

MURPHY CITY COUNCIL AGENDA  
REGULAR CITY COUNCIL MEETING  
MAY 17, 2016 AT 6:00 PM  
206 NORTH MURPHY ROAD  
MURPHY, TEXAS 75094



Eric Barna  
Mayor

Scott Bradley  
Mayor Pro Tem

Owais Siddiqui  
Deputy Mayor Pro Tem

Jennifer Berthiaume  
Councilmember

Betty Spraggins  
Councilmember

Sarah Fincanon  
Councilmember

Don Reilly  
Councilmember

Bill Shipp  
Interim City Manager

Susie Quinn  
City Secretary

NOTICE is hereby given of a meeting of the City Council of the City of Murphy, Collin County, State of Texas, to be held on May 17, 2016 at Murphy City Hall for the purpose of considering the following items. The City Council of the City of Murphy, Texas, reserves the right to meet in closed session on any of the items listed below should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

## 1. CALL TO ORDER

## 2. INVOCATION & PLEDGE OF ALLEGIANCE

## 3. ROLL CALL & CERTIFICATION OF A QUORUM

## 4. PUBLIC COMMENTS

## 5. PRESENTATIONS

- A. Proclamation declaring May as Asian-Pacific American Heritage Month.
- B. Proclamation declaring May 15-21, 2016 as National Police Week.
- C. Proclamation declaring May 15-21, 2016 as National Public Works Week.
- D. Proclamation declaring May 15-21, 2016 as Emergency Medical Services Week.
- E. Presentation of financial report and investment report as of April 30, 2016.

## 6. CONSENT AGENDA

All consent agenda items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the Consent Agenda and voted on separately.

- A. Consider and/or act on the May 2, 2016 Regular Council meeting minutes and Special Work Session minutes.
- B. Consider and/or act upon an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2016 rate review mechanism filings; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the settlement tariffs to be just and reasonable and in the public interest; requiring the company to reimburse ACSC's reasonable ratemaking

expenses; determining that this ordinance was passed in accordance with the requirements of the Texas open meetings act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the company and the ACSC's legal counsel.

- C. Consider and/or act upon approval of a resolution supporting the nomination of representatives to serve as primary and alternate members to the Regional Transportation Council of the North Central Texas Council of Governments.

## **7. INDIVIDUAL CONSIDERATION**

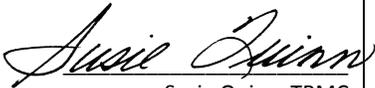
- A. Consider and/or act upon nominations for Mayor Pro Tem.
- B. Consider and/or act upon nominations for Deputy Mayor Pro Tem.
- C. Consider and approve an ordinance authorizing the issuance of "City of Murphy Tax Notes, Series 2016", in the par amount of \$1,800,000 for the acquisition, replacement and upgrade of certain City public safety voice, radio dispatch, emergency alert equipment and associated software.
- D. Consider and/or act upon approval of a resolution approving an Interlocal Agreement with Collin County for Betsy Lane Paving and Drainage Improvements for Collin County 2007 Bond Project No. 07-053.
- E. Consider and/or act to approve a resolution authorizing the creation of the North Central Texas Regional 9-1-1 Emergency Communications District.
- F. Discussion with possible action regarding appointing members to various Boards and Commissions to comply with the City Charter.

## **8. CITY MANAGER/STAFF REPORTS**

- A. Radio Systems
- B. Food Truck Court
- C. Betsy Lane
- D. South Maxwell Creek Parallel Trunk Sewer Line
- E. North Murphy Road
- F. Upcoming events:

## **9. ADJOURNMENT**

I certify that this is a true and correct copy of the Murphy City Council Meeting Agenda and that this notice was posted on the designated bulletin board at Murphy City Hall, 206 North Murphy Road, Murphy, Texas 75094; a place convenient and readily accessible to the public at all times, and said notice was posted on May 13, 2016 by 5:00 p.m. and will remain posted continuously for 72 hours prior to the scheduled meeting pursuant to Chapter 551 of the Texas Government Code.



Susie Quinn, TRMC  
City Secretary

In compliance with the American with Disabilities Act, the City of Murphy will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services must be received at least 48 hours prior to the meeting. Please contact the City Secretary at 972.468.4011 or squinn@murphytx.org.

Notice of Possible Quorum: There may be a quorum of the Animal Shelter Advisory Committee, the Board of Adjustment, the Building and Fire Code Appeals Board, the Charter Review Commission, the Ethics Review Commission, the Murphy Community Development Corporation, the Murphy Municipal Development District Board, the Park and Recreation Board and/or the Planning and Zoning Commission members who may be present at the meeting, but they will not deliberate on any city or board business.

# *Proclamation*

*City of Murphy, Texas*

## **“Asian/Pacific American Heritage Month”**

**WHEREAS**, Asian Heritage Week was officially established by a Congressional proclamation in 1978; and

**WHEREAS**, in May 1990, the event was expanded to a month-long observance by President George H. W. Bush; and

**WHEREAS**, during the month of May, we commemorate the rich and diverse culture of Asian Americans and Pacific Islanders and recognize the more than 30 ethnic groups from Asia and the Pacific that are found in the United States; and

**WHEREAS**, we also honor the millions of Asian/Pacific Americans who, through their wisdom, diverse talents, courage and loyalty, have made this a stronger and greater nation; and

**WHEREAS**, Asian/Pacific American Heritage Month is a celebration of diversity and a time to embrace the unique value that can be found in all of us.

**THEREFORE**, I, Eric Barna, Mayor of the City of Murphy, do hereby proclaim May, 2016, as Asian/Pacific American Heritage Month

**IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused to be affixed the seal of the City of Murphy on this 1th day of May in the year 2016.

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Eric Barna, Mayor  
City of Murphy

# *Proclamation*

*City of Murphy, Texas*

**National Police Week**

**May 15-21, 2016**

**WHEREAS**, in the performance of the mission for the welfare and well-being of our community, law enforcement officers are engaged, on a daily basis, in a hazardous and life threatening profession; and

**WHEREAS**, our citizens' peace of mind comes from the knowledge that these officers are readily available for crime prevention, crime suppression and protection of life and property; and

**WHEREAS**, in some cases, the officer actually gives his or her life in exchange for the welfare of his or her community; and

**WHEREAS**, our community has a continuing sense of gratitude to these brave men and women who have given their lives defending and protecting our City and those who serve daily in the protection of life and property; and

**WHEREAS**, in 1962, President John F. Kennedy established May 15<sup>th</sup> as a national day of commemoration known as "National Police Memorial Day" in honor of these men and women who have made the ultimate sacrifice; and

**NOW, THEREFORE**, I, Eric Barna, Mayor for the City of Murphy Texas, Do hereby proclaim the week of May 15-21, 2016 as

**“NATIONAL POLICE WEEK”**

In Murphy, Texas and urge the appropriate recognition thereof.

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*Eric Barna, Mayor*  
*City of Murphy*

# *Proclamation*

*City of Murphy, Texas*

## **“National Public Works Week”**

**WHEREAS**, each year the American Public Works Association designates the third week in May as National Public Works Week; and

**WHEREAS**, public works services provided in our community are an integral part of our citizens everyday lives; and

**WHEREAS**, the American Public Works Association has selected “Public Works Always There” as its theme for 2016’s National Public Works Week. The theme recognizes that communities depend on the men and women of the public works profession; and

**WHEREAS**, public works allows the world as we know it to be; and

**WHEREAS**, this year's theme "Public Works Always There" speaks to the essential nature of Public Works services in support of everyday quality of life.

**NOW THEREFORE**, I, Eric Barna, Mayor of the City of Murphy, and on behalf of the City Council, do hereby proclaim the week of May 15-21, 2016, as

### **NATIONAL PUBLIC WORKS WEEK**

in the City of Murphy, and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works officials make every day to our health, safety, comfort and quality of life in Murphy.

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Eric Barna, Mayor  
City of Murphy

# *Proclamation*

*City of Murphy, Texas*

## **Emergency Medical Services Week**

May 15-21, 2016

**WHEREAS**, emergency medical services is a vital public service; and

**WHEREAS**, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

**WHEREAS**, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

**WHEREAS**, the emergency medical services system consists of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators and others; and

**WHEREAS**, the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

**WHEREAS**, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week.

**THEREFORE**, I, Eric Barna, Mayor of the City of Murphy, Texas, do hereby proclaim the week of May 15-21, 2016, as

### **“EMERGENCY MEDICAL SERVICES WEEK”**

in Murphy, Texas, With the theme, “*EMS: Dedicated. For Life*”, in official recognition of this nationwide event. Proclaimed this 17<sup>th</sup> day of May, 2016.

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*Eric Barna, Mayor  
City of Murphy*

CITY COUNCIL MINUTES  
REGULAR CITY COUNCIL MEETING  
MAY 2, 2016 AT 6:00 PM

**1. CALL TO ORDER**

Mayor Eric Barna called the meeting to order at 6:00 PM.

**2. INVOCATION & PLEDGE OF ALLEGIANCE**

Mayor Eric Barna gave the invocation and led the Pledge of Allegiance

**3. ROLL CALL & CERTIFICATION OF A QUORUM**

Executive Administrative Assistant Kim McCranie, certified a quorum with the following Councilmembers present:

Mayor Eric Barna  
Mayor Pro Tem Scott Bradley  
Councilmember Ben St. Clair  
Councilmember Betty Nichols Spraggins  
Councilmember Sarah Fincanon  
Councilmember Rob Thomas

Absent:

Deputy Mayor Pro Tem Owais Siddiqui

**4. PUBLIC COMMENTS**

Warren Gallion, resident, is opposed to any proposed retail zoning on property located at 420 E FM 544. Mr. Gallion presented a signed petition to Interim City Manager, Bill Shipp protesting Zoning File 2015-08 for an application of Ryan Betz of 4B & W Land, LLC., Ronald and Patricia Williford and Kevin McAllister requesting a change in zoning from SF-20 (Single Family 20 Residential) to Retail on approximately 5.56 acres of property located southeast of FM544 and Maxwell Creek Road.

**5. PRESENTATIONS**

A. Presentation of financial report and investment report as of March 31, 2016.

Finance Director Linda Truitt, explained the investment report which stated the City has \$19 million dollars invested, and at the end of February the City had \$19 million dollars so the cash investments have been reduced by \$200 thousand dollars but the interest rate increased to .31% vs. .29%. The General Fund revenues show a collection of about 74% of total revenues. The City has collected 99.5% of the property taxes, sales tax 49%, and franchise fees 81%. Five (5) single family building permits were issued for a total of 23 which is the same as last year. The City is on target to receive the same amount of money for permits as FY2015. The City is at 43% of the General Fund Expenditures. The Utility Fund Revenues are at 47%. Utility Fund Expenditures are on target.

The projections for FY2016 in the General Fund Revenues are anticipated at \$13.25 million vs. the \$13.066 million we budgeted. In the General Fund Expenditures the anticipated amount is \$13.2 million dollars vs. the \$13.5 million dollars budgeted providing the City with a savings. The projected

revenue less expenditures is approximately \$71 thousand dollar which will increase the fund balance to approximately \$4 million dollars.

## 6. CONSENT AGENDA

All consent agenda items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the Consent Agenda and voted on separately.

- A. Consider and/or act on the April 12, 2016 special Council meeting minutes.
- B. Consider and/or act on the April 19, 2016 regular Council meeting minutes.

***COUNCIL ACTION (6.A. through 6.B.):***

***APPROVED***

**Mayor Pro Tem Bradley moved to approve the consent agenda as presented. Councilmember Thomas seconded the motion. For: Unanimous. The motion carried by a vote of 6-0 (Deputy Mayor Pro Tem Siddiqui was absent).**

## 7. INDIVIDUAL CONSIDERATION

- A. Consider and/or act on the Community Grant Application from the Murphy Historical Society as approved by the Murphy Community Development Corporation meeting held April 18, 2016.

Murphy Community Development Corporation President Jennifer Berthiaume approached the Council requesting approval of the Community Grant Application from the Murphy Historical Society. She stated that they would like to purchase artwork of Murphy's history from a local artist.

Donna Jenkins of the Murphy Historical Society addressed the Council regarding the background of the photos that are displayed at the Murphy Community Center. She explained the Murphy Historical Society would like to purchase water colors of Murphy's history from a local artist and display the art work at the community center, rotating different photos and types of art periodically. Donna presented the art work the Historical Society are interested in purchasing and briefed the Council on the history of each piece.

Mayor Barna thanked Ms. Jenkins for all of her time and work on bringing the history of Murphy to all of the residents. Councilmember Thomas also thanked Ms. Jenkins for her hospitality and sharing her knowledge of Murphy's history.

***COUNCIL ACTION (7.A.):***

***APPROVED***

**Mayor Pro Tem Bradley moved to approve the Community Grant Application from the Murphy Historical Society as approved by the Murphy Community Development Corporation in the amount of \$2,100.00. Councilmember Fincanon seconded the motion. For: Unanimous. The motion carried by a vote of 6-0 (Deputy Mayor Pro Tem Siddiqui was absent).**

## 8. CITY MANAGER/STAFF REPORTS

- A. Food Truck Court

Staff, the Architect and contractor met on site Friday where they walked the site and made a few adjustments in order to preserve trees and maximize the site. The contractor was going to tie steel and begin placing the water line weather permitting. The contractor has been made aware of our events occurring during the construction process and will be sensitive to these events.

- B. Betsy Lane  
95% complete. There will be a time suspension on the contract for approximately 4-6 weeks due to electricity for the irrigation system and easement issues.
  
- C. South Maxwell Creek Parallel Trunk Sewer Line  
51% complete. They will be boring FM 544 next week and going up north where it ends on the north end. The south end of the project, west of McCreary Road at the bridge they will run the line there east into Sachse. Once they are into Sachse the project will become very weather dependent due to the nature of the terrain in that area. We are granting an extension to the contract for weather days that have occurred to date.
  
- D. North Murphy Road  
HOA's met with TxDOT last week. TxDOT will get back with the City and the HOA's within 30 days with a plan. They will take care of the entry ways of the HOA's but not the longitude areas along the right of ways. The City will review the TxDOT estimate and prepare a plan to bring to Council around the first part of June.
  
- E. Upcoming events:
  - Election Day – Saturday, May 7, 2016 from 7:00am – 7:00pm, today was the last day for early voting.
  - Tunes, Tails & Ales – Saturday, May 14, 2016 from 1:00pm – 6:30pm is the Tails & Ales portion of the event and 6:30pm – 8:00pm will be the Tunes portion.

Mayor Barna will be participating in the St. Baldrick's Shave event on Friday, May 6, 2016 at the Murphy Community Center, please come out see what it's all about and participate.

#### **9. ADJOURN REGULAR MEETING**

With no further business, the regular Council meeting was adjourned at 6:41 PM.

#### **10. CONVENE TO THE COMMUNITY ROOM – OPEN SPECIAL WORK SESSION**

Mayor Eric Barna called the Work Session to order at 6:58 PM.

Chief Mark Lee explained that a little less than 1 year ago Staff presented a compensation plan and pay study plan to Council with information that was not compatible with Murphy. Staff heard Council's concerns and created a new plan that incorporated Council's input that is being presented tonight. He explained the new policy was based on 2016 data. They removed the larger cities from the plan and kept the remaining comparable cities in the plan including, Highland Village, Little Elm, Sachse, Wylie and Rockwall. Within the salary structure, Public Safety is typically based on tenured plan and civilian population is based on a mid/min/max style plan. It was found that the elements of an effective pay plan include internal equity, external competitiveness, affordable for the City, being

able to defend the rates that are established, must be flexible and efficient to administer. The factors considered when looking into the job descriptions were formal education required, management/supervisory requirements, decision making ability of the position, budgetary responsibilities, experience level required, human collaboration involved; internally, inter-departmental and public, required technical skills and working conditions. The pay plan is a tool to attract, motivate and retain valued employees.

The Council and Staff discussed procedures to implement the different types of pay plans, creating organizational, departmental and individual goals for the City and employees to help incorporate criteria for a productive evaluation system. The Council thanked staff for their hard work and likes the direction the new pay plan is going.

**11. ADJOURN SPECIAL WORK SESSION**

With no further business, the Council work session was adjourned at 8:18 PM.

APPROVED BY:

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Eric Barna, Mayor

ATTEST:

\_\_\_\_\_  
Susie Quinn, City Secretary

**City Council Meeting**  
**May 17, 2016**

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**Issue**

Consider and/or act upon an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division regarding the company’s 2016 rate review mechanism filings; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the settlement tariffs to be just and reasonable and in the public interest; requiring the company to reimburse ACSC’s reasonable ratemaking expenses; determining that this ordinance was passed in accordance with the requirements of the Texas open meetings act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the company and the ACSC’s legal counsel.

**Staff Resource/Department**

Linda Truitt, Finance Director

**Background/History**

The City, along with other similarly situated cities served by Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). The RRM Tariff was originally adopted by ACSC member cities in 2007 as an alternative to the Gas Reliability Infrastructure Program (“GRIP”), the statutory provision that allows Atmos to bypass the City’s rate regulatory authority to increase its rates annually to recover capital investments. The RRM Tariff has been modified several times, most recently in 2013.

The 2016 RRM filing is the fourth RRM filing under the renewed RRM Tariff. On March 1, 2016, Atmos made a filing requesting \$35.4 million additional revenues on a system-wide basis. Because the City of Dallas has a separate rate review process, exclusion of Dallas results in the Company requesting \$28.6 million from other municipalities.

Environs customers (ratepayers outside municipal limits) remain under the Railroad Commission’s exclusive original jurisdiction and have their rates set through the GRIP process. If the Company had used the GRIP process rather than the RRM process it would have received a \$41 million increase, or about \$11 million more than will be approved by the Ordinance. ACSC and the Company have reached an agreement, reflected in the Ordinance, to reduce the Company’s request by \$5.5 million, such that the Ordinance approving new rates reflects an increase of \$29.9 million on a system-wide basis, or \$21.9 million for Mid-Tex Cities, exclusive of the City of Dallas.

The tariffs attached to the Ordinance approve rates that will increase the Company’s revenues by \$29.9 million for the Mid-Tex Rate Division, effective for bills rendered on or after June 1, 2016. The monthly residential customer charge will be \$19.10. The consumption charge will be \$0.11378 per Ccf. The monthly bill impact for the typical residential customer consuming 46.8 Ccf will be an increase of \$1.26, or about 2.43%. The typical commercial customer will see an increase of \$3.81, or 1.43%. Attached to this Staff Report is a summary of the impact of new rates on the average bills of all customer classes.

The ACSC Executive Committee and its designated legal counsel and consultants recommend that all Cities adopt the Ordinance with its attachments approving the negotiated rate settlement resolving the 2016 RRM filing, and implementing the rate change.

**Explanation of “Be It Ordained” Sections:**

1. This section approves all findings in the Ordinance.
2. This section finds the settled amount of \$29.9 million to be a comprehensive settlement of gas utility rate issues arising from Atmos Mid-Tex’s 2016 RRM filing, and that such settlement is in the public interest and is consistent with the City’s statutory authority.
3. This section finds the existing Atmos Mid-Tex rates to be unreasonable, and approves the new tariffed rates providing for additional revenues over currently-billed rates of \$29.9 million and adopts the attached new rate tariffs (Attachment A).
4. This section establishes the baseline for pensions and other post-employment benefits for future rate cases (Attachment C).
5. This section requires the Company to reimburse Cities for reasonable ratemaking costs associated with reviewing and processing the RRM filing.
6. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.
7. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
8. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.
9. This section provides for an effective date upon passage which, according to the Cities’ ordinance that adopted the RRM process, is June 1, 2016.
10. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for the Steering Committee.

**Staff Recommendation**

Staff recommends approval of the Ordinance.

**Attachments**

- 1) Ordinance with Attachments A, B and C
- 2) Memo from Geoffrey Gay
- 3) Email from Geoffrey Gay

**ORDINANCE NO. 16-05-1011**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2016 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.**

**WHEREAS**, the City of Murphy, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

**WHEREAS**, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

**WHEREAS**, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

**WHEREAS**, on March 1, 2016, Atmos Mid-Tex filed its 2016 RRM rate request with ACSC Cities; and

**WHEREAS**, ACSC coordinated its review of the Atmos Mid-Tex 2016 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in the Company’s RRM filing; and

**WHEREAS**, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$29.9 million on a system-wide basis; and

**WHEREAS**, the attached tariffs implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

**WHEREAS**, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS:**

**Section 1.** That the findings set forth in this Ordinance are hereby in all things approved.

**Section 2.** That the City Council finds that the settled amount of an increase in revenues of \$29.9 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2016 RRM filing is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

**Section 3.** That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$29.9 million in revenue over the amount allowed under currently approved rates, as shown in the Proof of Revenues attached hereto and incorporated herein as Attachment B; such tariffs are hereby adopted.

**Section 4.** That the ratemaking treatment for pensions and other post-employment benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment C, attached hereto and incorporated herein.

**Section 5.** That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2016 RRM filing.

**Section 6.** That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

**Section 7.** That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 8.** That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

**Section 9.** That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2016.

**Section 10.** That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PASSED AND APPROVED** this 17<sup>th</sup> day of May, 2016.

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Eric Barna, Mayor  
City of Murphy

ATTEST:

APPROVED AS TO FORM:

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Susie Quinn, City Secretary  
City of Murphy

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Wm. Andrew Messer, City Attorney

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>R – RESIDENTIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 06/01/2016</b>	<b>PAGE: 12</b>

**Application**

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 19.10 per month
Rider CEE Surcharge	\$ 0.02 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 19.12 per month</b>
Commodity Charge – All <u>Ccf</u>	\$0.11378 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

<sup>1</sup>Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2015.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>C – COMMERCIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 06/01/2016</b>	<b>PAGE: 13</b>

**Application**

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 41.75 per month
Rider CEE Surcharge	\$ 0.02 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 41.77 per month</b>
Commodity Charge – All Ccf	\$ 0.08494 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

<sup>1</sup> Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2015.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 06/01/2016</b>	<b>PAGE: 14</b>

**Application**

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 738.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3096 per MMBtu
Next 3,500 MMBtu	\$ 0.2267 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0486 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Curtailement Overpull Fee**

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 06/01/2016</b>	<b>PAGE: 15</b>

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 06/01/2016</b>	<b>PAGE: 16</b>

**Application**

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 738.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3096 per MMBtu
Next 3,500 MMBtu	\$ 0.2267 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0486 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Imbalance Fees**

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

**Monthly Imbalance Fees**

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 06/01/2016</b>	<b>PAGE: 17</b>

**Curtailement Overpull Fee**

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**Agreement**

A transportation agreement is required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 11/01/2016</b>	<b>PAGE: 41</b>

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- $i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = Commodity Charge rate of temperature sensitive sales for the  $i^{th}$  schedule or classification.
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- $ADD$  = billing cycle actual heating degree days.
- $BL_i$  = base load sales for the  $i^{th}$  schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j$ th customer in  $i$ th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where  $q_{ij}$  is the relevant sales quantity for the  $j$ th customer in  $i$ th rate schedule.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 11/01/2016</b>	<b>PAGE: 42</b>

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.09	0.1392	98.01	0.6440
Austin	11.21	0.1551	203.36	0.8564
Dallas	13.72	0.2048	189.83	0.9984
Waco	9.89	0.1411	129.75	0.6695
Wichita Falls	11.49	0.1506	122.35	0.5967

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/mtx-wna](http://atmosenergy.com/mtx-wna), in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

File Date: March 1, 2016

**ATMOS ENERGY CORP., MID-TEX DIVISION  
PROPOSED TARIFF STRUCTURE (BEFORE RATE CASE EXPENSE RECOVERY)  
TEST YEAR ENDING DECEMBER 31, 2015**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1 Proposed Change In Rates:		\$ 29,603,205		Schedule A						
2 Proposed Change In Rates without Revenue Related Taxes:		\$ 27,447,850		Ln 1 divided by factor on WP_F-5.1						
3										
4										
5										
6		Revenue Requirements		Allocations						
7 Residential	\$	338,431,486		77.95%		Per GUD 10170 Final Order				
8 Commercial		84,223,622		19.40%		Per GUD 10170 Final Order				
9 Industrial and Transportation		11,490,316		2.65%		Per GUD 10170 Final Order				
10 Net Revenue Requirements GUD No. 10170	\$	<u>434,145,424</u>								

16 With Proportional Increase all classes but Residential and a 40% residential base charge increase:

	Current	Prospective	Revenues
20 Residential Base Charge	\$ 18.56	\$ 0.48	\$ 8,558,622
21 Residential Consumption Charge	\$ 0.09931	\$ 0.01540	12,837,933
22 Commercial Base Charge	\$ 39.87	\$ 1.81	2,662,423
23 Commercial Consumption Charge	\$ 0.08020	\$ 0.00480	2,662,423
24 I&T Base Charge	\$ 697.35	\$ 38.03	363,224
25 I&T Consumption Charge Tier 1 MMBTU	\$ 0.2937	\$ 0.0166	172,167
26 I&T Consumption Charge Tier 2 MMBTU	\$ 0.2151	\$ 0.0121	139,070
27 I&T Consumption Charge Tier 3 MMBTU	\$ 0.0461	\$ 0.0026	<u>51,988</u>
			\$ 27,447,850

16 With Customer Charges Rounded Off and residential base charge increase for 2015 limited to \$0.50 per RRM tariff:

	Proposed Change	Proposed Change In Revenues	Proposed Rates	Proposed Revenues
Residential Base Charge	\$ 0.52	\$ 9,335,278	\$ 19.08	\$ 339,813,673
Residential Consumption Charge	\$ 0.01447	12,061,297	\$ 0.11378	94,839,970
Commercial Base Charge	\$ 1.83	2,697,162	\$ 41.70	61,390,268
Commercial Consumption Charge	\$ 0.00474	2,626,475	\$ 0.08494	47,065,984
I&T Base Charge	\$ 39.65	378,728	\$ 737.00	7,039,815
I&T Consumption Charge Tier 1 MMBTU	\$ 0.0159	165,150	\$ 0.3096	3,215,747
I&T Consumption Charge Tier 2 MMBTU	\$ 0.0116	132,888	\$ 0.2267	2,597,042
I&T Consumption Charge Tier 3 MMBTU	\$ 0.0025	49,955	\$ 0.0486	<u>971,117</u>
		\$ 27,446,933		\$ 556,933,616

File Date: March 1, 2016

**ATMOS ENERGY CORP., MID-TEX DIVISION  
PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT  
TEST YEAR ENDING DECEMBER 31, 2015**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Supplemental Executive Benefit Plan ("SERP")	Post-Retirement Medical Plan ("FAS 106")	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2016 Towers Watson Report as adjusted (1), (3)	\$ 5,101,680	\$ 2,896,450	\$ 7,840,683	\$ 150,433	\$ 4,466,430	
2	O&M Expense Factor (2)	96.41%	96.41%	37.42%	20.77%	37.42%	
3	Fiscal Year 2016 Actuarially Determined O&M Benefits (Ln 1 x Ln 2)	\$ 4,918,540	\$ 2,792,473	\$ 2,933,599	\$ 31,249	\$ 1,671,119	
4	Allocation to Mid-Tex (2)	40.56%	40.56%	71.52%	100.00%	71.52%	
5	<b>Mid-Tex Benefits Expense Included in Rates - Proposed (Ln 3 x Ln 4)</b>	<b>\$ 1,995,016</b>	<b>\$ 1,132,659</b>	<b>\$ 2,098,222</b>	<b>\$ 31,249</b>	<b>\$ 1,195,248</b>	<b>\$ 6,452,393</b>
6							
7	<b>Mid-Tex Benefits Expense per GUD 10359 and RRM Test Year Ending December 31, 2014 Benchmark (4)</b>	\$ 2,831,859	\$ 2,013,260	\$ 2,925,600	\$ 34,809	\$ 2,695,721	\$ 10,501,250
8							
9	<b>Test Year Adjustment (Line 5 minus Line 7)</b>	\$ (836,844)	\$ (880,601)	\$ (827,379)	\$ (3,561)	\$ (1,500,472)	\$ (4,048,856)
10							
11	Adjustment Summary:						
12	Account 922	\$ (836,844)	\$ (880,601)	\$ -	\$ -	\$ -	\$ (1,717,445)
13	Account 926	-	-	(827,379)	(3,561)	(1,500,472)	(2,331,412)
14	Total (Ln 12 plus Ln 13)	\$ (836,844)	\$ (880,601)	\$ (827,379)	\$ (3,561)	\$ (1,500,472)	\$ (4,048,856)

17 Notes:

- 18 1. Studies not applicable to Mid-Tex or Shared Services are omitted.
- 19 2. The factors on Lines 2 and 4 are based on the factors in 2016 RRM (Test Year Ending December 31,2015).
- 20 3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.
- 21 4. GUD No. 10359 is the benchmark for January-May which is the same benchmark as used in the RRM TYE December 31, 2014 for June-December.

**ATMOS ENERGY CORP., MID-TEX DIVISION  
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL  
TEST YEAR ENDING DECEMBER 31, 2015**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Supplemental Executive Benefit Plan ("SERP")	Post-Retirement Medical Plan ("FAS 106")	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2016 Towers Watson Report (excluding Removed Cost Centers)	\$ 5,101,680	\$ 2,896,450	\$ 7,840,683	\$ 150,433	\$ 4,466,430	
2	Allocation to Mid-Tex	40.56%	40.56%	71.52%	100.00%	71.52%	
3	FY16 Towers Watson Benefit Costs (excluding Removed Cost Centers) Allocated to MTX (Ln 1 x Ln 2)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	FY16 Towers Watson Benefit Costs To Approve (excluding Removed Cost Centers) (Ln 3 x Ln 4)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	\$ 12,197,081
6							
7							
8	<b>Summary of Costs to Approve:</b>						
9							
10	Total Pension Account Plan ("PAP")	\$ 2,069,299		\$ 5,607,955			\$ 7,677,254
11	Total Post-Retirement Medical Plan ("FAS 106")		\$ 1,174,833			\$ 3,194,561	4,369,394
12	Total Supplemental Executive Retirement Plan ("SERP")				\$ 150,433		150,433
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	\$ 12,197,081
14							
15							
16	O&M Expense Factor	96.41%	96.41%	37.42%	20.77%	37.42%	
17							
18	Expense Portion (Ln 13 x Ln 16)	\$ 1,995,016	\$ 1,132,659	\$ 2,098,222	\$ 31,249	\$ 1,195,248	\$ 6,452,393
19							
20	Capital Factor	3.59%	3.59%	62.58%	79.23%	62.58%	
21							
22	Capital Portion (Ln 13 x Ln 20)	\$ 74,283	\$ 42,174	\$ 3,509,733	\$ 119,184	\$ 1,999,313	\$ 5,744,687
23							
24	Total (Ln 18 + Ln 22)	\$ 2,069,299	\$ 1,174,833	\$ 5,607,955	\$ 150,433	\$ 3,194,561	\$ 12,197,081

## MEMORANDUM

TO: ACSC Members

FROM: Geoffrey M. Gay

DATE: April 28, 2016

RE: Ordinance Resolving the 2016 Atmos Mid-Tex RRM Filing

### **CONFIDENTIAL/ATTORNEY-CLIENT COMMUNICATION**

Attached please find an Ordinance that reflects a settlement between Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corporation, Mid-Tex Division (“Atmos” or “Company”) that resolves the 2016 RRM proceeding pending with Cities for a rate increase. The Ordinance approves a rate increase of \$29.9 million, which is approximately \$11 million less than what the Company would be entitled to receive under the GRIP statute. The Settlement produces a result that is better than what would be the expected result if the Company appealed an order of the Cities to the Railroad Commission.

In addition to the Ordinance (provided in Word), the attached package of documents includes a Model Staff Report supporting the Ordinance. Also provided are the Attachments to the Ordinance, which include: the new tariffs (Attachment A to the Ordinance), proof of revenues to prove that the new tariffs will produce additional base revenues of \$29.6 million plus a \$300,000 surcharge added to the customer charge to cover rate case expenses (Attachment B to the Ordinance), and a spreadsheet establishing a baseline for pensions for the next RRM filing (Attachment C to the Ordinance).

Your city should adopt the Ordinance with attachments. As an alternative to the Ordinance, you may adopt a Resolution, if that is your preference, by replacing the word “Ordinance” with the word “Resolution.”

By email:

The ACSC Executive Committee has reached a settlement with Atmos Mid-Tex that resolves all issues related to the Company's 2016 RRM rate filing. The Executive Committee, its consultants, and ACSC's general counsel recommend that each member of ACSC adopt the attached Ordinance.

Included in this email is a memo explaining the settlement with Atmos Mid-Tex, as well as a Model Staff Report for your use. Please schedule this action for your earliest available Council meeting, and provide a copy of the adopted Ordinance to Chris Felan, Atmos Energy Corp., 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240 and to Geoffrey Gay at the address shown below. If you have any questions, please call Geoffrey Gay (512-322-5875) or Georgia Crump (512-322-5832).

**Geoffrey M. Gay**

**Attorney**

**T +1 512.322.5875**

**F +1 512.472.0532**



Lloyd Gosselink Rochelle & Townsend, P.C.

816 Congress Avenue, Suite 1900

Austin, Texas 78701

<http://www.LGLawFirm.com/>

**City Council Meeting**  
**May 17, 2016**

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**Issue**

Consider and/or act upon approval of a resolution supporting the nomination of representatives to serve as primary and alternate members to the Regional Transportation Council of the North Central Texas Council of Governments.

**Summary**

The Regional Transportation Council (RTC) of the North Central Texas Council of Governments (NCTCOG) has sent notification seeking nominees to represent the cities of Murphy, Wylie, Sachse, Richardson, and Addison on the RTC. The City of Allen has nominated Stephen Terrell Mayor of the City of Allen as the primary representative. The City of Wylie has nominated Eric Hogue, Mayor of the City of Wylie as the alternate. See attached correspondence for additional information.

**Action Requested**

Staff is recommending supporting the nomination of and Stephen Terrell, Mayor of Allen and Eric Hogue, Mayor of Wylie as Primary and Alternate representatives for the RTC.

**Attachments**

Resolution

Correspondence from NCTCOG-RTC – Membership Structure

Correspondence from NCTCOG-RTC – Attendance Roster

Correspondence from Stephen Terrell, Mayor of Allen

**RESOLUTION NO. 16-R-828**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, APPOINTING A REPRESENTATIVE AS PRIMARY AND ALTERNATE TO THE AGGREGATED POSITION OF REPRESENTATIVE TO THE REGIONAL TRANSPORTATION COUNCIL OF THE NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS, WHICH FRACTIONAL ALLOCATION MEMBERSHIP IS SHARED WITH THE TOWN OF ADDISON, AND THE CITIES OF RICHARDSON, SACHSE, AND WYLIE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, regional transportation planning and improved mobility are goals of the City of Murphy; and

**WHEREAS**, the Mayor for the City of Allen, Stephen Terrell, is presently representing the City of Murphy as the voting representative on the Regional Transportation Council, and

**WHEREAS**, the Mayor for the City of Wylie, Eric Hogue, is presently representing the City of Murphy as the voting representative on the Regional Transportation Council.

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

**SECTION 1.** That, Stephen Terrell, Mayor for the City of Allen, is hereby supported to continue as the Primary Representative to the Regional Transportation Council of the North Central Texas Council of Governments.

**SECTION 2.** That, Eric Hogue, Mayor for the City of Wylie, is hereby supported to continue as the Alternate to the Regional Transportation Council of the North Central Texas Council of Governments.

**SECTION 3.** This resolution shall become effective immediately from and after its passage.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Murphy, Texas, on this the 17<sup>th</sup> day of May 2016.

APPROVED

\_\_\_\_\_  
Eric Baldwin, MAYOR

ATTEST:

\_\_\_\_\_  
Susie Quinn, CITY SECRETARY



MAR 28 2016

City Manager's Office

The Transportation Policy Body for the North Central Texas Council of Governments  
(Metropolitan Planning Organization for the Dallas-Fort Worth Region)

March 21, 2016

The Honorable Stephen Terrell  
Mayor  
City of Allen  
305 Century Parkway  
Allen, TX 75013

The Honorable Todd Gottel  
Mayor  
City of Rowlett  
4000 Main St.  
Rowlett, TX 75088

The Honorable Mike Felix  
Mayor  
City of Sachse  
3815 Sachse Rd., Bldg. B  
Sachse, TX 75048

The Honorable Eric Hogue  
Mayor  
City of Wylie  
300 Country Club Rd., Bldg. 100  
Wylie, TX 75098

The Honorable Eric Barna  
Mayor  
City of Murphy  
206 North Murphy Rd.  
Murphy, TX 75094

The Honorable Jim Olk  
Mayor  
City of Lucas  
665 Country Club Rd.  
Lucas, TX 75002-7651

Dear Mayors Terrell, Gottel, Felix, Hogue, Barna, and Olk:

The North Central Texas Council of Governments (NCTCOG) is the Metropolitan Planning Organization for the Dallas-Fort Worth Metropolitan Area. The Regional Transportation Council (RTC), composed primarily of local elected officials, is the transportation policy body for the MPO. The RTC is responsible for direction and approval of the Metropolitan Transportation Plan, the Transportation Improvement Program, the Congestion Management Process, and the Unified Planning Work Program, and for satisfying and implementing federal and state laws and regulations pertaining to the regional transportation planning process.

Membership on the Regional Transportation Council is either by direct membership or group representation. Each seat on the Regional Transportation Council will be provided a primary member and permitted an alternate member. The Cities of Allen, Rowlett, Sachse, Wylie, Murphy, and Lucas share a seat on the Regional Transportation Council. The RTC's Bylaws and Operating Procedures state that the person representing a group of several cities shall be selected by the mayors using a weighted vote of the maximum population or employment of the cities represented, and the person selected shall serve a two-year term beginning in June of even-numbered years and shall be serving on one of the governing bodies they represent. A table containing population and employment figures is enclosed. The Bylaws further state that in the spirit of integrated transportation planning, all cities within a city-only cluster are eligible to hold the RTC membership seat for the cluster, and the cities should strongly consider rotation of the seat among the entities within the respective cluster. Items to consider when contemplating seat rotation may include: 1) a natural break in a member's government service, such as the conclusion of an elected term, 2) a member's potential to gain an officer position or advance through the officer ranks, 3) a member's strong performance and commitment to transportation planning, or 4) the critical nature of a particular issue or project and its impact on an entity within the cluster.

Page Two

March 21, 2016

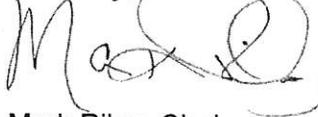
An alternate member is the individual appointed to represent an entity or group of entities on the Regional Transportation Council in the absence of the primary member. The alternate member must be predetermined in advance of a meeting and will have voting rights in the absence of the primary member. An entity or group of entities may elect to appoint its alternate member(s) from a pool of eligible nominees. The same requirements apply to alternate members as to primary members. If a primary member is an elected official, then the alternate member must also be an elected official; if a primary member is a non-elected individual, then the alternate member can be either a non-elected individual or an elected official. Cities and/or counties within a cluster group are strongly encouraged to reflect diversity in their selections of primary and alternate members as well as membership rotation amongst the group depending on the qualifications of the appointees. A best practice may be to appoint the alternate member from an eligible entity within the cluster that is not providing the primary member.

Your current primary representative on the RTC is Stephen Terrell, Mayor, City of Allen. Your current alternate representative is Eric Hogue, Mayor, City of Wylie. You may choose to keep your current representatives or appoint a new primary representative and/or alternate representative. I encourage you to make your new appointment or appointments prior to June when the new two-year terms begin. Please mail (P.O. Box 5888, Arlington, TX 76005-5888) or fax (817/640-3028) your correspondence to Vercie Pruitt-Jenkins of NCTCOG. Please note that your designation should be confirmed in writing by all entities included in this group.

In addition, the Regional Transportation Council has established an Ethics Policy in accordance with Section 472.034 of the Texas Transportation Code. This policy applies to both primary and alternate RTC members, whether elected or non-elected. All RTC members must also adhere to Chapter 171 of the Local Government Code and to the Code of Ethics from their respective local governments and public agencies. Please remind your representatives to be cognizant of these policies and codes.

Please contact Vercie Pruitt-Jenkins at 817/608-2325 if you have any questions. We look forward to hearing from you.

Sincerely,



Mark Riley, Chair  
Regional Transportation Council  
County Judge, Parker County

VPJ  
Enclosure

cc: Ms. Joni Clarke, City Manager, City of Lucas  
Mr. Brian Funderburk, City Manager, City of Rowlett  
Mr. Mark Lee, Interim City Manager, City of Murphy  
Ms. Mindy Manson, City Manager, City of Wylie  
Ms. Gina Nash, City Manager, City of Sachse  
Mr. Peter H. Vargas, City Manager, City of Allen

**2016-2017 REGIONAL TRANSPORTATION COUNCIL  
MEMBERSHIP STRUCTURE**

<u>City</u>	<u>2015 Population Estimates<sup>1</sup></u>	<u>2013 Employment Estimates<sup>2</sup></u>	<u>Maximum of Population &amp; Employment</u>
<b>City Membership</b>			
Plano	271,140	262,007	271,140
McKinney	154,840	56,037	154,840
Anna	10,980	640	10,980
Princeton	7,910	1,544	7,910
Fairview	8,420	1,887	8,420
Melissa	6,890	1,509	6,890
Allen	91,390	38,513	91,390
Lucas	6,400	1,971	6,400
Wylie	45,000	13,847	45,000
Rowlett	56,910	13,096	56,910
Sachse	22,460	1,739	22,460
Murphy	19,170	3,407	19,170
Frisco	145,510	66,819	145,510
Prosper	15,970	2,541	15,970
Little Elm	33,710	3,903	33,710
The Colony	39,310	8,160	39,310
Celina	7,320	1,728	7,320
Providence Village	5,750	288	5,750
Dallas	1,244,270	1,103,909	1,244,270
University Park	22,840	12,887	22,840
Highland Park	8,440	4,746	8,440
Garland	232,960	98,579	232,960
Addison	15,530	64,323	64,323
Richardson	102,430	125,451	125,451
Irving	228,610	270,981	270,981
Coppell	39,880	35,995	39,880
Mesquite	142,230	60,894	142,230
Balch Springs	24,280	5,817	24,280
Seagoville	15,390	5,274	15,390
Sunnyvale	5,420	5,048	5,420
Grand Prairie	182,610	82,380	182,610
Duncanville	39,220	15,822	39,220
DeSoto	50,970	17,985	50,970
Cedar Hill	46,350	16,191	46,350
Lancaster	37,360	12,418	37,360
Glenn Heights	11,440	1,029	11,440
Hutchins	5,350	4,050	5,350
Carrollton	125,250	104,917	125,250
Farmers Branch	30,350	76,707	76,707
Denton	123,200	76,712	123,200
Sanger	7,590	4,265	7,590
Corinth	20,620	6,199	20,620
Lake Dallas	7,240	1,791	7,240
Lewisville	99,480	68,138	99,480
Flower Mound	66,820	32,660	66,820
Highland Village	15,290	4,499	15,290

<u>City</u>	<u>2015 Population</u>	<u>2013 Employment</u>	<u>Maximum of Population &amp; Employment</u>
Fort Worth	792,720	493,499	792,720
Arlington	379,370	209,798	379,370
N. Richland Hills	66,300	27,388	66,300
Richland Hills	7,920	6,484	7,920
Haltom City	42,640	23,280	42,640
Watauga	23,590	6,036	23,590
White Settlement	16,740	9,052	16,740
River Oaks	7,270	1,820	7,270
Lake Worth	5,000	6,305	6,305
Westworth Village	2,570	1,155	2,570
Saginaw	20,480	10,101	20,480
Azle	11,140	4,543	11,140
Keller	42,890	14,170	42,890
Grapevine	48,520	88,359	88,359
Southlake	27,710	32,147	32,147
Colleyville	23,760	9,601	23,760
Westlake	1,120	7,779	7,779
Trophy Club	10,690	1,409	10,690
Roanoke	7,200	6,213	7,200
Hurst	38,340	21,042	38,340
Euless	54,050	17,777	54,050
Bedford	48,060	30,137	48,060
Mansfield	60,400	29,748	60,400
Benbrook	21,910	6,698	21,910
Forest Hill	12,380	3,985	12,380
Crowley	14,130	5,358	14,130
Everman	6,110	1,751	6,110
Kennedale	7,130	5,152	7,130

**County Membership**

	<u>2015 Population</u>
<u>Collin County</u>	<b>868,790</b>
<u>Dallas County</u>	<b>2,454,880</b>
<u>Denton County</u>	<b>734,940</b>
<u>Tarrant County</u>	<b>1,905,750</b>
<u>Ellis County</u>	161,010
Ennis	18,730
Waxahachie	32,670
Midlothian	21,610
Red Oak	11,980
<u>Kaufman County</u>	109,300
Forney	17,480
Kaufman	6,610
Terrell	<u>16,220</u>
<b>Combined Ellis and Kaufman Population</b>	<b>270,310</b>

<u>Johnson County</u>	158,350
Burleson	41,280
Cleburne	29,170
Keene	6,160
Joshua	6,090
<u>Hood County</u>	56,020
Granbury	<u>8,940</u>
<b>Combined Johnson and Hood Population</b>	<b>214,370</b>
<u>Hunt County</u>	89,090
Commerce	8,130
Greenville	26,180
<u>Rockwall County</u>	87,290
Rockwall	40,620
Heath	7,430
Royse City	10,220
Fate	<u>9,700</u>
<b>Combined Hunt and Rockwall Population</b>	<b>176,380</b>
<u>Parker County</u>	124,630
Weatherford	26,600
Mineral Wells	16,790
<u>Wise County</u>	61,970
Decatur	6,390
Bridgeport	<u>6,080</u>
<b>Combined Parker and Wise Population</b>	<b>186,600</b>

**Transportation Providers**

DART  
DCTA  
FWTA  
DFW International Airport  
TxDOT Dallas  
TxDOT Fort Worth  
NTTA

**Sources:**

<sup>1</sup> Population - NCTCOG 2015 Population Estimates

<sup>2</sup> Employment - NCTCOG 2013 Small Area Employment Estimates



MAR 24 2016

City Manager's Office

The Transportation Policy Body for the North Central Texas Council of Governments  
(Metropolitan Planning Organization for the Dallas-Fort Worth Region)

March 22, 2016

The Honorable Stephen Terrell  
Mayor  
City of Allen  
305 Century Parkway  
Allen, TX 75013

The Honorable Todd Gottel  
Mayor  
City of Rowlett  
4000 Main St.  
Rowlett, TX 75088

The Honorable Mike Felix  
Mayor  
City of Sachse  
3815 Sachse Rd., Bldg. B  
Sachse, TX 75048

The Honorable Eric Hogue  
Mayor  
City of Wylie  
300 Country Club Rd.  
Wylie, TX 75098

The Honorable Eric Barna  
Mayor  
City of Murphy  
206 North Murphy Rd.  
Murphy, TX 75094

The Honorable Jim Olk  
Mayor  
City of Lucas  
665 Country Club  
Lucas, TX 75002

Dear Mayors Terrell, Gottel, Felix, Hogue, Barna, and Olk:

The North Central Texas Council of Governments (NCTCOG) is the Metropolitan Planning Organization (MPO) for the Dallas-Fort Worth Metropolitan Area. The Regional Transportation Council (RTC), composed primarily of local elected officials, is the transportation policy body for the MPO. The RTC is responsible for direction and approval of the Regional Transportation Plan, the Transportation Improvement Program, the Congestion Management Process, and the Unified Planning Work Program, and for satisfying and implementing federal and state laws and regulations pertaining to the regional transportation planning process.

As required by the RTC Bylaws, enclosed is a table containing meeting attendance from April 2015 to March 2016. Entities with RTC members that have missed at least three consecutive meetings or at least four meetings in the preceding 12 months will be notified and the appointing bodies shall be asked to review the continued service of their representatives. This quarterly transmittal to member agencies is standard practice and not indicative of any particular problem.

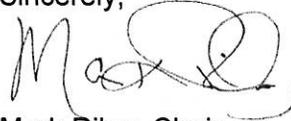
Page Two

March 22, 2016

In addition, the Bylaws state "All RTC members must adhere to Chapter 171 of the Local Government Code and to the Code of Ethics for their respective local governments and public agencies." Please remind your representative to be cognizant of this request.

Please contact Vercie Pruitt-Jenkins at 817/608-2325 if you have any questions. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Riley". The signature is stylized and cursive.

Mark Riley, Chair  
Regional Transportation Council  
County Judge, Parker County

VPJ:al  
Enclosure

cc: Ms. Joni Clarke, City Manager, City of Lucas  
Mr. James Fisher, City Manager, City of Murphy ✓  
Mr. Brian Funderburk, City Manager, City of Rowlett  
Ms. Mindy Manson, City Manager, City of Wylie  
Ms. Gina Nash, City Manager, City of Sachse  
Mr. Peter H. Vargas, City Manager, City of Allen

**Regional Transportation Council Attendance Roster**  
**April 2015 - March 2016**

RTC MEMBER	Entity	4/9/15	5/14/15	6/11/15	7/9/15	8/13/15	9/10/15	10/8/15	11/12/15	12/10/15	1/14/16	1/20/16	2/11/16	3/10/16
Monica R. Alonzo (07/15)	Dallas	--	--	--	P	P	P	P	P	P	P	E	P	P
Bruce Arfsten (08/15)	Addison	--	--	--	--	P	P	E(R)	P	P	P	P	P	P
Douglas Athas (06/13)	Garland	P	P	E	P	P	P	P	P	P	P	A	P	E(R)
Brian Barth (09/13)	TxDOT, FW	E(R)	P	P	P	P	E(R)	P	P	P	P	P	P	P
Carol Bush (01/15)	Ellis Cnty	P	P	E	P	P	E	P	A	A	P	A	P	P
Mike Cantrell (1/07)	Dallas Cnty	P	P	P	P	A(R)	P	P	P	P	E(R)	E	P	P
Rudy Durham (7/07)	Lewisville	P	P	P	P	P	P	P	P	P	P	P	E	P
Andy Eads (1/09)	Denton Cnty	P	P	P	E	P	P	P	P	P	P	A	P	P
Charles Emery (4/04)	DCTA	P	P	P	P	P	P	P	P	P	P	P	P	P
Gary Fickes (12/10)	Tarrant Cnty	P	E(R)	P	E	P	E(R)	E	P	P	P	P	P	P
Robert Franke (1/08)	Cedar Hill	E	P	P	P	P	E(R)	P	P	P	P	P	P	P
Sandy Greyson (11/11)	Dallas	P	P	P	E	P	P	P	P	P	P	E	P	E
Mojoy Haddad (10/14)	NTTA	P	A	P	A	P	P	P	A	A	P	A	P	P
Roger Harmon (1/02)	Johnson Cnty	P	P	E(R)	E	P	P	E	P	P	P	P	P	P
Clay Jenkins (04/11)	Dallas Cnty	P	P	P	E	P	P	P	P	P	P	P	P	A
Ron Jensen (06/13)	Grand Prairie	P	P	P	P	A(R)	P	P	P	P	P	E(R)	P	P
Jungus Jordan (4/07)	Fort Worth	P	P	P	E	P	P	P	P	P	P	P	P	P
Lee Kleinman (09/13)	Dallas	E	P	P	E	P	P	P	E	E(R)	A	P	A	P
Stephen Lindsey (10/11)	Mansfield	P	E	P	P	P	P	P	P	P	P	P	P	E
Brian Loughmiller (04/15)	McKinney	P	P	A	A	A(R)	P	A(R)	P	P	P	A	A	P
David Magness (06/13)	Rockwall Cnty	P	P	P	P	P	P	A	P	P	E(R)	A	P	P
Scott Mahaffey (03/13)	FWTA	P	P	P	E(R)	P	P	P	E(R)	E(R)	P	E(R)	P	P
Matthew Marchant (07/08)	Carrollton	P	P	P	P	A	P	P	P	P	P	A	P	P
Maher Maso (10/08)	Frisco	E	E(R)	E(R)	P	P	E(R)	P	P	E(R)	P	E	E(R)	P
Cary Moon (06/15)	Fort Worth	--	--	A	P	E	P	P	P	P	P	P	E(R)	P
Stan Pickett (06/15)	Mesquite	--	--	P	P	P	P	E(R)	P	P	P	A	P	E
Mark Riley (1/09)	Parker Cnty	P	P	P	P	P	P	P	P	P	P	P	P	P
Kevin Roden (6/14)	Denton	P	P	P	P	P	P	P	E	P	P	E(R)	P	E
Amir Rupani (11/14)	Dallas	P	P	P	P	P	P	P	P	P	P	P	P	P
Kelly Selman (02/15)	TxDOT, Dallas	E(R)	P	P	P	P	P	P	E(R)	P	P	P	P	P
Gary Slagel (11/15)	DART	--	--	--	--	--	--	--	P	P	P	P	P	P
Lissa Smith (6/12)	Plano	E	P	P	P	P	P	P	P	P	P	P	A	P
Mike Taylor (7/14)	Colleyville	P	P	P	P	P	P	P	P	P	P	P	P	P
Stephen Terrell (6/14)	Allen	P	E(R)	P	P	P	E	P	P	P	P	P	P	P
Oscar Trevino (6/02)	Nrth Rch Hills	P	E(R)	P	E(R)	P	P	P	P	P	P	P	P	P
William Velasco (11/11)	Dallas	P	E	A	P	P	E	E	P	E	P	A	A	P
Oscar Ward (6/14)	Irving	P	P	P	P	P	P	P	P	P	P	P	P	P

P= Present  
A= Absent  
R=Represented by Alternate  
--= Not yet appointed

E= Excused Absence (personal illness, family emergency,  
jury duty, business necessity, or fulfillment  
of obligation arising out of elected service)



April 20, 2016

**Mayor**  
Stephen Terrell

**Mayor Pro Tem**  
Gary L. Caplinger

**Councilmembers**  
Kurt Kizer  
Ross Obermeyer  
Joey Herald  
Robin L. Sedlacek  
Baine Brooks

**City Manager**  
Peter H. Vargas

The Honorable Todd Gottel  
Mayor  
City of Rowlett  
4000 Main Street  
Rowlett, TX 75088

The Honorable Mike Felix  
Mayor  
City of Sachse  
3815 B Sachse Road  
Sachse, TX 75048

The Honorable Eric Hogue  
Mayor  
City of Wylie  
300 Country Club Road  
Wylie, TX 75098

The Honorable Eric Barna  
Mayor  
City of Murphy  
206 North Murphy Road  
Murphy, TX 75094

The Honorable Jim Olk  
Mayor  
City of Lucas  
665 Country Club Road  
Lucas, TX 75002

***RE: Regional Transportation Council Representation***

Dear Mayors Gottel, Felix, Hogue, Barna, and Olk:

As you are aware, the Regional Transportation Council (RTC) has grouped our six cities (Allen, Lucas, Murphy, Rowlett, Sachse, Wylie) into a cluster with representation provided by a single shared seat. The RTC is requesting nominations for the primary representative and an alternate representative from our cluster. I currently serve as the primary representative to the RTC for our shared seat, with Mayor Hogue of Wylie serving as the alternate representative. I am writing to express a willingness to continue to serve as your primary representative to the RTC. Similarly, Mayor Hogue, of the City of Wylie, has expressed an interest in continuing his service as the alternate representative. The RTC has requested that designation of a primary and alternate representative be confirmed in writing by all entities in a cluster group prior to June when the new two-year terms begin.

Please submit your written endorsement prior to June 1, 2016, to Vercie Pruitt-Jenkins at fax 817/640-3028. If you have any questions, or would like to discuss further, please contact me at 214/868-1472 or [sterrell@cityofallen.org](mailto:sterrell@cityofallen.org)

Sincerely,

Stephen Terrell  
Mayor

cc: Mr. Bill Shipp, Interim City Manager, City of Murphy  
Mr. Brian Funderburk, City Manager, City of Rowlett  
Mr. Gina Nash, City Manager, City of Sachse  
Ms. Joni Clark, City Manager, City of Lucas  
Ms. Mindy Manson, City Manager, City of Wylie  
Mr. Peter H. Vargas, City Manager, City of Allen

305 CENTURY PARKWAY • ALLEN, TEXAS 75013-8042 • 214.509.4100

WEB: [www.cityofallen.org](http://www.cityofallen.org) • EMAIL: [coa@cityofallen.org](mailto:coa@cityofallen.org)

**City Council Meeting**  
**May 17, 2016**

---

**Issue**

Consider and/or act upon nominations and election for Mayor Pro Tem.

**Staff Resource / Department**

Susie Quinn, City Secretary

**Summary**

1. Mayor Barna will call for nominations for the Mayor Pro Tem.
2. Any council member may make a nomination; however, there is only one nomination per member. A second is **not** required.
3. After nominations are closed, Mayor Barna will call for a vote beginning with the first nomination and will continue until a nomination receives a majority vote.
4. If no nomination receives the majority of votes, then Mayor Barna will reopen the nominations.

**City of Murphy Charter:**

**SECTION 3.05 Mayor, Mayor Pro-Tem and Deputy Mayor Pro-Tem**

(1) The Mayor shall attend and preside at meetings of the City Council, and shall be recognized as head of the City government for all ceremonial purposes, and by the Governor for purposes of military law, but shall have no regular administrative duties. The Mayor may participate in the discussion of all matters coming before the City Council and shall have a vote as a member thereof, on legislative or other matters, unless otherwise prohibited by law, and shall have no power to veto.

(2) The Mayor shall also represent the City in intergovernmental relationships, and shall perform other duties specified by the City Council, imposed by this Charter and by ordinances and resolutions passed in pursuance thereof. Additionally, the Mayor, the City Manager, or designee shall sign, after authorization by the City Council, all contracts and conveyances made or entered into by the City and all bonds, warrants and any other obligation issued under the provisions of this Charter, in the manner prescribed in the ordinance or resolution authorizing the signing of any such obligation.

(3) The Mayor Pro-Tem shall be a Council Member elected to be the Mayor Pro-Tem by the City Council at the first meeting of each Council after each election or as soon thereafter as practicable, but not later than the last business day of July in the year that the election was held. The Mayor Pro-Tem shall act as Mayor during the disability or absence of the Mayor and in this capacity shall have the rights conferred upon the Mayor.

(4) The Deputy Mayor Pro-Tem shall be a Council Member elected to be the Deputy Mayor Pro-Tem by the City Council at the first meeting of each Council after each election or as soon thereafter as practicable, but not later than the last business day of July in the year that the election was held. The Deputy Mayor Pro-Tem shall act as Mayor during the disability or absence of the Mayor and Mayor Pro-Tem, and in this capacity shall have the rights conferred upon the Mayor.

**City Council Meeting  
May 17, 2016**

---

**Issue**

Consider and/or act upon nominations and election for Deputy Mayor Pro Tem.

**Staff Resource / Department**

Susie Quinn, City Secretary

**Summary**

1. Mayor Barna will call for nominations for the Deputy Mayor Pro Tem.
2. Any council member may make a nomination; however, there is only one nomination per member. A second is **not** required.
3. After nominations are closed, Mayor Barna will call for a vote beginning with the first nomination and will continue until a nomination receives a majority vote.
4. If no nomination receives the majority of votes, then Mayor Barna will reopen the nominations.

**City of Murphy Charter:**

**SECTION 3.05 Mayor, Mayor Pro-Tem and Deputy Mayor Pro-Tem**

(1) The Mayor shall attend and preside at meetings of the City Council, and shall be recognized as head of the City government for all ceremonial purposes, and by the Governor for purposes of military law, but shall have no regular administrative duties. The Mayor may participate in the discussion of all matters coming before the City Council and shall have a vote as a member thereof, on legislative or other matters, unless otherwise prohibited by law, and shall have no power to veto.

(2) The Mayor shall also represent the City in intergovernmental relationships, and shall perform other duties specified by the City Council, imposed by this Charter and by ordinances and resolutions passed in pursuance thereof. Additionally, the Mayor, the City Manager, or designee shall sign, after authorization by the City Council, all contracts and conveyances made or entered into by the City and all bonds, warrants and any other obligation issued under the provisions of this Charter, in the manner prescribed in the ordinance or resolution authorizing the signing of any such obligation.

(3) The Mayor Pro-Tem shall be a Council Member elected to be the Mayor Pro-Tem by the City Council at the first meeting of each Council after each election or as soon thereafter as practicable, but not later than the last business day of July in the year that the election was held. The Mayor Pro-Tem shall act as Mayor during the disability or absence of the Mayor and in this capacity shall have the rights conferred upon the Mayor.

(4) The Deputy Mayor Pro-Tem shall be a Council Member elected to be the Deputy Mayor Pro-Tem by the City Council at the first meeting of each Council after each election or as soon thereafter as practicable, but not later than the last business day of July in the year that the election was held. The Deputy Mayor Pro-Tem shall act as Mayor during the disability or absence of the Mayor and Mayor Pro-Tem, and in this capacity shall have the rights conferred upon the Mayor.

**City Council Meeting**  
**May 17, 2016**

---

**Issue**

Consider and approve an Ordinance authorizing the issuance of “City of Murphy Tax Notes, Series 2016”, in the par amount of \$1,800,000 for the acquisition, replacement and upgrade of certain City public safety voice, radio dispatch, emergency alert equipment and associated software.

**Staff Resource/Department**

Linda Truitt – Finance Director

**Summary**

The City will issue \$1,800,000 Tax Notes to be used for the acquisition, replacement and upgrade of certain city public safety voice, radio dispatch, emergency alert equipment and associated software as was discussed at the April 5, 2016 and April 19, 2016 City Council meeting.

**Background/History**

Mark Lee, Fire Chief led a discussion with City Council on April 5, 2016 City Council meeting regarding the need to replace and upgrade the current public safety radio system. At the City Council meeting of April 19, 2016, the City Council authorized the interim city manager to execute purchase and construction documents, and authorize funding through the sale of tax notes in the amount of \$1,800,000 for the Murphy Public Safety radio system component replacements and upgrades to the system.

The attached ordinance will authorize the sale of tax notes as authorized by City Council. Jason Hughes, Financial Advisor with First Southwest will be in attendance to review the tax notes and interest rates.

**Financial Considerations**

Payment of the \$1,800,000 Tax Notes will be funded by taxes.

**Other Considerations**

N/A

**Action Requested**

Approval of all matters incident and related to the issuance and sale of “City of Murphy, Texas, Tax Notes, Series 2016”, including the adoption of an ordinance authorizing the issuance of such tax notes in the amount of \$1,800,000.

**Attachments**

1) Ordinance Number 16-05-1012

**ORDINANCE NUMBER 16-05-1012  
AUTHORIZING THE ISSUANCE OF**

**\$1,800,000  
CITY OF MURPHY, TEXAS  
TAX NOTES,  
SERIES 2016**

**ADOPTED: May 17, 2016**

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**ORDINANCE NO. 16-05-1012**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF MURPHY, TEXAS TAX NOTES, SERIES 2016”; SPECIFYING THE TERMS AND FEATURES OF SUCH NOTES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SUCH NOTES; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT AND DELIVERY OF SUCH NOTES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE LETTER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to the Texas Government Code, Chapter 1431, as amended (hereinafter called the “Act”), the City Council is authorized and empowered to issue anticipation notes to pay contractual obligations to be incurred (i) for the construction of any public work and (ii) for the purchase of materials, supplies, equipment, machinery, buildings, lands and rights-of-way for the City’s authorized needs and purposes; and

**WHEREAS**, in accordance with the provisions of the Act, the City Council hereby finds and determines that anticipation notes should be issued and sold at this time to finance the costs of paying contractual obligations to be incurred for (i) the purchase of certain specified materials, supplies, equipment, and machinery for the City’s authorized needs and purposes, namely, a public safety voice, radio dispatch, emergency alert system and associated software; and (v) professional services rendered in relation thereto and the financing thereof;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS:**

**SECTION 1. Authorization - Designation - Principal Amount - Purpose.** Notes of the City of Murphy, Texas (the “City”) shall be and are hereby authorized to be issued in the aggregate principal amount of \$1,800,000, to be designated and bear the title “CITY OF MURPHY, TEXAS, TAX NOTES, SERIES 2016” (hereinafter referred to as the “Notes”), for the purpose of paying contractual obligations to be incurred for (i) the purchase of certain specified materials, supplies, equipment, and machinery for the City’s authorized needs and purposes, namely a public safety voice, radio dispatch, emergency alert system and associated software; and (v) professional services rendered in relation thereto and the financing thereof, in conformity with the Constitution and laws of the State of Texas, including the Act.

**SECTION 2. Fully Registered Obligations - Note Date - Authorized Denominations - Stated Maturities - Interest Rates.** The Notes shall be issued as fully registered obligations only, shall be dated the date of initial delivery (the “Note Date”), shall be in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, and shall become due and payable on February 15 in each of the years and in principal amounts (the “Stated Maturities”) and bear interest at the per annum rate(s) in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rate(s) (%)</u>
2017		
2018		
2019		
2020		
2021		
2022		
2023		

The Notes shall bear interest on the unpaid principal amounts from the date of delivery to the initial purchasers (anticipated, June 16, 2016) at the per annum rate shown above in this Section. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months, and such interest shall be payable on February 15 and August 15 of each year, commencing February 15, 2017, until maturity or prior redemption.

**SECTION 3. Terms of Payment - Paying Agent/Registrar.** The principal of, premium, if any, and the interest on the Notes, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Notes (hereinafter called the “Holders”) appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of \_\_\_\_\_, \_\_\_\_\_, Texas, to serve as Paying Agent/Registrar for the Notes is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Notes (the “Security Register”) shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a “Paying Agent/Registrar Agreement”, substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and the City Secretary are authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Notes. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Notes are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Notes, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Notes shall be payable at the Stated Maturities, or on a date of earlier redemption thereof, only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its designated offices, initially in \_\_\_\_\_,

Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the “Designated Payment/Transfer Office”). Interest on the Notes shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business day of the month next preceding the interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

#### **SECTION 4. Redemption.**

(a) **Optional Redemption.** The Notes having Stated Maturities on and after February 15, \_\_\_\_\_ shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$100,000 or any integral multiple of \$5,000 thereafter (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, \_\_\_\_\_, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) **Exercise of Redemption Option.** At least forty-five (45) days prior to a redemption date for the Notes (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Notes and the date of redemption therefor. The decision of the City to exercise the right to redeem Notes shall be entered in the minutes of the governing body of the City.

(c) **Selection of Notes for Redemption.** If less than all Outstanding Notes of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Notes as representing the number of Notes Outstanding which is obtained by dividing the principal amount of such Notes by \$100,000 or any integral multiple of \$5,000 thereafter and shall select the Notes, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

(d) **Notice of Redemption.** Not less than thirty (30) days prior to a redemption date for the Notes, a notice of redemption shall be sent by United States Mail, first class postage

prepaid, in the name of the City and at the City's expense, to each Holder of a Note to be redeemed at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Notes, (ii) identify the Notes to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Notes, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Notes, or the principal amount thereof to be redeemed, shall be made at the principal office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Note is subject by its terms to prior redemption, and has been called for redemption, and notice of redemption thereof has been duly given as hereinabove provided, such Note (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Note (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(e) Conditional Notice of Redemption. With respect to any optional redemption of the Notes, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Notes to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that such redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Notes and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Notes have not been redeemed.

**SECTION 5. Registration - Transfer - Exchange of Notes - Predecessor Notes.** The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Notes issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Note may be transferred or exchanged for Notes of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Note to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Note (other than the Initial Note(s) authorized in Section 7 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees,

one or more new Notes of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Note or Notes surrendered for transfer.

At the option of the Holder, Notes (other than the Initial Note(s) authorized in Section 7 hereof) may be exchanged for other Notes of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange, upon surrender of the Notes to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Notes are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Notes to the Holder requesting the exchange.

All Notes issued in any transfer or exchange of Notes shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Notes surrendered in such transfer or exchange.

All transfers or exchanges of Notes pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Notes canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Notes," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Note or Notes registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Notes" shall include any mutilated, lost, destroyed, or stolen Note for which a replacement Note has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 10 hereof and such new replacement Note shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Note called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Note; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Note called for redemption in part.

**SECTION 6. Execution - Registration.** The Notes shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of such officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the dated of adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Notes to the initial purchaser(s) and with respect to Notes

delivered in subsequent exchanges and transfers, all as authorized and provided in the Texas Government Code, Chapter 1201, as amended.

No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in Section 8(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 8(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified, registered, and delivered.

**SECTION 7. Initial Note(s).** The Notes herein authorized shall be initially issued either (i) as a single fully registered note in the total principal amount stated in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered Notes, being one note for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the “Initial Note(s)”) and, in either case, the Initial Note(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Note(s) shall be the Note(s) submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s) as the definitive Note with the Registration Certificate of Paying Agent/Registrar attached thereto. Any time after the delivery of the Initial Note(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Note(s) delivered hereunder and exchange therefor definitive Notes of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

**SECTION 8. Forms.**

(a) **Forms Generally.** The Notes, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Notes, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Notes, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Notes as evidenced by their execution. Any portion of the text of any Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes and the Initial Note(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Notes as evidenced by their execution thereof.

The City may provide (i) for the issuance of one fully registered Note for each Stated Maturity in the aggregate principal amount of each Stated Maturity and (ii) for the registration of such Notes in the name of a securities depository, or the nominee thereof. While any Note is registered in the name of a securities depository or its nominee, references herein and in the Notes to the Holder or registered owner of such Notes shall mean the securities depository or its nominee and shall not mean any other person.

(b) Form of Definitive Notes.

REGISTERED  
NO. R-\_\_\_

REGISTERED  
\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF MURPHY, TEXAS  
TAX NOTE, SERIES 2016

Note Date: \_\_\_\_\_, 2016      Interest Rate: \_\_\_\_\_%      Stated Maturity: February 15, \_\_\_\_\_      CUSIP NO: N/A

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT:

The City of Murphy, Texas (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated, unless redeemed prior to maturity in accordance with its terms, the Principal Amount stated above and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Note appearing below (unless this Note bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Note is prior to the initial interest payment date in which case it shall bear interest from the date of its delivery to the initial purchaser) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2017, until maturity or prior redemption. Principal of this Note shall be payable at its Stated Maturity or upon its prior redemption to the Registered Owner hereof upon presentation and surrender at the designated offices of the Paying Agent/Registrar executing the registration certificate appearing hereon, initially in \_\_\_\_\_, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Note (or one or more Predecessor Notes, as defined in the Ordinance hereinafter

referenced) whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Note is one of the series specified in its title issued in the aggregate principal amount of \$1,800,000 (herein referred to as the “Notes”) for the purpose of paying contractual obligations to be incurred for (i) the purchase of certain specified materials, supplies, equipment, and machinery for the City’s authorized needs and purposes, namely a public safety voice, radio dispatch, emergency alert system and associated software; and (v) professional services rendered in relation thereto and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the “Ordinance”).

The Notes maturing on and after February 15, 20\_\_ may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$100,000 or any integral multiple of \$5,000 thereafter (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 20\_\_ or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Notes, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Note to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Note (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Note (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Note is to be redeemed, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Note to the principal office of the Paying Agent/Registrar, and a new Note or Notes of like maturity and interest rate in any authorized denominations

provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Note is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Note to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Note redeemed in part.

With respect to any optional redemption of the Notes, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Notes to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that such redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Notes and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Notes have not been redeemed.

The Notes are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Note by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Notes; the terms and conditions relating to the transfer or exchange of this Note; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Note may be redeemed or discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Note, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Notes of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Note as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the

Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Notes is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Notes to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Notes do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Notes by the levy of a tax as aforesated. In case any provision in this Note shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Note and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Note to be duly executed under the official seal of the City as of the Note Date.

CITY OF MURPHY, TEXAS

\_\_\_\_\_  
Mayor

COUNTERSIGNED:

\_\_\_\_\_  
City Secretary  
(Seal)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Note only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER ( ( REGISTER NO. \_\_\_\_\_  
OF PUBLIC ACCOUNTS (

THE STATE OF TEXAS (

I HEREBY CERTIFY that this Note has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Notes only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Note has been duly issued and registered under the provisions of the within-mentioned Ordinance; the note or notes of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in \_\_\_\_\_, Texas, is the Designated Payment/Transfer Office for this Note.

\_\_\_\_\_  
\_\_\_\_\_, Texas,  
as Paying Agent/Registrar

Registration Date:

\_\_\_\_\_  
By \_\_\_\_\_  
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:) \_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_  
\_\_\_\_\_) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_

attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature guaranteed:  
\_\_\_\_\_

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular.

(f) The Initial Note(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of a single fully registered Initial Note shall be modified as follows:

REGISTERED  
NO. T-1

REGISTERED  
\$1,800,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF MURPHY, TEXAS  
TAX NOTE, SERIES 2016

Note Date: \_\_\_\_\_, 2016

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: ONE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS

The City of Murphy, Texas (hereinafter referred to as the “City”), a body corporate and municipal corporation in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on February 15 in each of the years and in principal installments in accordance with the following schedule:

<u>Year of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rate(s) (%)</u>
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(Information to be inserted from schedule in Section 2 hereof).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the date of its delivery to the initial purchasers (\_\_\_\_\_, 2016) at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2017, until maturity or prior redemption. Principal installments of this Note are payable at its Stated Maturity or on a redemption date to the registered owner hereof by \_\_\_\_\_, \_\_\_\_\_,

Texas (the “Paying Agent/Registrar”), upon presentation and surrender, at its designated offices, initially in \_\_\_\_\_, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the “Designated Payment/Transfer Office”). Interest is payable to the registered owner of this Note whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the last business day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**SECTION 9. Levy of Taxes.** To provide for the payment of the “Debt Service Requirements” of the Notes, being (i) the interest on the Notes and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars’ valuation of taxable property in the City for the Debt Service Requirements of the Notes shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on such Notes while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Notes shall be kept and maintained by the City at all times while the Notes are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Notes shall be deposited to the credit of a “Special 2016 Note Account” (the “Interest and Sinking Fund”) maintained on the records of the City and deposited in a special fund maintained at an official depository of the City’s funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Notes.

The Mayor, Mayor Pro Tem, City Manager, Director of Finance, and City Secretary of the City, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Notes, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Notes as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Notes.

**SECTION 10.**      Mutilated - Destroyed - Lost and Stolen Notes. In case any Note shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Note of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Note, or in lieu of and in substitution for such destroyed, lost or stolen Note, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Note, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Note shall be borne by the Holder of the Note mutilated, or destroyed, lost or stolen.

Every replacement Note issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Notes; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Notes.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Notes.

**SECTION 11.**      Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Notes, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Notes or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Notes or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Notes, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Notes to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

The term “Government Securities”, as used herein, means (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Notes.

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Notes, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Notes and remaining unclaimed for a period of three (3) years after the Stated Maturity or applicable redemption date of the Notes such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

**SECTION 12.** Ordinance a Contract - Amendments - Outstanding Notes. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Note remains Outstanding except as permitted in this Section. The City, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Notes then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Notes, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Notes, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Notes, (2) give any preference to any Note over any other Note, or (3) reduce the aggregate principal amount of Notes required to be held by Holders for consent to any such amendment, addition, or rescission.

The term “Outstanding” when used in this Ordinance with respect to Notes means, as of the date of determination, all Notes theretofore issued and delivered under this Ordinance, except:

- (1) those Notes cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Notes deemed to be duly paid by the City in accordance with the provisions of Section 11 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Notes which have been replaced with Notes registered and delivered in lieu thereof as provided in Section 10 hereof.

**SECTION 13.**      Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section 13, the following terms have the following meanings:

“Closing Date” means the date on which the Notes are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Notes.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Notes are invested and which is not acquired to carry out the governmental purposes of the Notes.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Notes. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Notes has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Note to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Note, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Notes:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Notes, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Notes or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Notes to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the

final Stated Maturity of the Notes directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Notes.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Notes to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Note is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Notes with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Notes until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Notes by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States from the construction fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Notes equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or

such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148 3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Notes, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Notes not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Director of Finance, and City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Notes, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Qualified Tax-Exempt Obligations. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the City hereby designates the Notes to be "qualified tax-exempt obligations" in that the Notes are not "private activity bonds" as defined in the Code and the reasonably anticipated amount of "qualified tax exempt obligations" to be issued by the City (including all subordinate entities of the City) for the calendar year 2016 will not exceed \$10,000,000.

(l) Reimbursement. The City reasonably expects to reimburse capital expenditures with respect to the projects described in Section 1 hereof with proceeds of the Notes and this Ordinance shall constitute a declaration of official intent under Treas. Reg. § 1.150-2. The maximum principal amount of obligations to be issued for the projects is \$1,800,000.

**SECTION 14.** Sale of Notes – Purchase Letter. The offer of \_\_\_\_\_, \_\_\_\_\_, Texas (herein referred to as the "Purchaser") to purchase the Notes in accordance with the Purchase Letter, dated as of \_\_\_\_\_ (the "Purchase Letter"), attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby accepted. Such sale of the Notes to the Purchaser is hereby found to be in the best interest of the City and is therefore approved and authorized. The Mayor and the City Secretary are hereby authorized and directed to sign the acceptance clause of such Purchase Letter for and on behalf of the City and as the act and deed of this City Council. Delivery of the Notes to the Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

**SECTION 15.**      Control and Custody of Notes. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Notes, and shall take and have charge and control of the Initial Note(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the initial purchasers.

**SECTION 16.**      Proceeds of Sale. The proceeds of sale of the Notes, excluding amounts to pay costs of issuance, shall be deposited in a construction fund maintained at a depository of the City. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of the Texas Government Code, Chapter 2256, as amended, and the City's investment policies and guidelines, and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the appropriate authorized officials of the City. Any excess Note proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

**SECTION 17.**      Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Notes. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**SECTION 18.**      Cancellation. All Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Notes previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Notes held by the Paying Agent/Registrar shall be returned to the City.

**SECTION 19.**      Legal Opinion. The Purchaser's obligation to accept delivery of the Notes is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, approving the Notes as to their validity, such opinion to be dated and delivered as of the date of delivery and payment for the Notes.

**SECTION 20.**      CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Notes. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Notes shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Notes as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Notes.

**SECTION 21.**      Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

**SECTION 22.**      Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

**SECTION 23.**      Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 24.**      Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

**SECTION 25.**      Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

**SECTION 26.**      Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 27.**      Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Secretary, City Manager, and Director of Finance are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Notes. In addition, prior to the initial delivery of the Notes, the Mayor, Mayor Pro Tem, City Secretary, City Manager, Director of Finance, or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Notes by the Attorney General and if such officer or counsel determines that such

changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

**SECTION 28.**        Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

**SECTION 29.**        Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by the Texas Government Code, Chapter 551, as amended.

**SECTION 30.**        Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below in accordance with the Texas Government Code, Section 1201.028, as amended, and it is so ordained.

*[The remainder of this page intentionally left blank.]*

**PASSED AND APPROVED**, this May 17, 2016.

**CITY OF MURPHY, TEXAS**

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Secretary

(City Seal)

**EXHIBIT A**  
**PAYING AGENT/REGISTRAR AGREEMENT**

**EXHIBIT B**  
**PURCHASE LETTER**

**City Council Meeting  
May 17, 2016**

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**Issue**

Consider and/or act upon approval of a resolution approving an Interlocal Agreement with Collin County for Betsy Lane Paving and Drainage Improvements for Collin County 2007 Bond Project No. 07-053.

**Staff Resource/Department**

Bill Shipp, Interim City Manager

**Summary**

Project funding for the Betsy Lane project is as follows:

Total Project Budget		\$3,650,000
RTR Funding	\$2,560,480	
Collin County Funding (This ILA)	\$1,047,750	
City Funds*	\$ 41,770	

\*For the "trail" portion of the project which is not funded by the County

This ILA was previously approved by City Council on April 16, 2013. The County did not process the ILA through the Commissioners Court for approval. We have worked with County staff to update the ILA. Upon City Council approval of this updated ILA (action being requested by this agenda action item), County staff will send it to the Commissioners Court for approval and we will receive our money. These funds will reimburse the City bond fund that was used to make payments during project construction.

**Background/History**

The RTR funds were received at the beginning of the project.

Project is 95% complete.

**Financial Considerations**

Monies will reimburse City bond fund.

**Other Considerations**

N/A

**Action Requested**

Approve Resolution authorizing an Interlocal Cooperation Agreement with Collin County for the Betsy Lane Paving and Drainage Improvements for Collin County 2007 Bond Project No. 07-053; and providing for an immediate effective date.

**Attachments**

Proposed Resolution  
Proposed Interlocal Cooperation Agreement

**RESOLUTION NO. 16-R-829**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AUTHORIZING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF MURPHY AND COLLIN COUNTY FOR THE BESTY LANE PAVING AND DRAINAGE IMPROVEMENTS FOR COLLIN COUNTY 2007 BOND PROJECT NO. 07-053; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Murphy, Texas, finds and determines that it is in the best interest of the City of Murphy to enter into an agreement with Collin County for the Betsy Lane Paving and Drainage Improvements for Collin County 2007 Bond Project No. 07-053.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AS FOLLOWS:**

**Section 1.** That the foregoing recitals are hereby found to be true and correct findings of the City of Murphy, Texas, and are fully incorporated into the body of this resolution.

**Section 2.** That the City Council hereby approves the interlocal agreement between the City of Murphy and Collin County, which is attached hereto as *Exhibit A*.

**Section 3.** This resolution shall become effective from and after its passage.

**DULY RESOLVED** by the City Council of the City of Murphy, Texas, on this the 17<sup>th</sup> day of May, 2016.

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Eric Barna, Mayor  
City of Murphy, Texas

ATTEST:

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Susie Quinn, City Secretary  
City of Murphy, Texas

*Exhibit A*

**(Interlocal Agreement)**

**INTERLOCAL AGREEMENT  
BETWEEN COLLIN COUNTY AND THE CITY OF MURPHY  
CONCERNING THE DESIGN AND CONSTRUCTION OF BETSY LANE FROM FM 2551 (NORTH MURPHY  
ROAD) TO MCCREARY ROAD  
2007 BOND PROJECT #07-053**

**WHEREAS**, the County of Collin, Texas (“County”) and the City of Murphy, Texas (“City”) desire to enter into an agreement concerning the construction of Betsy Lane from FM 2551 (North Murphy Road) to McCreary Rd. in Murphy, Collin County, Texas; and

**WHEREAS**, the Interlocal Cooperation Act (Texas Government Code Chapter 791) authorizes any local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act; and

**WHEREAS**, The City of Murphy was awarded 2007 Bond Funding for Betsy Lane from FM 2551 (North Murphy Road) to McCreary Rd., Bond Project #07-053.

**WHEREAS**, the Betsy Lane from FM 2551 (North Murphy Road) to McCreary Rd. project was awarded \$2,560,480 in Regional Toll Revenue (RTR) Funding by the Regional Transportation Council (RTC), for Engineering, Right-of-Way and Construction, on October 11, 2012 and concurred by the Texas Department of Transportation Commission on January 31, 2013.

**WHEREAS**, the City and County have determined that the improvements may be completed most economically by implementing this agreement.

**NOW, THEREFORE**, this agreement is made and entered into by the County and the City upon and for the mutual consideration stated herein. All improvements shall be designed to meet or exceed the current Collin County design standards and shall be constructed in accordance with the plans and specifications approved by the City. The design shall also meet any state requirements.

**WITNESSETH:**

ARTICLE I.

The City shall arrange to design and construct improvements to Betsy Lane from FM 2551 (North Murphy Road) to McCreary Rd., hereinafter called the “Project”. The Project shall consist of design and construction of one mile of the south two lanes of Betsy Lane (25-foot back to back) of a four lane divided thoroughfare with underground storm drainage system. The north two lanes have previously been constructed. The project includes sidewalks, street lighting, limited landscape improvements, irrigation and signage. The project also includes construction of the south half of a 260 foot long bridge over Maxwell Creek. The two north lanes of the Betsy Lane bridge at Maxwell Creek have previously been constructed.

All improvements shall be designed to meet or exceed the current Collin County design standards and shall be constructed in accordance with the plans and specifications approved by the City.

ARTICLE II.

The City shall prepare plans and specifications for the improvements, accept bids and award a contract to construct the improvements and administer the construction contract. In all such activities, the City shall comply with all state statutory requirements. The City shall provide the County with a copy of the executed construction contract(s) for the Project.

ARTICLE III.

The City shall also acquire approximately 4 acres of real property in the vicinity of the improvements for use as right-of-way.

ARTICLE IV.

The City estimates the total actual cost of the project to be \$3,650,000. The County agrees to fund \$1,047,750. The County shall remit, to the City, 50% of the funding (\$523,875) after the City executes an engineering contract and the City requests payment or upon the availability of bond funds for this Project, whichever occurs later. The County will remit the remainder of the funds (\$523,875) within thirty (30) days after the City issues the notice to proceed to the selected contractor or upon the availability of bond funds for this Project, whichever occurs later. At the completion of the Project, in its entirety, the City shall provide a final accounting of expenditures. If the actual cost of the Project is less than the estimated cost of \$3,650,000 and the County has participated up to fifty percent (50%) of the actual cost of Project, then the City shall reimburse the County such that the county is only participating fifty percent (50%). The "total cost of the Project" shall include land acquisition, engineering, construction, inspection, materials testing, and construction administration costs including contingencies.

ARTICLE V.

The County's funding participation in the Project shall not exceed \$1,047,750.

ARTICLE VI.

The City shall prepare for the County an itemized statement specifying Project costs that have been incurred to date and submit detailed Project cost and progress reports every thirty (30) days until Project completion.

ARTICLE VII.

The City and County agree that the party paying for the performance of governmental functions or services shall make those payments only from current revenues legally available to the paying party.

ARTICLE VIII.

INDEMNIFICATION. TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMANDS, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO, OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.

ARTICLE IX.

VENUE. The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this agreement. The parties agree that this agreement is performable in Collin County, Texas and that exclusive venue shall lie in Collin County, Texas.

ARTICLE X.

SEVERABILITY. The provisions of this agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the agreement shall be enforced as if the invalid provision had never been included.

ARTICLE XI.

ENTIRE AGREEMENT. This agreement embodies the entire agreement between the parties and may only be modified in a writing executed by both parties.

ARTICLE XII.

SUCCESSORS AND ASSIGNS. This agreement shall be binding upon the parties hereto, their successors, heirs, personal representatives and assigns. Neither party will assign or transfer an interest in this agreement without the written consent of the other party.

ARTICLE XIII.

IMMUNITY. It is expressly understood and agreed that, in the execution of this agreement, neither party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this agreement, the parties do not create any obligations, express or implied, other than those set forth herein, and this agreement shall not create any rights in parties not signatories hereto.

ARTICLE XIV.

TERM. This agreement shall be effective upon execution by both parties and shall continue in effect annually until final acceptance of the Project. This agreement shall automatically renew annually during this period.

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**COUNTY OF COLLIN, TEXAS**

By: \_\_\_\_\_  
Name: Keith Self  
Title: County Judge  
Date: \_\_\_\_\_  
Executed on this \_\_\_ day of \_\_\_\_\_, 2016  
By the County of Collin, pursuant to Commissioners  
Court Order No. \_\_\_\_\_.

**ATTEST:**

By: \_\_\_\_\_  
Name: Susie Quinn  
Title: City Secretary  
Date: \_\_\_\_\_

**CITY OF MURPHY, TEXAS**

By: \_\_\_\_\_  
Name: The Honorable Eric Barna  
Title: Mayor  
Date: \_\_\_\_\_  
Executed on behalf of the City of Murphy  
pursuant to City Council  
Resolution No. 16-R-829

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Name: Wm. Andrew Messer  
Title: City Attorney  
Date: \_\_\_\_\_

**City Council Meeting**  
**May 17, 2016**

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**Issue**

Consider and/or act to approve a resolution authorizing the creation of the North Central Texas Regional 9-1-1 Emergency Communications District.

**Staff Resource/Department**

Chief of Police, Arthur Cotten, Support Services Manager, Kim Parker

**Summary**

The Health & Safety Code was amended by SB 1108/HB 3462, permitting Councils of Governments to establish Regional Emergency Communications Districts. There are a lot of potential advantages by creating a Regional Emergency Communications District.

Currently, our citizens and businesses are charged .50 cents on their phone bills to pay for 9-1-1 services. This money is remitted to and held by the state until the legislature appropriates all or part of the funds collected to the Texas Commission on State Emergency Communications (CSEC). CSEC then allocates partial funds to Councils of Governments. Of the funds retained by the state, currently over \$150 million, 15% has been collected from the North Central Tx Council of Governments region.

With the creation of a Regional Emergency Communications District, the maximum .50 cent fee would be remitted entirely to this district allowing for long-range strategic planning and outlining future capital improvements and replacements for NCTCOG's dispatch centers based on a known and reliable stream of revenue.

**Action Requested**

Staff recommends Council approve the resolution authorizing the creation of the North Central Texas Regional 9-1-1 Emergency Communications District.

**Attachments**

Exhibit #1 – NCTCOG power point explaining the change  
Exhibit #2 – ECD Questionnaire and FAQ's

# Regional Emergency Communications District

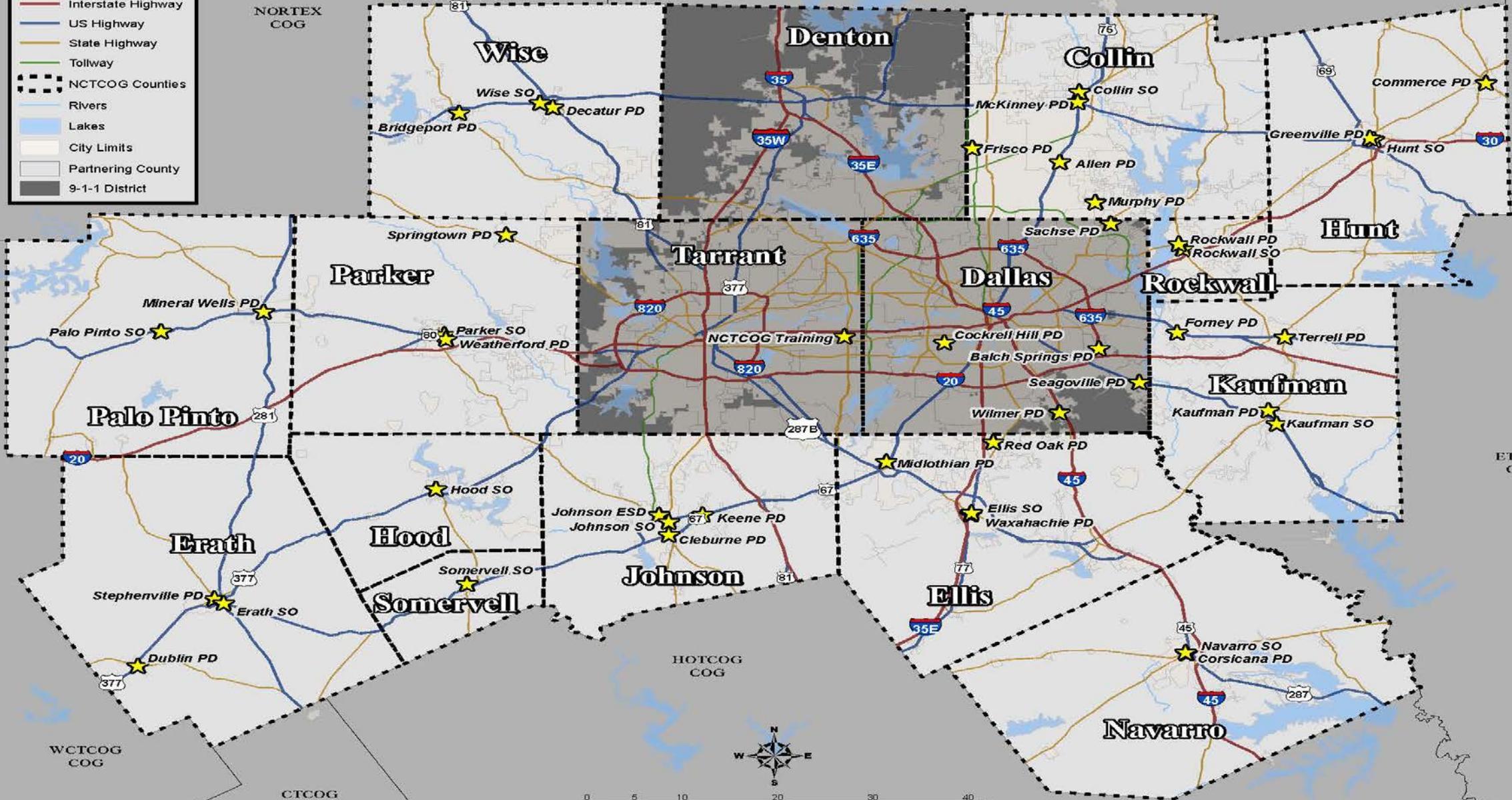
# Creation Regional Emergency Communications District

- District would serve public safety entities currently served by a Council of Governments
- District could be formed only if each county and all cities within them pass a resolution to approve the district
- Creation of a district does not affect existing county districts or 9-1-1 municipalities

# NCTCOG 9-1-1 Program Partners

**Legend**

- ★ Partnering PSAP
- Interstate Highway
- US Highway
- State Highway
- Tollway
- ⬜ NCTCOG Counties
- Rivers
- Lakes
- City Limits
- Partnering County
- 9-1-1 District



# Regional Emergency Communications District If Created:

- If created, COG 9-1-1 assets can be transferred to district
- District could enter into interlocal agreements with existing districts to promote enhanced public safety and increased fiscal and service efficiencies.

# Governance

## Regional Emergency Communications District

- Initial Board of Managers consists of representatives of each participating county and municipality to determine size and qualifications of a permanent Board
- 2/3 of Board must be elected officials

# Board Regional Emergency Communications District

- Adopts and amends budget
- Adopts orders, rules, bylaws, policies and procedures governing operations
- Determines and levies a service fee, not to exceed \$.50 on users of the system as part of the annual budgeting process
- Selects a depository
- Every three years, solicit public comments and hold a public hearing on continuation of the district and the service fee

# Administration

## Regional Emergency Communications District

- Council of Governments serves as the Administrative and Fiscal Agent
- COG Executive Directors are authorized to employ, assign and compensate employees of the district in accordance with districts' approved budget

# Dissolution Regional Emergency Communications District

- Must be in compliance with districts policies and bylaws and state statute
- COG assumes district's assets, the provision of the 9-1-1 Service and the district's debt
- If assets are insufficient to retire debts, COG may continue to impose all or part of district's user fee to retire debt
- COG's governing body adopts rules to administer the retirement of debt

# Financial Regional Emergency Communications District

- Totally controlled by local elected officials from entities within COG system
- Assured of actually receiving fees collected from citizens for 9-1-1 services (\$.50)
- Develop a long range master plan / capital requirements

# History: NCTCOG 9-1-1

- Implemented 9-1-1 services in the region in 1991.
  - Enhanced 9-1-1 (landline)
    - Routes to the correct 9-1-1 Answering Center
    - Provides subscriber's name and phone number
    - Provides subscriber address
  - Wireless Phase I – coverage area from a single tower. No specific dispatchable location
  - Wireless Phase II – approximate location of caller. Multiple tower triangulation/GPS signals (appears on GIS map in PSAP)
  - Ability to receive calls via the Internet

# History: Transition to Next Generation 9-1-1

- (NG9-1-1)2007: Master plan developed
  - Standards based solutions
  - Complies with Commission on State Emergency Communications (CSEC) NG9-1-1 master plan
- 2008: Implemented Digital 9-1-1 equipment and network
- 2010–2011: Implemented design improvements to stabilize system
- 2012–2013: Implemented Core Services on Digital network to allow for multimedia and improved routing
- 2013: Text to 9-1-1

# Future NCTCOG 9-1-1 Projects

- Multiple ways to transport data to PSAPs (microwave/fiber cable) to improve Resiliency and Diversity of 9-1-1 Network
- Improving Location Accuracy through use of Wi-Fi technology, beacons in cell phones and buildings
- Increasing Network Security from viruses/malware transmitted by smart devices

**Emergency Communications District Questionnaire**

The County/City of \_\_\_\_\_ supports the creation of an Emergency Communications District and plans to consider the passage of a resolution in favor of the district.

The County/City of \_\_\_\_\_ is interested in the creation of an Emergency Communications District for North Central Texas, but wants to participate in a meeting to get more information before considering a resolution in favor of the District.

The County/City of \_\_\_\_\_ does not support the creation of an Emergency Communications District.

Please send your response by mail, email, or fax to:

Mike Eastland  
PO Box 5888, Arlington, Texas 76005  
Email Address: [meastland@nctcog.org](mailto:meastland@nctcog.org)  
Phone: 817-695-9101  
Fax: 817-704-2543

**9-1-1 Regional Advisory Committee Members:**

Chair: Judge John Horn (Hunt County)  
 Vice-Chair: Judge Bruce Woods (Kaufman County)  
 Major Pam Palmisano (Collin County Sheriff’s Department)  
 Brett Latta (Navarro County Sheriff’s Department)  
 Judge Craig Johnson (Wise County)  
 Chief Michael Jennings (City of Dublin)  
 Judge Danny Chambers (Somervell County)  
 Patrick Adams (City of Mineral Wells)  
 Sheriff Roger Deeds (Hood County)  
 Chief Mike Manning (Parker County)  
 Commissioner Jerry Stringer (Johnson County)  
 Chief Mark Poindexter (Rockwall County)  
 Chief Victor Kemp (Dallas County)  
 Chief Carl Smith (Ellis County)  
 Mayor Steve Terrell (City of Allen)  
 Chief Deputy Brian Peterson (Somervell County)

**Term Expiration:**

December 2016

Sheriff Rodger Deeds – Representing Hood County  
 Mayor Steve Terrell – Representing Urban County

December 2017

Patrick Adams – Representing Palo Pinto County  
 Judge John Horn – Representing Hunt County  
 Judge Bruce Woods – Representing Kaufman County

December 2018

Chief Mike Manning – Representing Parker County  
 Chief Mark Poindexter – Representing Rockwall County  
 Chief Victor Kemp – Representing Dallas County  
 Commissioner Jerry Stringer – Representing Johnson County  
 Judge Danny Chambers – Representing Somervell County  
 Chief Carl Smith – Representing Ellis County  
 Chief Deputy Brian Peterson – Representing Rural County

December 2019

Major Pam Palmisano - Representing Collin County  
 Captain Brett Latta - Representing Navarro County  
 Chief Michael Jennings – Representing Erath County  
 Judge Craig Johnson – Representing Wise County

## Creation of a Regional Emergency Communications District

### Frequently Asked Questions

#### **What is a regional emergency communication district?**

A regional emergency communication district is composed of counties and municipalities that operate a 9-1-1 system solely through a council of governments/regional planning commission.

#### **What is required to start the process of creating a regional emergency communication district?**

Each county and municipality currently provided 9-1-1 services by the North Central Texas Council of Governments (NCTCOG) must pass a resolution calling for the creation of a district.

#### **How is a governing board formed?**

Once all resolutions have been submitted, a meeting will be called and a representative from each county and municipality will be invited to attend for the purpose of determining the appropriate size of a governing board and the qualifications of its members. (At least 2/3 of these representatives must be elected officials.)

#### **What are the responsibilities and powers of the governing board?**

- To set policies for the district.
- Adopt an annual budget.
- Adopt bylaws, rules and procedures governing operation of the district.

#### **How is the district staffed?**

NCTCOG remains responsible for the day to day administration and operations of the district with services to be provided by its professional 9-1-1 staff.

#### **Does the creation of a district create another level of government with taxing power?**

- No, NCTCOG is already providing 9-1-1 support services to the same counties and municipalities that would be members of the district.
- No, the district by state law is prohibited from levying and collecting a tax.

#### **How would the district be funded?**

The district would be funded by a maximum fee of \$.50 on telephone bills. All revenue would be remitted to the district.

#### **How does this differ from the current funding method?**

- The \$.50 fee remains the same.
- The difference is all of the revenues would come directly to the district for 9-1-1 services.
- Currently, the revenues are sent to the State Comptroller and remain there until the Legislature appropriates them to the Commission on State Emergency Communications (CSEC) for disbursement to Councils of Governments across the state.
- The problem is the Legislature often does not appropriate all of the monies that have been collected from across the state, in fact, the state is holding approximately \$150 million dollars which could be used for 9-1-1 purposes as it is intended.

## Creation of a Regional Emergency Communications District Frequently Asked Questions

### **What are the benefits of being a district?**

- Local elected officials would have the authority and responsibility of determining the highest and best use of the revenue to best serve 9-1-1 needs.
- Local elected officials would establish the policies and rules for delivery of 9-1-1 services in the region rather than a state commission, CSEC.
- Better predictability of the amount of funds that will be available in future years, enables local officials to develop a longer range financial plan for capital expenditures which will bring about greater efficiency in the use of the revenue.
- Ability to enter into cooperative agreement with other 9-1-1 entities.

### **Are there any negative impacts that a district would have on public safety providers as a result of not being state controlled?**

No, the same services will continue as they have in the past. Call routing will remain the same as it now exists. After hours support and maintenance will continue to be provided by the highly trained and dedicated technical professionals on a 24 x 7 x 365 basis.

### **Are there any limitations on the ability for a district to be created?**

- The combined population of the entities to be served cannot exceed 1.5 million as of September 2015.
- The Texas State Demographer's population estimates, which are the official numbers used by CSEC, were presented to the Legislature at the time the enabling legislation was passed and confirmed that the 1.5 million population provision was met by NCTCOG.

**City Council Meeting**  
**May 17, 2016**

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**Issue**

Discussion with possible action regarding appointing members to various Boards and Commissions to comply with the City Charter.

**Staff Resource/Department**

Susie Quinn, City Secretary

**Background**

Appointments are generally made in December but we have two openings (one alternate seat and one commissioner seat) on Planning and Zoning, one because a Commissioner member moved from Murphy to Richardson and one because a Commissioner was elected as a Councilmember. There are two openings on the Murphy Community Development Corporation because of the recent election. Please see Section 8.01 (4) below.

This is in accordance with the City Charter:

**ARTICLE VIII. BOARDS AND  
COMMISSIONS**

**Section 8.01. Authority, Composition and Procedures.**

(1) The City Council shall create, establish or appoint, as may be required by the laws of the State of Texas or this Charter, or deemed desirable by the City Council, such boards, commissions and committees as it deems necessary to carry out the functions and obligations of the City. The City Council shall, by ordinance or resolution, prescribe the purpose, composition, function, duties, accountability and tenure of each board, commission and committee where such are not prescribed by law or this Charter.

(2) Individuals who are qualified voters in the City may be appointed by the City Council to serve on one (1) or more boards, commissions or committees. Such appointees shall serve at the pleasure of the City Council and may be removed at the discretion of the City Council, except for the members of the Board of Adjustment, who may be removed only for cause. Except as otherwise provided in this Charter, members of any such board, commission or committee shall serve without compensation, but may be reimbursed for actual expenses as approved by the City Council.

(3) All boards, commissions or committees of the City shall, at the discretion of the City Council, keep and maintain minutes of any proceedings held.

(4) No officer or employee of the City nor any person who holds a compensated appointive position with the City shall be a member of any board, commission or committee created or established by state law or this Charter other than in an advisory and/or ex officio capacity except as allowed by state law.

**(5)** Any member of a board, commission or committee who is absent from three (3) consecutive regular meetings, or twenty-five percent (25%) of regularly scheduled meetings during the twelve (12)-month period immediately preceding and including the absence in question, without explanation acceptable to a majority of the other members, shall be deemed to have forfeited his or her position on the board, commission or committee.

**(Ordinance 10-11-861, ex. B, adopted 11/15/10)**

**Action Requested**

Direction from Council as to the next steps Council wants to follow in order to have the Boards and Commissions back to full memberships. If Council plans to seek applications, do you wish to review the absences from all the Boards to see if anyone should be replaced to comply with Section 8.01 (5) shown on previous page?

**Attachments**

Resignation letter by email from Randall Newhouse  
Resignation letter by email from Don Reilly  
Resignation letter by email from Maria Reilly  
Resignation letter by email from Jennifer Berthiaume

**From:** [Randal Newhouse](#)  
**To:** [Susie Quinn](#)  
**Subject:** Re: Boards and Commissions Appointments  
**Date:** Tuesday, January 12, 2016 9:04:12 AM

---

Susie,

I received an offer on my home that I could not refuse. I will be moving temporarily to Richardson, therefore I don't think I will qualify as a non-Murphy Citizen. Please let me know.

Randal Newhouse  
Team Newhouse  
214-808-0880 Office  
214-274-2668 Cell  
[TeamNewhouse@Gmail.com](mailto:TeamNewhouse@Gmail.com)

[TeamNewhouse.com](http://TeamNewhouse.com)



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On Tue, Jan 12, 2016 at 8:58 AM, Susie Quinn <[squinn@murphytx.org](mailto:squinn@murphytx.org)> wrote:

Dear Randal Newhouse, Alternate,

On behalf of the Murphy City Council and the City Staff, we would like to offer our congratulations for your appointment as an alternate member of the Planning and Zoning Commission for a two year term for the year(s) 2016-2017 beginning January 1, 2016, ending December 31, 2017. The Council finalized their appointments at the December 1, 2015 Council meeting.

The staff liaison for your board is Kristen Roberts and will be contacting you regarding your first meeting. The contact phone numbers are [972/468-4006](tel:9724684006) [214/726-5370](tel:2147265370) or they may be reached at [kroberts@murphytx.org](mailto:kroberts@murphytx.org).

**From:** [Don Reilly](#)  
**To:** [Eric Barna](#); [Jon King](#)  
**Cc:** [Susie Quinn](#)  
**Subject:** Resignation from the Planning and Zoning Commission  
**Date:** Friday, May 13, 2016 12:16:42 PM

---

Eric and Jon,

With my election to the city council and in accordance with the ordinance of the City of Murphy, I hereby resign my seat on the Planning and Zoning Commission. It has been a pleasure to serve on a very strong commission.

Sincerely,

E. Donald Reilly, Jr.

**From:** [Tina Stelnicki](#)  
**To:** [Susie Quinn](#)  
**Subject:** FW: Resignation  
**Date:** Friday, May 13, 2016 12:13:57 PM

---



Tina Stelnicki, IOM  
City of Murphy  
Murphy Economic Development  
Community Development Coordinator  
P:972-468-4118  
Mobile: 214-498-6875  
F:972-468-4418  
206 North Murphy Road  
Murphy, TX 75094  
[www.murphytx.org](http://www.murphytx.org)

*" Celebrate what you've accomplished, but raise the bar a little higher each time you succeed."*  
*Mia Hamm (1972- )*  
*American soccer player*

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**From:** Maria Reilly  
**Sent:** Friday, May 13, 2016 12:13 PM  
**To:** Eric Barna  
**Cc:** MCDC Board; Tina Stelnicki; Lee Elliott  
**Subject:** Resignation

Dear Mayor Barna:

Effective immediately I am resigning my position from the MCDC board due to Don's election to the City Council.

It has been my honor to have served with this board.

Maria Reilly  
MCDC

**From:** [Jennifer Berthiaume](#)  
**To:** [Council](#)  
**Cc:** [Bill Shipp](#); [Susie Quinn](#); [Bailey Ragsdale](#); [Lee Elliott](#); [Tina Stelnicki](#)  
**Subject:** Resignation from MCDC/4B  
**Date:** Friday, May 13, 2016 11:05:33 AM

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Mayor Barna et al:

It has been my great honor to serve on the Murphy Community Development Corporation / 4B Board. I have worked hard over the last three and a half years to live up the expectations that Council had when they appointed me as a director, as well as those of my fellow board members when they elected me as President for the past 1.5 years.

As I was elected to serve as Councilwoman for Place 2 this past Saturday, I am no longer able to fulfill my duties to MCDC/4B per the City Charter (Article VIII Boards and Commissions - Section 8.01 (4)):

(4) No officer or employee of the City nor any person who holds a compensated appointive position with the City shall be a member of any board, commission or committee created or established by state law or this Charter other than in an advisory and/or ex officio capacity except as allowed by state law.

**As such, my service to MCDC/4B is complete, effective immediately.** I am grateful for the opportunity to have served on the Board and wish my remaining board members all the best. I will continue to proudly follow their accomplishments, awards for the Community Grant Program, and budget recommendations for the City, while embarking on this new adventure on City Council.

Sincerely,

**Jennifer Berthiaume**

President, Murphy Community Development Corporation (MCDC/4B)

206 North Murphy Road  
Murphy, TX 75094

T 972.499.5354

C 469.315.0031

E [jberthiaume@murphytx.org](mailto:jberthiaume@murphytx.org)

Connect with us! [www.murphytx.org](http://www.murphytx.org) | [Facebook](#) | [Twitter](#)