pay one hundred percent (100%) of all those increased costs, even if the applicable county qualifies as an Economically Disadvantaged County (EDC). The amount of the increased costs associated with the existing, future, or proposed Local Government ordinance, commissioner's court order, rule, policy, or other directive will be determined by the State at its sole discretion.
- F. If the Local Government is an EDC and if the State has approved adjustments to the standard financing arrangement, this agreement reflects those adjustments.
- G. If the Project has been approved for an "incremental payment" non-standard funding or payment arrangement under 43 TAC §15.52, the budget in Attachment C will clearly state the incremental payment schedule.

4. Real Property in Lieu of Monetary Payment

- A. Contributions of real property may be credited to the Local Government's funding obligation for the cost of right of way to be acquired for this project. Credit for all real property, other than property which is already dedicated or in use as a public road, contributed by the Local Government to the State shall be based on the property's fair market value established as of the effective date of this agreement. The fair market value shall not include increases or decreases in value caused by the project and should include the value of the land and improvements being conveyed, excluding any damages to the remainder. The amount of any credit for real property contributed for this project is clearly shown in Attachment C.
- B. The Local Government will provide to the State all documentation to support the determined fair market value of the donated property. This documentation shall include an appraisal of the property by a licensed appraiser approved by the State. The cost of appraisal will be the responsibility of the State. The State will review the submitted documentation and make a final determination of value; provided however, the State may perform any additional investigation deemed necessary, including supplemental appraisal work by State employees or employment of fee appraisers.

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- C. Credit shall be given only for property transferred at no cost to the State after the effective date of this agreement and the issuance of spending authority, and only for property which is necessary to complete this project, has title acceptable to the State, and is not contaminated with hazardous materials. Credit shall be in lieu of monetary contributions required to be paid to the State for the Local Government's funding share of the right of way to be acquired for this project. The total credit cannot exceed the Local Government's matching share of the right of way obligation under this agreement, and credits cannot be reimbursed in cash to the Local Government, applied to project phases other than right of way, nor used for other projects.
- D. In the event the Local Government's monetary contributions to the State for acquisition of right of way, when added to its real property credits, exceed the Local Government's matching share of the right of way obligation, there will be no refund to the Local Government of any portion of its contributed money.

5. Amendments

Amendments to this agreement due to changes in the character of the work, terms of the agreement, or responsibilities of the parties relating to the Project may be enacted through a mutually agreed upon, written supplemental agreement.

6. Notices

All notices to either party by the other required under this agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid, to the following addresses:

Local Government:	State:
<u>Joni Clarke, City Manager</u>	Director of Right of Way Division
<u>c/o Stanton Foerster, P.E.</u>	Texas Department of Transportation
<u>665 Country Club Road</u>	125 E. 11 th Street
<u>Lucas, Texas 75002</u>	Austin, Texas 78701

All notices shall be deemed given on the date delivered or deposited in the mail, unless otherwise provided by this agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that notices shall be delivered personally or by certified U.S. mail and that request shall be honored and carried out by the other party.

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7. Remedies

This agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this agreement and shall be cumulative.

8. Legal Construction

If one or more of the provisions contained in this agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provisions and this agreement shall be construed as if it did not contain the invalid, illegal, or unenforceable provision.

9. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

10. Compliance with Laws

The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

11. Sole Agreement

This agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the subject matter of this agreement.

12. Ownership of Documents

Upon completion or termination of this agreement, all documents prepared by the State shall remain the property of the State. All data prepared under this agreement shall be made available to the State without restriction or limitation on their further use. All documents produced or approved or otherwise created by the Local Government shall be transmitted to the State in the form of photocopy reproduction on a monthly basis as required by the State. The originals shall remain the property of the Local Government. At the request of the State, the Local Government shall submit any information required by the State in the format directed by the State.

13. Inspection of Books and Records

The Local Government shall maintain all books, papers, accounting records and other documentation relating to costs incurred under this agreement and shall make such materials available to the State and, if federally funded, the Federal Highway

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Administration (FHWA) or their duly authorized representatives for review and inspection at its office during the contract period and for four (4) years from the date of completion of work defined under this agreement or until any impending litigation, or claims are resolved. Additionally, the State and FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

14. State Auditor

The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under this agreement or indirectly through a subcontract under this agreement. Acceptance of funds directly under this agreement or indirectly through a subcontract under this agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

15. Procurement and Property Management Standards

The parties shall adhere to the procurement standards established in Title 49 CFR §18.36 and with the property management standard established in Title 49 CFR §18.32.

16. Civil Rights Compliance

The parties to this agreement shall comply with the regulations of the U.S. Department of Transportation as they relate to nondiscrimination (49 CFR Part 21 and 23 CFR Part 200), and Executive Order 11246 titled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented in the Department of Labor Regulations (41 CFR Part 60).

17. Applicability of Federal Provisions

Articles 18 through 23 only apply if Federal funding is used in the acquisition of right of way or the adjustment of utilities.

18. Office of Management and Budget (OMB) Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the Cost Principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Project.

19. Disadvantaged Business Enterprise (DBE) Program Requirements

- A. The parties shall comply with the DBE Program requirements established in 49 CFR Part 26.
- B. The Local Government shall adopt, in its totality, the State's federally approved DBE program.

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- C. The Local Government shall set an appropriate DBE goal consistent with the State's DBE guidelines and in consideration of the local market, project size, and nature of the goods or services to be acquired. The Local Government shall have final decision-making authority regarding the DBE goal and shall be responsible for documenting its actions.
- D. The Local Government shall follow all other parts of the State's DBE program referenced in TxDOT Form 2395, Memorandum of Understanding Regarding the Adoption of the Texas Department of Transportation's Federally -Approved Disadvantaged Business Enterprise by Entity and attachments found at web address http://txdot.gov/business/business_outreach/mou.htm.
- E. The Local Government shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any U.S. Department of Transportation (DOT)-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Local Government shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in award and administration of DOT-assisted contracts. The State's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Local Government of its failure to carry out its approved program, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 USC 1001 and the Program Fraud Civil Remedies Act of 1986 (31 USC 3801 et seq.).
- F. Each contract the Local Government signs with a contractor (and each subcontract the prime contractor signs with a sub-contractor) must include the following assurance: *The contractor, sub-recipient, or sub-contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this agreement, which may result in the termination of this agreement or such other remedy as the recipient deems appropriate.*

20. Debarment Certification

The parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this agreement, the Local Government certifies that it is not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549 and further certifies that it will not do business with any party that is currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this contract shall require any party to a subcontract or purchase order awarded under this

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contract to certify its eligibility to receive federal funds and, when requested by the State, to furnish a copy of the certification.

21. Lobbying Certification

In executing this agreement, each signatory certifies to the best of that signatory's knowledge and belief, that:

- A. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The parties shall require that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and all sub-recipients shall certify and disclose accordingly. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 USC §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

22. Federal Funding Accountability and Transparency Act Requirements

- A. Any recipient of funds under this agreement agrees to comply with the Federal Funding Accountability and Transparency Act (FFATA) and implementing regulations at 2 CFR Part 170, including Appendix A. This agreement is subject to the following award terms: <http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22705.pdf> and <http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22706.pdf>.
- B. The Local Government agrees that it shall:
 1. Obtain and provide to the State a System for Award Management (SAM) number (Federal Acquisition Regulation, Part 4, Sub-part 4.11) if this award provides more than \$25,000 in Federal funding. The SAM number may be obtained by visiting the SAM website whose address is: <https://www.sam.gov/portal/public/SAM/>
 2. Obtain and provide to the State a Data Universal Numbering System (DUNS) number, a unique nine-character number that allows Federal government to track the

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distribution of federal money. The DUNS may be requested free of charge for all businesses and entities required to do so by visiting the Dun & Bradstreet (D&B) on-line registration website <http://fedgov.dnb.com/webform>; and

3. Report the total compensation and names of its top five (5) executives to the State if:

- i. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25,000,000; and
- ii. The compensation information is not already available through reporting to the U.S. Securities and Exchange Commission.

23. Single Audit Report

- A. The parties shall comply with the requirements of the Single Audit Act of 1984, P.L. 98-502, ensuring that the single audit report includes the coverage stipulated in OMB Circular A-133.
- B. If threshold expenditures of \$750,000 or more are met during the Local Government's fiscal year, the Local Government must submit a Single Audit Report and Management Letter (if applicable) to TxDOT's Audit Office, 125 E. 11th Street, Austin, TX 78701 or contact TxDOT's Audit Office at <http://txdot.gov/inside-txdot/office/audit/contact.html>
- C. If expenditures are less than \$750,000 during the Local Government's fiscal year, the Local Government must submit a statement to TxDOT's Audit Office as follows: "We did not meet the \$750,000 expenditure threshold and therefore, are not required to have a single audit performed for FY _____."
- D. For each year the project remains open for federal funding expenditures, the Local Government will be responsible for filing a report or statement as described above. The required annual filing shall extend throughout the life of the agreement, unless otherwise amended or the project has been formally closed out and no charges have been incurred within the current fiscal year.

24. Signatory Warranty

Each signatory warrants that the signatory has necessary authority to execute this agreement on behalf of the entity represented.

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THIS AGREEMENT IS EXECUTED by the State and the Local Government in duplicate.

THE LOCAL GOVERNMENT

Signature

Typed or Printed Name

Title

Date

THE STATE OF TEXAS

Rose Wheeler
Contracts & Finance Director
Right of Way Division
Texas Department of Transportation

Date

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**ATTACHMENT A
RESOLUTION OR ORDINANCE**

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ATTACHMENT B LOCATION MAP SHOWING PROJECT



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ATTACHMENT C
PROJECT BUDGET ESTIMATE AND PAYMENT SCHEDULE



County	Collin
District	Dallas District
ROW CSJ #	1392-01-049
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FHWA CFDA #	20.205
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**Standard Agreement to Contribute
State Performs Work
Attachment C**

Description	Total Estimated Cost	Participation				Total % (should be 100%)
		State		Local		
		%	Cost	%	Cost	
Right of Way Acquisition	\$1,255,280.00	90.0%	\$1,129,752.00	10.0%	\$125,528.00	100.0%
Reimbursable Utility Adjustments	\$39,896.00	90.0%	\$35,906.40	10.0%	\$3,989.60	100.0%
Joint Bid - Reimbursable Utility Adjustments						0.0%
TOTAL	\$1,295,176.00		\$1,165,658.40		\$129,517.60	

Fixed Amount

Except as otherwise provided in the Agreement, the fixed amount of Local Government participation will be that amount provided above.



City of Lucas

City Council Agenda Request

September 17, 2020

Requester: City Council
Mark McLiney, SAMCO Capital
Andrew Friedman, SAMCO Capital
City Manager Joni Clarke
City Engineer Stanton Foerster
Finance Director Liz Exum

Agenda Item Request

Consider the financial condition of the City and the following financial matters as it relates to:

- A. Consider authorizing City staff and SAMCO Capital, the City's financial advisor, to proceed with paying off the City's outstanding General Obligation Refunding Bonds (Series 2007) and Refunding the City's Certification of Obligation (Series 2011) so long as certain savings thresholds can be achieved.
- B. Consider the policy regarding reserves in both the General Fund and Water Fund, trends associated with reserves, and the pay as you go program.
- C. Consider the prioritization and funding strategies associated with future capital projects in both the General Fund and Water Fund.

Background Information

Item A – Refunding:

In attachment 1 and 2, you will find how much it will cost to pay off the Series 2007 Bonds with cash and can see the savings without the Series 2007s. The cash needed to pay off the Series 2007 Bonds on November 11 will be \$697,206.67 (found on page 2 of the first attachment). When compared to leaving those bonds outstanding, you will eliminate \$18,926 of interest.

The new refunding that excludes the Series 2007 Bonds will total a net savings of \$506,790.73 (found on page 6 of the second attachment). When you combine the \$506,790.73 to the savings from paying off the Series 2007 Bonds of \$18,926, the City would save \$525,716. This compares to the savings of \$521,886 that was shown at the City Council meeting on September 3, 2020. For comparison purposes, SAMCO Capital used the exact same interest rates on the proposed refunding.



City of Lucas

City Council Agenda Request

September 17, 2020

Item B – Reserves:

Fund Balance Policy (approved January 1, 2020)

Purpose. The purpose of this policy is to establish a key element of the financial stability of the City by setting guidelines for fund balance. This policy replaced and rescinded Resolution # R-2011-09-00376 Fund Balance Policy adopted September 1, 2011. Unassigned fund balance is an important measure of economic stability. It is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the City's general operations.

GASB 54. In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the fund balance section of the balance sheets of the governmental funds has been modified. This change has been made in order for the City's new fund balance components to focus on "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent" (GASB Statement No. 54, paragraph 54). Previously, the fund balance section focused on whether these resources were available for appropriation. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include the following line items: a.) non-spendable fund balance; b.) restricted fund balance; c.) committed fund balance; d.) assigned fund balance, and e.) unassigned fund balance. The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

Definitions.

1. Non-spendable fund balance (inherently not spendable) - Includes amounts that are not in a spendable form or are required to be maintained intact. Examples include inventory and permanent funds.
2. Restricted fund balance (externally enforceable limitations on use) - Includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and child safety fees.
3. Committed fund balance (self-imposed limitation set in place prior to the end of each fiscal year) - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.



City of Lucas

City Council Agenda Request

September 17, 2020

4. Assigned fund balance (limitation resulting from management's intended use) - Comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

5. Unassigned fund balance (residual net resources) - This is the excess of total fund balance over non-spendable, restricted, committed, and assigned fund balance fund balance. Unassigned amounts are technically available for any purpose.

Assigned Fund Balance. The City Council has authorized the City Manager as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy. Minimum Unassigned Fund Balance. It is the goal of the City to achieve and maintain a minimum unassigned fund balance in the general fund equal to 50% of expenditures. The City considers a balance of less than 25% to be cause for concern, barring unusual or deliberate circumstances. If the unassigned fund balance falls below the goal or has a deficiency, then staff will develop a plan for City Council that addresses the shortfall.

Order of Expenditure of Funds. 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 moving down to the next category with available funds. Spendable fund categories in order of most restricted to least restricted are Restricted, Committed, Assigned, and Unassigned.

*****End of Policy*****

In fiscal year 2017/18, the City established a Pay as You Go Program by setting aside \$150,000 and continued to add \$50,000 to this Program annually (11-1007-60) and will have a total of \$300,000 to fund capital outlay in fiscal year 2020/21.

Item C – Funding Strategies for Capital Projects:

The Capital Improvement Plan (CIP) is a planning document to facilitate the prioritization of capital projects and aligns those priority projects with funding strategies. A capital project is defined as having a minimum cost of \$5,000 resulting in the creation of a new fixed asset or the enhancement of an existing fixed asset.

The costs in the Capital Improvement Plan (CIP) are only estimates and should not be considered a budget. The following estimates are based on \$700 per linear foot of a two-lane concrete



City of Lucas

City Council Agenda Request

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roadway or \$2,700 per linear foot for bridges. Our current roadway projects are between \$450 and \$650 per linear foot, and the Blondy Jhune Bridges were \$2,500 per linear foot.

The CIP is updated annually and is scheduled to be included in the October 1, 2020 City Council agenda.

Attachments/Supporting Documentation

1. Bond Debt Service to Call General Obligation Refunding Bonds, Series 2007 (SAMCO)
2. Refunding of Certificate of Obligation, Series 2011 (SAMCO)
3. General Fund Unrestricted Reserve Schedule
4. Water Fund Unrestricted Reserve Schedule



City of Lucas

City Council Agenda Request

September 17, 2020

Item No. 05

Budget/Financial Impact – Reserves

Projected General Fund Reserves as of 9/30/21	\$7,882,080
Less: GASB 54 (50% current year expenditures)	(\$2,830,600)
Working Capital for Lucas Broadband Project (Note 1)	(\$4,730,000)
Unrestricted General Fund Reserves	\$321,480

Note (1) Dependent on the outcome of Proposition B on the November 3, 2020 ballot. This is the total amount of the interfund loan for working capital across 10 years beginning from fiscal year 2022/23 to 2031/32 as indicated in the broadband feasibility study.

Projected Water Fund Reserves as of 9/30/21	\$6,184,155
Less: GASB 54 (50% current year expenditures)	(\$2,134,002)
Water Demand Analysis (Note 2 - staff recommendation)	(\$40,000)
Water Tower Shortfall (staff recommendation)	(\$1,352,909)
Unrestricted Water Fund Reserves	\$2,657,244

Note (2) Water Demand Analysis provides engineering data about determining the maximum daily, maximum hourly and minimum hourly water system demands based on the following data: City SCADA water records, NTMWD supply meter data, waterworks wholesale meters, and any unique water demand customers (within the distribution system). The maximum daily and maximum hourly residential per-capita demand rates and per-capita rates will be reviewed to determine the design per-capita rates to be applied to the Water Distribution Master Plan. The last part is to develop and design 72-hour diurnal curves to be utilized in the hydraulic models. The next part of the analysis is to develop a Water Distribution System Master Plan (WDSMP). Using the model year of 2020, various hydraulic software is used to model and evaluate the CIP and buildout waterworks. Generally, eight inches and larger waterlines (backbone of system) and facilities (pump stations and tanks) in models to reflect 2020 existing system conditions. The end goal is to comprehensively and properly size pump station, main and distribution lines; evaluate benefits and pressure impacts of looping; assist in determination of service area elevation and service area divide; and fire flow analysis based on the maximum day demand condition in each base year.



City of Lucas

City Council Agenda Request

September 17, 2020

Item No. 05

Budget/Financial Impact – Certificate of Obligation 2017

General Fund:

Total Priority General Fund Road Projects	\$8,134,000
Unencumbered balance account 21-8210-491-123(in FY 16-17 budget)	\$749,000
General Fund Reserves (city council approved 3-2-17)	\$1,385,000
Amount to be funded with Certificates of Obligation	\$6,000,000

Project Description	Cost Estimate
Winningkoff Phase 2 (from Reverse Curve to Snider Lane) (construction and 10% contingency)	\$2,027,821

Completed Roadway Projects:

- Winningkoff Reverse Curve
- Stinson Road/West Lucas Road Intersection
- Country Club Road/Estates Parkway Intersection
- Stinson Road South of Bridge
- Blondy Jhune Road West Bridge to Winningkoff

<u>Total Priority Water Fund Projects:</u>	\$3,284,743
Unencumbered balances accounts 21-8210-490-120 and 21-8210-490-122 (in FY 16-17 budget)	\$142,964
Water Fund Reserves (city council approved 3-2-17)	\$141,779
Amount to be funded with Certificates of Obligation	\$3,000,000

Project Description	Cost Estimate
SCADA	\$100,000
North Pump Station (under construction – December 2020)	\$1,603,029
Water Tower (original budget \$1,147,091)	\$2,500,000

Completed Water Projects:

- Parker Road Waterline Phase 2 Shepherds Creek to Santa Fe Trail
- Parker Road Waterline Phase 3T

On January 17, 2019, the City Council authorized an agreement with Lakes Engineering for project management services in an amount not to exceed \$699,450:

- Stinson Road paving and drainage improvements \$209,835
- Blondy Jhune reconstruction \$279,780
- Winningkoff Road, Phase II paving and drainage improvements \$139,890
- Water tower and the north pump station \$69,945



City of Lucas

City Council Agenda Request

September 17, 2020

Item No. 05

Budget/Financial Impact – Certificate of Obligation 2019

General Fund \$7,550,000

Project Description	Cost Estimate
West Lucas Road (Total \$12,550,000-Collin County to fund \$8,365,180)	\$4,184,820
Stinson Bridge Design	\$802,115
Snider Bridge Design	\$754,185
Remaining Unallocated Balance	\$1,808,880

Note (3) TxDOT has requested funding in the amount of \$129,517.60 (Agreement to Contribute Right of Way Funds (Fixed Price) for the Bait Shop Intersection Project).

Water Fund \$1,450,000

Project Description	Cost Estimate
Waterline Looping	\$200,000
Rollingwood Circle/Choice Lane/Lakeview Drive Six-Inch Waterline Loop (97 homes)	\$432,165
Edgewood Lane/W. Lucas Road and Cedar Bend Trail/E. Lucas Road Six-Inch Waterline Loops (32 homes).	\$113,530
Graham Lane/Rock Ridge Court Eight-Inch Waterline Loop (34 homes)	\$571,775
Project Management Costs estimated at 10% of construction costs	\$131,747
Total Water Fund Capital Projects	\$1,449,217



City of Lucas

City Council Agenda Request

September 17, 2020

Item No. 05

Budget/Financial Impact – Unfunded Priority Capital Projects

Unfunded priority roadway projects to be considered for planning purposes include:

Stinson Road northern section from Bentwater Drive to the Reverse Curve	\$2,100,000
Winningkoff Road southern section from East Lucas Road to the Reverse Curve	\$2,700,000
Design estimated at 10 % of construction costs	\$480,000
Project management cost estimated at 10 % of construction	\$480,000
Contingency 10 %	\$480,000

West/East Lucas (Bait Shop) Intersection Project (20% of \$4,000,000) \$800,000

Subtotal unfunded costs for roadway projects (general fund) \$7,040,000

Unfunded priority roadway and bridge projects to be considered for planning purposes:

Snider Lane western section and bridge from Winningkoff Road to Shady Lane (construction costs)	\$3,500,000
Stinson Road middle section and bridge from Bristol Park to Bentwater Drive (construction costs)	\$1,500,000
Project management cost estimated at 10% of construction	<u>\$50,000</u>

Subtotal unfunded cost for bridge projects (general fund) \$5,050,000

Total unfunded General Fund projects \$12,090,000

Unfunded priority water projects to be considered for planning purposes include:

Water Demand Analysis (recommend funding from reserves-\$40,000)	\$0
Water Tower ((recommend funding shortfall from reserves-\$1,352,909)	\$0
Graham Lane/Rock Ridge Court Eight-Inch Waterline Loop (34 homes)	\$700,000
Rollingwood Circle/Choice Lane/Lakeview Dr. Six-Inch Waterline Loop (97 homes)	\$550,000
Waterline Looping	\$300,000
Project management cost estimated at 10 % of construction	<u>\$405,000</u>

Total unfunded costs for water projects (water fund) \$1,955,000

Less: 2019 Certificate of Obligation Funding (\$1,450,000)

Total unfunded Water Fund projects \$505,000

Edgewood Lane/W. Lucas Road and Cedar Bend Trail/E. Lucas Road Six-Inch Waterline Loops (32 homes) project is too close to the service, pressure boundary to be built.

Total unfunded costs for both funds \$12,595,000



City of Lucas

City Council Agenda Request

September 17, 2020

Item No. 05

Recommendations

1. Payoff General Obligation Refunding Bonds, Series 2007:

Series 2007 Bond pay off by fund:

Debt Service	\$485,045
Water Fund	<u>\$212,162</u>
Total	\$697,207

Minus payment Included in FY 2020-2021 budget:

Debt Service Principal (59-7900-216)	\$235,000
Debt Service Interest (59-7900-217)	\$13,630
Water Fund Principal (51-7900-216)	\$105,000
Water Fund Interest (51-7900-217)	<u>\$5,922</u>
Total	\$359,552

Remaining balance to fund using sinking fund reserves in debt service and water funds:

Debt Service Principal (59-7900-216)	\$245,000
Debt Service Interest (59-7900-217)	(\$8,585)
Water Fund Principal (51-7900-216)	\$105,000
Water Fund Interest (51-7900-217)	<u>(\$3,760)</u>
Total	\$337,655

2. Staff recommends using reserves to assist in funding priority capital projects. Staff's priority project for the General Fund is the construction of Snider Bridge in the amount of \$3,500,000 and funding the water demand analysis and the shortfall for the water tower project in the amount of \$1,392,909 in the Water Fund.

Motion

I make a motion to authorize City staff and SAMCO consultants to proceed with paying off the City's outstanding General Obligation Refunding Bonds, Series 2007 using fiscal year 2020-2021 budgeted funds and the remaining balance from sinking fund reserves in debt service and water funds and refunding Certificates of Obligation, Series 2011 for an approximate net savings of \$506,791.

SUMMARY OF BONDS REFUNDED

City of Lucas, Texas
Refunding Excluding the Series 2007

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
\$5,750,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011, 2011, GF:					
	02/01/2022	3.000%	175,000.00	02/01/2021	100.000
	02/01/2023	3.500%	180,000.00	02/01/2021	100.000
	02/01/2024	4.000%	190,000.00	02/01/2021	100.000
	02/01/2025	4.000%	200,000.00	02/01/2021	100.000
	02/01/2026	4.000%	205,000.00	02/01/2021	100.000
	02/01/2027	4.000%	215,000.00	02/01/2021	100.000
	02/01/2028	4.000%	225,000.00	02/01/2021	100.000
	02/01/2029	4.000%	235,000.00	02/01/2021	100.000
	02/01/2030	4.000%	245,000.00	02/01/2021	100.000
	02/01/2031	4.000%	255,000.00	02/01/2021	100.000
			2,125,000.00		
\$5,750,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011, 2011, UF:					
	02/01/2022	3.000%	110,000.00	02/01/2021	100.000
	02/01/2023	3.500%	115,000.00	02/01/2021	100.000
	02/01/2024	4.000%	120,000.00	02/01/2021	100.000
	02/01/2025	4.000%	125,000.00	02/01/2021	100.000
	02/01/2026	4.000%	135,000.00	02/01/2021	100.000
	02/01/2027	4.000%	140,000.00	02/01/2021	100.000
	02/01/2028	4.000%	145,000.00	02/01/2021	100.000
	02/01/2029	4.000%	150,000.00	02/01/2021	100.000
	02/01/2030	4.000%	160,000.00	02/01/2021	100.000
	02/01/2031	4.000%	165,000.00	02/01/2021	100.000
			1,365,000.00		
			3,490,000.00		

ESCROW REQUIREMENTS

City of Lucas, Texas
Refunding Excluding the Series 2007

Period Ending	Interest	Principal Redeemed	Total
02/01/2021	67,637.50	3,490,000.00	3,557,637.50
	67,637.50	3,490,000.00	3,557,637.50

SOURCES AND USES OF FUNDS

City of Lucas, Texas
Refunding Excluding the Series 2007

Dated Date 11/01/2020
Delivery Date 11/11/2020

Sources:

Bond Proceeds:	
Par Amount	3,135,000.00
Accrued Interest	3,275.00
Premium	495,488.35
	3,633,763.35
Other Sources of Funds:	
From I&S	43,446.77
	3,677,210.12
	3,677,210.12

Uses:

Refunding Escrow Deposits:	
Cash Deposit	3,557,637.50
Other Fund Deposits:	
Accrued Interest	3,275.00
Cost of Issuance:	
Other Cost of Issuance	85,000.00
Underwriter's Discount:	
Other Underwriter's Discount	27,800.00
Other Uses of Funds:	
Additional Proceeds	3,497.62
	3,677,210.12
	3,677,210.12

BOND PRICING

City of Lucas, Texas
Refunding Excluding the Series 2007

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	02/01/2021	5,000	4.000%	0.340%	100.811		40.55
	02/01/2022	255,000	4.000%	0.370%	104.422		11,276.10
	02/01/2023	265,000	4.000%	0.390%	107.979		21,144.35
	02/01/2024	280,000	4.000%	0.420%	111.445		32,046.00
	02/01/2025	290,000	4.000%	0.460%	114.785		42,876.50
	02/01/2026	305,000	4.000%	0.550%	117.735		54,091.75
	02/01/2027	320,000	4.000%	0.700%	120.057		64,182.40
	02/01/2028	330,000	4.000%	0.800%	122.411		73,956.30
	02/01/2029	345,000	4.000%	0.850%	124.963		86,122.35
	02/01/2030	365,000	4.000%	0.950%	124.067 C	1.231%	87,844.55
	02/01/2031	375,000	2.000%	1.250%	105.842 C	1.385%	21,907.50
		3,135,000					495,488.35

Dated Date	11/01/2020	
Delivery Date	11/11/2020	
First Coupon	02/01/2021	
Par Amount	3,135,000.00	
Premium	495,488.35	
Production	3,630,488.35	115.805051%
Underwriter's Discount	-27,800.00	-0.886762%
Purchase Price	3,602,688.35	114.918289%
Accrued Interest	3,275.00	
Net Proceeds	3,605,963.35	

BOND DEBT SERVICE

City of Lucas, Texas
 Refunding Excluding the Series 2007

Dated Date 11/01/2020
 Delivery Date 11/11/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2021	5,000	4.000%	29,475	34,475	
08/01/2021			58,850	58,850	
09/30/2021					93,325
02/01/2022	255,000	4.000%	58,850	313,850	
08/01/2022			53,750	53,750	
09/30/2022					367,600
02/01/2023	265,000	4.000%	53,750	318,750	
08/01/2023			48,450	48,450	
09/30/2023					367,200
02/01/2024	280,000	4.000%	48,450	328,450	
08/01/2024			42,850	42,850	
09/30/2024					371,300
02/01/2025	290,000	4.000%	42,850	332,850	
08/01/2025			37,050	37,050	
09/30/2025					369,900
02/01/2026	305,000	4.000%	37,050	342,050	
08/01/2026			30,950	30,950	
09/30/2026					373,000
02/01/2027	320,000	4.000%	30,950	350,950	
08/01/2027			24,550	24,550	
09/30/2027					375,500
02/01/2028	330,000	4.000%	24,550	354,550	
08/01/2028			17,950	17,950	
09/30/2028					372,500
02/01/2029	345,000	4.000%	17,950	362,950	
08/01/2029			11,050	11,050	
09/30/2029					374,000
02/01/2030	365,000	4.000%	11,050	376,050	
08/01/2030			3,750	3,750	
09/30/2030					379,800
02/01/2031	375,000	2.000%	3,750	378,750	
09/30/2031					378,750
	3,135,000		687,875	3,822,875	3,822,875

SAVINGS

City of Lucas, Texas
Refunding Excluding the Series 2007

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 11/11/2020 @ 0.8105646%
09/30/2021	135,275.00	43,446.77	91,828.23	93,325.00	3,275.00	90,050.00	1,778.23	1,667.48
09/30/2022	416,000.00		416,000.00	367,600.00		367,600.00	48,400.00	47,885.41
09/30/2023	416,562.50		416,562.50	367,200.00		367,200.00	49,362.50	48,444.43
09/30/2024	420,200.00		420,200.00	371,300.00		371,300.00	48,900.00	47,605.89
09/30/2025	422,500.00		422,500.00	369,900.00		369,900.00	52,600.00	50,800.83
09/30/2026	424,200.00		424,200.00	373,000.00		373,000.00	51,200.00	49,052.17
09/30/2027	425,300.00		425,300.00	375,500.00		375,500.00	49,800.00	47,328.38
09/30/2028	425,800.00		425,800.00	372,500.00		372,500.00	53,300.00	50,251.50
09/30/2029	425,700.00		425,700.00	374,000.00		374,000.00	51,700.00	48,352.62
09/30/2030	429,900.00		429,900.00	379,800.00		379,800.00	50,100.00	46,481.08
09/30/2031	428,400.00		428,400.00	378,750.00		378,750.00	49,650.00	45,709.59
	4,369,837.50	43,446.77	4,326,390.73	3,822,875.00	3,275.00	3,819,600.00	506,790.73	483,579.39

Savings Summary

PV of savings from cash flow	483,579.39
Plus: Refunding funds on hand	3,497.62
Net PV Savings	<u>487,077.01</u>

SUMMARY OF REFUNDING RESULTS

City of Lucas, Texas
Refunding Excluding the Series 2007

Dated Date	11/01/2020
Delivery Date	11/11/2020
Arbitrage yield	0.810565%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	3,135,000.00
True Interest Cost	1.054325%
Net Interest Cost	1.151679%
Average Coupon	3.597908%
Average Life	6.071
Par amount of refunded bonds	3,490,000.00
Average coupon of refunded bonds	3.968146%
Average life of refunded bonds	6.082
PV of prior debt to 11/11/2020 @ 0.810565%	4,176,603.82
Net PV Savings	487,077.01
Percentage savings of refunded bonds	13.956361%
Percentage savings of refunding bonds	15.536747%

BOND DEBT SERVICE

City of Lucas, Texas
 \$3,245,000 General Obligation Refunding Bonds, Series 2007
 Callable Any Date @ Par

Dated Date 12/19/2007
 Delivery Date 12/19/2007

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2021	340,000	3.760%	12,972	352,972	
08/01/2021			6,580	6,580	
09/30/2021					359,552
02/01/2022	350,000	3.760%	6,580	356,580	
09/30/2022					356,580
	690,000		26,132	716,132	716,132

BOND DEBT SERVICE TO CALL

City of Lucas, Texas
 \$3,245,000 General Obligation Refunding Bonds, Series 2007
 Callable Any Date @ Par

Dated Date 12/19/2007
 Delivery Date 12/19/2007

Period Ending	Interest	Debt Service	Principal Redeemed	Total	Annual Debt Service to Call
11/11/2020 09/30/2021	7,206.67	7,206.67	690,000	697,206.67	697,206.67
	7,206.67	7,206.67	690,000	697,206.67	697,206.67

City of Lucas
 General Fund Reserves by Fiscal Year

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Actual 2016-2017	Actual 2017-2018	Actual 2018-2019	Projected 2019-2020	Projected 2020-2021
Unassigned Fund Balance per Audit Report	\$ 5,867,875	\$ 6,203,973	\$ 7,545,674	\$ 8,774,909	\$ 7,380,496	\$ 7,442,323	\$ 7,442,323	\$ 7,442,323
Adjusted For:								
Projected Excess Fund Balance FY 19-20							\$ 210,202	\$ 210,202
Projected Excess Fund Balance FY 20-21								\$ 555,525
Additional Restrictions:								
Capital Project funding approved at (3-2-17) City Council Meeting				\$ (1,385,000)				
Brockdale Roadway Improvements	\$ (47,935)	\$ (102,935)	\$ (140,335)	\$ (199,570)		\$ -		
Reserve for Winningkoff Road Phase 2						\$ (225,970)	\$ (225,970)	\$ (225,970)
Reserve for Capital Outlay FY 19-20						\$ (50,000)	\$ (50,000)	\$ (50,000)
Reserve for Capital Outlay FY 20-21			\$ (50,000)	\$ (100,000)				\$ (50,000)
Reserve Balance Prior to GASB 54 Requirement	\$ 5,819,940	\$ 6,101,038	\$ 7,355,339	\$ 7,090,339	\$ 7,380,496	\$ 7,442,323	\$ 7,376,555	\$ 7,882,080
Reserve Balance in Operating Months	16.7	17.1	19.3	16.5	16.9	14.9	14.3	16.7
50% Current Year General Fund Expenditures (6 months)	\$ (2,089,807)	\$ (2,143,890)	\$ (2,286,670)	\$ (2,583,535)	\$ (2,624,410)	\$ (3,009,319)	\$ (3,086,789)	\$ (2,830,600)
Reserve Balance After GASB 54 Requirement	\$ 3,730,133	\$ 3,957,148	\$ 5,068,669	\$ 4,506,804	\$ 4,756,086	\$ 4,433,005	\$ 4,289,766	\$ 5,051,480
Reserve Balance in Operating Months	10.7	11.1	13.3	10.5	10.9	8.9	8.3	10.7
Restricted during Fiscal Year Audit:								
Capital Outlay (\$50K per year) (11-1007-60)					\$ 150,000	\$ 200,000	\$ 250,000	\$ 300,000
Ambulance Donation (11-1001-65)					\$ 100,000	\$ -	\$ -	\$ -
Restricted Impact Fees						\$ 1,785,286	\$ 536,481	\$ 836,481
Brockdale Roadway Improvements (11-1001-60)					\$ 245,054	\$ 285,878	\$ 342,127	\$ 402,127
Project Mgmt (11-1007-70)						\$ 358,290		
Capital Project Funding approved (3-2-17)(11-1007-50)					\$ 1,385,000	\$ 1,385,000	\$ 225,970	\$ 225,970
Reserve Restricted per Audit Report	\$ -	\$ -	\$ -	\$ -	\$ 1,880,054	\$ 4,014,454	\$ 1,354,578	\$ 1,764,578

City of Lucas
Water Fund Reserves by Fiscal Year

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Actual 2016-2017	Actual 2017-2018	Actual 2018-2019	Projected 2019-2020	Projected 2020-2021
Unrestricted Cash Balance per Audit Report	\$ 3,382,193	\$ 4,295,531	\$ 5,579,746	\$ 5,548,487	\$ 5,996,412	\$ 6,215,622	\$ 6,215,622	\$ 6,215,622
Adjusted For:								
Projected Excess Fund Balance FY 20-21								\$ 233,549
Projected Excess Fund Balance FY 19-20							\$ 69,442	\$ 69,442
Additional Restrictions:								
Capital Project funding approved at (3-2-17) City Council Meeting				\$ (120,979)				
Customer Deposits	\$ (209,565)	\$ (223,300)	\$ (239,250)	\$ (245,600)	\$ (247,600)	\$ (256,220)	\$ (261,295)	\$ (252,295)
FY 18-19 Transfer for Capital Projects							\$ (82,163)	\$ (82,163)
Reserve Balance Prior to GASB 54 Requirement	\$ 3,172,628	\$ 4,072,231	\$ 5,340,496	\$ 5,181,908	\$ 5,748,812	\$ 5,959,402	\$ 5,941,606	\$ 6,184,155
Reserve Balance in Operating Months	13	15	19	16	18	18	16	17
50% Current Year General Fund Expenditures (6 months)	\$ (1,397,368)	\$ (1,605,672)	\$ (1,656,470)	\$ (1,897,744)	\$ (1,949,722)	\$ (1,983,894)	\$ (2,169,260)	\$ (2,134,002)
Reserve Balance After GASB 54 Requirement	\$ 1,775,260	\$ 2,466,559	\$ 3,684,026	\$ 3,284,164	\$ 3,799,090	\$ 3,975,508	\$ 3,772,346	\$ 4,050,153
Reserve Balance in Operating Months	7	9	13	10	12	12	10	11
Restricted during Fiscal Year Audit:								
Capital Project Funding approved (3-2-17)(51-1007-50)					\$ 120,979	\$ 120,979		
Project Mgmt (51-1007-70)						\$ 69,945		
Reserve Restricted per Audit Report	\$ -	\$ -	\$ -	\$ -	\$ 120,979	\$ 190,924	\$ -	\$ -



City of Lucas Council Agenda Request September 17, 2020

Item No. 06

Requester: Councilmember Wayne Millsap

Agenda Item Request

Discuss and consider the following topics as it relates to the City of Lucas Broadband Project:

- A. Matters relating to public communication, information placed on the City's website, questions received from citizens and proposed distribution of factual material regarding Proposition B on the November ballot;
- B. Update on the Economic Development Administration grant application;
- C. Broadband Feasibility Study including the financial model;
- D. Provide direction and consider authorizing the City Manager to acquire additional services from Magellan Advisors;
- E. Financial information by SAMCO Capital; and
- F. Legal information from the City Attorney and/or Bond Counsel.

Background Information

Item A – Public Communication and Information:

Staff has finalized the first postcard including election ballot language regarding Proposition A (Street Maintenance Sales Tax Renewal) and Proposition B (Lucas Broadband Project Bond). This first postcard is scheduled to be mailed to residents beginning the week of September 14. Staff is preparing a second postcard to include general factual information related to Propositions A and B. This second postcard is anticipated to be mailed to residents in early to mid-October.

The Lucas Broadband Project webpage is up and running. An icon link has been placed on the City's homepage. The link that was on the homepage under the News section has been removed. The link to the broadband webpage is: <https://www.lucastexas.us/departments/lucas-broadband-project/>.

Staff continues to prepare responses to broadband-related questions from requestors. The responses are derived from factual information in the broadband feasibility study, financial model, and broadband project webpage. Responses to all questions are conducted as quickly as possible. The goal is to have a response to the requester within five business days; however, this is dependent upon the number of questions received. The submitted questions and answers are also posted under the Q&A section on the broadband project webpage.

Item B – EDA Grant Application Update:

The City submitted the grant application to the Economic Development Administration (EDA), U.S. Department of Commerce (DOC) for the Lucas Broadband Project to seek funding from the 2020 EDA Public Works and Economic Adjustment Assistance Programs including CARES Act Funding. The City was notified that the grant application has been received. The EDA has been reviewing



City of Lucas

Council Agenda Request

September 17, 2020

applications on a monthly basis due to the volume of applicants. The EDA is considering projects within the \$2-3 million range that can help serve businesses and communities affected by the coronavirus pandemic. Since the project requires voter approval from the bond election, applying for the entire fiber backbone was suitable for the grant application as it can help get the project started if the project moves forward and is awarded funding from the EDA. The EDA grant request is for \$2,849,321 to construct the entire fiber backbone and several lateral distribution lines.

Item C – Broadband Feasibility Study including Financial Model:

At the February 20, 2020 City Council meeting, the Council approved the Technology Committee's recommendation to acquire the services of Magellan Advisors to conduct a broadband feasibility study which includes a conceptual broadband network design and financial model. A formal contract was executed for Magellan Advisors to perform the scope of work within four months from April to July. Magellan Advisors collected the necessary data and information from the City to develop the conceptual network design and estimate construction costs. Virtual workshop meetings were held with the Council to review iterations of the financial model and provide recommendations. Magellan Advisors submitted the finalized broadband feasibility study on July 28, 2020.

Item D – Magellan Advisors:

Magellan Advisors has completed the scope of work in the contract agreement and the final invoice has been paid by the City. Should the Council consider any additional services by Magellan Advisors, the hourly rate is \$175 per hour. For any request of additional services, Magellan Advisors would prepare a second proposal for the scope of work as an addendum to the original contract.

Item E – Financial Information by SAMCO Capital:

The City's Financial Advisors Mark McLiney and Andrew Friedman prepared a project analysis of the Lucas Broadband Project. The project financial analysis was originally sent to the Council and is available on the Lucas Broadband Project webpage under the Financial Information section.

Item F – Legal Information from the City Attorney and/or Bond Counsel:

The City's Bond Counsel at Norton Rose Fulbright conducted a review of the City's website including the Lucas Broadband Project webpages, Q&A section, and the first postcard and all are in compliance. Legal information regarding the bond election from the City Attorney and the Bond Counsel is available on the Lucas Broadband Project webpage under the Legal Questions section.



City of Lucas Council Agenda Request September 17, 2020

Project Timeline:

Due to concerns raised by citizens about the lack of adequate and reliable internet service, the City Council appointed Lucas residents to form the Technology Committee which serves as an ad hoc committee in all matters relating to technology-related services of the City. The Technology Committee provided recommendations to the City Council and City Manager on issues of community-wide interests relating to information technology and internet services.

The City moved forward with acquiring the services of Magellan Advisors to conduct a broadband feasibility study which includes a conceptual network design and financial model. The purpose of the study is to determine if it is feasible for the City to implement and operate a sustainable broadband network to provide internet service to Lucas residents within city limits.

The following is a timeline of the City's efforts in researching internet solutions to date:

September - October 2018: The City released the Technology & Communication Survey to the community to obtain feedback regarding internet service and city communication efforts in Lucas.

November 2018: 400 household responses were collected from the Technology and Communication Survey and results were presented to City Council.

January 2019: City Council appointed members of the Technology Committee. Technology Committee held their first meeting and determined items to research and collect information regarding internet service.

February - April 2019: Technology Committee explored opportunities to steer interest from current Internet Service Providers (ISPs) to expand and/or improve internet service. The overall response from ISPs indicated there are no business plans to expand existing networks or rebuild infrastructure due to low return on investment, low density housing, and large residential lots.

May - August 2019: The City developed the Internet Speed Test where 514 households reported internet speeds, service providers, and infrastructure. Internet speed data was used to geographically map internet speeds throughout Lucas.

August - September 2019: Technology Committee researched municipal broadband networks and traveled alongside city staff to Mont Belvieu, Texas, to meet with the City of Mont Belvieu and discuss MB Link, the first municipally owned and operated broadband network in the State.

October 2019: City Council approved the Technology Committee's recommendation to acquire the services of a broadband consultant to conduct a broadband feasibility study.



City of Lucas Council Agenda Request September 17, 2020

November 2019: City staff and Technology Committee developed key content in the Request for Proposal to acquire the services of a broadband consultant to conduct a broadband feasibility study which includes a conceptual network design and financial model.

December 2019: The Request for Proposal was finalized and published to garner interest from broadband developers and consultants to conduct the broadband feasibility study.

January - February 2020: The City received seven proposals in response to the Request for Proposal and the Technology Committee reviewed, scored, and ranked each proposal based on a set of evaluation factors. The City Council approved the Technology Committee's recommendation to acquire the services of Magellan Advisors to conduct the broadband feasibility study.

March 2020: A formal contract was executed between the City and Magellan Advisors to conduct the broadband feasibility study.

April 2020: Magellan Advisors collected data and necessary information from the City to develop the conceptual network design and estimate costs.

May 27, 2020: Magellan Advisors held a broadband project meeting with City Council and Technology Committee to review the preliminary conceptual network design and estimated construction costs.

June 4, 2020: City Council meeting with discussions regarding broadband project timelines, milestones, funding, and the potential bond election.

June 17, 2020: Magellan Advisors held a broadband project meeting with City Council to review the preliminary financial model.

June 18, 2020: City Council meeting to discuss the preliminary financial model, recommendations, funding strategies, and information from the City's Financial Advisor.

June 29, 2020: Magellan Advisors held a broadband project meeting with City Council to review the adjusted financial model.

June 30, 2020: Magellan Advisors held a broadband project meeting with Technology Committee to provide an update on the overall project.

July 2, 2020: City Council meeting with final recommendations regarding the adjusted financial model.

July 16, 2020: City Council meeting with overview of the broadband feasibility draft study provided by Magellan Advisors.



City of Lucas Council Agenda Request September 17, 2020

July 27, 2020: Magellan Advisors held a broadband project meeting with City Council to review the finalized broadband feasibility study.

July 28, 2020: Magellan Advisors submits completed broadband feasibility study to the City.

July 30, 2020: Budget Workshop/Special City Council meeting with discussions regarding the broadband project, feasibility study, and potential bond election date.

August 6, 2020: City Council meeting approving Ordinance 2020-08-00919 calling a Bond Election to seek voter approval of the issuance of not more than \$19,190,000 of general obligation bonds to create a fiber optic broadband utility system.

August 20, 2020: City Council meeting to discuss communication and distribution of factual information.

August 31, 2020: The City submitted a grant application for the Lucas Broadband Project to seek funding from the 2020 EDA Public Works and Economic Adjustment Assistance (PWEAA) Programs including CARES Act Funding. The City has requested \$2,849,321 in funds from the EDA program for CARES Act Funding to fund the construction of the fiber backbone ring.

Attachments/Supporting Documentation

1. Postcard design scheduled for October 2020 mailing

Budget/Financial Impact

To Be Determined. Per the original contract agreement, Magellan Advisors indicated the cost for any additional services would be \$175 per hour. Should the City Council consider and authorize additional services, Magellan Advisors would prepare a second proposal for the scope of work as an addendum to the original contract.

Recommendation

Councilmember Wayne Millsap recommends the City Council to authorize the City Manager to acquire the services of Magellan Advisors for additional services in an amount not to exceed \$1,400.00 (8 hours at \$175/hour).

Motion

I make a motion to approve/deny authorizing the City Manager to acquire the services of Magellan Advisors for additional services in an amount not to exceed...

City of Lucas Special Election

On the November 3, 2020 City of Lucas Special Election ballot, the voters will have an opportunity to consider Propositions A and B.

Proposition A Street Maintenance Sales Tax Renewal

- Proposes the renewal of the City's 0.50% street maintenance sales tax dedication.
- Dedicated funds will be spent to repair and maintain existing city streets.
- Voter approval required in order to continue dedicating 0.50% of the 2% sales tax for street maintenance.
- For more information, contact Finance Director Liz Exum at lexum@lucastexas.us

Proposition B Broadband Project Bond

- Proposes the issuance of general obligation bond in the amount of \$19,190,000.
- Funds the construction and implementation of a fiber-optic network across Lucas to deliver citywide optional internet service.
- The Broadband Feasibility Study and project information is available at www.lucastexas.us/departments/lucas-broadband-project.

For more information on Elections go to:
<https://www.lucastexas.us/elections>



City of Lucas
665 Country Club Road
Lucas, Texas 75002

Postage

Election Information

Early voting and Election Day voting will be held at the Lucas Community Center behind City Hall at 665 Country Club Road on the following dates and times:

October 13 - October 16	8 am - 5 pm
October 17	7 am - 7 pm
October 18	1 pm - 6 pm
October 19 - October 23	8 am - 5 pm
October 24	7 am - 7 pm
October 25	1 pm - 6 pm
October 26 - October 30	7 am - 7 pm
November 3	7 am - 7 pm

Customer Address



City of Lucas

Council Agenda Request

September 17, 2020

Item No. 07

Requester: City Manager Joni Clarke

Agenda Item Request

Consider the provision of Law Enforcement Services by Collin County Sheriff's Office and provide guidance to the City Manager regarding contractual negotiations.

Background Information

The current interlocal agreement with Collin County Sheriff's Office will be expiring on September 30, 2021. At the July 30, 2020 Budget Workshop, Mayor Olk wanted to ensure that the Lucas City Council had an opportunity to discuss public safety and the upcoming negotiations with Collin County Sheriff's Office.

In October of 2006, the City of Lucas entered into an interlocal agreement with Collin County Sheriff's Office for the provision of law enforcement services. In 2017, Sheriff Jim Skinner became the 39th Sheriff for Collin County replacing Sheriff Terry G. Box who served Collin County from 1985 to 2016. It is important to highlight the vast array of law enforcement services provided by the Collin County Sheriff's Office and compare that to the law enforcement services that a small municipality is able to provide. The City of Lucas would not be able to offer its citizens such a comprehensive program without a significant financial investment. Sheriff Skinner organized the Collin County Sheriff's Office into highly detailed and organized bureaus consisting of:

- Law Enforcement Bureau - The divisions and sections within Law Enforcement Bureau are the most highly visible operations in the Sheriff's Office and consists of the following:
 - ✓ The Patrol Section which is responsible for responding to calls for service from citizens, conducting preliminary investigations of criminal violations, and detecting and arresting those who violate the law. The patrol staff assists stranded motorists, provides traffic control, and aids other law enforcement agencies in times of crisis.
 - ✓ The Criminal Investigation Section investigates reported criminal offenses by gathering evidence, collecting statements, and preparing all paperwork necessary to file cases with the district attorney's office.
 - ✓ The Narcotic Section investigates violations of controlled substance laws, particularly those involving illegal activities of career criminals.
 - ✓ The Tactical Operations Team is a group of specially trained officers who respond to high risk situations, including barricaded suspects, narcotics raids, hostage situations, and searches for suspects, evidence, and lost individuals.

- North Texas Fusion Center – To protect the citizens of the North Texas region, the North Texas Fusion Center takes an all-crimes, all-hazards approach to the intelligence cycle in an overall effort to mitigate threats or hazards.



City of Lucas

Council Agenda Request

September 17, 2020

Item No. 07

- Support Services Bureau – This bureau includes records, communications, and several support service functions including fugitive, civil, mental health, and maintenance. It also houses sections responsible for recruiting, hiring, and training personnel to staff both the Sheriff's Office and the Detention Facility.

- Detention Bureau - Collin County opted to construct a "direct supervision" facility to create a secure and humane environment for both staff and inmates. The structure, in tandem with the direct supervision philosophy, promotes supervision of inmates rather than control by intermittent surveillance and security barriers alone. Recognizing that during the course of their careers, detention employees will spend more time in the facility than will any incarcerated individual, the facility was designed to offer safe and normal working environment for the staff.

- Reserve Bureau - Collin County Reserve Deputies are professionally trained and fully licensed Peace Officers. They are dedicated individuals who assist in enforcing the laws and serving the citizens of Collin County with no compensation in return. Many of the Reserve Deputies provide this support while holding full time jobs and make a commitment to provide 42 hours of service every 3 months (14 hours per month).

Attachments/Supporting Documentation

1. Interlocal Cooperation Agreement for Law Enforcement Services
2. Summary of City Lucas Calls for Service Data from January 2015 through August 2020
3. Town of Sunnyvale Texas Municipal Police Department Budget Projections

Budget/Financial Impact

City of Lucas
 Law Enforcement
 Costs by Fiscal Year

Fiscal Year	Deputy 1	Deputy 2	Operating/Maint.	Vehicle	Add't Hrs	Total
20-21	\$105,309	\$92,628	\$14,512			\$212,449
19-20	\$103,855	\$96,094	\$14,454			\$214,403
18-19	\$ 97,406	\$89,356	\$14,324	\$83,987		\$285,073
17-18	\$ 97,948	\$85,630	\$14,000	\$83,987		\$281,565
16-17	\$ 93,278		\$ 3,100		\$4,802	\$101,180
15-16	\$ 87,108		\$ 3,100			\$ 90,208



City of Lucas

Council Agenda Request

September 17, 2020

Item No. 07

Similar to the City of Lucas, the Town of Sunnyvale, Texas had a contract for law enforcement services with Dallas County Sheriff's Office (DCSO). The contract amount for fiscal year 19/20 was \$3,419,754. The Town of Sunnyvale received notification from Dallas County Sheriff's Office that they would be terminating their agreement and the Town of Sunnyvale has created its own municipal police department. The Town of Sunnyvale is projecting an annualized cost of approximately \$2.7 million dollars for their municipal police department excluding substantial startup costs that they funded in the current fiscal year using tax notes in the amount of \$3,247,013.

The City of Lucas law enforcement budget for fiscal year 20-21 is \$250,000.

Recommendation

Areas for Discussion:

Vehicle Acquisition - The agreement is with Collin County for law enforcement services to be provided by the Collin County Sheriff's Office. However, the Office of the Purchasing Agent is responsible for processing contract amendments and acquisition of vehicles. The Purchasing Agent is an appointed official with a two-year term. The Purchasing Agent, in accordance with state statutes, is appointed and reports to a five member Purchasing Board consisting of three District Judges and two County Commissioners. The City paid for a replacement SUV for the vehicle currently assigned to Deputy Gillespie in July 2019. The City has not yet received this vehicle due to a variety of reasons and it is scheduled to be placed in service by the end of calendar year 2020.

Long-term Strategies – The last discussion regarding long-term strategies was held with Captain Bristow on June 17, 2019. There was also previous discussions with Commander Cundiff (August 3, 2018) and Deputy Chief Sanderson. The City of Lucas and Collin County Sheriff's Office acknowledge the mutual benefits associated with our partnership. The City has also evaluated the public safety model where a public safety officer is trained in police, fire, and emergency medical services and functions as a single department. There are various pros and cons to this model, and it is used by Highland Park, Texas. The City has also explored a law enforcement partnership with the City of Fairview.

Staffing Level - In fiscal year 17-18, the City of Lucas agreed to fund an additional deputy position providing the City with two full-time positions dedicated to serving the citizens of Lucas. It may be fruitful to have a presentation from a Collin County Sheriff's Office representative to receive information on regional criminal activity that could possibly impact the citizens of Lucas. What type of data would be used to indicate a need to increase staffing? How can we proactively ensure the safety and well-being of our community?



City of Lucas

Council Agenda Request

September 17, 2020

Communication and Assignment - How much flexibility do we have with the organizational and reporting structure within the Sheriff's Office regarding the Lucas Deputies? We have discussed the fact that under certain circumstances, Lucas Deputies may need to respond to calls outside of the City. We understand that if we had a serious situation in our City, we would want help from our neighboring jurisdictions and mutual aid is common and essential in the provision of public safety services.

However, given the current reporting structure of the Lucas Deputies reporting to a Patrol Sergeant, I do not believe there is a clear understanding of the circumstances in which Lucas Deputies should be dispatched to calls outside of the City. It is my understanding that a Patrol Sergeant has requested clarification in writing regarding Lucas Deputies specific responsibilities when it comes to responding to calls outside of the City's boundaries. The City has occasional requests to modify their regular work schedule to cover City activities such as special events and City Council meetings. The current process is contacting the County's Liaison Officer regarding any requests and the requests are always accommodated yet there still seems to be a disconnect between this communication and the communication that occurs between the Patrol Sergeant and the Lucas Deputies.

Motion

NA

STATE OF TEXAS

COUNTY OF COLLIN

INTERLOCAL COOPERATION AGREEMENT FOR LAW-ENFORCEMENT SERVICES

This Interlocal Cooperation Agreement for Law-Enforcement Services (the Agreement) is made by and between Collin County (County), and the City of Lucas, a municipal corporation (City).

WHEREAS, City desires to contract with County for law-enforcement services to be provided by the Collin County Sheriff's Office, as specified; and

WHEREAS, County is willing to provide such services under this Agreement, and

WHEREAS, City and County desire to use their authority under the Interlocal Cooperation Act of the Texas Government Code, chapter 791; and

NOW THEREFORE, City and County, for mutual consideration, agree as follows:

1. TERM. This Agreement is effective as of October 1, 2017 (the Effective Date), and its term will continue for four years from the Effective Date to the Expiration Date. *See* Gov't Code, § 791.011(i). Contract Year 1 will run from October 1, 2017, to September 30, 2018. Contract Years 2, 3, and 4 will start on October 1 of each successive year.

2. COUNTY'S OBLIGATIONS.

2.1 **Law-Enforcement Services.** County will, through the Sheriff's Office, provide City with law-enforcement services as described in paragraph 2.5(a) and Exhibit A, in accordance with the Sheriff's Office's policies and procedures and local,

state, and federal law. These services will include general preventive patrol, answering calls for police assistance, investigations, traffic control and enforcement, and any other services related to law enforcement and the protection of the citizens of City. County will not perform services ordinarily performed by City's Code Enforcement Department, such as enforcement of chapter 6 of the City of Lucas Code of Ordinances (Health & Sanitation).

2.2 Planning and Supervision. County will plan, organize, and supervise all tasks and matters that are part of its provision of law-enforcement services and County's performance under this Agreement. County will assign, allocate, direct, supervise, and discipline County personnel.

2.3 City Requests. County will promptly consider all requests from City received through the Liaison Officer or the Sheriff's Office's communications division (Dispatch) for law-enforcement services. County will make every reasonable effort to comply with these requests consistent with: (1) this Agreement, (2) the Sheriff's Office's policies and procedures, and (3) local, state, and federal law.

2.4 County's Liaison Officer. City may confer with County's Liaison Officer—the Commander of Operations in the Sheriff's Office—about County's performance under this Agreement. The Commander will oversee County's performance and devote sufficient time and attention to reasonably ensure County's proper performance. The Commander and the chain of command will supervise deputies, officers, and employees who provide County's performance. The Commander and the chain of command will also communicate and coordinate with any

deputies, officers, or employees of other sheriff's offices, police departments, or other agencies or entities, who may also provide services along with County.

2.5 Deputies.

a. **General.** County will dedicate two deputies to provide services to City. These deputies will cover more shifts per week in the city than the one deputy provided under past versions of this Agreement. But no more than one deputy will ordinarily patrol in the city in one shift. County will select and structure shifts and work hours to best serve City, in light of City's requests and the history and pattern of service calls, reports or occurrences of crime, and other law-enforcement or emergency circumstances. County will generally provide law-enforcement services inside City's geographic or jurisdictional boundaries during the days and times set forth in **Exhibit A**. During these times, County will provide at least one uniformed deputy, who will use reasonable efforts to devote full time and attention to serving City and patrolling within City's limits. This deputy, however, may leave the city limits only to respond to emergency calls for service or to respond to calls to assist other deputies or officers. In addition, other deputies or officers may assist the dedicated deputy as needed, without adding to County's ordinary obligations under this Agreement. During times not specified in Exhibit A, County will continue to provide law-enforcement services in the manner and at the level currently provided to other, similarly populated, unincorporated areas in Collin County.

b. **Body-Worn Cameras.** In 2015, the legislature passed a body-worn-camera program. *See* Occupations Code, §§ 1701.651–1701.663. If and when the Sheriff's Office implements a policy to equip patrol deputies generally with body-worn cameras,

then the deputies dedicated to providing services to City will be equipped with the same cameras and supporting equipment and software. City agrees to negotiate and agree to reasonable terms, including price and payment terms, to reimburse County for the costs of the equipment, software, and licenses, as well as costs of integrating the dedicated deputies into the Sheriff's Office's body-worn-camera system. These costs include costs of statutorily required deputy training and the cost of obtaining services under a program established or approved by, or registered with, the Texas Department of Information Services. *See* Occupations Code, § 1701.654.

County will be responsible for complying with state body-worn-camera law, including the provisions related to deputy training, policy, data retention, release of recordings or other information, and reporting. In an incident involving City, County will provide City's officials and City's attorneys and experts with reasonable viewing of any relevant recordings—including those made by in-vehicle or body-worn cameras—consistent with investigative, law-enforcement, or criminal- or civil-defense requirements, including those in section 1701.660 of the Occupations Code. The Sheriff alone will make all decisions about public or other release of records, including decisions under sections 1701.661–1701.663 of the Occupations Code or the Public Information Act, Texas Gov't Code, chapter 552.

At this Agreement's end or termination and if City has paid all reimbursement amounts under this paragraph, County will transfer the cameras, equipment, software, licenses, and other rights and property associated with the two dedicated deputies' integration into the Sheriff's Office's body-worn-camera program to City—except where the law or a contract prohibits such transfer. If City has not paid all

reimbursement amounts, then County will retain all the equipment, property, and other rights and will not refund reimbursement payments. In other words, City will have the option to complete all reimbursement payments and obtain the equipment and other property and rights or forfeit all claim to them.

2.6 **Reports of Services.** The Sheriff's Office will provide City with written reports of all law-enforcement activity within the City, in form and content that are consistent with the Sheriff's Office's policies and procedures.

2.7 PATROL VEHICLES.

a. **Two Patrol Vehicles.** County will initially provide two Patrol Vehicles to provide law-enforcement services to City. The parties expect to have at least two Patrol Vehicles in service during this Agreement's term. But City may increase or reduce the number of vehicles in service under paragraphs 2.8 and 3.1(f), below.

Patrol Vehicle 1 will be unit #55255, which is the same vehicle as has been in service under the parties' Interlocal Cooperation Agreement for Law-Enforcement Services (October 1, 2013–September 30, 2017). County believes that Patrol Vehicle 1 has a remaining useful life for patrol purposes of approximately two years after April 26, 2017.

A "**replacement Patrol Vehicle**" is a Patrol Vehicle that is purchased or put into service under this Agreement to replace Patrol Vehicle 1 or 2, or an earlier replacement Patrol Vehicle or a new Patrol Vehicle. A "**new Patrol Vehicle**" is a Patrol Vehicle that is bought and put into service under this Agreement and whose addition results in more than two vehicles being dedicated to provide services to City.

County will purchase **Patrol Vehicle 2**. City prefers SUVs. In the cases of Patrol Vehicle 2, a replacement Patrol Vehicle, and a new Patrol Vehicle, "Patrol Vehicle" means the made ready vehicle together with the installed equipment, including the radio, computer, in-car camera system, technology for internet connectivity, all software and updates, and emergency equipment, accessories and decals. County may include radar, in which case the radar will become part of the Patrol Vehicle.

b. **Warranties.** County may purchase and maintain available, reasonably priced, warranty or similar third-party protection packages on Patrol Vehicle 2 and a replacement or new Patrol Vehicle, if any, including the equipment, software, and updates, while each vehicle is in service under this Agreement.

The warranties, if any, that apply to Patrol Vehicle 1 will continue according to their terms. County has no duty to obtain a new warranty or other protection for Patrol Vehicle 1 or to buy or extend a warranty or other protection for Patrol Vehicle 1. If County has the opportunity to purchase or extend protection for Patrol Vehicle 1, then County will confer with City and City may elect to have County purchase the protection or extension and reimburse County for its actual costs.

c. **Insurance.** During the time when a Patrol Vehicle is in service under this Agreement and County has the title to the Patrol Vehicle, or the title is in County's name, County will provide insurance for that vehicle. City will have the related reimbursement obligation set out in paragraph 3.1(e), below.

d. **Maintenance.** County will provide the routine and other maintenance for the Patrol Vehicles, until a Patrol Vehicle is transferred to City.

e. **Transfer.** “Transfer” means the set of acts reasonably necessary to transfer possession and ownership of a Patrol Vehicle to City, including a transfer under paragraph 3.2, below. “Transfer” includes transferring possession of a Patrol Vehicle, as well as transferring the vehicle’s title and ownership of the warranties or third-party protection or maintenance plans that cover the vehicle or equipment being transferred. County will not transfer any property or rights in breach of a contract with another party, such as proprietary licenses or software, incident-reporting systems, or licenses or software that would give City access to county or restricted databases or infrastructure. County will de-badge a vehicle and remove software or electronic data as reasonably necessary to meet County’s obligations to protect criminal-justice or other confidential information before transfer or ensure that a vehicle has been properly de-badged within 15 business days after transfer. County will bear all costs of de-badging a vehicle, if County de-badges it, and of removing software or electronic data. City will bear the costs of transferring a vehicle’s title and all other costs of transfer. The parties intend to comply with chapter 791 of the Government Code and section 263.152 of the Local Government Code related to the disposition of surplus property.

Exception: The equipment in Patrol Vehicle 1 belongs to County. If County transfers Patrol Vehicle 1 to City, then County may remove the equipment, including the computer, radar, light bar, and all other emergency equipment. Alternatively, City may buy some or all of the equipment—except for restricted software or licenses or confidential electronic data—at a price and on terms agreed by the parties at the time of the transfer. City will have 10 calendar days to exercise this option after County

notifies City that Patrol Vehicle 1 is to be removed from service under this Agreement or after City elects to remove Patrol Vehicle 1 from service.

2.8 Patrol Vehicles: Removal from Service or Replacement. A Patrol Vehicle may be removed from service whenever:

a. County determines that a Patrol Vehicle should be removed from service based upon County's vehicle-replacement schedule and policy, which include an assessment of vehicles that have been damaged or been in an accident;

b. City has paid 100% of the Patrol Vehicle's reimbursement amount (including purchase price and price of installed equipment and software and insurance) and City elects to remove the vehicle from service under the Agreement and take ownership and possession of it under paragraph 2.7(e); or

c. a party terminates this Agreement or it ends on its own terms.

County will confer with City about a determination that a Patrol Vehicle needs to be removed from service and replaced for County to continue its performance, and City may agree to a replacement and the related reimbursement terms, comparable to the ones in paragraph 3.1 adjusted for the then-prevailing prices and circumstances. Alternatively, City may elect to increase or reduce the number of Patrol Vehicles dedicated to service under this Agreement. City's election will not alter County's right to full reimbursement for each Patrol Vehicle bought and put into service under the Agreement. Once County has purchased a Patrol Vehicle and dedicated to service under this Agreement, City has the duty to reimburse County.

3. CITY'S OBLIGATIONS.

3.1 **Payments.** City will pay County the reimbursement amounts set out here, including those for the patrol vehicle, maintenance and fuel, and deputies in paragraphs 3.1(a), (b), (c), and (d); insurance in paragraph 3.1(e); replacement or new patrol vehicles in paragraphs 2.8 or 3(f); additional deputies in paragraph 3.1(g); body-worn cameras in paragraph 2.5(b); and in Exhibits A and B, which will include amounts negotiated in contract Years 2, 3, and 4.

a. **Reimbursement Amounts.** City will reimburse County the full cost of Patrol Vehicle 2. Patrol Vehicle 2 costs \$83,987,¹ which is its **reimbursement amount**. Two Patrol Vehicles will ordinarily remain in service under this Agreement, and City may increase or decrease the number of vehicles in service under paragraphs 2.8 and 3.1(f). City will also pay County maintenance-and-operations costs, including fuel, of \$7,000 for each vehicle,² or \$14,000 total, in Year 1. City will also reimburse County for each dedicated deputy's salary at (i) County's current deputy at \$97,948 and (ii) one additional deputy at \$85,630, or \$183,578 total, in Year 1, plus overtime pay as set out in Exhibit A. The new deputy's first year salary and benefits are \$76,377, and the deputy's startup costs are \$9,253, or \$85,630 total. If County hires a licensed peace officer as the second or third deputy, then County will refund \$1,710 to City in training costs. The parties will negotiate the reimbursement amounts in

¹ **Estimate:** The reimbursement amount includes the cost of the make-ready vehicle from the manufacturer, plus the cost of the equipment and software added to make a vehicle a Patrol Vehicle. The cost of Patrol Vehicles 2 and 3 is an estimate as of June 23. The figure will be updated by the time of signing.

² **Estimate:** The maintenance-and-operations costs are an estimate as of June 23. The figure will be updated by the time of signing.

contract Years 2, 3, and 4. City will pay the reimbursement amounts in four, equal, quarterly installments beginning on October 1 of each contract Year.

b. **Contract Year 1.** In contract Year 1, City will pay the following reimbursement amounts:

Patrol Vehicle 1	\$0
Patrol Vehicle 2	\$83,987
Maintenance & Operations 1	\$ 7,000
Maintenance & Operations 2	\$ 7,000
Deputy 1	\$97,948
Deputy 2	<u>\$85,630</u>
Total	\$281,565

Each quarterly payment will be $\$281,565/4 = \$70,391.25$.

c. **Reimbursement in Contract Years 2, 3, and 4.** The parties will negotiate and agree to the amount of maintenance-and-operations costs and the amount of deputy compensation for City to reimburse County in Years 2, 3, and 4, comparable to the calculations in paragraphs 3.1(a) and (b)—except that the reimbursement amount for the two deputies will be the deputy’s actual salary and benefits, without the start-up costs incurred in Year 1 for the new deputy 2. The parties will try to agree to new terms in writing before October 1 of each year.

d. **Actual-Cost Variances by 10% or More.** At the end of each contract Year, County will evaluate its actual (i) deputy costs and (ii) maintenance-and-operations costs for each Patrol Vehicle. If County’s actual costs for a deputy or a Patrol Vehicle exceeded the agreed-upon amount by more than 10% in a year, then City will reimburse County for the difference between the actual costs and the agreed-upon amount. Upon request, County will provide documentation supporting these additional costs.

If County's actual costs for a deputy or a Patrol Vehicle fell short of the agreed-upon amount by more than 10% in a year and City paid 100% of its reimbursement payments for the contract Year, then County will refund City the difference between the agreed-upon amount and the actual costs.

e. **Insurance.** During the time when County has the title to a Patrol Vehicle, or the title is in County's name, County will provide insurance for that vehicle. In each contract Year, City will reimburse County for the actual cost of providing the insurance. County will bill City for the actual cost of each Patrol Vehicle's insurance.

f. **Replacement or New Patrol Vehicles.** The parties may agree to increase the number of Patrol Vehicles, which County puts in service under this Agreement. If County buys a replacement or a new Patrol Vehicle, then City will reimburse County for such costs in four, equal, quarterly payments on terms parallel to the reimbursement provisions here, but adjusted for the new vehicle type (sedan or SUV), price, equipment costs, and other circumstances.

g. **Additional Deputies.** The parties may agree to increase the number of deputies, which County dedicates to service in City's limits under this Agreement. If County would have to hire a new deputy, then County will provide City with the start-up costs, including costs of training, certification, protective gear, handgun, rifle with optics and magazines, TASER, flashlight, and stipend. If County dedicates an additional deputy, then City will reimburse County for the start-up costs in the first contract year and reimburse County for the deputy's actual salary and benefits for each contract Year, in four, equal, quarterly payments on terms parallel to the other reimbursement provisions here, but adjusted for the new salary and benefits.

3.2 **Damage to, or Failure of, a Patrol Vehicle.** A Patrol Vehicle may suffer damage in an accident, or a component or piece of equipment or software may fail to properly perform.

a. **Relatively Minor Damage or Failure.** If a Patrol Vehicle suffers relatively minor damage or failure, including failure of a component or equipment, then County will use the warranties or third-party-protection plan, if any, or insurance to repair the vehicle and return it to service.

b. **Patrol Vehicle 1.** City has reimbursed County for 100% of Patrol Vehicle 1's cost. Nonetheless, Patrol Vehicle 1 is titled in County's name and County maintains the insurance for it. If County determines, under paragraph 2.8, that Patrol Vehicle 1 should be removed from service before this Agreement's end, then, at City's option, County will transfer Patrol Vehicle 1 to City under paragraph 2.7(e). If Patrol Vehicle 1 is involved in an accident, then County will process the appropriate insurance claim and confer with City about (i) repairing the vehicle and returning it to service under paragraph 3.2(a); (ii) replacing the vehicle under paragraphs 2.8 and 3.1(f); (iii) finding a mutually acceptable vehicle to put into service under this Agreement as a substitute for Patrol Vehicle 1 (including for remaining in service under paragraph 2.1 and which County will eventually transfer to City under paragraphs 2.8 and 2.7(e)); or (iv) reducing the number of Patrol Vehicles under the Agreement, in which case County will make reasonable efforts to provide City with the benefit of its bargain in reimbursing County for Patrol Vehicle 1. County will consider the options of paying insurance proceeds, if any, to City; providing City with a vehicle that is comparable in type, age, and condition to Patrol Vehicle 1 immediately before the accident; or paying

City the fair market value of Patrol Vehicle 1 immediately before the accident, as measured by Kelley Blue Book or similar service.

c. **Patrol Vehicle 2.** Under paragraphs 2.7(a) and 3.1(a) and (b), County will initially purchase Patrol Vehicle 2 and City will reimburse County for the vehicle's cost in four, equal, quarterly payments in contract Year 1. If Patrol Vehicle 2 is involved in an accident, then County will process the appropriate insurance claim and confer with City about (i) repairing the vehicle and returning it to service under paragraph 3.2(a); (ii) replacing the vehicle under paragraphs 2.8 and 3.1(f); (iii) finding a mutually acceptable vehicle to put into service under this Agreement as a substitute for Patrol Vehicle 2 ((including for remaining in service under paragraph 2.1 and which County will eventually transfer to City under paragraphs 2.8 and 2.7(e)); or (iv) reducing the number of Patrol Vehicles under the Agreement, in which case County will make reasonable efforts to provide City with the benefit of its bargain in reimbursing County for the particular Patrol Vehicle. The parties will consider the amount City has paid to County in reimbursement payments for the particular Patrol Vehicle, as well as the Patrol Vehicle's age, condition, miles, fair market value, and expected remaining life immediately before the accident or failure. Under subparagraph (iv), County will consider the options of paying insurance proceeds, if any, to City; providing City with a vehicle that is comparable in type, age, and condition to Patrol Vehicle 2 immediately before the accident; or paying City the fair market value of Patrol Vehicle 2 immediately before the accident, as measured by Kelley Blue Book or similar service.

d. **Replacement or New Patrol Vehicles.** If a replacement or new Patrol Vehicle is involved in an accident, then County will process the appropriate insurance claim and confer with City about a resolution on terms parallel to those in subparagraph (c) in light of the Patrol Vehicle's price, City's total reimbursement payments at the time of the accident, and other relevant circumstances.

3.3 **Case Handling, Fines, and Fees.** As between County and City operating under this Agreement, cases falling within the jurisdiction of the City of Lucas Municipal Court, such as alleged violations of the City of Lucas Municipal Code, which are punishable by fine only or by limited fines, may be filed and handled in the City of Lucas Municipal Court. *See* Code of Criminal Procedure, art. 4.14. In such cases, all fines, penalties, fees, court costs, and similar amounts will be payable to City, as opposed to County, to the extent that the law permits. The Collin County Court, Justices of the Peace: Precinct 3-1 handles Class C misdemeanors (traffic or criminal citations) of state law, which fall under articles 4.11–4.12 of the Code of Criminal Procedure. Otherwise, the criminal jurisdiction of courts over violations of state and local law is governed by chapter 4 of title 1 of the Code of Criminal Procedure. The criminal jurisdiction of federal courts is governed by chapter 211 of title 18 of the United States Code.

3.4 **City's Liaison Officer.** County will confer with City's Liaison Officer—the City Manager of the City of Lucas—with regard to City's performance under this Agreement. The City Manager will oversee City's performance, devote sufficient time and attention to City's performance to reasonably ensure City's compliance with its

obligations, and supervise the City officials and employees who provide City's performance.

3.5 **Maps and Changes to Code of Ordinances.** City will continuously provide County with accurate and current maps of the territorial limits and extraterritorial jurisdiction of City. City will also notify County of any changes to the City of Lucas Code of Ordinances, which may relate to County's provision of law-enforcement services to City.

3.6 **Cooperation.** City will take reasonable efforts to cooperate with any requests by County for office space and related equipment, including a computer, word-processing software, internet access, and printer, or for a secure parking or storage space for a Patrol Vehicle. County will reimburse City for reasonable expenses resulting from City's cooperation. City will use reasonable efforts to notify County of any expected reimbursable costs before City incurs or pays those costs.

4. NOTICE AND CONFERENCE; SUSPENSION OF SERVICES.

4.1 **Notice & Conference.** If a party believes that the other party has not met, or is not meeting, an obligation under this Agreement, the party will contact the other's Liaison Officer to discuss the issue. If the aggrieved party does not believe that this informal contact, discussion, and ensuing efforts have fixed the issue, then the party will notify the other's Liaison Officer in writing of the party's belief or complaint with reasonable detail to permit the other party to address the issue. The other party will then have a reasonable time to address the issue and improve its performance. The parties should assess a "reasonable time" under the relevant circumstances and with regard to the nature of the issue.

4.2 **Suspension.** If City fails to make a payment as required by this Agreement within 30 days of the due date, County may suspend service until payment is received, or County may terminate this Agreement under paragraph 5.

4.3 **Notice of Suspension.** If County decides that it will suspend service to City for any reason, including for non-payment of any monies under this Agreement, then County will notify City's Liaison Officer by telephone and in writing of the date service will be suspended. County will use reasonable efforts to provide advance notice of at least five calendar days.

5. TERMINATION.

5.1 **Notice & Conference.** Before a party tries to terminate this Agreement, the party must follow the notice-and-conference procedures in paragraph 4.1.

5.2 **Termination by City.** City may terminate this Agreement by giving a minimum of one year written notice to County prior to termination.

5.3 **Termination by County.** County may terminate this Agreement by giving a minimum of one year written notice to City prior to termination.

5.4 **Recoveries & Remedies.** County will make a substantial investment in this Agreement, particularly in purchasing the Patrol Vehicles, staffing the two deputy positions, and, if it happens, implementing a patrol-wide body-worn-camera program and integrating the dedicated deputies into it. City must reimburse County for all Patrol Vehicles purchased for service under this Agreement, regardless of when this Agreement ends or is terminated.

If the Agreement ends before the end of a contract Year, then City must pay a prorated amount of reimbursement for maintenance-and-operations costs and for deputy compensation for the portion during which County provided services. Also, City forfeits its right to a refund caused by a variance under paragraph 3.1(d).

If City terminates the Agreement, then City will make all payments due within 30 days of the termination.

If County terminates the Agreement in contract Year 1, then City may pay the reimbursement amount for the Patrol Vehicles under the terms for repayment in Year 1, even if the parties do not otherwise perform under the Agreement. In other words, if County terminates in contract Year 1, then City's rights to pay reimbursement on the terms of paragraphs 3.1(a), (b), and (f) survive.

Paragraph 2.5(b) will govern the duties related to, and disposition of, all equipment, property, or rights associated with a body-worn-camera program upon this Agreement's end or termination.

If the Agreement is terminated early, then City's sole recourse and remedies are its right to pay only a prorated amount of reimbursement for maintenance-and-operations costs and for deputy compensation for the contract Year of termination; its right to pay the reimbursement amount for the Patrol Vehicles under the terms for repayment in contract Year 1 if County terminates the Agreement in Year 1; its option under paragraph 2.5(b); its vehicle rights under paragraphs 2.7(e), 2.8, 3.1(f), and 3.2; its fee-and-fine rights under paragraph 3.4; its cooperation-reimbursement rights under paragraph 3.7; and its report rights under paragraphs 2.4 and 5.5.

5.5 At this Agreement's expiration or termination, County will provide all reports that are outstanding under paragraph 2.4 within 15 business days of the expiration or termination.

6. LIMITATION OF EXTRAORDINARY REMEDIES. Each party is entitled only to its benefit of the bargain under this Agreement. The parties are not liable to each other for consequential, incidental, indirect, special, punitive, or exemplary damages or for damages that arise from special circumstances. This provision does not affect either party's rights to remedies set out in this Agreement, including the parties' rights in paragraph 5.4 and County's rights to the reimbursement amounts for Patrol Vehicles, for maintenance-and-operations costs and deputy compensation, and for vehicle insurance for all times County performed under this Agreement, or for defense and indemnification under paragraph 8.

7. LIABILITY.

This Agreement is made for the express purpose of County providing law-enforcement services to City, which is a governmental function or service within the meaning of sections 791.003(3)(A) and 791.011 of the Government Code.

By entering or performing this Agreement, City and County waive no sovereign, statutory, or other immunity or limitation of liability. *See* Gov't Code, § 791.006(c).

8. DEFENSE & INDEMNIFICATION.

City is responsible for any civil liability that arises from County's provision of services under this Agreement. *See* Gov't Code, § 791.006(b). City will defend, indemnify, and hold harmless County from and against all demands, claims, damages,

losses and liabilities, including reasonable attorney's fees and litigation expenses, that arise directly or indirectly from County's performance of this Agreement.

"County's performance of this Agreement" means County's provision of law-enforcement and all other services to City under this Agreement, including a deputy's driving to and from patrol duty in City's territorial limits or extraterritorial jurisdiction, providing services within City's limits or extraterritorial jurisdiction, the fresh pursuit of a person or suspect from inside City to an area outside City, complying with a request by City for services under paragraph 2.3, and transporting a person arrested or detained on a charge of committing an offense in whole or in part inside City to a detention center or to a hospital or other health-care facility. "County's performance" does not include a deputy's responding to a call for service outside City's territorial limits or extraterritorial jurisdiction, including a call to assist another deputy or officer who is not performing a service under this Agreement. "County's performance" also does not include a deputy's diversion during driving to or from patrol duty in City.

For purposes of this paragraph 8, "County" includes its officials, officers, deputies, employees, insurers, and agents.

With regard to the provision of a defense under this paragraph, County will reasonably cooperate with City in defending a claim or suit, including providing reasonable access to, and copies of, documents, electronic or magnetic data, and access to witnesses or other persons with discoverable knowledge such as deputies, employees, or other persons under County's supervision or control.

9. NO THIRD-PARTY BENEFICIARIES.

By entering and performing this Agreement, including the defense-and-indemnity provisions, the parties do not intend to create or confer a benefit on any person or entity, who is not a party to this Agreement. The parties do not intend to create a claim in favor of any person or entity, who is not a party to this Agreement.

To the extent that a party uses insurance or similar coverage or assistance in performing under this Agreement, then "City" and "County" will be interpreted to include the insurance company or other relevant entity.

10. OTHER.

Each party represents and warrants that the person or persons signing this Agreement have the requisite authority under section 791.011(d)(1) of the Government Code.

Each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party within the meaning of section 791.011(d)(3) of the Government Code or other provision.

Texas law will govern this Agreement and the relationship between, and claims and defenses of, the parties. *See* Gov't Code, § 791.012.

The parties will treat a photocopy of this agreement as an original copy for all purposes.

11. NOTICES.

A party will send any notice required under this Agreement by the United States Postal Service, Certified Mail, Return Receipt Requested to the following:

If to City:
City Manager
City of Lucas
151 Country Club Road

Lucas, Texas 75002

jclarke@lucastexas.us

If to Collin County:

Collin County Sheriff's Office

Commander of Operations

4300 Community Blvd.

McKinney, Texas 75071

mlangan@co.collin.tx.us

With copy to:

Collin County Purchasing Agent

2300 Bloomdale Road, Ste. 3160

McKinney, Texas 75071

shoglund@co.collin.tx.us

AGREED TO:

COLLIN COUNTY

Judge Keith Self

2300 Bloomdale Road

McKinney, TX 75071

Date

CITY OF LUCAS

City of Lucas

151 Country Club Road

Lucas, TX 75002

7-13-17

Date

EXHIBIT A
TO INTERLOCAL COOPERATION AGREEMENT
FOR LAW ENFORCEMENT SERVICES

This Exhibit A is incorporated into the Interlocal Cooperation Agreement for Law Enforcement Services between Collin County (County) and the City of Lucas (City) dated _____ (the Agreement), and has the same force and effect as if originally written into the text of the Agreement.

1. **Hours of Service.** Pursuant to the Agreement, County will dedicate two deputies to provide law-enforcement services to City. Each deputy will generally provide services to City, within City's geographic and jurisdictional limits, 40 hours per week, with overtime and Time Off as discussed below. County will determine the shifts or days and times for the provision of services.

2. **Vacation, Compensation, Personal and Sick Time.** Each dedicated deputy may use vacation, compensation ("comp"), personal, and sick time accrued or allowed pursuant to the policies and procedures of the Collin County Sheriff's Office (Time Off). City acknowledges and agrees that County will not provide alternate personnel during a deputy's Time Off. But County will take reasonable efforts to coordinate the Time Off for the two deputies to provide regular services to City. Otherwise, Time Off does not alter City's obligations under this Agreement. County will notify City of a deputy's scheduled Time Off in advance when possible.

3. **Overtime.** In the event overtime pay is due to a dedicated deputy because of a request by City for particular services under this Agreement, City shall reimburse the County for such overtime pay.

4. The parties will review and evaluate this Exhibit's terms and provision each quarter. The parties may change or edit these terms as agreed.

EXHIBIT B
TO INTERLOCAL COOPERATION AGREEMENT
FOR LAW ENFORCEMENT SERVICES

This Exhibit B is incorporated into the Interlocal Cooperation Agreement for Law Enforcement Services between Collin County (County) and the City of Lucas (City) dated _____ (the Agreement), and has the same force and effect as if originally written into the text of the Agreement.

Under this Agreement, County will purchase and provide Patrol Vehicles 2 and 3 to provide law-enforcement services to City. Depending on circumstances, County may buy and dedicate a replacement or new Patrol Vehicle as well. In the case of Patrol Vehicles 2 and 3, and a replacement or new Patrol Vehicle, a “Patrol Vehicle” means the vehicle together with the installed equipment, including computer, radar, camera, emergency equipment, technology for internet connectivity, and all software and updates, if any. City prefers SUVs as Patrol Vehicles 2 and 3. “Maintenance-and-operations costs” include fuel costs.

1. In **contract Year 1**—October 1, 2017 to September 30, 2018—City will reimburse County for the full cost of Patrol Vehicles 2 and 3, the maintenance-and-operations costs, and the compensation for the dedicated deputies. City will pay the following reimbursement amounts in four, equal, quarterly payments:

Patrol Vehicle 1	\$0
Patrol Vehicle 2	\$83,987
Maintenance & Operations 1	\$7,000
Maintenance & Operations 2	\$7,000
Deputy 1	\$97,948
Deputy 2	<u>\$85,630</u>
Total	\$281,565

Each quarterly payment will be $\$281,565/4 = \mathbf{\$70,391.25}$.

City will pay overtime reimbursement as set out in Exhibit A.

County pays its sheriff’s deputies in Patrol:

Starting	\$76,377
mid	\$87,164, and
max	\$97,951. ³

³ Note: These figures were current as of June 23, 2017.

New deputy's salary/benefits	\$76,377
Deputy startup cost	\$3,210
Plate carrier w/pouch	1,277
Helmet	539
Tourniquet w/ holster	65
Stipend	600
TASER	1,387
Flashlight	125
Handgun	409
Handgun ammunition	50
Rifle, optics, case, 6 mags	1,404
Academy ammunition	<u>187</u>
	\$85,630

City intends to reimburse County for the costs associated with dedicating two deputies to provide services under this Agreement. As of June 23, 2017, the annual salary and benefits of the deputy, who served City under the parties' Interlocal Cooperation Agreement for Law-Enforcement Services (October 1, 2013–September 30, 2017), was \$97,948. This deputy will continue to provide services under this version of the Agreement. County will also hire one new deputy, whose annual salary and compensation will be \$76,377, with \$9,253 in startup costs, for a total of \$85,630. If a new deputy is already a licensed peace officer, County will refund \$1,710 in training costs.

At the end of the contract Year, County will evaluate its actual costs for each deputy and maintenance-and-operations costs for each Patrol Vehicle. If County's actual costs exceeded the agreed-upon amounts by more than 10% in that year, then City will reimburse County the difference between the actual costs and the agreed-upon amount. If City reimbursed County for 10% more than County's actual costs, then County will refund the difference.

Lastly, City will reimburse County for its actual costs in insuring each Patrol Vehicle under paragraph 3.1(e).

2. In **contract Year 2**—October 1, 2018 to September 30, 2019—City will reimburse County for the annual compensation for the dedicated deputies as of October 1, 2018, for the annual maintenance-and-operations costs for the Patrol Vehicles, for the costs of a body-worn-camera program, if applicable, under paragraph 2.5(b), and for the annual cost for insuring each Patrol Vehicle for contract

Year 2 under paragraph 3.1(e). The parties will negotiate the reimbursement amounts for Year 2 and will try to agree to them in writing before October 1, 2018.

3. In **contract Year 3**—October 1, 2019 to September 30, 2020—City will reimburse County for the annual compensation for the dedicated deputies as of October 1, 2019, for the annual maintenance-and-operations costs for the Patrol Vehicles, for the costs of a body-worn-camera program, if applicable, under paragraph 2.5(b), and for the annual cost for insuring each Patrol Vehicle for contract Year 3 under paragraph 3.1(e). The parties will negotiate the reimbursement amounts for Year 3 and will try to agree to them in writing before October 1, 2019.

4. In **contract Year 4**—October 1, 2020 to September 30, 2021— City will reimburse County for the annual compensation for the dedicated deputies as of October 1, 2020, for the annual maintenance-and-operations costs for the Patrol Vehicles, for the costs of a body-worn-camera program, if applicable, under paragraph 2.5(b), and for the annual cost for insuring each Patrol Vehicle for contract Year 4 under paragraph 3.1(e). The parties will negotiate the reimbursement amounts for Year 4 and will try to agree to them in writing before October 1, 2020.

2015	2814
2016	3726
2017	5545
2018	5361
2019	5709
2020	3639
Total	26794



Town of Sunnyvale, Texas
Municipal Police Department
Budget Projections

Contract	Current	FY2020	FY2021	FY2022	FY2023	
DCSO Contract	\$2,619,754	\$3,419,754	\$0	\$0	\$0	
Police Dept. Personnel						
1-Chief	\$0	\$137,558	\$140,309	\$143,115	\$145,978	Full Year
1-Lieutenants	\$0	\$44,625	\$91,034	\$92,855	\$94,712	1/2 Year
4-Sergeants	\$0	\$160,549	\$486,512	\$496,242	\$506,167	1/3 Year
1-Detective Sergeant	\$0	\$32,110	\$99,248	\$101,233	\$103,258	1/3 Year
12-Officers	\$0	\$342,709	\$1,038,513	\$1,059,283	\$1,080,469	1/3 Year
1-Admin/Records Clerk	\$0	\$8,658	\$51,947	\$51,947	\$51,947	2 months
Additional Town Hires						
1-HR Generalist	\$0	\$16,319	\$66,579	\$67,911	\$69,269	1/2 Year, part-time (1/4 year)
1-IT Support	\$0	\$105,699	\$107,813	\$109,969	\$112,169	Full year
Total Cost Internal	\$0	\$848,226	\$2,081,955	\$2,122,555	\$2,163,968	
10% Overtime	Included	N/A	\$208,196	\$212,256	\$216,397	
Total Cost Contracts	Included	\$3,419,754	\$0	\$0	\$0	
Total	\$2,619,754	\$4,267,980	\$2,464,543	\$2,512,691	\$2,561,802	
Capital Costs						
Police Facilities Remodel	\$0	\$413,500	\$0	\$0	\$0	
Fleet	\$0	\$864,827	\$0	\$0	\$0	See Estimate
Equipment / FF&E	\$0	\$86,500	\$25,000	\$25,000	\$25,000	
IT Startup costs	\$0	\$759,666	\$0	\$0	\$0	
Dispatch Costs		\$440,000				
Total	\$30,000	\$2,564,493	\$25,000	\$25,000	\$25,000	
Operating Costs						
Patrol Vehicle Replacement (5 year basis)	\$0	\$0	\$153,188	\$153,188	\$153,188	
Detective Vehicle Replacement (7 year basis)	\$0	\$0	\$14,127	\$14,127	\$14,127	
Fuel	\$0	\$6,617	\$27,131	\$27,809	\$28,504	1/4 Year
Vehicle Maintenance	\$500	\$500	\$27,754	\$28,448	\$29,159	
Facility Maintenance	\$6,264	\$6,265	\$6,422	\$6,582	\$6,747	
Uniforms / Equipment	\$0	\$242,520	\$20,000	\$20,000	\$20,000	
Technology / RMS-recurring costs	\$0	\$0	\$25,000	\$25,000	\$25,000	
Office Supplies	\$0	\$2,000	\$1,000	\$1,000	\$1,000	
External System Support ?	\$0	\$20,000	\$20,000	\$20,000	\$20,000	
Miscellaneous Supplies	\$0	\$5,000	\$10,000	\$10,000	\$10,000	
Training	\$0	\$17,500	\$18,000	\$19,000	\$20,000	
Electricity	\$11,500	\$11,789	\$12,082	\$12,384	\$12,693	

Water	\$3,000	\$3,075	\$3,152	\$3,231	\$3,312
Telephone / Cable	\$1,500	\$1,600	\$1,600	\$1,600	\$1,600
Dispatch Operations		\$257,346			
Total	\$22,764	\$574,212	\$186,268	\$189,181	\$192,142
Total	\$2,672,518	\$7,406,685	\$2,675,811	\$2,726,872	\$2,778,944

Existing expenses	\$3,442,983
Tax Notes	\$3,247,013
GF Gap to Close from Reserves	\$716,689

Marked Patrol / Traffic Vehicles

2018 Chevy Tahoe 2WD	\$32,519
Mobile Computer with mounting	\$4,700
Police Radio	\$4,062
Computer modem	\$600
Vehicle GPS	\$408
Ticket Equipment/Software	\$2,900
Radar Gun	\$2,500
Vehicle Cameras	\$7,225
CAD Software	\$500
Up fitting to include partitions, sirens, lights and misc. equipment.	\$14,217

Cost Per Unit	\$69,631
Total Vehicles Needed	11
Total Cost	\$765,941

Detective / Pool Vehicles

Chevy Impala	\$27,000
Mobile Radio (800 MHz)	\$4,062
Additional grill, rear and side warning lights	\$300
Light and siren controller	\$400
Siren	\$200
Labor and Installation	\$1,000

Cost Per Unit	\$32,962
Total Vehicles Needed	3
Total Cost	\$98,886

864,827 total

SPI Comparison Marked Patrol / Traffic Vehicles

2020 Ford Interceptor	\$32,519
Mobile Computer with mounting	\$4,700
Police Radio	\$4,062
Computer modem	\$600
Vehicle GPS	\$408
Ticket Equipment/Software	\$2,900
Radar Gun	\$2,500
Vehicle Cameras	\$7,225
CAD Software	\$500
Up fitting to include partitions, sirens, lights and misc. equipment.	\$8,935
Cost Per Unit	\$64,349
Total Vehicles Needed	11
Total Cost	\$707,838

Painting	1600
Inspection	7
Dealer Prep	200
Lights	155
Light bar	1725
Siren	675
Light bar strap	0
Siren	129.95
Siren Bracket	29.95
Head light flasher	73
Tail Light Flasher	65
Console	360
Partition	585
Barrier	375
Graphics	600
Shipping	200
Wiring	445
Installation	1710
Total Up-Fitting	8934.9

Item	Description	Capital Cost	Annual Operating Cost
Server Racks	24 X 50 Rack	\$2,600	
Servers	Synergy with 4 blades,2 Blades @ DR Site, VmWare, Veeam, MS OS	\$179,000	\$30,000
Physical DC	HP DL360 or compatible	\$7,000	
Storage	Primary and DR Site Storage	\$120,000	\$15,000
CAD/RMS	The Town would need an RMS compatible with the CAD system used.	\$200,000	\$30,000
CAD	500 Per License Qty. 20		\$10,000
RMS Online Silo	Online RMS System, No integration with, Conroe, Etc...Approx. \$25,000		\$25,000
Network Switches	Switches(4)	\$30,000	\$3,372
Firewalls	Palo Alto(2)	\$50,488	\$19,000
Routers	Cisco switches	\$12,888	\$1,308
WiFi	Aerohive AP's	\$8,090	\$1,600
UPS	Compatible with Townhall	\$45,000	
Data lines		\$2,000	\$12,000
Fiber		\$2,500	\$8,000
Internet x2		\$2,000	\$24,000
Printers	750 Per HPE Printer Qty. 2	\$1,500	
Desktop computers	1500 Per Computer with Dual Monitors Qty 15	\$22,500	
copiers	750 Per Copier Qty. 1		\$750
Video Software Body Cam / Vehicle	Software & Licensing Includes Redaction Software	\$10,500	
AV Training	Per Room	\$13,600	
Structured Cable		\$50,000	
Office 365 License	240 Per Employee Qty. 27		\$6,480
Total		\$759,666	\$186,510

Town of Sunnyvale & City of Mesquite LOI Cost Implications

Radio & Dispatch Costs			
6/4/2019			
Costs	Fire & EMS	Police	Total
Radio Hardware	\$0.00		\$0.00
Dispatch Hardware	\$0.00	\$232,000.00	\$232,000.00
Fire Station Alerting	\$50,000.00		\$50,000.00
Mobile Data Computer	\$22,000.00		\$22,000.00
Architectural Design Costs est	\$0.00	\$132,900.00	\$132,900.00
GPS	\$3,100.00		\$3,100.00
Total Hardware Costs	\$75,100.00	\$364,900.00	\$440,000.00
Staffing			
FTE Cost (1 EMS; 4 PD)	\$76,286.68	\$228,860.04	\$305,146.72
Administration Fee	\$7,628.67	\$22,886.00	\$30,514.67
MDC Support	\$17,500.00	\$5,600.00	\$23,100.00
Total Staffing/Consulting Costs	\$101,415.35	\$257,346.04	\$358,761.39
Totals			
	\$176,515.35	\$622,246.04	\$798,761.39

[*PD radios included in fleet](#)

[*MDC included in fleet](#)

Item Description	Cost
Sidearm – 9 MM Glock, Model 17, w/ Three Magazines	\$540
Trijicon Night Sites	\$80
Protective Vest – Level IIIA	\$499
Portable Radio + Lapel Microphone + Radio Belt Holder (Motorola)	\$4,200
Flashlight – Stream light, “STIRONr”, 7 inches, W/ AC Charger, 40,000 Cdl	\$118
2 Long Sleeve Shirts, 5.11 -Wash & Wear (\$51.99 ea.)	\$104
4 Short Sleeve Shirts, 5.11 Wash & Wear (51.99 ea.)	\$104
4Pants, Wash & Wear, (\$51.99 ea.)	\$104
Patrol Jacket	\$150
Safariland level III Holster	\$125
Baton Ring	\$7
Bianchi Double Cuff Case	\$32
Bianchi Double Magazine Pouch	\$26
Duty Utility Belt -5.11 (Outer belt)	\$50
Uniform Pant Belt (Inner belt)	\$12
Sabre Red Pepper Spray	\$15
Pepper Spray holder- 5.11	\$18
Riot Helmet (Ballistic)	\$656
Belt “Keepers”, (4)	\$13
Badge Shield, Gold Plate (1)	\$76
Name Bar (2)	\$15
ASP expandable Baton – 26”	\$105
ASP expandable Baton holder	\$45
Smith and Wesson Handcuffs, (2) - \$23.99 ea.	\$48
Equipment Bag	\$50
Taser X2	\$1,399
Taser X2 Holster	\$90
Taser X2 Cartridges (2)	\$80
Cell Phone	\$540
Camera, extended no fault warranty, license	\$1,200
Colt AR15 w/ EOTEC red dot sites	\$1,625
Total Sworn Equipment Costs	\$12,126

230394



City of Lucas Council Agenda Request September 17, 2020

Requester: City Secretary Stacy Henderson

Agenda Item Request

Consider moving to Action Minutes for City Council and board/commission meetings.

Background Information

There are three standard styles of minutes for board meetings: action, discussion, and verbatim.

- Action minutes record the decisions reached and the actions to be taken, though not recording the discussion that went into making the decisions. This is the most common form of minutes used.
- Discussion minutes record the point of the discussion that went into making the final decision on an issue.
- Verbatim minutes are a written word-for-word transcript of what was said in meetings and by whom.

Currently, the City provides discussion type minutes and is proposing to move towards action minutes. With City Council and board/commission meetings being video recorded, residents are able to easily access video recordings to view exactly what was said, and with SwagIt live streaming that will be available in October, bookmarking of each agenda item will take place making it more efficient to find topics within the recording. Providing action minutes would avoid any incorrect interpretation in the minutes of what was said, and greatly improve time management. Preparation of minutes in the current format requires several hours, and often longer, depending on the length of the meeting.

Staff's goal is for the City Secretary to take over operation of the Zoom meetings. This service is currently provided by a representative of Baxter IT attending City meetings. There is a fee associated with these services.

With current Zoom recordings and SwagIt live streaming expected to go live in October, additional time will be needed during meetings to run the technology in the background. By streamlining the minute taking process, the City Secretary will be able to manage this process.

Records retention requires audio/video recordings of meetings to be kept only 90 days after approval of the written minutes; however, videos will be kept indefinitely on the website and stored on the City's server that is backed up nightly.



City of Lucas Council Agenda Request September 17, 2020

Attachments/Supporting Documentation

NA

Budget/Financial Impact

This streamlined process would eliminate the requirement for a representative of Baxter IT to attend every Council, Board or Commission meeting, thus resulting in savings on consulting fees.

Recommendation

Staff recommends moving to action minutes.

Motion

I make a motion to approve/deny moving to action minutes.



City of Lucas City Council Agenda Request September 17, 2020

Requestor: Mayor Jim Olk

Agenda Item Request

Executive Session.

An Executive Session is not scheduled for this meeting.

As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney regarding any item on the agenda at any time during the meeting. This meeting is closed to the public as provided in the Texas Government Code.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA



City of Lucas City Council Agenda Request September 17, 2020

Requester: Mayor Jim Olk

Agenda Item Request

Reconvene from Executive Session and take any action necessary as a result of the Executive Session.

Background Information

NA

Attachments/Supporting Documentation

NA

Budget/Financial Impact

NA

Recommendation

NA

Motion

NA