



CITY OF TEXARKANA

CITY COUNCIL

AGENDA • MARCH 27, 2017

Council Chambers

Regular Meeting

6:00 PM

**220 TEXAS BLVD.
TEXARKANA, TX 75501**

Mayor

Bob Bruggeman

Ward 1

Jean H. Matlock

Ward 3

Betty Williams

Ward 5

Christy P. Paddock

Ward 2

Willie Ray

Ward 4

Brian Matthews

Ward 6

Josh Davis



For any agenda item, the City Council reserves the right to advance the "Council Vote" date to a hearing or briefing date.

The City Council reserves the right to convene into closed session on any agenda item or issue should the need arise and if applicable pursuant to authorization by the Texas Open Meetings Act (Title 5, Chapter 551 of the Texas Government Code).

If the City Council convenes into closed session, they will reconvene in one hour or less to take any final action, decision, or vote on a matter deliberated in closed session.

I. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM

II. INVOCATION AND PLEDGE BY COUNCIL MEMBER JEAN MATLOCK

III. MAYOR'S REMARKS AND ITEMS OF COMMUNITY INTEREST

Upcoming City Council Meetings:

Monday, April 10, 2017 at 6:00 p.m.

Monday, April 24, 2017 at 6:00 p.m.

Parks & Recreation Events:

April 7th-9th	Rob Buck Memorial Tournament	Spring Lake Park
April 8th	Texas A&M Texarkana Community Service Day	Kidtopia Park
April 21st - 23rd	Scout-O-Rama	Spring Lake Park

For a complete list of Parks and Recreation activities and information call (903) 798-3978 or visit the city website: <http://tx-texarkana.civicplus.com>

Presentations

1. Wilbur Smith Rotary Club 100th Anniversary Proclamation - April 4, 2017
2. National Safe Digging Month Proclamation - April 2017
3. Comprehensive Annual Financial Report FYE September 30, 2016 - Holliday, Lemons & Cox, P.C.

Appointments to Boards & Commissions

IV. OPEN FORUM: COMMENTS FROM THE PUBLIC (LIMIT 5 MINUTES EACH)

Items scheduled for "Public Hearing" or have been heard at a previous "Public Hearing" are not to be addressed at the "Open Forum".

V. ITEMS FOR CONSIDERATION***Consent Items***

1. Consider approval of the minutes of the Regular Meeting of the City Council held on February 13, 2017 at 6:00 PM.
2. Consider approval of the minutes of the Regular Meeting of the City Council held on February 27, 2017 at 6:00 PM.
3. Consider approval of the minutes of the Regular Meeting of the City Council held on March 13, 2017 at 6:00 PM.
4. Resolution No. 2017-033 approving the preliminary budget calendar for fiscal year 2018.

Public Hearing:

Second Briefing:

Council Vote: March 27, 2017

Action Items

5. Resolution No. 2017-010 authorizing the City Manager to enter into a contract with Mid-Continental Restoration Company, Inc. in an amount not to exceed Ninety-Nine Thousand Nine Hundred Seventy Dollars (\$99,970.00) for the Millwood Water Treatment Plant settling basin concrete repairs.

Public Hearing: February 27, 2017

Second Briefing: March 13, 2017

Council Vote: March 27, 2017

VI. FIRST BRIEFINGS

1. Ordinance No. 2017-034 amending Chapter 100 "General Administrative Provisions" and Chapter 105 of the Land Development Code "Buildings & Construction" for clarification purposes by changing Sec. 105-8 from "Required" to "Permit Required", adding Sec. 105-9 "Stop Work Order", and adding Sec. 105-10 "Offense; Penalty."

Public Hearing: April 10, 2017
Second Briefing: April 24, 2017
Council Vote: May 8, 2017

2. Ordinance No. 2017-035 approving the sale of City of Texarkana, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017.

Public Hearing:
Second Briefing:
Council Vote: March 27, 2017

3. Ordinance No. 2017-036 amending the Fire Department Budget for FY 2017 for the acceptance of grant funds.

Public Hearing:
Second Briefing:
Council Vote: March 27, 2017

4. Ordinance No. 2017-037 approving contracts for the Capital Improvement Plan projects for Forest Lake Estates street reconstruction; fire department and street department building improvements; Cowhorn Creek trail corridor; fleet department, SOTC, and fire department training center parking lots; dredging of Spring Lake Park pond; and roof replacement projects.

Public Hearing:
Second Briefing:
Council Vote: March 27, 2017

VII. PUBLIC HEARINGS

1. Resolution No. 2017-030 authorizing the City Manager to execute a contract for the Millwood Water Treatment Plant Sludge Ponds Cleaning Project in an amount with the Texas portion not to exceed \$74,529.70 and the total amount not to exceed \$119,000.00.

Public Hearing: March 27, 2017
Second Briefing: April 10, 2017
Council Vote: April 24, 2017

2. Resolution No. 2017-031 authorizing the City Manager to enter into a five (5) year purchasing agreement with Taser International of Scottsdale, Arizona, to supply police fleet and body cameras along with cloud storage for a total amount not to exceed \$228,031.86.

Public Hearing: March 27, 2017
Second Briefing: April 10, 2017
Council Vote: April 24, 2017

3. Ordinance No. 2017-032 amending the budget and authorizing the City Manager to enter into a contract for the environmental abatement and demolition of the Kress Building located at 116 W. Broad St.

Public Hearing: March 27, 2017
Second Briefing: April 10, 2017
Council Vote: April 24, 2017

VIII. SECOND BRIEFING WITH UPDATES

IX. SECOND BRIEFING WITHOUT UPDATES

1. Resolution No. 2017-017 authorizing the City Manager to enter into an agreement with Service Line Partners Private Label, Inc. d/b/a Service Line Warranties of America to provide City of Texarkana, Texas, utility customers the opportunity to purchase a sewer and water line warranty.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

2. Ordinance No. 2017-018 amending PD-07-4(GR) for site plan approval to allow an office building on a portion of Lot 1A, Block 6, Replat No. 1 of Richmond Development 5th Addition, located at the northeast intersection of Arista Boulevard and McKnight Road. Cheney Pruett, owner. Kayla Wood, MTG Engineering and Surveying, agent.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

3. Ordinance No. 2017-019 requesting renewal of Specific Use Permit No. S-155 to allow the continued location of a non-conforming single wide mobile home on Lots 4 and 5, Block 3, Greenwood Sunnyslope Addition, located at 3207 Austin Street. Rumaldo Arredondo, owner.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

4. Ordinance No. 2017-020 rezoning Lot 12, Block 22, City Improvement Co. Westside Addition, located at 514 North Lake Drive. Multiple Family-1 to Commercial. Charles E. Paul, Jr., owner.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

5. Ordinance No. 2017-021 amending the Code of Ordinances, Chapter 140 "Zoning" to add new uses of microbrewery, microdistillery, winery, brewery and distillery in Section 140-80 "Use Regulations Districts" and to amend Section 140-179 "Definitions" to add definitions for these new uses.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

6. Resolution No. 2017-022 hearing an appeal for a burning permit and making a final determination.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

7. Resolution No. 2017-023 authorizing the City Manager to enter into a contract with Continental Utility Solutions, Inc. (CUSI) for utility billing computer software, installation, conversion and training in an amount with the Texas portion not to exceed \$249,524.18 and total amount not to exceed \$398,410.00.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

8. Resolution No. 2017-024 approving the amendment of the CDBG 2013-2017 Consolidated Plan and 2016 Annual Action Plan.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

9. Resolution No. 2017-025 accepting HUD Section 108 Loan Guarantee Assistance in the amount of \$1,429,000.

Public Hearing: March 13, 2017
Second Briefing: March 27, 2017
Council Vote: April 10, 2017

X. ITEMS FOR DISCUSSION

Staff Updates

XI. ADMINISTRATIVE COMMENTS

1. Council
2. Staff

XII. ADJOURNMENT

Jennifer Evans, City Secretary

This open meeting of a governmental entity is subject to the Texas Open Meetings Act (Chapter 551, Government Code). The "Council Chambers" is the room or property where the City Council holds this meeting.

Pursuant to Section 46.035(c), Penal Code (unlawful carrying of handgun by license holder), a license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter.

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for these services, please call 903.798.3917, Personnel or (TDD) 1.800.RELAY.TX (1.800.735.2989).

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 3/22/2017 1:33 PM

Lead Department: City Manager **Action Officer:** Jennifer Evans, City Secretary

Subject: Wilbur Smith Rotary Club 100th Anniversary Proclamation - April 4, 2017

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:A joint proclamation in celebration of the 100th anniversary of the Wilbur Smith Rotary Club.**Potential Options:**

- None
-

Fiscal Implications:

None

Staff Recommendation:

Staff recommends that Mayor reads the proclamation.

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- Wilbur Smith Rotary Club 75th Anniversary 040417 (joint) (PDF)

A Texarkana Joint Proclamation

Wilbur Smith Rotary Club
100th Anniversary

April 4, 2017

WHEREAS, the Wilbur Smith Rotary Club was established on April 30, 1917 with the goal of dedicating time and energy to this community so that it continues to grow; and

WHEREAS, the Wilbur Smith Rotary Club brings together dedicated individuals to exchange ideas, build relationships, and take action; and

WHEREAS, the Wilbur Smith Rotary Club is part of Rotary International, which supports Rotary clubs worldwide by coordinating global programs, campaigns, and initiatives. The Rotary Foundation uses generous donations to fund projects by Rotarians and partners in communities around the world; and

WHEREAS, the Wilbur Smith Rotary Club has shown by its actions and good works for the past 100 years that it is a significant asset to the community, providing leadership and funding projects that have greatly benefited the area and its citizens, as well as people around the world.

NOW, THEREFORE, WE, Bob Bruggeman, Mayor of Texarkana, Texas, and Ruth Penney Bell, Mayor of Texarkana, Arkansas, do hereby recognize the 100th anniversary of the:

“Wilbur Smith Rotary Club”

and urge all citizens to recognize the important contributions that this civic institution has made to our communities.

Bob Bruggeman, Mayor

Attest:

Jennifer Evans, City Secretary

Ruth Penney Bell, Mayor

Attest:

Heather Soyars, City Clerk

Attachment: Wilbur Smith Rotary Club 75th Anniversary 040417 (joint) (1625 : Wilbur Smith Rotary Club Proclamation (040417))

City of Texarkana, Texas

Briefing SheetVersion:
Update Date: 3/21/2017 11:45 AMLead Department: City ManagerAction Officer: Jennifer Evans, City SecretarySubject: National Safe Digging Month Proclamation - April 2017**Updates/History of Briefing:**

NOT APPLICABLE

Executive Summary and Background Information:

April is National Safe Digging Month

Potential Options:

- None
-

Fiscal Implications:

None

Staff Recommendation:

Mayor to proclaim April 2017 as National Safe Digging Month

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. Safe Digging (Centerpoint) Month of April (PDF)

PROCLAMATION

Whereas, each year, the nation’s underground utility infrastructure is jeopardized by unintentional damage by those who fail to call 811 to have underground lines located prior to digging. Undesired consequences such as service interruption, damage to the environment and personal injury and even death are the potential results; and

Whereas, the Common Ground Alliance and its 1700 members promote the national Call-Before-You-Dig number, 811, in an effort to reduce these damages. Designated by the FCC in 2005, 811 provides potential excavators and homeowners a simple number to reach their local One Call Center to request utility line locations at the intended dig site; and

Whereas, through education of safe digging practices, excavators and homeowners can save time and money keeping our nation safe and connected by making a simple call to 811 in advance of any digging project; waiting the required amount of time; respecting the marked lines by maintaining visual definition throughout the course of the excavation; and finally, digging with care around the marks; and

Whereas, all parties agree that safe digging is a shared responsibility. To know what’s below, call 811 before you dig.

NOW, THEREFORE, I, Bob Bruggeman, Mayor of the City of Texarkana, Texas, hereby proclaim April, 2017, as

“National Safe Digging Month”

and encourage excavators and homeowners throughout the country to always call 811 before digging. Safe digging is no accident.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the Official Seal of the City of Texarkana, Texas to be affixed this 1st day of April, 2017.

*Bob Bruggeman, Mayor
City of Texarkana, Texas*

ATTEST:

*Jennifer Evans, City Secretary
City of Texarkana, Texas*

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 3/17/2017 8:40 AM

Lead Department: City Manager **Action Officer:** Jennifer Evans, City Secretary
Comprehensive Annual Financial Report FYE September 30, 2016 - Holliday,
Subject: Lemons & Cox, P.C.

Updates/History of Briefing:

(Insert Date Here):

(Insert Text Here) or Select, Delete this and all text with parentheses and say "NOT APPLICABLE"

Executive Summary and Background Information:**Potential Options:**

- List or "None"
-

Fiscal Implications:

(Insert Text Here)

Staff Recommendation:

(Insert Text Here)

Advisory Board/Committee Review:

(Advisory Board/Committee Name OR say "NONE")

Board/Committee Recommendation:

(Insert Date Here):

(Insert Text Here or say "NOT APPLICABLE")

Advisory Board/Committee Meeting Date and Minutes:

(Insert Minutes Here) or Select, Delete this and all text in this area and say "NOT APPLICABLE"

Attachments



CITY OF
TEXARKANA
TEXAS



Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

Comprehensive Annual Financial Report

for the year ending
September 30, 2016

CITY OF TEXARKANA, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
September 30, 2016**

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

Prepared by:

*Department of Finance
Kristin Peebles, CPA
Chief Financial Officer*

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Introductory Section

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

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CITY OF TEXARKANA TEXAS

P.O. Box 1967
Texarkana, TX 75504
Phone (903) 798-3900

Honorable Mayor and City Council,
City Manager and Citizens of the
City of Texarkana, Texas

The Comprehensive Annual Financial Report (CAFR) of the City of Texarkana, Texas (the City) for the fiscal year ended September 30, 2016, is submitted in accordance with State statutes. These statutes require that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements.

The report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Holliday, Lemons, & Cox, P. C., Certified Public Accountants, have issued an unqualified opinion on the City of Texarkana, Texas financial statements for the year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Texarkana, Texas (the City), incorporated in 1874, is located on the Texas –Arkansas state line in the northeast corner of the State of Texas. The City is 28 miles south of Oklahoma and 25 miles north of the Louisiana boundary line and it currently occupies a land area of 29.5 square miles and serves a population estimated at 37,831. The City is empowered to levy a property tax on real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since 1960. Policy-making and legislative authority are vested in a governing council (Council) comprised of the mayor and six members, all elected on a non-partisan basis. Council members serve two-year staggered terms, with three members elected by ward every two years. The mayor is elected at large, and serves a two-year term. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of

the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services, including police, fire, streets and infrastructure, traffic engineering, parks, recreation, library, community development (planning and zoning), public improvements, tourism activities, and general administrative services. Water and sewer distribution and collection activities are provided by Texarkana, Texas water department in conjunction with the Texarkana, Arkansas water department, dba Texarkana Water Utilities (TWU). The Texas activity of TWU functions as a department of the City, and therefore has been included as an integral part of the City's financial statements.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Texarkana as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units are in substance, part of the primary government's operations, even though they are legally separate entities. The City reports the Texarkana Firemen's Relief and Retirement Fund, a blended component unit, as a fiduciary fund of the City with a December 31, 2015 year end (most recent audit). Discretely presented component units are legally separate entities and not part of the primary government's operations. The Texarkana-Bowie County Family Health Center is included in the financial statements as a discretely presented component unit. The City also participates in joint ventures with Texarkana, Arkansas to operate the Texarkana Regional Airport and the Bi-State Justice Center. Other joint ventures include the Bowie Central Appraisal District, the Texarkana Urban Transportation Study and the Texarkana Urban Transit District.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City and surrounding region are home to a number of industrial and manufacturing operations, including tire manufacturing, small arms ammunition, paper production, railroad tank car repair, cup and carton manufacturing, pipeline fittings, truck bodies, furniture, valves and couplings, military equipment repair and refurbishing, trucking, and petroleum marketing. Texarkana is also a regional medical center, with two (2) acute care hospitals, offering 675 beds, two (2) rehabilitation hospitals with 140 beds, a 15 bed geriatric psychiatric inpatient facility, and a number of mental health centers, ambulatory surgical centers, home health care organizations, nursing home centers, assisted living centers, and retirement communities.

The City's strategic location with the prospect of three (3) interstate highways in the area, a favorable climate, plentiful water supplies, and a good mix of manufacturing, agriculture, government, tourism, education, medical, retail trade and service centers should contribute to future growth and development for the foreseeable future. Current estimates indicate that approximately 75,000 vehicles use the area's interstate system.

The City's primary and secondary education needs are served by three (3) public school districts, and four (4) other public school districts that border the City, as well as several area private schools. Five (5) institutions of higher education provide services to the City. Texarkana College has more than 5,000 students enrolled; Texas A&M University-Texarkana expanded to a 4 year university in 2010, completed Bringle Lake Village, the first student housing on campus, in 2011 and currently serves approximately 2,000 students; the University of Arkansas for Medical

Sciences Area Health Education Center provides higher education services in the area; and Southern Arkansas Tech, provides airframe and power plant training for 150 students at the airport; University of Arkansas - Texarkana is the City's newest institution of higher education, serving approximately 400 students in its new facility.

The City has a number of worthwhile attractions, including the only U.S. Post Office located in two states, which provides a unique photo opportunity at Photographer's Island, the Scott Joplin Mural, the historic Perot Theatre, the Regional Arts Center, Discovery Place Children's Museum and Texarkana Museum of Regional History, the Texarkana Symphony Orchestra, a municipal golf course designed by Jim Fazio, Jr. and managed by Hank Haney, and City parks that have hosted a number of district and state athletic tournaments. Noted attractions in the City's parks system include: Splash Pad at Spring Lake Park, Kylee Sullivan Pet Safe Dog Park at Spring Lake Park and the new additions at Bringle Lake Park, including wilderness hiking and bike trails. Additionally, there are a multitude of outdoor activities available on one of many lakes and rivers in the region.

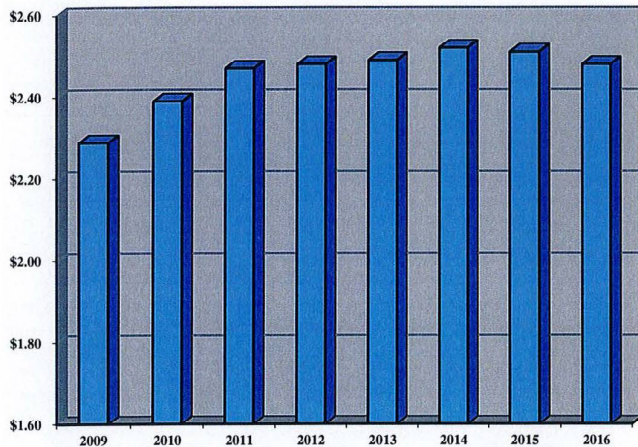
Commercial and residential building in the City has increased slightly in the past year, as reflected in reported statistics. Permits for new non-residential construction increased from last year's value of around \$7,677,525 to around \$15,543,474 this year. Permits for non-residential additions, alterations and conversions decreased from \$16,046,199 to \$10,984,243 this year. Residential permits increased from \$7,769,000 to \$7,908,627. Residential additions, alterations and conversions ended the year at \$3,818,652, an increase from last year's number of \$3,246,547. Commercial projects in progress and/or completed in 2016 include the following:

- Eagle Distributing
- Gregg Orr Auto
- Bancorp South
- Liberty Eylau ISD
- Planet Fitness
- Aspen Dental
- AT&T
- Life Net
- Villa's at Texarkana
- Excel ER
- Mt. Kirby Investments
- Collom & Carney Clinic
- Burk's Outlet
- Ironwood Grill
- Capital One Bank
- Farm Bureau Insurance
- Chicken Express
- Walmart Inc.

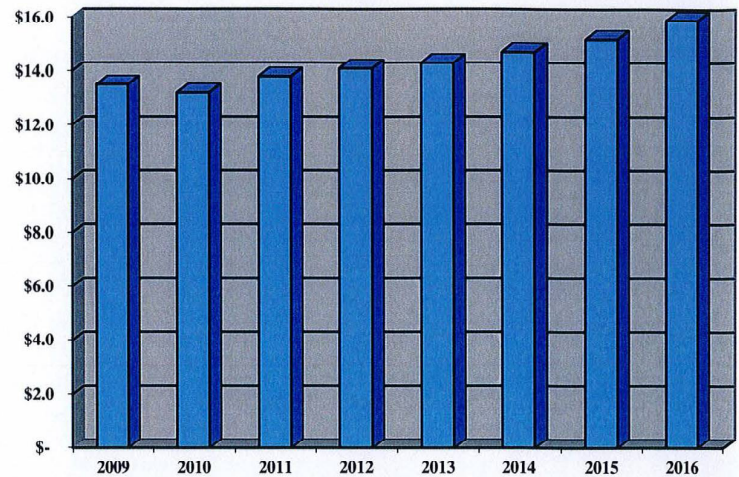
Sales taxes, property taxes, and transfers are responsible for a substantial portion of the City's general fund operating revenue budget. The overall net increase in revenues, transfers, and capital leases in fiscal year 2016 compared to the prior fiscal year was \$1,797,891. Property tax revenue increased by \$448,886 (4.2%), sales and other tax revenue increased by \$847,962 (5.6%), revenue from municipal court declined by \$352,806 (17.4%), intergovernmental revenue decreased by \$437,309 (59.0%), and other financing sources for capital leases increased by \$1,090,645 (1,256%).

Historical perspectives of major revenues are illustrated in the following graphs:

ASSESSED PROPERTY VALUATIONS
(in billions)



SALES TAX COLLECTIONS
(in millions)



Unemployment in the City decreased to 4.6%, which was equivalent to the state rate of 4.6% and just above the national rate of 4.5%.

Long-Term Financial Planning

Unassigned fund balance in the general fund (38.7% of general fund expenditures) is above the reserve goal of 25.0-35.0% established by the City's General Fund Balance Policy. The City's unassigned fund balance at September 30, 2016 is \$12,003,407 and it represents approximately 141 days of expenditures in fund balance.

Most of the growth in the City continues to occur along and north of the I-30 corridor. One 60+ acre parcel was purchased by a medical partnership with plans for future development. South of I-30 continues to develop with an additional auto dealership and a retail center in the planning stages. Texas A&M-Texarkana has another building under construction on its campus. Texarkana ISD finished an addition to one campus and added an elementary campus. Liberty-Eylau ISD is in the planning stage for a new elementary campus. New development should continue to strengthen growth in the City's property tax base and other tax collections, which comprise around eighty three percent (83 %) of the City's General Fund operating budget.

Gas and electric franchise fees were increased several years ago by the City Council in order to establish an Economic Development Fund to be used for the future economic development projects and activities and to provide incentives for potential projects that would bring jobs and revenue growth to the area. The City is aggressively pursuing economic development projects and assistance is also provided in the form of revolving loan programs.

The City collects hotel occupancy tax revenue at a rate of seven percent. This revenue is used to fund the operation and debt service of the Texarkana Convention Center and various other

recipients. Historical trends have shown little to no growth in hotel occupancy tax revenue for the past several years. However, revenue increased slightly this year over the prior year.

The City has established two (2) Tax Increment Reinvestment Zones (TIRZ) within its boundaries. The first operates in an area that begins on the south side of I-30 and extends north along the University Avenue Corridor to include the proposed University overlay district. The second runs from Texas Boulevard at State Line Avenue through the downtown area. Future incremental tax increases to existing properties and new properties in these districts are projected to provide funding for needed infrastructure projects within these areas without an additional tax burden to our citizens. Funding of both districts began on October 1, 2010. The first TIRZ bond was issued in 2012. Several potential infrastructure projects within the district have been approved by the TIRZ board. Recently completed projects include a portion of the Gibson Lane extension project. Projects currently underway include the extension of Pavilion Parkway and the Walton Drive box culvert drainage system. Future debt service payments on the bonds are expected to be funded by property tax revenues collected from new developments within the district.

After serving as the main wastewater treatment facility for both sides of town with nearly thirty (30) years of continuous use, the South Regional Wastewater Treatment Plant (SRWWTP) on South Stateline needs several upgrades and improvements. During the fiscal year 2017 budgeting process in 2016, Utility staff developed an initial five (5) year plan to prioritize and schedule out some of these upgrades, to make annual revenue contributions to the SRWWTP depreciation account to provide funding, and to begin completing the first of the five (5) years of projects in fiscal year 2017. During fiscal year 2017, the Utility intends to expand the initial five (5) year plan into a comprehensive ten (10) year plan that is then revised and reprioritized annually. This will allow plant improvements to be made as funds are budgeted and available with annual contributions made toward more expensive scheduled projects.

A new engineering study initiated by Riverbend Water Resources District in conjunction with area cities is underway to review recommendations regarding the possible relocation or upgrade of the Wright Patman Water Treatment Plant on New Boston Road, which is over forty (40) years old, and a preliminary recommendation is expected sometime in early fiscal year 2018. A review of the recommendations and any resulting decision as to location, treatment options, costs, financing and operations of the treatment facilities will of necessity be a broad-based community decision since the existing facilities are co-owned by the City and other municipalities and because this issue is of vital importance to all water users in the region. No final decision is likely in the current fiscal year.

Relevant Financial Policies

The City's financial policies set forth the basic framework for the fiscal management of the City. These include policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, and fund balance/reserve levels. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Texarkana, Texas City Charter. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred.

Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager provides a budget development calendar to the City Council for review and approval. After the calendar is approved a proposed budget is prepared and adopted by the City Council by a majority vote prior to the end of the fiscal year. The City Manager may transfer unencumbered appropriated balances between general classifications of expenditures within and/or across any office, department or agency of the City. The City Manager may submit request for budget amendments at any time provided the total city budget remains balanced (Unassigned Fund Balance may be designated as revenue). Amendments are also approved by a majority vote of the City Council.

Major Initiatives

- The City continues to move toward a more paperless operation through automated processes and new software implementation. This past year the fire department purchased IPAD tablets and Firehouse Software upgrades to implement paperless business inspections. The human resources department contracted with NeoGov to automate the Employee Development 365 process. This program will allow for an interactive goal setting and coaching process designed to engage the employee and their direct report. The building and code enforcement and public works departments have successfully implemented MyGov software for tracking permits, code violations, and other work order tasks electronically.
- A capital improvement plan was developed in this fiscal year for implementation in fiscal year 2017. The plan includes a detailed set of worksheets that provide a long-range plan for the city's capital needs and can be adjusted based on the city's goals and financial condition. The current plan outlines projects through year 2044 with a total of fifty-three (53) projects to date.
- Employee pay and benefits received special consideration in this fiscal year. The human resources department, along with an employee compensation committee, worked with PayScale Consulting of Seattle, Washington to perform a compensation study that included all authorized positions in the City. The goal of the study was to ensure payment of market competitive wages to City employees and implement a plan for future years. The City Council approved the compensation plan and adjustments in the fiscal year 2017 budget with a goal to review 1/3 of the employee population each fiscal year.
- Demolition of burned-out and/or dilapidated residential structures was allocated \$200,000 in the City's 2016 budget. The Public Works department has taken the lead on this program, and significant progress was made during this past year. An interactive inventory of all structures that are candidates for demolition has been prepared, and it is continually updated as new information becomes available. Sixty-one (61) structures have been demolished since the inception of this program in August of 2014, and the work has been accomplished with no additional staff provided to the Public Works department. Although dilapidated commercial structures remains a problem in the City,

limited financial and personnel resources have prevented the development of a similar demolition program for these properties.

- Priorities for the upcoming fiscal year include implementation of the first phase of capital improvement plan, continued support of the demolition program, annual review of the employee compensation plan, and continually working to find opportunities to mitigate rising costs of health care insurance and OPEB benefits, while still providing employees with health insurance coverage that meets the needs of our employees and their families.

Awards and Acknowledgements

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Texarkana, Texas for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2015. This was the twenty-sixth (26th) consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget document for the fiscal year ended September 30, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Acknowledgments. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance/Accounting Department and our independent auditors. I would like to express my appreciation to those persons who made possible the publication of this report. Credit must also be given to the City Manager, Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Texarkana, Texas finances.

Respectfully submitted,

Kristin Peeples, CPA
Chief Financial Officer

February 28, 2017

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Texarkana
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

PRINCIPAL OFFICIALS**CITY COUNCIL**

BOB BRUGGEMAN
Mayor

JEAN H. MATLOCK
Councilmember, Ward 1

WILLIE RAY
Councilmember, Ward 2

TINA VEAL-GOOCH
Councilmember, Ward 3

DR. BRIAN MATTHEWS
Councilmember, Ward 4

CHRISTY P. PADDOCK
Councilmember, Ward 5

JOSH DAVIS
Councilmember, Ward 6

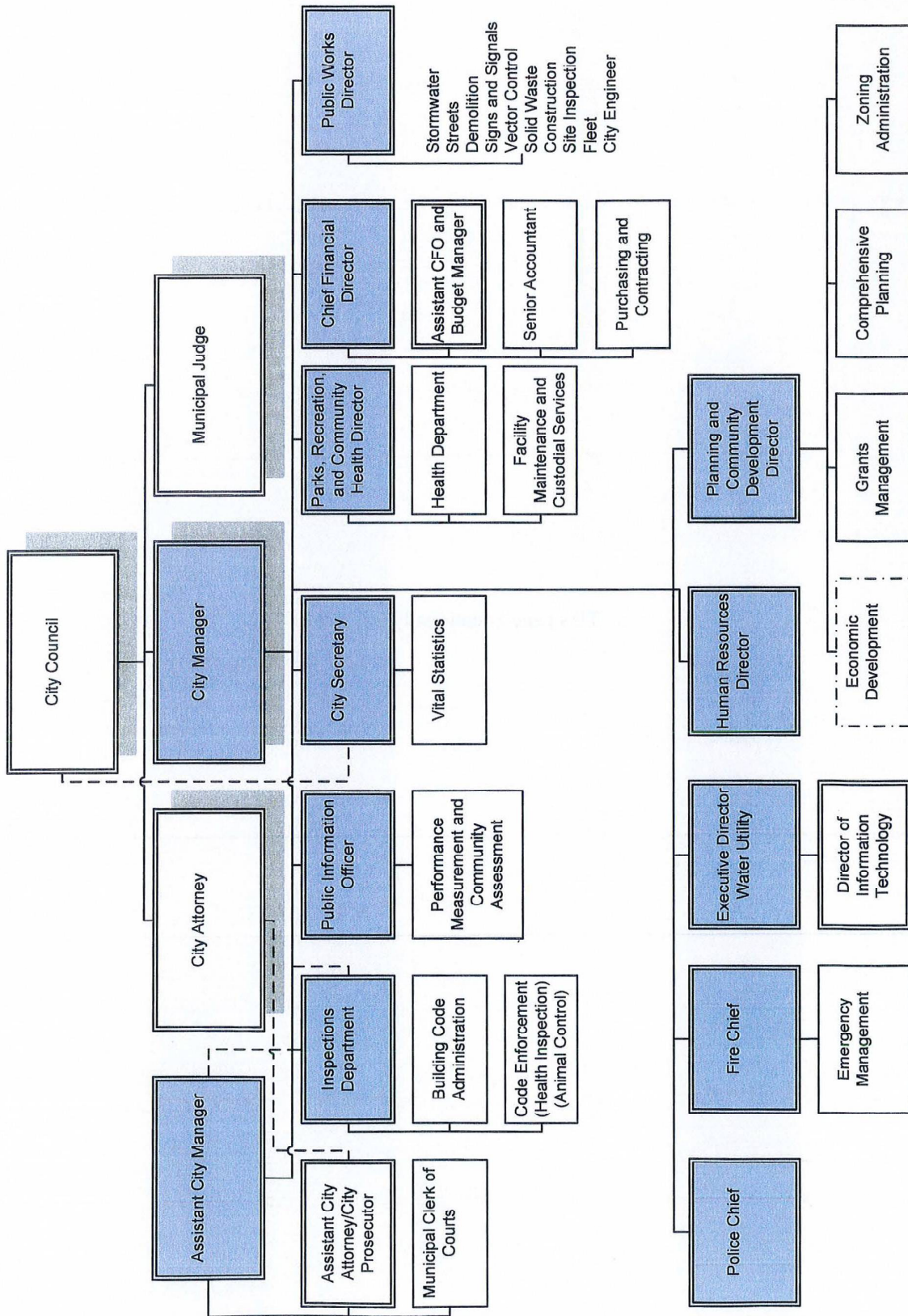
JOHN A. WHITSON
City Manager, ICMA-CM

KRISTIN PEEPLES, CPA
Chief Financial Officer

JENNIFER EVANS
City Secretary

City of Texarkana, Texas

October 5, 2016



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Financial Section

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HOLLIDAY, LEMONS, & COX, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the City Council
and Honorable Bob Bruggeman, Mayor
City of Texarkana, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Texarkana, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Texarkana, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firemen's Relief Pension Trust Fund, a fiduciary fund of the City of Texarkana, Texas as of and for the year ended December 31, 2015 (latest report available). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firemen's Relief Pension Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

2001 MOORES LANE • TEXARKANA, TEXAS 75503 • (903) 823-2727 • FAX (903) 823-2734

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

DIVISION FOR CPA FIRMS, PRIVATE COMPANIES PRACTICE SECTION

TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

ARKANSAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Texarkana, Texas as of September 30, 2016 and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension plan trend information on pages 9 through 22 and pages 104 through 111, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Texarkana, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, including the budgetary comparison schedules for the nonmajor funds with budgets, the capital assets schedules and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, including the budgetary comparison schedules for the nonmajor funds with budgets, the capital assets schedules, and the schedule of

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expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, including the budgetary comparison schedules for the nonmajor funds with budgets, the capital assets schedules and the schedules of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2017, on our consideration of the City of Texarkana, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Texarkana, Texas' internal control over financial reporting and compliance.



March 21, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Texarkana, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii - xiii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$164,167,801 (net position). Of this amount, \$144,101,327 (88%) are invested in capital assets which do not directly generate revenue and are not available to generate liquid capital. Net position restricted for specific purposes total \$13,257,423 (8%). The remaining \$6,809,051 (4%) are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$1,652,314 during this fiscal year. The change in net position from operations of governmental activities decreased by \$578,179, while the change in net position from operations of business-type activities increased by \$2,230,493.
- Unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors, increased by \$2,144,664.
- At the close of the current fiscal year, the City's governmental funds reported ending fund balances of \$19,371,447, an increase of \$1,971,746 from last year. \$12,003,407 of this amount or 62% of the total fund balance is available for spending at the City's discretion (unassigned fund balance).
- Within the combined governmental fund balances, \$443,314 is non-spendable for non-current loans and joint venture investments. Another \$4,030,092 is restricted, with \$2,422,336 set aside for capital projects, \$504,097 for housing projects, \$376,377 for court security and technology, \$254,513 for police narcotics operations, \$395,832 for tourism purposes, and \$76,937 for debt service. Committed fund balances represent \$1,393,489 of total fund balance with \$1,372,641 committed for economic development and an additional \$20,848 for police equipment. \$843,540 is assigned to future infrastructure projects, \$684,804 is set aside for future improvements at the Perot Theatre, \$113,525 is assigned for workman's compensation insurance, \$30,522 is assigned for energy conservation projects, and \$1,885 for police equipment, resulting in total assigned fund balances of \$1,674,276. The unassigned fund balance in the General Fund is \$12,003,407 and it can be used for any lawful purpose. It is equal to 38.7% of general fund expenditures.
- The City has approximately 141 days of expenditures in the unassigned fund balance of the general fund at year end.

- The City's total long-term liabilities increased by \$4,564,535 (5.4%) during the current fiscal year due to regularly scheduled bond and capital lease payments, offset by increases in pensions and other postemployment obligations and the addition of a long-term capital lease for public safety radio equipment.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and health and welfare. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate health center for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26 - 29 of this report.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains twenty-seven (27) governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Debt Service Fund, both of which are considered to be major funds. Data from the other twenty-five (25) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all required governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 30 - 35 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee insurance programs and fleet services. Because each of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Texarkana, Texas Water Utilities (TWU), which is considered to be a major fund of the City. Data from the other two (2) enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is presented in the form of combining statements elsewhere in this report. These internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 36 - 41 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Texarkana,

Texas' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42 - 43 of this report.

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

The notes to the financial statements can be found on pages 44 - 101 of this report.

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

This required supplementary information regarding pension benefits may be found on pages 104 - 111 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented following the required supplementary information on pensions.

Combining and individual statements and schedules can be found on pages 116 - 156 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Texarkana, Texas, assets exceeded liabilities by \$164,167,801 as of September 30, 2016. The largest portion of the City's net position (\$144,101,327 or 88%), reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure, and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF TEXARKANA, TEXAS' NET POSITION

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
Current and other assets	\$ 37,186,653	37,886,875	21,013,988	19,366,103	58,200,641	57,252,978
Capital assets	126,242,320	128,274,304	66,782,514	67,186,669	193,024,834	195,460,973
Total assets	163,428,973	166,161,179	87,796,502	86,552,772	251,225,475	252,713,951
Deferred outflows of resources	10,300,339	4,280,765	1,777,097	720,318	12,077,436	5,001,083
Long-term liabilities	74,988,066	70,657,677	13,455,154	13,221,008	88,443,220	83,878,685
Other liabilities	2,703,452	4,533,015	4,981,599	5,400,082	7,685,051	9,933,097
Total liabilities	77,691,518	75,190,692	18,436,753	18,621,090	96,128,271	93,811,782

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
Deferred inflows of resources	2,252,461	887,740	754,378	500,025	3,006,839	1,387,765
Net position:						
Net invested in capital assets	85,391,477	85,106,547	58,709,850	58,283,054	144,101,327	143,389,601
Restricted	4,342,782	4,277,958	8,914,641	10,183,541	13,257,423	14,461,499
Unrestricted	4,051,074	4,979,007	2,757,977	(314,620)	6,809,051	4,664,387
Total net position	<u>\$ 93,785,333</u>	<u>94,363,512</u>	<u>70,382,468</u>	<u>68,151,975</u>	<u>164,167,801</u>	<u>162,515,487</u>

An additional portion of the City's net position of \$13,257,423 (8%) represents resources that are subject to external restrictions on their usage. All restricted assets of the City relating to both governmental activities and business-type activities are being held for purposes established by state and local laws, future construction, and debt service reserve requirements on the City's outstanding debt. The remaining balance of unrestricted net position in the amount of \$6,809,051 (4%) may be used to meet the City's ongoing obligations to citizens and creditors.

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

Governmental Activities:

Total assets decreased by \$2,732,206. Cash and investments increased by \$1,406,060. Accounts receivable decreased by \$1,536,341 as a result of the large accounts receivable write off for old outstanding lot mowing and demolition receivables. Joint venture investments in the Texarkana Regional Airport, Texarkana Urban Transit District, Bi-State Justice Center, and the Bowie Central Appraisal District decreased by \$321,503. The balance of internal fund receivables decreased by \$257,659 and capital assets decreased by \$2,031,984.

Deferred outflows of resources increased by \$6,019,574. A decrease of \$464,343 resulted from amortization of deferred charges on bond refundings in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. An increase of \$6,483,917 is attributable to changes required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures.

Total liabilities increased by \$2,500,826. Liabilities recorded for Net Pension Liability and Other Post-Employment Benefits increased by \$7,069,027 as a result of the change required by GASB Statement No. 68, referenced above. This is offset by a decrease of \$2,696,662 due to regularly scheduled debt service payments and capital lease transactions. Contracts payable decreased by \$1,229,283 due to fewer ongoing capital projects in progress at year end. Accounts payable decreased by \$479,342. Accrued compensated absences, accrued payroll, due to other governments and other changes in smaller liability accounts make up the remaining decrease of \$162,914.

Business Type Activities:

The business type activities total assets increased \$1,243,730 as current assets increased 8.5%, and total liabilities decreased \$184,337 as other liabilities decreased 7.8%. The proprietary funds total assets increased \$888,843 while total liabilities decreased \$281,565 for the year.

CITY OF TEXARKANA, TEXAS' CHANGES IN NET POSITION

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
Revenues:						
Program revenues						
Charges for services	\$ 2,695,040	4,025,971	16,775,322	15,448,372	19,470,362	19,474,343
Operating grants and contributions	1,628,327	1,514,552			1,628,327	1,514,552
Capital grants and contributions			39,327	118,869	39,327	118,869
General revenues:						
Property taxes	15,979,531	16,304,576			15,979,531	16,304,576
Other taxes	19,350,536	18,515,584			19,350,536	18,515,584
Other revenue	241,426	270,205	1,169,548	1,201,796	1,410,974	1,472,001
Total revenue	<u>39,894,860</u>	<u>40,630,888</u>	<u>17,984,197</u>	<u>16,769,037</u>	<u>57,879,057</u>	<u>57,399,925</u>
Expenses:						
General government	8,011,669	7,416,500			8,011,669	7,416,500
Public safety	16,396,091	16,272,709			16,396,091	16,272,709
Public works	8,881,205	7,464,975			8,881,205	7,464,975
Parks and recreation	3,446,421	3,408,188			3,446,421	3,408,188
Health and welfare	1,671,102	1,436,864			1,671,102	1,436,864
Interest on long-term debt	2,085,451	2,043,793			2,085,451	2,043,793
Water and sewer			15,734,804	15,736,026	15,734,804	15,736,026
Total expenses	<u>40,491,939</u>	<u>38,043,029</u>	<u>15,734,804</u>	<u>15,736,026</u>	<u>56,226,743</u>	<u>53,779,055</u>
Change in net position before transfers	(597,079)	2,587,859	2,249,393	1,033,011	1,652,314	3,620,870
Transfers	18,900	18,900	(18,900)	(18,900)	-	-
Change in net position	<u>(578,179)</u>	<u>2,606,759</u>	<u>2,230,493</u>	<u>1,014,111</u>	<u>1,652,314</u>	<u>3,620,870</u>
Beginning net position, as previously reported	94,363,512	102,548,682	68,151,975	70,501,426	162,515,487	173,050,108
Prior period adjustment		(10,791,929)		(3,363,562)	-	(14,155,491)
Beginning net position, as restated	<u>94,363,512</u>	<u>91,756,753</u>	<u>68,151,975</u>	<u>67,137,864</u>	<u>162,515,487</u>	<u>158,894,617</u>
Ending net position	<u>\$ 93,785,333</u>	<u>94,363,512</u>	<u>70,382,468</u>	<u>68,151,975</u>	<u>164,167,801</u>	<u>162,515,487</u>

Total Statement of Activities

The total result of the City's activity is an increase in total net position of \$1,652,314 during the current fiscal year. Net position related to business-type activities increased by \$2,230,493, while net position from governmental activities decreased by \$578,179. Additional related information may be found in the governmental activities section on pages 28 – 29 of this report.

Governmental Activities:

Governmental activities showed a decrease in net position of \$578,179. Key elements of this change are summarized as follows:

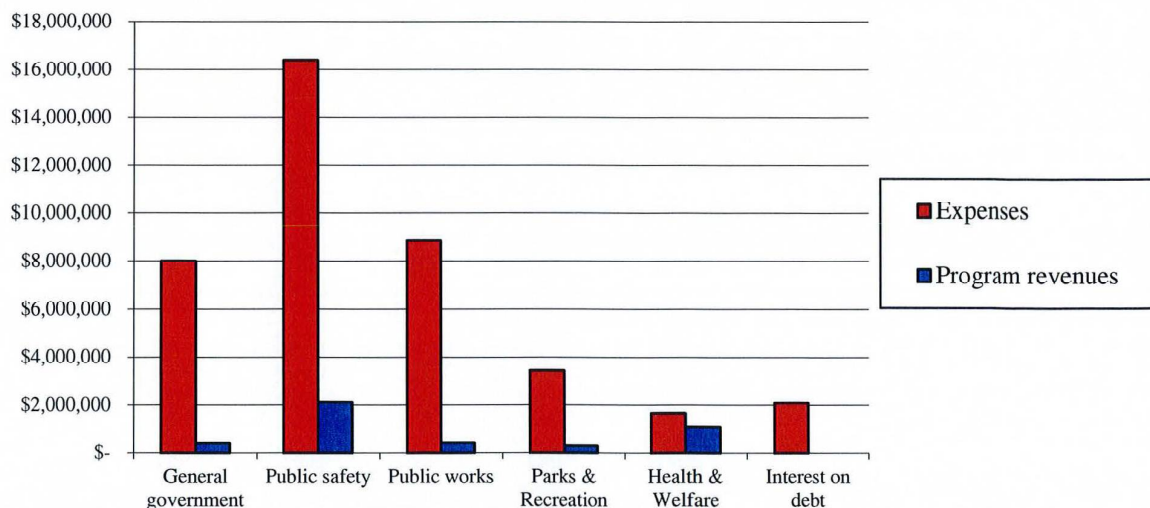
Revenues

- Charges for Services \$2,695,040
- Operating Grants and Contributions \$1,628,327
- Property Taxes \$15,979,531
- Sales and Other Taxes \$19,350,536
- Other Revenue \$241,426
- Transfers \$18,900

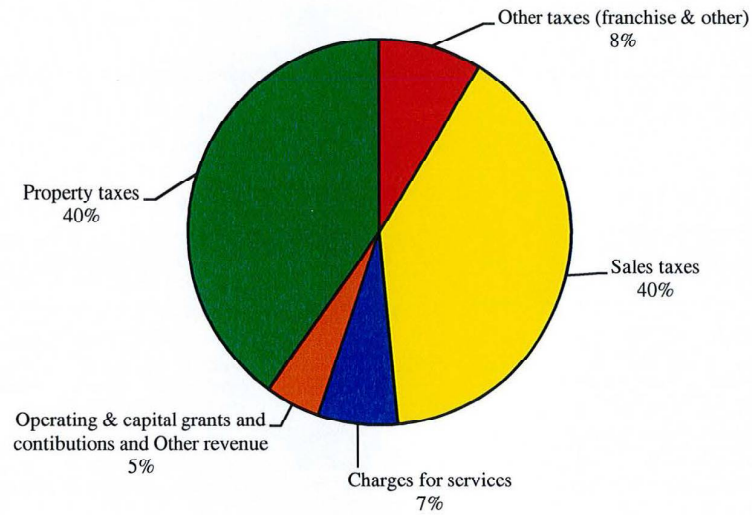
Expenses

- General Government \$8,011,669
- Public Safety \$16,396,091
- Public Works \$8,881,205
- Parks and Recreation \$3,446,421
- Health and Welfare \$1,671,102
- Interest on Long-Term Debt \$2,085,451

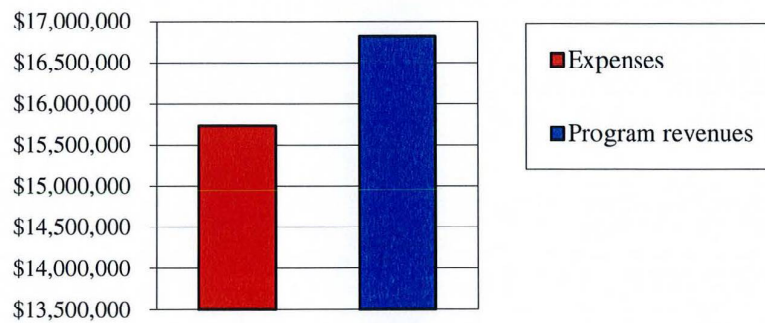
EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES



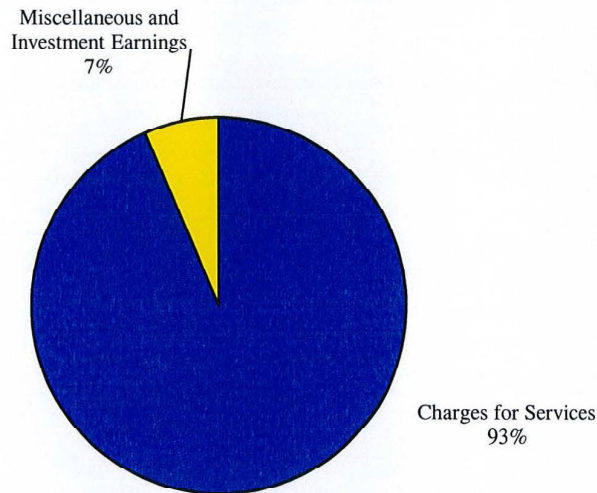
REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



EXPENSES AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



Business Type Activities:

Business type activities had a net increase in net position of \$2,230,493. TWU had a net increase of \$1,972,834 resulting from an increase of 7.3% in operating revenue coupled with a decrease of 14.1% in non-operating expenses. The other business type funds had a combined net increase of \$257,659. Total charges for services increased by \$1,326,950, other income decreased by \$32,248, and capital contributions decreased \$79,542, yielding a net increase in revenues of \$1,215,160. Total charges for services increased 8.6% primarily from the increase in TWU water sales of \$1,221,528 as the result of the implementation of a new five-tiered water rate structure in the current year. Total expenses decreased slightly by \$1,222, and TWU operating expenses excluding depreciation increased \$589 from last year. TWU depreciation expense increased \$43,785, or 1.4%. The TWU change in net position before contributions and transfers was \$1,952,407, which was an increase of \$1,140,784 from the prior year. The change in net position before transfers was \$2,249,393, which was an increase of \$1,216,382 from last year. As a percentage of revenues, the 2016 net change in position before contributions and transfers was 12.5%, compared to 6.2% for last year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$19,371,447 an increase of \$1,971,746, in comparison with the prior year. This increase is due mostly to the following:

- Capital project funds decreased by \$353,108, due mostly to expenditures on several capital projects around the City, including University Avenue Phase IV, Schilling, and Bringle Ridge Drive.
- Non-major special revenue funds increased by \$707,392. This increase is attributable to property tax revenue from City collections and contributions from Bowie County in excess of expenditures in the TIRZ #1 Fund. The Hotel Occupancy Tax Fund also had an increase in tax collections compared to the prior year. The Economic Development Fund also had franchise tax revenue in excess of general operating expenditures and economic incentive payments.
- The City’s Debt Service Fund increased by a net of \$250,905, as a result of normal debt service expenditures for the year (\$5,300,856), offset by property tax and investment revenue deposited into the Fund (\$4,733,692), and transfers from other funds for debt service payments (\$818,069).
- General Fund increased by \$1,366,557 for the year due to general revenue of \$32,518,650 offset by general expenditures of \$31,000,605 and net transfers out of \$151,488.

The General Fund is the chief operating fund of the City of Texarkana, Texas. At the end of the current fiscal year, the unassigned fund balance was \$12,003,407, while the total fund balance was \$12,909,231. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned and total fund balances to total fund expenditures. Unassigned fund balances represent 38.7% of the total General Fund expenditures, while total fund balance represents 41.6% of that same amount.

The Debt Service Fund is considered a major governmental fund of the City this year, and, accordingly is presented separately in this year’s report. This fund ended the fiscal year with a fund balance of \$76,937. The Debt Service Fund accounts for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs of all of the City’s long-term general obligation debt. The fund expended \$5,300,856 in debt payments during this fiscal year, a decrease of \$229,737 from last year. This decrease is due to changes in regular debt service payments.

The other governmental funds of the City include special revenue funds and capital project funds. At the end of the 2016 fiscal year, the City had combined ending fund balances in its special revenue funds of \$3,962,943, an increase in fund balance of \$707,392 due to total revenue for

special revenue funds of \$3,298,769 offset by expenditures of \$2,096,121 and net transfers out of \$495,256.

At the end of fiscal year 2016 the City had a total of four (4) capital project funds included in other governmental funds, with total fund balances of \$2,422,336, a decrease of \$353,108 from last year. These funds are all reserved for street maintenance projects, park improvements, and other miscellaneous capital projects. Expenditures in the bond funds totaled \$393,665 for the fiscal year, and involved Schilling/Bringle Ridge Drive and University Avenue Phase IV projects.

Proprietary funds - The City's proprietary funds, primarily the Texarkana Water Utilities system, provide the same type of information found in the governmental-wide financial statements, but in more detail.

Unrestricted net position for business type activities at the end of fiscal year 2016 was \$2,757,977 for an increase of \$3,072,597 from 2015. The TWU portion was \$2,094,981, which was an increase of \$2,814,938 from the prior year. This increase consisted of a net profit of \$1,972,834 and a \$842,104 decrease in restricted funds for the year. The change in restricted funds for fiscal year 2016 consisted of a decrease of \$1,268,900 in TWU restricted accounts and an increase of \$426,796 in the amount invested in capital assets, net of the related debt. The increase in investments in capital assets for the year of \$2,134,610 was funded by several funds including the Capital Improvement Fund, Infrastructure Fund, Depreciation Fund, Technology Fund, and the Composting Fund. The net increase of \$426,796 results from applying current year depreciation, debt retirement, and the net increase in current maturities of long term debt to the increase in capital assets for the year.

Internal service funds - The City uses two (2) internal service funds. The combined net position in these funds at the end of the fiscal year was \$3,018,160, an increase from last year of \$814,294 (36.95%). The Employee Benefit Fund accounts for contributions received from other City funds and employees to pay medical benefits and life insurance premiums. Net position in the fund increased by \$828,976, due to premiums received and investment earnings in excess of claims paid. The Fleet Services Fund accounts for repair and maintenance on all City vehicles, excluding TWU. Net position in the fund decreased by \$14,682, due to depreciation expense.

Fiduciary funds - The City also maintains three (3) Fiduciary Funds. The Firemen's Relief Pension Trust Fund accounts for retirement contributions made by the City's firefighters, and contributions made on their behalf by the City. The fund's net position decreased by \$2,224,948 for the calendar year of 2016 and net position totaled \$31,019,529. The two remaining fiduciary funds are agency funds. The Drug Enforcement Fund accounts for evidence money seized by the Police Department, and holds these funds until final disposition is directed by the courts. This fund had a cash balance of \$136,198 at the end of the fiscal year. The Police Evidence Fund accounts for all funds seized by the Police Department during its apprehension of suspects and subsequent case investigations. The cash balance in the fund at the end of the year was \$16,830.

General Fund Budgetary Highlights

The fund balance difference between the original budget and final amended budget totaled a \$395,670 decrease.

The decrease can be summarized as follows:

- Projections for sales and other tax revenue increased by \$472,570 due to favorable sales tax revenue trends
- The original budget for municipal court revenue declined by \$559,825 based on collection history
- Lease proceeds of \$1,120,155 for the public safety radio equipment project were added to other financing sources
- Purchase orders rolled over from fiscal year 2015 were not included in the original budget estimates for fiscal year 2016. These rolled PO's include \$959,310 for public safety radio equipment and \$335,436 for SBCA fire equipment
- Other small adjustments account for the remaining \$133,824 decrease

The difference between the final amended budgeted fund balance and the actual fund balance was an increase of \$3,192,313. Factors related to this increase include:

- Bi-State Justice Center expenditures were less than predicted
- Quarterly payments to the State Comptroller were less than predicted
- Expenses related to demolition/rehabilitation of the Kress building were not realized in fiscal year 2016
- Personnel savings associated with vacancies
- Favorable property tax and sales tax revenue was higher than anticipated
- Deferred expenditures for equipment in the capital replacement schedule

Capital Assets and Debt Administration

Capital assets – The City's investment in total capital assets for its governmental and business-type activities as of September 30, 2016, amounts to \$193,024,834 (net of accumulated depreciation), compared to \$195,460,973 in 2015, a decrease of \$2,436,139. Investment in capital assets related to governmental activities (\$126,242,320) decreased by \$2,031,984, and includes land, buildings, improvements, machinery and equipment, licensed vehicles, infrastructure and construction in progress. Investment in capital assets related to business-type activities ended the year at \$66,782,514, a decrease of \$404,155, reflecting the net of additions and disposals of various capital assets and charges for depreciation expense.

Major capital asset events during the current fiscal year included the following:

- University Avenue/Texas A&M - \$2,546,849
- Gibson Lane - \$211,750
- Downtown Enhancement - \$712,362
- Rollingwood Drainage - \$54,282

CITY OF TEXARKANA, TEXAS' CAPITAL ASSETS
(Net of depreciation)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
Land	\$ 47,032,128	46,839,655	1,385,978	1,351,883	48,418,106	48,191,538
Buildings	14,749,828	15,372,807	1,042,532	1,025,693	15,792,360	16,398,500
Improvements other than building	3,035,587	3,254,272	52,580,243	51,987,243	55,615,830	55,241,515
Machinery and equipment	2,506,597	2,539,427	2,119,874	2,021,589	4,626,471	4,561,016
Licensed vehicles	2,975,201	3,372,143			2,975,201	3,372,143
Infrastructure	53,969,226	53,016,901			53,969,226	53,016,901
Construction in progress	1,973,753	3,879,099	1,548,402	2,345,584	3,522,155	6,224,683
Property under capital lease			8,105,485	8,454,677	8,105,485	8,454,677
Total capital assets	<u>\$ 126,242,320</u>	<u>128,274,304</u>	<u>66,782,514</u>	<u>67,186,669</u>	<u>193,024,834</u>	<u>195,460,973</u>

Additional information on the City's capital assets can be found in Note 6 in this report on pages 62 – 64.

Debt Administration

At the end of the current fiscal year the City of Texarkana, Texas had total debt outstanding of \$88,443,220. Of this amount, \$74,988,066 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured by specified revenue sources. At the end of fiscal year 2016, this amount was \$13,455,154.

OUTSTANDING DEBT AT YEAR END

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
General obligation bonds	\$ 22,741,681	25,298,564			22,741,681	25,298,564
Revenue bonds			3,312,876	3,727,670	3,312,876	3,727,670
Certificates of obligation	22,987,859	24,131,334			22,987,859	24,131,334
Capital leases	1,100,560	96,864	4,132,943	4,516,570	5,233,503	4,613,434
Accrued compensated absences	4,161,834	4,203,810	365,808	399,242	4,527,642	4,603,052
Net pension and other post employment obligations	23,996,132	16,927,105	5,643,527	4,577,526	29,639,659	21,504,631
Total	<u>\$ 74,988,066</u>	<u>70,657,677</u>	<u>13,455,154</u>	<u>13,221,008</u>	<u>88,443,220</u>	<u>83,878,685</u>

The City's total debt increased by \$4,564,535 (5.4%) during the current fiscal year. This increase is due to increases in net pension liabilities, resulting from the implementation of GASB Statement No. 68, and postemployment obligations offset by regularly scheduled debt service payments.

The City's General Obligation, Certificates of Obligation, and Revenue bond ratings are listed below:

	<i>Moody's Investor Service</i>	<i>Standard & Poors</i>
General Obligation Bonds	Aa3	AA-
Certificates of Obligation	Aa3	AA-
Revenue Bonds	A1	AA-

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's local property tax rate for this fiscal year was \$.669293 per \$100 assessed valuation of which \$.198844 per \$100 was for annual debt service.

Additional information on the City's long-term debt can be found in Notes 16-18 on pages 73 – 79 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City as of the fiscal year end was 4.6, compared to 4.8 last year. This rate is equivalent to the State rate, and just above the National rate (4.5).

Sales tax collections are projected to comprise about forty eight percent (47.2%) of the City's proposed budget for the 2017 fiscal year. Collections are budgeted to increase three percent (3.42%) over the final budgeted revenue for 2016.

Total assessed value of property within the City for the 2017 budget year (based on the 2016 certified valuation) increased by \$62,919,944 (2.5%) from last year. Current tax revenues allocated to the Debt Service Fund next year will decrease slightly from the prior year to just over twenty five percent (25.76%) of collections. The City Council has elected to increase the property tax rate to .70 per \$100 valuation for the 2017 fiscal year. Total current property tax collections across all funds (General Fund, Debt Service Fund, TIRZ 1 Fund) are expected to increase by approximately \$1,200,000 in 2017.

Before the Council adopted the final budget, the following actions were implemented:

- Revenue Adjustments:
 - Increase in anticipated property tax revenue due to increased valuation \$420,692
 - Removal of original tax rate proposal of \$ 0.7423 cents to new proposal of \$ 0.70 cents
 - Increased transfer from Worker's Compensation Fund \$33,000
 - Increased transfer from Economic Development Fund \$150,000

- Expenditure Adjustments:
 - Removal of \$50,000 transfer from the General Fund to the Debt Service Fund
 - Addition of the following expenditures:
 - Utility costs for parks and public works \$35,241
 - Comprehensive plan \$60,000
 - Kress building demolition \$465,750
 - Annual payment for the public safety radio equipment loan \$142,517

All of the above factors were considered in preparing the City's budget for the 2016-2017 fiscal year. The adopted 2017 General Fund budget is a balanced budget. The ending combined General Fund balance is projected to be approximately twenty four and one half percent (24.5%) of budgeted expenditures.

The Texas Revenue Fund of TWU is projected to end the 2016-2017 budget year with a balance of \$3,274,672 or approximately 19% of total budgeted expenditures.

Requests for Information

This financial report is designed to provide a general overview of the City of Texarkana, Texas' finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Texarkana, Texas, Finance Department, Attn: Chief Financial Officer, P.O. Box 1967, Texarkana, Texas 75504.

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Basic Financial Statements

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

STATEMENT OF NET POSITION

September 30, 2016

	<i>Primary Government</i>			<i>Component Unit</i>
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>	<i>Health</i>
ASSETS				
Cash	\$ 15,609,390	1,816,410	17,425,800	353,205
Investments:				
Certificates of deposit	4,421,377	2,210,000	6,631,377	
Corporate stocks	1,000		1,000	
Receivables (net of allowance for uncollectibles):				
Property taxes	1,575,459		1,575,459	
Other taxes	561,474		561,474	
Accounts	356,538	2,336,865	2,693,403	
Other government agencies	3,704,436	66,973	3,771,409	138,832
Accrued interest	4,152	1,227	5,379	
Loans	404,980		404,980	
Internal balances	(662,996)	662,996	-	
Inventory	26,121	558,842	584,963	
Prepaid items		59,115	59,115	
Net investment in direct financing lease		13,982	13,982	
Restricted assets:				
Cash		3,904,794	3,904,794	
Investments		7,715,000	7,715,000	
Accrued interest		4,773	4,773	
Accounts receivable		205,379	205,379	
Prepaid capital improvement deposits		1,157,836	1,157,836	
Net investment in direct financing lease		299,796	299,796	
Investments in joint venture	11,184,722		11,184,722	
Capital assets (net of accumulated depreciation):				
Land	47,032,128	1,385,978	48,418,106	
Buildings	14,749,829	1,042,532	15,792,361	311,306
Improvements other than buildings	3,035,587	52,580,243	55,615,830	
Infrastructure	53,969,223		53,969,223	
Machinery and equipment	2,506,598	2,119,874	4,626,472	16,519
Licensed vehicles	2,975,202		2,975,202	
Property under capital leases		8,105,485	8,105,485	
Construction in progress	1,973,753	1,548,402	3,522,155	
TOTAL ASSETS	163,428,973	87,796,502	251,225,475	819,862
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	10,127,178	1,770,081	11,897,259	
Deferred charge on refunding	173,161	7,016	180,177	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,300,339	1,777,097	12,077,436	-

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

	<i>Primary Government</i>			<i>Component Unit</i>
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>	<i>Health</i>
LIABILITIES				
Accounts payable	1,972,386	1,058,953	3,031,339	23,210
Contracts payable		142,114	142,114	
Accrued liabilities	653,997	219,795	873,792	17,532
Due to other governments	38,429		38,429	
Unearned revenue	24,811		24,811	
Accrued interest payable from restricted assets		22,360	22,360	
Customer deposits	13,829	716,289	730,118	
Capital improvement deposits		2,175,574	2,175,574	
Noncurrent contracts payable		594,129	594,129	
Other liabilities and escrow deposits		52,385	52,385	
Long-term liabilities				
Due within one year:				
Bonds payable	2,250,000	435,000	2,685,000	
Certificates of obligation	1,165,000		1,165,000	
Obligations under capital leases	195,323	395,503	590,826	
Accrued compensated absences	280,723	63,708	344,431	
Due in more than one year:				
Net pension and other postemployment liabilities	23,996,132	5,643,527	29,639,659	
Bonds payable	20,491,681	2,877,876	23,369,557	
Certificates of obligation	21,822,859		21,822,859	
Obligations under capital leases	905,237	3,737,440	4,642,677	
Accrued compensated absences	3,881,111	302,100	4,183,211	
TOTAL LIABILITIES	77,691,518	18,436,753	96,128,271	40,742
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	2,252,461	754,378	3,006,839	
TOTAL DEFERRED INFLOWS OF RESOURCES	2,252,461	754,378	3,006,839	-
NET POSITION				
Net invested in capital assets	85,391,477	58,709,850	144,101,327	327,825
Restricted for:				
Court security and technology	376,377		376,377	
Law enforcement	254,513		254,513	
Health and welfare	595,747		595,747	
Tourism	395,832		395,832	
Construction		5,781,897	5,781,897	
Capital maintenance		2,354,850	2,354,850	
Debt service	297,978	777,894	1,075,872	
Capital improvements	2,422,335		2,422,335	
Unrestricted	4,051,074	2,757,977	6,809,051	451,295
TOTAL NET POSITION	\$ 93,785,333	70,382,468	164,167,801	779,120

CITY OF TEXARKANA, TEXAS

STATEMENT OF ACTIVITIES For the Year Ended September 30, 2016

Functions/Programs	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>
Primary government				
Governmental activities:				
General government	\$ 8,011,669		408,024	
Public safety	16,396,091	1,838,438	274,209	
Public works	8,881,205	425,131		
Parks and recreation	3,446,421	251,368	44,422	
Health and welfare	1,671,102	180,103	901,672	
Interest on long-term debt	2,085,451			
Total governmental activities	<u>40,491,939</u>	<u>2,695,040</u>	<u>1,628,327</u>	<u>-</u>
Business-type activities:				
Water and sewer	<u>15,734,804</u>	<u>16,775,322</u>		<u>39,327</u>
Total business-type activities	<u>15,734,804</u>	<u>16,775,322</u>	<u>-</u>	<u>39,327</u>
Total primary government	<u>56,226,743</u>	<u>19,470,362</u>	<u>1,628,327</u>	<u>39,327</u>
Component unit				
Component unit - Health	<u>996,068</u>	<u>271,507</u>	<u>783,431</u>	
Total component unit	<u>\$ 996,068</u>	<u>271,507</u>	<u>783,431</u>	<u>-</u>

General Revenues

Property taxes
 Sales taxes
 Franchise taxes
 Hotel occupancy taxes
 Other taxes
 Unrestricted investment earnings
 Miscellaneous
 Transfers
 Total general revenues and transfers
 Change in net position

Net position, beginning of year

Net position, end of year

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

<i>Net (Expense) Revenue and Changes in Net Position</i>			
<i>Primary Government</i>			<i>Component Unit</i>
<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>	<i>Health</i>
(7,603,645)		(7,603,645)	
(14,283,444)		(14,283,444)	
(8,456,074)		(8,456,074)	
(3,150,631)		(3,150,631)	
(589,327)		(589,327)	
(2,085,451)		(2,085,451)	
(36,168,572)	-	(36,168,572)	-
	1,079,845	1,079,845	
-	1,079,845	1,079,845	-
(36,168,572)	1,079,845	(35,088,727)	-
			58,870
			58,870
15,979,531		15,979,531	
15,899,829		15,899,829	
1,789,518		1,789,518	
1,440,966		1,440,966	
220,223		220,223	
105,702	60,226	165,928	1,004
135,724	1,109,322	1,245,046	45,857
18,900	(18,900)	-	
35,590,393	1,150,648	36,741,041	46,861
(578,179)	2,230,493	1,652,314	105,731
94,363,512	68,151,975	162,515,487	673,389
\$ 93,785,333	70,382,468	164,167,801	779,120

CITY OF TEXARKANA, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2016

	<i>General</i>	<i>Debt Service</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
ASSETS				
Cash	\$ 6,698,771	14,778	5,861,221	12,574,770
Investments:				
Certificates of deposit	4,017,598		403,779	4,421,377
Corporate stocks	1,000			1,000
Receivables (net of allowance for uncollectible):				
Property taxes	43,618	15,787	659,129	718,534
Other taxes	251,405		310,069	561,474
Accounts	206,107		44,789	250,896
Other government agencies	3,549,037		154,777	3,703,814
Accrued interest	3,687		465	4,152
Loans			404,980	404,980
Due from other funds	187,537	46,372	73	233,982
Investment in joint venture	90,247		-	90,247
TOTAL ASSETS	<u>15,049,007</u>	<u>76,937</u>	<u>7,839,282</u>	<u>22,965,226</u>
LIABILITIES				
Accounts payable	1,216,913		348,141	1,565,054
Accrued payroll	643,409			643,409
Due to other governments	38,429			38,429
Due to other funds	21,759		212,223	233,982
Unearned revenue			24,811	24,811
Other liabilities and escrow deposits	13,829			13,829
TOTAL LIABILITIES	<u>1,934,339</u>	<u>-</u>	<u>585,175</u>	<u>2,519,514</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - charges for services	183,447			183,447
Unavailable revenue - property taxes			657,247	657,247
Unavailable revenue - other taxes			119,932	119,932
Unavailable revenue - grants	21,990		91,649	113,639
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>205,437</u>	<u>-</u>	<u>868,828</u>	<u>1,074,265</u>
FUND BALANCES (DEFICIT)				
Nonspendable for:				
Noncurrent loans			353,067	353,067
Investment in joint venture	90,247			90,247
Restricted	648,797	76,937	3,304,358	4,030,092
Committed	20,848		1,372,641	1,393,489
Assigned	145,932		1,528,344	1,674,276
Unassigned (deficit)				
General fund	12,003,407			12,003,407
Special revenue funds			(173,131)	(173,131)
TOTAL FUND BALANCES	<u>12,909,231</u>	<u>76,937</u>	<u>6,385,279</u>	<u>19,371,447</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 15,049,007</u>	<u>76,937</u>	<u>7,839,282</u>	<u>22,965,226</u>

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

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION September 30, 2016

Total governmental funds balances	\$ 19,371,447
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	126,113,504
Receivables reported in the statement of net position that are not available to provide current financial resources are not reported as receivables in the funds.	716,667
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,074,265
Internal service funds are used by management to charge the costs of insurance and fleet services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	2,355,163
Long-term liabilities, including bonds payable, are not due and payable in the current periods and therefore are not reported in the funds.	(66,940,188)
Equity interest in joint ventures are not current financial resources and therefore may not be reported in the funds.	<u>11,094,475</u>
Net position of governmental activities	<u>\$ 93,785,333</u>

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

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

CITY OF TEXARKANA, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2016

	<i>General</i>	<i>Debt Service</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
REVENUES				
Property taxes	\$ 11,059,574	4,731,057	395,978	16,186,609
Other taxes	16,120,052		1,387,313	17,507,365
Franchise receipts	1,528,390		339,791	1,868,181
Fees and permits	579,704		-	579,704
Charges for services	802,977		65,509	868,486
Municipal court	1,671,117			1,671,117
Grants and entitlements	68,727		189,513	258,240
Interest and dividends	62,602	2,635	31,079	96,316
Intergovernmental	304,397		876,727	1,181,124
Other	321,110		53,416	374,526
Total revenues	<u>32,518,650</u>	<u>4,733,692</u>	<u>3,339,326</u>	<u>40,591,668</u>
EXPENDITURES				
Current:				
General government	6,988,074		156,861	7,144,935
Public safety	14,012,525		21,002	14,033,527
Public works	5,069,600			5,069,600
Parks and recreation	1,717,212		711,356	2,428,568
Health and welfare	300,298		1,182,793	1,483,091
Capital outlay	2,718,486		417,774	3,136,260
Debt service:				
Principal retirement	173,800	3,470,000		3,643,800
Interest and fiscal charges	20,610	1,830,856		1,851,466
Total expenditures	<u>31,000,605</u>	<u>5,300,856</u>	<u>2,489,786</u>	<u>38,791,247</u>
Excess (deficiency) of revenues over expenditures	<u>1,518,045</u>	<u>(567,164)</u>	<u>849,540</u>	<u>1,800,421</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	114,464	818,069	688,777	1,621,310
Transfers out	(1,443,448)		(1,184,033)	(2,627,481)
Capital leases	1,177,496			1,177,496
Total other financing sources (uses)	<u>(151,488)</u>	<u>818,069</u>	<u>(495,256)</u>	<u>171,325</u>
Net change in fund balances	<u>1,366,557</u>	<u>250,905</u>	<u>354,284</u>	<u>1,971,746</u>
Fund balances at beginning of year	<u>11,542,674</u>	<u>(173,968)</u>	<u>6,030,995</u>	<u>17,399,701</u>
Fund balances at end of year	<u>\$ 12,909,231</u>	<u>76,937</u>	<u>6,385,279</u>	<u>19,371,447</u>

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

CITY OF TEXARKANA, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2016

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

Net change in fund balances - total governmental funds	\$ 1,971,746
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(1,986,016)
The Statement of Activities reports a gain or loss of the sale of the assets based on the proceeds received and the net book value of the assets at the time of disposal. This amount is the net effect of the difference between the cost of assets disposed and the accumulated depreciation of assets disposed.	(27,202)
Revenues for property taxes and charges for services in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(754,986)
Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they were collected. This is the net amount of the revenue differences as a result of deferrals because of the availability criterion under the modified accrual basis of accounting.	(339,365)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long term debt and related items.	2,232,319
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as an expenditure in the governmental funds.	41,976
Net pension and other postemployment obligations reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(1,949,831)
Internal service funds are used by management to charge the costs of insurance and fleet services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	556,633
Increases (decreases) from the equity interest in joint ventures do not provide or use current current financial resources and therefore may not be reported in the funds.	(323,453)
Change in net position of governmental activities	<u>\$ (578,179)</u>

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

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CITY OF TEXARKANA, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Property taxes	\$ 10,911,964	10,802,698	\$ 11,059,574	256,876
Other taxes	15,489,793	15,962,363	16,120,052	157,689
Franchise receipts	1,570,720	1,548,280	1,528,390	(19,890)
Fees and permits	606,205	559,410	579,704	20,294
Charges for services	820,420	784,025	802,977	18,952
Municipal court	2,204,205	1,644,380	1,671,117	26,737
Grants and entitlements	104,000	61,315	68,727	7,412
Investment earnings	36,715	53,635	62,602	8,967
Intergovernmental	189,800	312,742	304,397	(8,345)
Other	605,582	509,374	321,110	(188,264)
Total revenues	<u>32,539,404</u>	<u>32,238,222</u>	<u>32,518,650</u>	<u>280,428</u>
EXPENDITURES				
Current:				
General government	8,680,290	7,904,021	6,988,074	915,947
Public safety	14,285,792	14,171,919	14,012,525	159,394
Public works	5,428,521	5,456,294	5,069,600	386,694
Parks and recreation	1,752,177	1,757,150	1,717,212	39,938
Health and welfare	428,033	465,166	300,298	164,868
Capital outlay	1,973,566	3,784,422	2,718,486	1,065,936
Debt service:				
Principal	65,000	175,682	173,800	1,882
Interest	4,000	20,835	20,610	225
Total expenditures	<u>32,617,379</u>	<u>33,735,489</u>	<u>31,000,605</u>	<u>2,734,884</u>
Excess (deficiency) of revenue over expenditures	<u>(77,975)</u>	<u>(1,497,267)</u>	<u>1,518,045</u>	<u>3,015,312</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	34,809	114,464	114,464	-
Transfers out	(1,386,920)	(1,563,108)	(1,443,448)	119,660
Capital leases		1,120,155	1,177,496	57,341
Total other financing sources (uses)	<u>(1,352,111)</u>	<u>(328,489)</u>	<u>(151,488)</u>	<u>177,001</u>
Net change in fund balance	(1,430,086)	(1,825,756)	1,366,557	3,192,313
Fund balances at beginning of year	<u>11,542,674</u>	<u>11,542,674</u>	<u>11,542,674</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,112,588</u>	<u>9,716,918</u>	<u>12,909,231</u>	<u>3,192,313</u>

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

CITY OF TEXARKANA, TEXAS

STATEMENT OF NET POSITION PROPRIETARY FUNDS

September 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	<i>Texarkana, Texas Water Utilities</i>	<i>Other Proprietary Funds</i>	<i>Total</i>	
ASSETS				
Current assets:				
Cash	\$ 1,801,552	14,858	1,816,410	3,034,620
Investments	2,210,000		2,210,000	
Receivables (net of allowance for uncollectible):				
Accounts	2,216,241	120,624	2,336,865	245,900
Accrued interest	1,227		1,227	
Other government agencies	66,973		66,973	622
Due from other funds	87,495	64,742	152,237	
Inventory	558,842		558,842	26,121
Prepaid expenses	59,115		59,115	
Net investment in direct financing lease	13,982		13,982	
Total current assets	<u>7,015,427</u>	<u>200,224</u>	<u>7,215,651</u>	<u>3,307,263</u>
Noncurrent assets:				
Restricted assets:				
Cash	3,538,015	366,779	3,904,794	
Investments	7,115,000	600,000	7,715,000	
Accrued interest	4,205	568	4,773	
Accounts receivable		205,379	205,379	
Total restricted assets	<u>10,657,220</u>	<u>1,172,726</u>	<u>11,829,946</u>	<u>-</u>
Other noncurrent assets:				
Prepaid capital improvement deposits	1,157,836		1,157,836	
Net investment in direct financing lease	299,796		299,796	
Total other noncurrent assets	<u>1,457,632</u>	<u>-</u>	<u>1,457,632</u>	<u>-</u>
Capital assets (net of accumulated depreciation):				
Land	1,385,978		1,385,978	
Buildings	1,042,532		1,042,532	72,084
Improvements other than buildings	52,580,243		52,580,243	15,564
Machinery and equipment	2,119,874		2,119,874	19,142
Property under capital leases	8,105,485		8,105,485	
Licensed vehicles			-	22,026
Construction in progress	1,548,402		1,548,402	
Total capital assets	<u>66,782,514</u>	<u>-</u>	<u>66,782,514</u>	<u>128,816</u>
Total noncurrent assets	<u>78,897,366</u>	<u>1,172,726</u>	<u>80,070,092</u>	<u>128,816</u>
TOTAL ASSETS	<u>85,912,793</u>	<u>1,372,950</u>	<u>87,285,743</u>	<u>3,436,079</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	1,770,081		1,770,081	
Deferred charge on refunding	7,016		7,016	
TOTAL DEFERRED OUTFLOWS ON RESOURCES	<u>1,777,097</u>	<u>-</u>	<u>1,777,097</u>	<u>-</u>

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

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	<i>Texarkana, Texas Water Utilities</i>	<i>Other Proprietary Funds</i>	<i>Total</i>	
LIABILITIES				
Current liabilities:				
Accounts payable	960,751	98,202	1,058,953	407,331
Construction contracts payable	142,114		142,114	
Accrued liabilities	214,414	5,381	219,795	10,588
Accrued interest	22,360		22,360	
Due to other funds	64,742	87,495	152,237	
Other payables	52,385		52,385	
Accrued compensated absences - current	63,708		63,708	
Revenue bonds - current	435,000		435,000	
Obligations under capital leases - current	395,503		395,503	
Total current liabilities	<u>2,350,977</u>	<u>191,078</u>	<u>2,542,055</u>	<u>417,919</u>
Noncurrent liabilities:				
Customer deposits	716,289		716,289	
Capital improvement deposits	993,702	1,181,872	2,175,574	
Contracts payable	594,129		594,129	
Accrued compensated absences	302,100		302,100	
Net pension and other postemployment liabilities	5,643,527		5,643,527	
Revenue bonds	2,877,876		2,877,876	
Obligations under capital leases	3,737,440		3,737,440	
Total noncurrent liabilities	<u>14,865,063</u>	<u>1,181,872</u>	<u>16,046,935</u>	<u>-</u>
TOTAL LIABILITIES	<u>17,216,040</u>	<u>1,372,950</u>	<u>18,588,990</u>	<u>417,919</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	754,378		754,378	
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>754,378</u>	<u>-</u>	<u>754,378</u>	<u>-</u>
NET POSITION (DEFICIT)				
Net invested in capital assets	58,709,850		58,709,850	128,816
Restricted for construction	5,781,897		5,781,897	
Restricted for capital maintenance	2,354,850		2,354,850	
Restricted for debt service	777,894		777,894	
Unrestricted	2,094,981		2,094,981	2,889,344
TOTAL NET POSITION	<u>\$ 69,719,472</u>	<u>-</u>	<u>69,719,472</u>	<u>3,018,160</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.			662,996	
Net position of business-type activities			<u>\$ 70,382,468</u>	

CITY OF TEXARKANA, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Other Proprietary Funds	Total	
OPERATING REVENUES				
Water sales	\$ 6,729,985	1,093,346	7,823,331	
Wholesale water sales	1,680,412		1,680,412	
Water connection fees	4,315		4,315	
Sewer charges	6,613,997		6,613,997	
Penalties and service charges	653,267		653,267	
Insurance contributions			-	5,777,659
Fleet services			-	147,559
Other income	1,109,322		1,109,322	
Total operating revenues	<u>16,791,298</u>	<u>1,093,346</u>	<u>17,884,644</u>	<u>5,925,218</u>
OPERATING EXPENSES				
Administrative	271,353		271,353	
Finance	922,403		922,403	
Customer service	483,475		483,475	
Water production	2,633,166		2,633,166	
Water distribution	692,027		692,027	
Sewer collection	699,160		699,160	
Wastewater treatment	2,530,573		2,530,573	
Environmental service	227,279		227,279	
Engineering design	277,503		277,503	
Geographical information systems	255,770		255,770	
Composting	163,094		163,094	
Operations administration	151,589		151,589	
Service center	228,115		228,115	
Safety	53,888		53,888	
Field service	328,705		328,705	
Construction oversight	578,197		578,197	
Benefit payments			-	4,955,903
Fleet services			-	1,170,713
Depreciation	3,284,242		3,284,242	18,766
Other expenses	765,620		765,620	
Contract water & sewer expense-International Paper		1,093,923	1,093,923	
Total operating expense	<u>14,546,159</u>	<u>1,093,923</u>	<u>15,640,082</u>	<u>6,145,382</u>
Operating income (loss)	<u>2,245,139</u>	<u>(577)</u>	<u>2,244,562</u>	<u>(220,164)</u>

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

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	<i>Texarkana, Texas Water Utilities</i>	<i>Other Proprietary Funds</i>	<i>Total</i>	
NONOPERATING REVENUES (EXPENSES)				
Interest revenue - investments	52,831	577	53,408	9,387
Interest revenue - capital leases	6,818		6,818	
Interest expense and paying agent fees	(150,875)		(150,875)	
Interest expense - capital leases	(143,507)		(143,507)	
Gain (loss) on disposal of capital assets	(57,999)		(57,999)	
Total nonoperating revenues (expenses)	<u>(292,732)</u>	<u>577</u>	<u>(292,155)</u>	<u>9,387</u>
Income before contributions and transfers	1,952,407		1,952,407	(210,777)
Capital contributions	39,327		39,327	
Transfers in			-	1,027,097
Transfers out	<u>(18,900)</u>		<u>(18,900)</u>	<u>(2,026)</u>
Change in net position	1,972,834	-	1,972,834	814,294
Total net position	<u>67,746,638</u>	<u>-</u>		<u>2,203,866</u>
Total net position, end of year	<u>69,719,472</u>	<u>-</u>		<u>3,018,160</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds is reported with business-type activities.			<u>257,659</u>	
Change in net position of business-type activities			<u>\$ 2,230,493</u>	

CITY OF TEXARKANA, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	<i>Texarkana, Texas Water Utilities</i>	<i>Other Proprietary Funds</i>	<i>Total</i>	
Cash flows from operating activities:				
Cash received from customers	\$16,884,974	940,164	17,825,138	1,964,141
Cash received from interfund services provided and used			-	5,324,149
Cash paid to suppliers	(6,954,910)	(986,126)	(7,941,036)	(6,547,802)
Cash paid to employees	(4,105,719)	(109,796)	(4,215,515)	(260,686)
Net cash provided (used) from operating activities	<u>5,824,345</u>	<u>(155,758)</u>	<u>5,668,587</u>	<u>479,802</u>
Cash flows from non-capital financing activities:				
Transfers to other funds	(18,900)		(18,900)	(2,026)
Net cash used from non-capital financing activities	<u>(18,900)</u>	<u>-</u>	<u>(18,900)</u>	<u>(2,026)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(3,015,500)	(908,539)	(3,924,039)	
Principal paid on bonds	(415,000)		(415,000)	
Interest paid on bonds	(145,819)		(145,819)	
Principal paid on capital leases	(383,626)		(383,626)	
Interest paid on capital leases	(143,507)		(143,507)	
Principal received on direct financing leases	14,001		14,001	
Interest received on direct financing leases	6,818		6,818	
Capital improvement deposits paid	(634,324)		(634,324)	
Capital improvement deposits received	302,655	928,844	1,231,499	
Interest received on capital improvement deposits		2,550	2,550	
Proceeds from disposal of capital assets	11,517		11,517	
Net cash provided (used) from capital and related financing activities	<u>(4,402,785)</u>	<u>22,855</u>	<u>(4,379,930)</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investments	(9,825,000)	(600,570)	(10,425,570)	
Proceeds from sale and maturities of investments	3,275,000		3,275,000	
Interest received on investments	49,666	577	50,243	9,387
Net cash provided (used) from investing activities	<u>(6,500,334)</u>	<u>(599,993)</u>	<u>(7,100,327)</u>	<u>9,387</u>
Net increase (decrease) in cash	(5,097,674)	(732,896)	(5,830,570)	487,163
Cash, beginning of year	<u>10,437,241</u>	<u>1,114,533</u>	<u>11,551,774</u>	<u>2,547,457</u>
Cash, end of year	<u>\$ 5,339,567</u>	<u>381,637</u>	<u>5,721,204</u>	<u>3,034,620</u>

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

CITY OF TEXARKANA, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Texarkana, Texas Water Utilities	Other Proprietary Funds	Total	
<u>Reconciliation of operating income (loss) to net cash provided by operating activities</u>				
Operating income (loss)	<u>\$2,245,139</u>	<u>(577)</u>	<u>2,244,562</u>	<u>(220,164)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	3,284,242		3,284,242	18,766
Transfers from other funds				1,027,097
(Increase) decrease in assets:				
Accounts receivable	41,593	(153,182)	(111,589)	293,662
Allowance for doubtful accounts	(6,453)		(6,453)	
Due from other government agencies	57,862		57,862	42,312
Due from other funds	42,905		42,905	(9,221)
Inventory	(41,884)		(41,884)	
Prepaid expenses	(37,567)		(37,567)	
(Increase) expense in deferred outflows	(1,056,780)		(1,056,780)	
Increase (decrease) in liabilities:				
Accounts payable	16,347	39,586	55,933	
Accrued liabilities	29,847	1,250	31,097	(672,658)
Due to other funds	(54,323)	(42,835)	(97,158)	8
Due to other governments				
Accrued compensated absences	(33,434)		(33,434)	
Customer deposits	23,978		23,978	
Net pension and other postemployment liabilities	1,066,001		1,066,001	
Other payables	(7,481)		(7,481)	
Increase (decrease) in deferred inflows	254,353		254,353	
Total adjustments	<u>3,579,206</u>	<u>(155,181)</u>	<u>3,424,025</u>	<u>699,966</u>
Net cash provided from operating activities	<u>\$5,824,345</u>	<u>(155,758)</u>	<u>5,668,587</u>	<u>479,802</u>

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

CITY OF TEXARKANA, TEXAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS September 30, 2016

	<i>Firemen's Relief Pension Trust Fund 12/31/2015</i>	<i>Agency Funds</i>
ASSETS		
Cash and cash equivalents	\$ 337,297	153,028
Receivables		
Employer contributions		
Member contributions		
Interest and dividends	54,178	
Investments, at current value		
Common trust funds	20,309,786	
U.S. Treasury and Agency securities	4,415,436	
Nongovernment obligations	1,031,853	
Foreign obligations	707,609	
Small cap growth funds	1,994,553	
Common stocks	1,374,602	
Miscellaneous equities	791,334	
Alternative investments	35,649	
TOTAL ASSETS	<u>31,052,297</u>	<u>153,028</u>
LIABILITIES		
Accrued liabilities	32,768	153,028
TOTAL LIABILITIES	<u>32,768</u>	<u>153,028</u>
NET POSITION		
Net position - restricted for pension benefits	31,019,529	
TOTAL NET POSITION	<u>\$ 31,019,529</u>	<u>-</u>

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

CITY OF TEXARKANA, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND For the Year Ended December 31, 2015

	<i>Firemen's Relief Pension Trust Fund 12/31/2015</i>
ADDITIONS	
Contributions:	
Employer	\$ 795,780
Members	550,925
Total contributions	<u>1,346,705</u>
Investment income:	
Interest and dividend income	843,251
Net (depreciation) appreciation in fair value of investments	(1,559,683)
Less investment expense	<u>(269,444)</u>
Net investment (loss) income	<u>(985,876)</u>
TOTAL ADDITIONS	<u>360,829</u>
DEDUCTIONS	
Benefits paid to participants	2,007,898
Refunds and drop payments	537,435
Administrative expenses	<u>40,444</u>
TOTAL DEDUCTIONS	<u>2,585,777</u>
Change in net position	(2,224,948)
Net position at beginning of year	<u>33,244,477</u>
Net position at end of year	<u><u>\$ 31,019,529</u></u>

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

CITY OF TEXARKANA, TEXAS

NOTES TO THE FINANCIAL STATEMENTS September 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Texarkana, Texas was incorporated on April 5, 1960 under the provisions of Vernon's Civil Statutes Article 1175 (1) as amended (Home Rule Enabling Act). The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Texarkana, Texas (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column of the financial statements to emphasize it is legally separate from the government.

Blended Component Unit. The Texarkana Firemen's Relief and Retirement Fund (plan) was established pursuant to the Texas Local Firefighter's Retirement Act of 1937. The plan is administered by a seven-member Board of Trustees (Board), which includes three members elected from and by the plan members, two representatives of the City, and two citizen members elected by the Board. The Board oversees the plan and sets policies for its operation, including appointing management and directing investments. The plan has a different year end (December 31) from the City and has separately issued financial statements. Complete financial statements for the plan can be obtained from the City finance department. The plan is reported as a fiduciary fund based on the audited financial statements as of December 31, 2015.

Discretely Presented Component Unit. The Texarkana-Bowie County Family Health Center, a public health district as established under Texas Civil Statutes, was organized by a cooperative agreement between the City and Bowie County, Texas. Because 7 of the 12 members of the governing body serve by virtue of the position each holds with the primary government, management has concluded that the primary government effectively appoints a voting majority of the governing body. Management believes that failure to include the Health Center would render the City's financial statements incomplete or misleading. The remaining 5 members of the Health Center governing body are the Bowie County Commissioners Court members. The City provides the facilities, a majority of the operating funds, and fiscal management of the Center. The City contributed \$112,648 towards the Health Center's operations during the year ended September 30, 2016. The Health Center does not have separately issued financial statements.

B. RELATED ORGANIZATIONS

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

The City Council or specific committees of the City Council appoint members of the following organizations: Board of Adjustment, Ark-Tex Council of Governments, Building Code Revision Committee, Building and Standards Commission, Civil Service Commission, CDBG Citizens Advisory Committee, Electrical Examining Board, Health Facilities Development Corporation, Historic Landmark Preservation Commission, Hospital Authority Board of Directors, Texarkana Housing Authority, Housing Finance Corporation, Industrial Development Corporation, Intergovernmental Advisory Committee, Library Commission, Northeast Texas Mental Health/Mental Retardation (MHMR) Board of Trustees, Permit and License Appeal Board, Planning and Zoning Commission, Plumbing Appeals and Advisory Board, Public Responsibility Committee (MHMR), and Tax Increment Reinvestment Zone Boards. Positions on these boards are appointed in certain instances in entirety, partially, or with City Board members.

C. JOINT VENTURES

Texarkana Airport Authority

The City is a participant with Texarkana, Arkansas in a joint venture to operate Texarkana Regional Airport. The Texarkana Airport Authority was created in 1956 by ordinance enacted by the two cities. The governing body of Texarkana Airport Authority consists of eight members, four of whom are residents of Texarkana, Texas and four of whom are residents of Texarkana, Arkansas. These board members are appointed by the mayors of the respective Cities. The Airport Authority Board has governance responsibilities over all activities relating to operating and maintaining the Texarkana Regional Airport. The Board receives funding from airport operations and from various local, state, and federal agencies and must comply with any requirements of these funding sources.

In previous years, the cities have made contributions of assets to the Airport Authority of \$1,407,197 by Texarkana, Texas and \$1,467,161 by Texarkana, Arkansas. During the Airport Authority's fiscal year ended December 31, 2015, the City of Texarkana, Texas contributed \$161,294 and the City of Texarkana, Arkansas contributed \$143,250. The City of Texarkana, Texas' net investment in the Airport Authority is reported in the City's financial statements with governmental activities capital assets. The City's equity interest in the Airport Authority was \$9,586,843 at December 31, 2015. Complete financial statements for the Authority can be obtained from the Texarkana Airport Authority's administrative office.

Bi-State Justice Center

The City is also a participant in a joint venture in the Bi-State Justice Center with the City of Texarkana, Arkansas and Bowie County, Texas. The Bi-State Justice Center is jointly occupied by law enforcement and criminal justice agencies of the City of Texarkana, Texas; the City of Texarkana, Arkansas; and Bowie County, Texas. The facility is located on the state line, half in Texarkana, Texas and half in Texarkana, Arkansas. The Intergovernmental Advisory Committee is responsible for the operations of the Center. This seven member committee is comprised of two members from the City of Texarkana, Texas City Council, two members from the Texarkana, Arkansas Board of Directors, the Bowie County Judge, one Bowie County Commissioner, and one independent member. The Center accounts only for the operations of its own law enforcement and criminal justice agencies. The annual budget is underwritten by the participating entities based on a formula which uses floor space occupied, number of records processed by the Building Information Center and the number of prisoners in the detention facility for each entity. Each

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

year's revenues and expenditures are equal; therefore, there is never a net income or loss and no fund balance.

The City of Texarkana, Texas' net investment, which consists of capital outlay in the Bi-State Justice Center, is reported in the City's financial statements with governmental activities capital assets. The City's equity interest at September 30, 2016 was \$277,195 based on the Bi-State Justice Center's audited financial statements at December 31, 2015 (the latest available). As described in Note 18 the City has outstanding debt totaling \$1,295,000 at September 30, 2016, which is considered to be conduit debt in accordance with governmental accounting standards. The debt was issued or obtained by the City on behalf of the Bi-State Justice Center. Complete financial statements for the Bi-State Justice Center can be obtained from the City of Texarkana, Arkansas Finance Department.

Bowie Central Appraisal District

The City is a participant with the other taxing jurisdictions of Bowie County in the Bowie Central Appraisal District. The Appraisal District is responsible for appraising property for ad valorem purposes for each taxing unit that imposes ad valorem taxes on property in the County. In July 1986, the Appraisal District began collecting taxes for some of the jurisdictions. The Bowie Central Appraisal District is governed by a board of directors chosen by vote of the governing bodies of the taxing jurisdictions. Board members serve two-year terms. The taxing jurisdictions of Bowie County have both an ongoing financial responsibility and financial interest in the Appraisal District.

The City of Texarkana, Texas' net investment in this joint venture is reported in the City's financial statements in the General Fund since the joint venture does not represent equity primarily in capital assets. The City's equity interest at September 30, 2016 was \$90,247 based on the Appraisal District's audited financial statements at December 31, 2015 (the latest available). Complete financial statements for the Appraisal District can be obtained from the Bowie Central Appraisal District in New Boston, Texas.

Texarkana Urban Transportation Study (TUTS)

The City of Texarkana, Texas is a participant with seven other entities in the Texarkana Urban Transportation Study (TUTS) Policy Committee, which is the designated metropolitan planning organization (MPO) for the Texarkana urbanized area. The MPO develops transportation plans and programs in cooperation with the participating entities and transit agencies. The governing body of the TUTS consists of fourteen members, three of whom are representatives of the City of Texarkana, Texas; three of whom are representatives of the City of Texarkana, Arkansas; the Bowie County Judge, the Miller County Judge, the Mayor of the City of Wake Village, Texas; the Mayor of the City of Nash, Texas; two representatives for the Arkansas State Highways and Transportation Department; and two representatives for the Texas Department of Transportation. The TUTS may receive federal, state, and local funding for metropolitan transportation planning for the integrated network of federal, state, and local roads and highways. The City has an ongoing financial responsibility of the TUTS since its continued existence depends on continued funding by the City.

The City of Texarkana, Texas' net investment in the joint venture is reported in the City's financial statements in the General Fund since the joint venture does not represent equity primarily in capital assets. The City's interest at September 30, 2016 was \$0 based on the Texarkana Urban Transportation Study

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Policy Committee's audited financial records at September 30, 2016. The TUTS does not have separately issued financial statements for the year ended September 30, 2016.

Texarkana Urban Transit District

The City of Texarkana, Texas is a participant with three other cities in the Texarkana Urban Transit District (TUTD). The purpose of the TUTD will be to provide public transportation services within the Texarkana urban area. The TUTD is a political subdivision district under the laws of the State of Texas as defined by Chapter 458 of the Texas Transportation Code and Chapter 791 of the Texas Government Code. Composition of the Transit District Board is as follows: the City of Texarkana, Texas - three members, one of whom is an elected official; the City of Texarkana, Arkansas - three members, one of whom is an elected official; the City of Wake Village, Texas - two members, one of whom is an elected official; and the City of Nash, Texas - two members, one of whom is an elected official. The TUTD receives federal, state, and local funding, as well as user charges generated by the public transportation system. The City has an ongoing financial responsibility of the TUTD since its continued existence depends on continued funding by the City.

The City of Texarkana, Texas' net investment in the joint venture is reported in the City's financial statements with governmental activities capital assets since the joint venture represents equity primarily in capital assets. The City's interest at September 30, 2016 was \$1,230,437 based on the Texarkana Urban Transit District's audited financial statements at September 30, 2015 (the latest available). Complete financial statements for the TUTD can be obtained from the ATCOG Finance Department in Texarkana, Texas.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements consist of the statement of net position and the statement of activities. The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services. Similarly, the primary government is reported separately from legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds as well as fiduciary funds even though they are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

E. BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements, with the exception of agency funds. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded when payment is due.

Revenue sources such as property taxes, sales tax, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service - This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs of all of the City's long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

Texarkana, Texas Water Utilities- This fund is used to account for water and sewer services provided to the citizens of Texarkana, Texas and other incorporated and unincorporated areas adjacent to the City.

Additionally, the City reports the following types of funds:

Internal Service Funds - These funds are established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two internal service funds. The Employee Benefit fund is used to account for employee medical benefits and life insurance premiums for covered City employees. The Fleet Services fund is used to account for the repair and maintenance of all vehicles and equipment owned by the City except for the Water Utilities.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Pension Trust Fund - This fund is established to account for the accumulation of resources to provide pension benefits to the City's firemen. The principal revenue sources for this fund are employer and employee contributions and investment earnings. This fund has a separate audit and has a December 31 year end.

Agency Funds - These funds are used to account for evidence money seized by the police department and held in escrow until the court directs its disposition.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. All taxes are included as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Texarkana, Texas Water Utilities, as well as the City's internal service funds are charges to customers for sales and services. Texarkana, Texas Water Utilities also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and investments

The City's cash and cash equivalents include amounts in demand and time deposit accounts. The City classifies all certificates of deposit as investments. State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

The Firemen's Relief and Pension Trust Fund is authorized to invest in bonds or other interest-bearing obligations and securities of the United States, the State of Texas, or any county, city or other political subdivision of the State of Texas; in insured shares or share accounts of savings and loan associations; in insured first lien real estate mortgage securities and in selected corporation bonds, preferred stocks, and common stocks.

Investments for the City and its component unit are reported at fair value. Short-term investments, such as certificates of deposit and debt securities with a maturity date of less than one year, are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals.

For purposes of the statement of cash flows, the proprietary funds consider cash in bank, money market and savings accounts as cash and cash equivalents. All certificates of deposit and investments in other securities and instruments are considered to be investments.

2. Receivables and payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as either "due to/from other funds (i.e. the current portion of interfund loans) or "advances to/from other funds (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the City's governmental activities and business type activities are reported in the government-wide financial statements as "internal balances".

All trade and property taxes receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 93 percent of outstanding property taxes as of September 30, 2016.

Property taxes are levied each October 1 and may be paid without penalty until January 31. A penalty is added to payments received February 1 through June 30. Optionally, taxes may be paid in two installments, one-half due November 30 and one-half due June 30. A 15% penalty is added to taxes remaining delinquent on July 1 and an enforceable lien attaches July 1. As of July 6, 1986, the Bowie Central Appraisal District assumed the billing and collection function for property taxes for the City of Texarkana and other cities and schools, and Bowie County under an intergovernmental agreement.

The Texas Constitution limits the City's ad valorem tax rate for all purposes to \$2.50 per one hundred dollars of assessed valuation. Ad valorem tax revenue during the year ended September 30, 2016 was levied using a rate of \$.669293 per hundred dollars of assessed valuation, based on 100% of estimated market value, which means that the City has a tax margin of \$1.830707 per \$100 and could raise taxes up to an additional \$43,978,493 a year from the present assessed valuation of \$2,402,277,416 before the limit is reached.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

3. Inventories and prepaid items

Inventories of the governmental funds are valued at cost using the average cost method. Inventory in the general fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Inventories of the enterprise funds are valued at average cost or market whichever is lower. The first-in, first-out method of valuation is utilized. Inventories consist of repair materials and spare parts for water and wastewater treatment and distribution.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Each of the enterprise funds report such proceeds of revenue bond issuances that are restricted for use in construction, debt service, and capital maintenance. Restricted assets also include interest accrued on unexpended bond proceeds.

5. Capital assets

Capital assets which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns of the government-wide financial statements.

Governmental activities and health component unit:

Capital assets are defined by governmental activities and the health component unit as assets with a normal service life greater than one year and an initial individual cost of more than the following amounts:

Land	\$ -
Buildings	5,000
Improvements other than buildings	5,000
Infrastructure	5,000
Machinery and equipment	5,000
Licensed vehicles	5,000

Such assets are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. Major infrastructure includes those items acquired after June 30, 1980. An infrastructure asset is considered "major" if the cost or estimated cost of a network of infrastructure assets is expected to be at least 10 percent of the total cost of all general capital assets reported in the first fiscal year ending after June 15, 1999. An infrastructure asset is also considered

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

“major” if the cost or estimated cost of a subsystem of infrastructure assets is expected to be at least 5 percent of the total cost of all general capital assets reported in the first fiscal year ending after June 15, 1999.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Land improvements	20 years
Furniture and fixtures	20 years
Licensed vehicles	8 years
Machinery and equipment	5 to 20 years
Communication equipment	10 years
Building	25 to 50 years
Infrastructure	10 to 60 years

Business-type activities:

Capital assets are defined by business type activities as assets with an initial, individual cost of more than the following amounts and an estimated life in excess of one year.

Furniture and fixtures	\$ 100
Licensed vehicles	1,000
Mobile equipment	1,000
Machinery and equipment	500
Communication equipment	500
Pumps and purification equipment	1,000
Building and facilities	1,000
New improvements	1,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest during construction is capitalized to the extent that interest costs exceed interest income on externally restricted bond proceeds. Interest is capitalized on assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Licensed vehicles	5 years
Mobile equipment	5 years
Machinery and equipment	5 to 10 years
Communication equipment	5 years
Pumps and purification equipment	10 years
Buildings	10 to 50 years
Water and sewer systems	12 to 99 years

Leases are accounted for in accordance with FASB Accounting Standards Codification (ASC) 840. Amortization of the leased assets is recorded in the depreciation accounts.

6. Compensated Absences

The City allows employees to accumulate earned but unused vacation and sick pay benefits. The City's full-time employees are granted 120 hours of vacation and 120 hours of sick leave per year of continuous service, with the exception of firemen who can accrue up to 168 hours vacation and 168 hours of sick leave per year. A maximum of 200 hours of accrued vacation leave can be vested and carried forward to succeeding calendar years, with the exception of firemen who can accrue 280 hours. All accrued sick leave credited to an employee can be carried forward to succeeding calendar years without limitation. A maximum of 120 hours accrued vacation is payable to an employee upon termination after one year of continuous service, except in cases of involuntary separation from service. Upon retirement, employees shall receive pay for any unused vacation leave accumulated up to 240 hours. Fire operations shall receive vacation pay up to 336 hours. A summary of maximum sick leave payable is as follows:

Civil/Non-Civil Service	Hire Date	Eligible for retirement	Work Week Hours	Total Maximum Hours Accrued
Non-Civil	Prior to 1/1/10	Yes	N/A	1,440
Non-Civil	After 1/1/10	Yes	N/A	720
Civil – Police	Prior to 1/1/10	Yes	N/A	1,440
Civil – Police	After 1/1/10	Yes	N/A	720
Civil – Police	N/A	No	N/A	720
Civil – Fire	Prior to 1/1/10	Yes	56	2,016
Civil – Fire	After 1/1/10	Yes	56	1008
Civil – Fire	Prior to 1/1/10	Yes	40	1440
Civil – Fire	After 1/1/10	Yes	40	720
Civil – Fire	N/A	No	56	1,008
Civil – Fire	N/A	No	40	720

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Governmental Accounting Standards Board Statement No.16, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The City is funding part of its liability through annual allocations and transfers to separate accounts. Allocations, set annually by the City Council, are for employee termination payments.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

8. Fund equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances may be restricted or unrestricted (the total of committed, assigned, and unassigned fund balance). The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance for governmental funds can consist of the following:

Non-spendable fund balance - includes those amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted fund balance - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance - includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance - includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignment generally only exist temporarily, in other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Assigned amounts also include all residual amounts in governmental funds (except negative amounts that are not classified as non-spendable, restricted, or committed).

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Unassigned fund balance - The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple funds balance classifications fund balance is depleted in the order of restricted, committed, assigned and unassigned.

During the year ended September 30, 2016, the City adopted a general fund balance policy. The policy establishes an unassigned fund balance goal of 25-35% of general fund expenditures, exclusive of capital outlay and debt expenditures. The City will compute the percentage of unassigned fund balance after the annual audit has been presented to the City Council. In emergency situations, the City Council may appropriate unassigned fund balance even if such use decreases the fund balance below the established minimum. If unassigned fund balance falls below the goal or has a deficiency, the City will implement a plan to replenish the fund within one year or as soon as economic and budgetary conditions allow.

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Encumbrances

Encumbrance accounting is employed in the governmental fund types in the fund financial statements. Purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation. Any purchase orders open at the end of the fiscal year are closed out and new purchase orders are issued in the subsequent fiscal year, if needed.

11. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. They are the deferred pension outflows and the deferred charge on refunding reported in the statement of net position. The deferred pension outflows are the deferred outflows of contributions for the amount of contributions made by the City after the liability measurement date but prior to the City year end and the deferred outflows - investment experience for the difference in the projected and actual earnings on pension plan investments. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. Accordingly, the item, deferred pension inflows consists of the difference in expected and actual experience and the difference in the assumption changes.

12. Pensions

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains the “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this (\$66,940,188) difference are as follows:

General obligation bonds payable	\$ (21,105,000)
Less: Deferred charges on refunding (to be amortized as interest expense)	173,161
Add: Issuance premiums (to be amortized over life of debt)	(1,636,681)
Certificates of obligation	(22,760,000)
Add: Issuance premiums (to be amortized over life of debt)	(227,859)
Capital leases	(1,100,560)
Compensated absences	(4,161,834)
Net pension and other postemployment liabilities	(23,996,132)
Less: Deferred pension outflows	10,127,178
Add: Deferred pension inflows (to be amortized over 5 years)	(2,252,461)
	<u> </u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ (66,940,188)</u></u>

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

The governmental fund financial statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this (\$1,986,016) difference are as follows:

Capital outlay	\$ 3,136,260
Amounts in capital outlay below the capitalization threshold	(140,263)
Depreciation expense	<u>(4,982,013)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,986,016)</u>

Another element of that reconciliation states “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$2,232,319 difference are as follows:

Issuance of debt:	
Capital leases	\$ (1,177,496)
Principal repayments:	
General obligation bonds	2,092,540
Certificates of obligation	1,143,475
Capital leases	173,800
Amortization of bond premiums and discounts	<u> </u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,232,319</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND RESPONSIBILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General fund and all special revenue funds. Debt service funds do not have legally adopted budgets because effective budgetary control is alternately achieved through general obligation bond indenture provisions. In addition to the above mentioned funds, the capital projects funds have legally adopted project-length budgets. All budget annual appropriations lapse at year-end and are re-established in the succeeding year.

By June of each year, all agencies of the City submit requests for appropriation to the City Manager so that a budget may be prepared. Prior to August 1, the City Manager submits a proposed operating budget for the fiscal year commencing the following October 1 to the City Council. After official journal notification, the City Council conducts public hearings to obtain taxpayer comments. A final budget must be prepared and legally adopted through the passage of an ordinance no later than September 1.

The appropriated budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

expenditures of any fund must be approved by the City Council. The City Council may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council. The City Charter prohibits budgeting total proposed expenditures in excess of total anticipated revenues and any unencumbered funds from prior years; therefore, expenditures may not legally exceed revenues and unencumbered fund balances from prior years. The legal level of budgetary control (i.e., the lowest level at which expenditures may not legally exceed appropriation) is the fund level.

The Council made several supplemental budgetary appropriations throughout the year. Individual amendments were not material in relation to the original appropriations. Comparison of budgeted and actual amounts as shown in the accompanying financial report includes the General Fund and Special Revenue Funds. The capital budget ordinances which encompass the Capital Projects Funds present cumulative (by project) as opposed to annual budget amounts and thus budget and actual comparisons are not reported in the accompanying financial report for these funds.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The expenditures in the Housing and Community Development Fund exceeded appropriations by \$15,300. The expenditures in the Hotel/Motel Tax Fund exceeded appropriations by \$27,234. The expenditures in the COC Homeless Assistance Grant Fund exceeded appropriations by \$105,650. The expenditures in the EPA Petroleum Grant Fund exceeded appropriations by \$5,290.

1. RESTRICTED BY ENABLING LEGISLATION

The government-wide Statement of Net Position reports restricted net position, of which \$395,832 is restricted by enabling legislation. This amount consists of unspent hotel/motel taxes.

2. DEFICIT FUND EQUITY

The Housing and Community Development Fund had a deficit fund balance of \$64,173. The Brownfield Grant Fund had a deficit fund balance of \$74,368. The Supportive Housing Fund had a deficit fund balance of \$4,719. The COC Homeless Grant Fund had a deficit balance of \$25,671. The EPA Petroleum Grant Fund had a deficit balance of \$217. The EPA Revolving Loan Grant Fund had a deficit balance of \$3,983.

3. ENCUMBRANCES

As discussed in the Summary of Significant Accounting Policies, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

<i>Fund</i>	<i>Amount</i>
General Fund	\$ 167,714
Housing and Community Development Fund	56,125
EPA Revolving Loan Fund	47,546
EPA Multipurpose Grant Fund	86,146
Theatre Fund	4,409
Capital Replacement Fund	184,082
Total	<u>\$ 546,022</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment portfolio as follows:

<i>Investment Type</i>	<i>Not to exceed</i>
U.S. Government agencies	80%
Fully insured or collateralized CD's	100%
Banker's acceptances	15%
Commercial paper	15%
Maximum per commercial paper issuer	5%
Repurchase agreements	50%
Money market funds:	
Operating funds	100%
Bond funds	100%
Local government investment pools	80%
Maximum percent ownership of pool	10%
Maximum percent investment in any one pool	50%

The City's investment policy covers all funds except for the Firemen's Relief and Pension fund. The City's investment policy requires that the average maturity of the City's operating fund not exceed one year. The maximum final stated maturity of any investment shall not exceed five years. Investments in all funds shall be managed in such a way that the market price losses resulting from interest rate volatility would be offset by coupon income and current income received from the volume of the portfolio during a twelve-month period.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's Firemen's Relief and Pension fund investment policy limits the investment portfolio as follows:

<i>Portfolio Segment</i>	<i>Range of Portfolio Assets</i>
Equity Securities (*1)	40-75%
Fixed Income Securities	25-60%
Cash Equivalents	0-20%

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

The Firemen's Relief and Pension plan's investment policy requires that foreign equity investments cannot exceed 25% of the total portfolio and prohibits investment in any security payable in foreign currency.

The City, including the Utility and the component units, do not have any debt security investments, other than in the Firefighter's Relief and Pension Fund, which are exposed to interest rate risk.

As of December 31, 2015, the City's Firefighter's Relief and Pension fund had the following debt security investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
<i>Fire Pension Fund:</i>					
U.S. Treasury & Agency securities	\$ 4,415,436	33,024	2,183,964	543,546	1,654,902
Nongovernment obligations	1,031,853	-	331,513	392,143	308,197
Foreign obligations	707,609	-	596,067	111,542	-
	<u>\$ 6,154,898</u>	<u>33,024</u>	<u>3,111,544</u>	<u>1,047,231</u>	<u>1,963,099</u>

Custodial Credit Risk

For a deposit, custodial credit risk is the risk that, in the event of a failure of a depository institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Of the primary government and the component unit's categorizable bank deposits of \$20,999,223, none were uninsured and uncollateralized. Of the enterprise fund's \$15,704,547, none were uninsured and uncollateralized at September 30, 2016.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the primary government's total categorizable investments of \$1,000, none were uninsured and uncollateralized.

The City's policy on custodial credit risk requires that all deposits and investments of City funds other than direct purchases of U.S. Treasuries or Agencies shall be secured by pledged collateral at a level of 102% of the market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC or FSLIC. The City's policy also requires that collateral pledged to secure the deposits of the City be held by a safekeeping institution, or Trustee, such as the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral.

Credit Risk

The City is authorized to invest in obligations of the U.S. Government or the State of Texas, obligations of states, counties, cities, or other political subdivisions with a quality rating of not less than A. The City is also authorized to invest in (a) certificates of deposit of banks insured by FDIC, National Credit Union Share Insurance, or secured by mortgage-backed securities rated AAA, (b) fully collateralized direct repurchased agreements with a defined termination date secured by obligations of the U.S. government, (c) investment pools, not to exceed 80% of the City's portfolio, and rated no lower than AAA or AAA-m, with a weighted average maturity of 90 days or less, (d) money market mutual funds that have a rating of AAA and a weighted

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

average maturity of 90 days or less, (e) banker's acceptances with a stated maturity of 270 days or less and rated not less than A-1 or P-1 and is fully secured by an irrevocable letter of credit issued by a bank, (f) guaranteed investment contracts, for bond proceeds only, if such contracts have a defined termination date, and are secured by U.S. Government Obligations.

Concentrations of credit risk of over 5% by issuer are as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Cash and certificates of deposit	Guaranty Bank	\$ 16,753,832	45.85%
Certificates of deposit	Farmers Bank and Trust	5,885,000	16.10%
Certificates of deposit	Texas Security	4,040,000	11.06%
Cash	Wells Fargo Bank	3,007,679	8.23%
Cash	Southside Bank	2,526,058	6.91%
Certificates of deposit	Third Coast	2,400,000	6.57%
Cash and certificates of deposit	Commercial National Bank	1,923,371	5.26%

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City's Firemen's Relief and Pension fund's investment policy requires that foreign equities investments cannot exceed 15% of total equity fund at market value. In order to minimize foreign currency risk, the City invests in a well-diversified fund. The City's Firemen's Relief and Pension fund's investment policy prohibits investment in any security payable in foreign currency.

At December 31, 2015, the City's Firemen's Relief and Pension fund had fixed income securities of \$707,609 invested in foreign obligations with Seacrest Investment Management, LLC. The Seacrest investments are comprised of the following investments at December 31, 2015:

	<u>Fair Value</u>
Asia	\$ -
Austria	23,945
Canada	117,359
Europe	84,892
Germany	
Indonesia	49,925
Latin America	
Mexico	48,128
Netherlands	57,435
Phillipines	82,336
Sweden	44,782
Turkey	34,829
Venezuela	106,039
Supranational	57,939
Total	<u>\$ 707,609</u>

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

NOTE 5 - RECEIVABLES

Receivables as of year end for the City's individual major funds and nonmajor funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<i>General</i>	<i>Debt Service</i>	<i>Texarkana, Texas Water Utilities</i>	<i>Nonmajor and Other Funds</i>	<i>Total</i>
Receivables:					
Property taxes	\$ 659,805	238,817		685,708	1,584,330
Other taxes	251,405			310,070	561,475
Accounts	208,607		2,300,134	411,314	2,920,055
Intergovernmental	3,549,037		66,973	155,399	3,771,409
Interest	3,687		1,227	465	5,379
Loans				1,272,885	1,272,885
Gross receivables	4,672,541	238,817	2,368,334	2,835,841	10,115,533
Less: allowance for uncollectibles	618,687	223,030	83,893	894,486	1,820,096
Net total receivables	<u>\$ 4,053,854</u>	<u>15,787</u>	<u>2,284,441</u>	<u>1,941,355</u>	<u>8,295,437</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

	<i>Balance October 1, 2015</i>	<i>Additions</i>	<i>Deletions</i>	<i>Transfers</i>	<i>Balance September 30, 2016</i>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 46,839,655			192,473	47,032,128
Construction in progress	3,879,099	1,676,622		(3,581,968)	1,973,753
Total capital assets, not being depreciated	<u>50,718,754</u>	<u>1,676,622</u>	<u>-</u>	<u>(3,389,495)</u>	<u>49,005,881</u>
Capital assets, being depreciated:					
Buildings	31,654,185	38,081			31,692,266
Improvements other than buildings	8,477,242	6,600		41,773	8,525,615
Infrastructure	118,726,701	669,642		3,308,497	122,704,840
Machinery and equipment	4,777,927	384,348	(13,278)		5,148,997
Licensed vehicles	9,255,137	220,702	(458,134)	39,225	9,056,930
Total capital assets, being depreciated	<u>172,891,192</u>	<u>1,319,373</u>	<u>(471,412)</u>	<u>3,389,495</u>	<u>177,128,648</u>
Less accumulated depreciation for:					
Buildings	(16,281,378)	(661,059)			(16,942,437)
Improvements other than buildings	(5,222,970)	(267,058)			(5,490,028)
Infrastructure	(65,709,800)	(3,025,817)			(68,735,617)
Machinery and equipment	(2,238,500)	(413,488)	9,589		(2,642,399)
Licensed vehicles	(5,882,994)	(633,357)	434,623		(6,081,728)
Total accumulated depreciation	<u>(95,335,642)</u>	<u>(5,000,779)</u>	<u>444,212</u>	<u>-</u>	<u>(99,892,209)</u>
Total capital assets, being depreciated, net	<u>77,555,550</u>	<u>(3,681,406)</u>	<u>(27,200)</u>	<u>3,389,495</u>	<u>77,236,439</u>
Governmental capital assets, net	<u>\$ 128,274,304</u>	<u>(2,004,784)</u>	<u>(27,200)</u>	<u>-</u>	<u>126,242,320</u>

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

	<i>Balance October 1, 2015</i>	<i>Additions</i>	<i>Deletions</i>	<i>Transfers</i>	<i>Balance September 30, 2016</i>
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 1,351,883			34,095	1,385,978
Construction in progress	2,345,584	3,126,875	(177,267)	(3,746,790)	1,548,402
Total capital assets, not being depreciated	<u>3,697,467</u>	<u>3,126,875</u>	<u>(177,267)</u>	<u>(3,712,695)</u>	<u>2,934,380</u>
Capital assets, being depreciated:					
Buildings	3,453,883		(72,132)	118,785	3,500,536
Improvements other than buildings	92,261,480		(68,716)	2,881,624	95,074,388
Machinery and equipment	10,940,236		(674,151)	705,113	10,971,198
Property under capital lease	20,625,529			7,173	20,632,702
Water rights	287,572				287,572
Total capital assets, being depreciated	<u>127,568,700</u>	<u>-</u>	<u>(814,999)</u>	<u>3,712,695</u>	<u>130,466,396</u>
Less accumulated depreciation for:					
Buildings	(2,428,190)	(57,345)	27,531		(2,458,004)
Improvements other than buildings	(40,274,237)	(2,268,854)	48,946		(42,494,145)
Machinery and equipment	(8,918,647)	(601,678)	669,001		(8,851,324)
Property under capital lease	(12,170,852)	(356,365)			(12,527,217)
Water rights	(287,572)				(287,572)
Total accumulated depreciation	<u>(64,079,498)</u>	<u>(3,284,242)</u>	<u>745,478</u>	<u>-</u>	<u>(66,618,262)</u>
Total capital assets, being depreciated, net	<u>63,489,202</u>	<u>(3,284,242)</u>	<u>(69,521)</u>	<u>3,712,695</u>	<u>63,848,134</u>
Business-type capital assets, net	<u>\$ 67,186,669</u>	<u>(157,367)</u>	<u>(246,788)</u>	<u>-</u>	<u>66,782,514</u>

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

Governmental activities	
General government	\$ 272,199
Public safety	781,016
Public works	3,201,760
Parks and recreation	727,038
Capital assets held by the City's internal service funds	
charged to the various functions based on their usage of the assets	18,766
Total depreciation expense - governmental activities	<u>\$ 5,000,779</u>
Business-type activities:	
Water and sewer	\$ 3,284,242
Total depreciation expense - business-type activities	<u>\$ 3,284,242</u>

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Discretely Presented Component Unit

Activity for the Health Center for the year ended September 30, 2016 was as follows:

	<i>Balance October 1, 2015</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance Sept. 30, 2016</i>
Capital assets, being depreciated:				
Buildings	\$ 1,257,145	28,583		1,285,728
Improvements other than buildings	42,841			42,841
Machinery and equipment	12,827	17,275		30,102
Total capital assets, being depreciated	1,312,813	45,858	-	1,358,671
Less accumulated depreciation for:				
Buildings	(945,651)	(28,771)		(974,422)
Improvements other than buildings	(42,841)			(42,841)
Machinery and equipment	(12,827)	(756)		(13,583)
Total accumulated depreciation	(1,001,319)	(29,527)	-	(1,030,846)
Total capital assets, being depreciated, net	\$ 311,494	16,331	-	327,825

NOTE 7 - CONSTRUCTION PROJECTS

As of September 30, 2016, the City had the following commitments with respect to unfinished capital projects.

	<i>Project Authorization</i>	<i>Expended Through 9/30/2016</i>	<i>Required Future Financing</i>
Yarborough Court	\$ 26,503	6,489	20,014
Welcome Sign	87,043	7,264	79,779
Rochelle Additions	35,600	35,600	-
Kress Building	465,750	9,192	456,558
Farmer's Market & Public Space Infrastructure	25,000	25,000	-
Summer Glenn Acres Drive	242,000	7,000	235,000
Linear Park	616,562	107,774	508,789
Fleet Vehicles	713,411	713,411	
Motorola Equipment	1,120,154	1,055,817	64,337
Gibson Extension to 989	2,000,000	6,207	1,993,793
Total	\$ 5,332,023	1,973,753	3,358,270

Business-type activities construction projects

In fiscal year 2016, work was performed on several utility projects from various utility accounts such as capital improvement, infrastructure, depreciation, compost, technology and equipment acquisition.

Texas capital improvement account expenditures totaled \$722,798. \$46,937 was spent for an eight-inch meter and vault installed at TexAmericas Center during the year. The Pleasant Grove elevated water storage tank was repainted for \$211,444. \$23,894 was spent on the TX DOT McKnight Road water relocation project, and \$32,437 was expended on various water system improvements. 2008 Annexation sewer expenditures were

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

\$97,433. Olive and West 10th Street sewer was replaced costing \$51,407, and \$80,761 was spent for sewer manholes during the year. A commercial building was purchased at 808 Olive to house the IT and GIS Divisions of the utility with \$118,805 expended during the year for the Texas Utility share. \$33,440 was expended for telemetry improvements to eight lift stations. \$26,240 was spent on various other sewer improvements for the year.

Texas infrastructure account expenditures were \$837,412. The South Stateline sewer trunk main replacement was completed during the year with the current year cost of \$591,312 and at a total cost of \$1,154,097. \$38,470 and \$59,606 was expended for the Waggoner Creek sewer trunk main and sewer plant upgrade engineering, respectively. \$48,700 was spent on the first phase of the Flower Acres Road sewer project, and the current year cost of the TX DOT water and sewer relocation was \$98,236. The Texas A&M East project was completed during the year at a current year cost of \$1,088 and at a total project cost of \$274,774.

For the year, the South Regional Wastewater Depreciation account expenses were \$312,653 of which the Texas share was \$196,205. Compost account expenses for the fiscal year were \$409,257 of which \$257,100 was paid from the Texas Utility. Millwood depreciation account shared expenses totaled \$34,562, of which the Texas share was \$13,791. The largest expense was for the replacement for a filter effluent control. North Texarkana Wastewater Treatment Plant projects totaled \$20,272 for the year and the Texas Utility share was \$12,366.

Technology account expenses totaled \$491,980 for the year with the Texas portion costing \$310,529. The expenses included fiber optic projects totaling \$52,540 and \$57,576 for Bowie County digital imagery.

Equipment account expenses were \$298,322 of which \$191,084 was from the Texas Utility, including the purchase of fleet vehicles, portable utility pumps, analog mobile radio replacements, utility trailers, chop saws, pipe locators, a scissor lift, a mini track hoe a hydraulic power pack, furniture and equipment, etc.

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2016 is as follows:

Due to/from other funds:

<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Amount</i>
General	Nonmajor governmental fund	\$ 187,537
Debt Service	General	21,686
Debt Service	Nonmajor governmental fund	24,686
Nonmajor governmental fund	General	73
Total		<u>\$ 233,982</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Purpose:

\$8,689 To reclassify deposits between the General Fund and the TIRZ #1 Fund (nonmajor governmental fund).

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

\$4,719	To reimburse the General Fund for expenditures paid for the Supportive Housing Fund (nonmajor governmental fund).
\$51,210	To reimburse the General Fund for expenditures paid for the Housing and Community Development Fund (nonmajor governmental fund).
\$217	To reimburse the General Fund for expenditures paid on behalf of the EPA Petroleum Grant Fund (nonmajor governmental fund).
\$4,874	To reimburse the General Fund for expenditures paid on behalf of the EPA Revolving Loan Fund (nonmajor governmental fund).
\$2,237	To reimburse the General Fund for expenditures paid on behalf of the EPA Multi-Purpose Fund (nonmajor governmental fund).
\$41,210	To reimburse the General Fund for expenditures paid on behalf of the COC Homeless Assistance Fund (nonmajor governmental fund).
\$74,368	To reimburse the General Fund for expenditures paid for the Brownfield Grant Fund (nonmajor governmental fund).
\$13	To reimburse the General Fund for expenditures paid for the NEA Grant Fund (nonmajor governmental fund).
\$21,686	To reclassify deposits between the Debt Service Fund and the General Fund.
\$24,686	To reclassify deposits between the TIRZ #1 Fund (nonmajor governmental fund) and the Debt Service Fund.
\$73	To reimburse the 2009 Bond Fund (nonmajor governmental fund) for expenditures paid for the General Fund.

Interfund transfers:

<i>Transfer in:</i>	<i>Transfer Out:</i>				<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental</i>	<i>Fleet Internal Service</i>	<i>Texarkana, Texas Water Utilities</i>	
General fund	\$ -	93,538	2,026	18,900	114,464
Debt service		818,069			818,069
Nonmajor governmental funds	416,381	272,396			688,777
Fleet services (internal service)	1,027,067	30			1,027,097
Total transfers in	<u>\$ 1,443,448</u>	<u>1,184,033</u>	<u>2,026</u>	<u>18,900</u>	<u>2,648,407</u>

Transfers maybe used to (1) move revenues from the fund with collection authorization to another specific required fund, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

reserve accounts, (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants, and other purposes.

Purpose:

\$77,684	Funds were transferred from the Economic Development fund (nonmajor governmental fund) to the General fund for Downtown Enhancement Project.
\$12,000	Funds were transferred from the TIRZ fund (nonmajor governmental fund) to the General fund to cover expenses.
\$1,971	Funds were transferred from the EPA Job Training fund (nonmajor governmental fund) to the General fund to correct fund balance.
\$1,335	Funds were transferred from the Theatre fund (nonmajor governmental fund) to the General fund for expenses.
\$547	Funds were transferred from the Economic Development fund (nonmajor governmental fund) to the General fund.
\$2,026	Funds were transferred from the Fleet Services fund (internal service fund) to the General fund for various expenses.
\$562,832	Funds were transferred from the Hotel/Motel Tax fund (nonmajor governmental fund) to the Debt Service fund for debt service payments.
\$255,238	Funds were transferred from the TIRZ #1 fund (nonmajor governmental fund) to the Debt Service fund for principal and interest payment on bonds.
\$11,534	Funds were transferred from the General fund to the Supportive Housing fund (nonmajor governmental fund) to correct fund balance.
\$217,697	Funds were transferred from the General Fund to Housing and Community Development fund (nonmajor governmental fund) for grant costs.
\$15,164	Funds were transferred from the General fund to the EPA Revolving Loan fund (nonmajor governmental fund) to cover salary expenses.
\$30,926	Funds were transferred from the General fund to the EPA Multi-purpose fund (nonmajor governmental fund) to cover grant admin costs.
\$78,835	Funds were transferred from the General Fund to the Hotel/Motel fund (nonmajor governmental fund) to cover expenses.
\$46,113	Funds were transferred from the General fund to the COC Homeless Assistance fund (nonmajor governmental fund) to cover salary expenses.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

\$1,317	Funds were transferred from the General fund to the EPA Hazardous grant fund (nonmajor governmental fund) to cover grant admin costs.
\$14,794	Funds were transferred from the General fund to the NEA grant fund (nonmajor governmental fund) to cover salaries and admin costs.
\$272,396	Funds were transferred from the Hotel/Motel fund (nonmajor governmental fund) to the Theatre fund (nonmajor governmental fund) for the quarterly budget amount for the Perot Theatre.
\$1,027,067	Funds were also transferred from the General Fund to the Fleet Services fund (internal service fund) to cover fuel and maintenance.
\$30	Funds were transferred from the EPA Multipurpose fund (nonmajor governmental fund) to Fleet Services fund (internal service fund) to cover admin costs.
\$18,900	A transfer of \$18,900 was made to the General Fund for the City's administrative fees due under contracts between the City and International Paper Company water service contracts.

NOTE 9 - ENTERPRISE FUNDS - Merger of Texarkana Water Supply Corporation Into Lake Texarkana Water Supply Corporation

In June 1969, Texarkana Water Supply Corporation was merged into Lake Texarkana Water Supply Corporation, the latter being the surviving corporation. Lake Texarkana Water Supply Corporation is a non-profit corporation which was organized under the provisions of the Texas Non-Profit Corporation Act for the purpose of furnishing a water supply to towns, cities, private corporations, individuals and military camps and bases in the area of Bowie, Morris, Cass and Red River Counties, Texas. Seven cities in the area are participants in the corporation as "Member Cities." Wholesale water supply contracts have been entered into with seven other cities as of September 30, 2016.

To finance the construction of this area-wide supply and distribution system, Lake Texarkana Water Supply Corporation received a grant of \$3,000,000 from the Department of Housing and Urban Development and sold \$8,400,000 of its bonds designated as Lake Texarkana Water Supply Corporation Bonds, Series 1969. These bonds are dated June 1, 1969 and matured in varying amounts from June 1, 1972 to June 1, 2001.

NOTE 10 - ENTERPRISE FUNDS - Water Supply System Sale/Purchase Financing Agreement

On July 24, 1969 the City of Texarkana, Texas entered into a contract with Lake Texarkana Water Supply Corporation (hereinafter referred to as the Corporation) which provided that the Corporation, acting as general contractor for the City, would construct extensions and improvements to its existing system for the treatment and transporting of water to such of the area cities as may make contractual arrangements with the City. The City in turn agreed to purchase from the Corporation all of its water system properties, facilities, and improvements, including those to be constructed, with money derived from revenues of the water system pledged for this purpose or from the levy of City taxes in such amounts as are required to meet principal and interest on the outstanding bonds of the Corporation as they shall mature plus paying agents' fees and all other charges which may accrue in connection with paying the "Lake Texarkana Water Supply Corporation Bonds, Series 1969". The contract provided that the purchase price is to be paid in semiannual installments beginning

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

November 15, 1971. In prior years, the City made monthly transfers to the Lake Texarkana Water Supply debt service fund.

NOTE 11 - ENTERPRISE FUNDS - Contracts with City of Texarkana, Arkansas

Under a contract dated August 5, 1948 as subsequently amended, the City supplies water to the City of Texarkana, Arkansas and disposes of sewage collected by that City. Charges to Texarkana, Arkansas for these services are computed by prorating certain expenses of the System, plus a set monthly fee. A new agreement was executed between the Cities of Texarkana, Texas and Texarkana, Arkansas on May 20, 1969. This new agreement relates to the matter of supplying treated water only and does not amend the prior agreement relating to sewer service. The terms of the new contract, provide that Texarkana, Arkansas will pay the same amount per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Texas under its contractual arrangements with other area cities (See Note 12). The Texarkana, Arkansas Water Utilities made total transfers to the Texarkana, Texas Water Utilities for water purchases of \$463,746 and \$600,234 for 2016 and 2015, respectively.

The agreement further provides that, when the indebtedness of the Lake Texarkana Water Supply Corporation incurred in connection with the acquisition and construction of the system facilities has been discharged, the City of Texarkana, Texas will convey to the City of Texarkana, Arkansas an undivided interest in the system facilities used to serve Arkansas. Texarkana, Arkansas' undivided interest in the facilities shall be a pro rata portion of the total capital payments made on the system by both Texarkana, Texas and Texarkana, Arkansas. Capital payments are defined as payments made or to be made on the principal for the bond obligations of Texarkana Water Supply Corporation and Lake Texarkana Water Supply Corporation. The Texarkana, Arkansas Water Utilities has made no transfers to the Texarkana, Texas Water Utilities for debt service since 2001 when the capital lease debt was retired.

A water system agreement entered into on December 1, 1982 and amended on October 15, 1985, with the City of Texarkana, Arkansas provides for the sale of water taken from the Millwood Reservoir and processed in the Millwood Water Treatment Facilities. The agreement further provides that the City of Texarkana, Arkansas will sell treated water to Texarkana, Texas, at the cost per one thousand gallons of water supplied to it as shall be computed to be the cost to Texarkana, Arkansas. The Texarkana, Texas Water Utilities made total transfers to the Texarkana, Arkansas Water Utilities for water purchases of \$702,992 and \$597,130 for 2016 and 2015, respectively.

Additionally, when the indebtedness the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the water treatment and transmission facilities has been discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total capital payments made on the system by both Texarkana, Arkansas and Texarkana, Texas. Texarkana, Texas' share is currently estimated to be approximately 62 percent of the total. Capital payments are defined as payments made or to be made on the principal of the bond obligation of Texarkana, Arkansas. The Texarkana, Texas Water Utilities made total transfers to the Texarkana, Arkansas Water Utilities for debt service of \$417,507 and \$416,735 for 2016 and 2015, respectively. The effective transfer of assets pursuant to this agreement has been recorded as a capital lease.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

South Regional Wastewater Facilities

A wastewater agreement dated March 1, 1983 was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement is a supplement to the previous agreement and provides that the City of Texarkana, Texas will process the wastewater from the City of Texarkana, Arkansas and charge the City of Texarkana, Arkansas the same amount per one thousand gallons as the computed cost to the City of Texarkana, Texas for wastewater treatment. The calculation of cost for retail customers billed on the City Rate Ordinance is based on the metered retail water sales of each City to the total retail water sales for both Cities. The cost for contract customers is based on metered wastewater treated in combination with the retail customers for each City to the total for both Cities.

The agreement further provides that, when the indebtedness of the City of Texarkana, Texas incurred in connection with the acquisition and construction of the wastewater treatment facility has been discharged, the City of Texarkana, Texas will convey to the City of Texarkana, Arkansas an undivided interest in the system facilities used to serve Arkansas. Texarkana, Arkansas' undivided interest in the facilities shall be a pro rata portion of the total payments on bond obligations made on the system by both Texarkana, Texas and Texarkana, Arkansas. In 2013 the Texarkana, Arkansas Water Utilities made total transfers to the Texarkana, Texas Water Utilities for debt service of \$31,689. The effective transfer of assets pursuant to this agreement has been recorded as a direct financing lease. The Texarkana, Arkansas Water Utilities has made no transfers to the Texarkana, Texas Water Utilities for debt service since 2013 when the capital lease debt was retired.

McKinney Bayou Wastewater Facilities

A wastewater agreement dated December 15, 1997 was entered into between the City of Texarkana, Arkansas and the City of Texarkana, Texas. The agreement relates to the operation and maintenance of a wastewater treatment facility, known as the McKinney Bayou Wastewater Facilities (the facilities), and related transmission lines located within the City of Texarkana, Arkansas to be used for the collection and treatment of a portion of the two cities' wastewater. The agreement provides that the City of Texarkana, Arkansas will process a portion of the wastewater from the City of Texarkana, Texas. The City of Texarkana, Texas will pay the City of Texarkana, Arkansas the same amount per one thousand gallons as computed to be the cost to the City of Texarkana, Arkansas for wastewater treatment. The calculation of cost for retail customers billed is based on the metered retail water sales of each City, whose wastewater is treated in the facilities, to the total retail water sales for both Cities, whose wastewater is being treated in the facilities.

The agreement further provides that, when the indebtedness of the City of Texarkana, Arkansas incurred in connection with the acquisition and construction of the wastewater treatment facilities has been discharged, the City of Texarkana, Arkansas will convey to the City of Texarkana, Texas an undivided interest in the system facilities used to serve Texas. Texarkana, Texas' undivided interest in the facilities shall be a pro rata portion of the total payments on bond obligations made on the system by both Texarkana, Arkansas and Texarkana, Texas. In 2016 and 2015, the Texarkana, Texas Water Utilities made transfers to the Texarkana, Arkansas Water Utilities for debt service in the amounts of \$109,626 for each year. The effective transfer of assets pursuant to this agreement has been recorded as a capital lease between the Utilities and all transactions between them are eliminated in combination.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

NOTE 12 - ENTERPRISE FUNDS - Water Supply Contracts Between City of Texarkana, Texas and "Member Cities"

A water supply contract has been entered into between the City of Texarkana, Texas and seven cities in the area which are described as "Member Cities". Texarkana, Texas has agreed to supply each of these cities with a maximum amount of treated water per year. Each Member City agrees to make minimum monthly payments to the City of Texarkana, Texas, which shall be adequate to discharge its pro rata part of debt service, maintenance and operating, and administrative expenses to Lake Texarkana Water Supply Corporation. The proceeds of these contracts with the various Member Cities are pledged by the City for the payment of the bonds issued by Lake Texarkana Water Supply Corporation described in Note 9.

The contracts also provide that at such time as all bonds or other indebtedness incurred by Lake Texarkana Water Supply Corporation in connection with the acquisition and construction of system facilities have been fully paid, the City of Texarkana, will upon request by the Member City, convey to the Member City, an undivided interest in such facilities equal to that percentage of the amount which was paid by the Member City (under this contract) on bond principal to the amount paid by all other contracting municipalities. The effective transfer of assets pursuant to this agreement has been recorded as a direct financing lease. The Member Cities have made no debt service payments to Lake Texarkana Water Supply Corporation since 2001 when the direct financing lease debt was retired.

In fiscal year 2013, the Texas Utility issued \$2.2 million in Waterworks and Sanitary Sewer System Revenue Bonds to finance the moving and replacing of a 16 inch ductile iron water line to a 24 inch water line between Malta, Texas and DeKalb, Texas to accommodate the widening of U.S. Highway 82 between New Boston, Texas and DeKalb Texas, a Bowie County voter approved project. In FY 2016 and 2015, the Texas Utility received payments of \$20,819 and \$20,673, respectively, from the "Member Cities" for contributions toward debt service on these bonds based on their ownership ratio in these assets, for which the related transfer is recorded as a direct financing lease by the Texas Utility.

NOTE 13 - WATER SUPPLY CONTRACT WITH INTERNATIONAL PAPER COMPANY

On October 11, 1971, the City of Texarkana, Texas and International Paper Company (the Company) entered into an agreement under which the City agrees to furnish the raw water and treated water requirements to the Company in connection with its paper mill facility and subsequently issued \$8,060,000 Water Contract Revenue Bonds. The primary term of the contract extended to December 1, 2002 and can be extended for three (3) additional terms of ten (10) years each. The Company agreed to make a monthly payment to the City in the amount required to reimburse for the debt service payments on the bonds. In addition, the Company agreed to pay the City an administrative charge of \$40,300 per year, which is 1/2 of 1% of the par amount of the bonds. Subsequent to September 30, 2002, the contract was extended for a ten year term and shall remain in effect until December 1, 2011.

On August 1, 1977, the City issued an additional \$2,600,000 Water Facilities Expansion Contract Revenue Bonds under a new contract dated October 26, 1976 which extends through August 1, 2007, with substantially the same provisions as the October 11, 1971 contract. Under the expansion contract the Company agreed to reimburse the City for the debt service paid on the bonds and to pay \$18,900 per year for administrative charges. The bonds were paid off in fiscal year 2005.

Both of these contracts were extended on February 13, 2007 and in effect until December 31, 2026.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

NOTE 14 - ENTERPRISE FUNDS - Water Supply

TEXARKANA RESERVOIR

In 1953, the Cities of Texarkana, Texas and Arkansas entered into a contract with the U.S. Government for the right to withdraw up to 13 million gallons of water per day from Texarkana Reservoir. The term of the agreement is for fifty years from the effective date. Annual payments of \$7,000 are required. At this time, the contract remains in full force and effect, with the U. S. Government continuing to invoice the City, and the City remitting, an annual M & O fee of \$613.

In 1968, the City of Texarkana, Texas entered into two agreements with the U.S. Government for water rights in the Texarkana Reservoir. The first agreement dated April 16, 1968, provides for the reallocation of an additional 120,000 acre-feet of water storage in Texarkana Reservoir to the City of Texarkana after the completion of Cooper Reservoir. This space will become available to Texarkana effective with the latter of 1) the date Cooper Reservoir becomes operative for storage of water for flood control or 2) the date of completion of modification to Texarkana Reservoir which is required to affect the conversion of storage space therein from flood control use to municipal and industrial water supply use. The term of contract is for as long as the Government continues to operate Texarkana Reservoir. A preliminary payment estimate provided by the U. S. Army Corps of Engineers (Corps) is \$1,510,529 per year for 50 years, revising the estimate contained in the agreement with a final payment undetermined at this time pending evaluation by the Corps of cost associated with implementing the total operating rule curve storage space under the contract.

The second contract is for the purpose of providing the City of Texarkana, Texas an additional water supply until Cooper Reservoir is completed and modifications are made to Texarkana Reservoir to convert additional storage to municipal and industrial use. This contract dated September 16, 1968, provides for 84 million gallons per day in addition to the 13 million gallons provided in the 1953 contract. The term of this contract is fifty years and the annual payment is \$55,300.

MILLWOOD RESERVOIR

The City of Texarkana, Arkansas has entered into a contract with the Southwest Arkansas Water District (SWAWD) to reserve storage space sufficient to provide 50 million gallons of water per day (MGD) from the Millwood Reservoir. The reservation of storage space ensures that the City will have the contracted quantity of water available when needed. Payments to the Water District of \$639,048 prior to September 30, 1985 have been capitalized as deferred charges and are allocated 55% to Arkansas and 45% to Texas pursuant to an agreement between the two cities. Amortization of the deferred charges, which began in fiscal year ending September 30, 1987, the first full year of operations, was made over the 25 years remaining life of the bonds issued to construct the reservoir facilities.

On May 14, 1986, in anticipation of the start-up of the Millwood Water Treatment Plant, the City of Texarkana, Arkansas entered into an agreement with Southwest Arkansas Water District to actually take 5 MGD of the 50 MGD reserved in Millwood Reservoir. The contract specifies a monthly payment of \$793 representing principal and interest for the 5 MGD for a period of 50 years with the final payment being due in 2036. From 1986 through June 2012, the monthly payments to the water district for water used have included principal and interest on the 5 MGD being taken and interest only on the remaining 45 MGD reserved along with the districts monthly operating costs. Payments were made to the water district for water used from the reservoir totaling \$154,947 and \$153,181 for fiscal year 2016 and 2015, respectively. These amounts are

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

included in Water Production costs of the Arkansas Utility and the Texas Utility based on the contract percentages of 55% and 45%, respectively. Due to anticipated needs for additional water from Millwood, the City of Texarkana, Arkansas on July 2, 2012, entered a new contract with SAWD to take an additional 10MGD of the 45MGD in reserve. Texarkana, Texas was not a party to this contract, so Texarkana, Arkansas bears the cost of purchasing this capacity. The Corps of Engineers determined the cost of this additional water to be \$539,511, plus interest, with payments beginning in July 2012. The final payment for these water rights was made on March 11, 2016. In fiscal year 2012, a new restricted cash account, the Millwood Water Rights account, was setup to receive transfers from the Arkansas Revenue Fund account to pay the monthly cost of the additional 10MGD as well as to accumulate funds sufficient to cover the full principal cost of purchasing the remaining 35MGD of the 50MGD reserved in Millwood. During fiscal year 2016, Texarkana, Arkansas entered a new contract with SAWD to purchase these additional 35MGD of water rights, and, subsequently on June 6, 2016, a lump sum payment of \$1,889,238 was made to SAWD as payment in full for the final 35MGD of the 50MGD reserved. On June 7, 2016, Texarkana, Arkansas entered a contract with SAWD to purchase the remaining balance of available water storage capacity in Millwood of 99.8MGD, with 5MGD being reserved by SAWD to satisfy easements for the raw water canal crossing the landowner properties. The cost of this additional 99.8MGD of water rights is \$15,355,379, plus interest for 50 years with annual payments of \$541,522 beginning in January 2017.

NOTE 15 - WATER SYSTEM TRANSFER CONTRACT

The City of Texarkana, Texas (the Utility) entered into a contract with TexAmericas Center (TAC) in July 2012 to transfer to the Utility the water distribution system (TAC–East Water System) located upon the TAC property that serves existing customers. As part of the contract, TAC transferred to the Utility any TAC customer accounts for those customers receiving water from the TAC – East Water System (excluding the U. S. Army/Red River Army Depot), so that such customers become Utility customers and the Utility assumes responsibility for providing potable water under separate water supply contracts to such customers. The parties originally agreed upon a value of approximately \$849,702 for the system. The amount was subsequently reduced to \$792,172 in consideration of meter stations retained by TAC.

For a period of no more than 20 years or until the dissolution of TAC, or until the value of the TAC-East Water System set forth in the contract has been paid, whichever comes first, the Utility will pay to TAC \$0.03 per 1,000 gallons of water delivered by the Utility to its customers on the TAC- East Water System (excluding the U. S. Army/Red River Army Depot). If during any year, the aggregate amount paid by the Utility exceeds \$39,609 (ceiling aggregate), then the overage is credited to the Utility and applied to the following payment year. If during any year, the aggregate amount paid by the Utility is less than the ceiling aggregate, no further monies are due from the Utility to TAC for that year. In prior years, the capital assets and corresponding liability of \$792,172 were recorded in the financial statements. The Utility recorded capital contributions of \$39,327 and \$40,315 for the amount “forgiven” under the contract terms for fiscal year 2016 and 2015, respectively. The remaining liability under this contract is \$633,863.

NOTE 16 - LEASE COMMITMENTS - Capital Leases

The government has entered into a lease agreement as lessee for financing the acquisition of computer equipment. The government also has financed undivided interests in the acquisition of the Millwood Water Treatment Facilities and the McKinney Bayou Wastewater Facilities. The following is a schedule by years of future minimum lease payments under capital lease obligations as of September 30, 2016:

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

<u>Ending September 30:</u>	<u>Governmental Activities</u>	<u>Enterprise Funds</u>
2017	\$ 217,112	797,588
2018	205,005	797,399
2019	205,006	796,455
2020	171,021	794,754
2021	171,021	125,111
2022-2026	199,524	2,724,423
Total minimum lease payments	1,168,689	6,035,730
Less:		
Unexpended funds		(772,912)
Amounts representing interest	(68,129)	(1,129,875)
Present value of minimum lease payments	<u>\$ 1,100,560</u>	<u>4,132,943</u>

The gross amount of assets acquired in prior years under capital leases were as follows:

<u>Asset Class</u>	<u>InterSystem Leases</u>
Land	\$ 399,965
Buildings	3,400,033
Improvements other than buildings	6,898,603
Machinery and equipment	2,234,544
Total	<u>\$ 12,933,145</u>

NOTE 17 - LONG-TERM OBLIGATIONS

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City has dedicated 25.76% of the ad valorem taxes received for the year for the payment of principal and interest on general obligation bonds. General obligation bonds at September 30, 2016 are as follows:

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2016</u>
General obligation bonds:			
General Obligation Refunding Bonds, Series 2006 used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 1, 2007 through February 1, 2022.	3.85% - 4.00%	\$ 3,060,000	\$ 1,580,000

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2016</u>
General Obligation Refunding Bonds, Series 2012 used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 15, 2013 through February 15, 2023.	2.00% - 5.00%	10,730,000	7,185,000
General Obligation Refunding Bonds, Series 2013 used to refund certain bonds which were issued to finance certain capital improvements of the City - due serially in varying amounts from February 15, 2014 through February 15, 2027.	2.00% - 5.00%	14,550,000	12,340,000
Total general obligation bonds		<u>\$ 28,340,000</u>	<u>21,105,000</u>

Annual requirements to amortize general obligation bonds outstanding at September 30, 2016 are as follows:

<u>Requirements Year Ending September 30</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,250,000	783,747	3,033,747
2018	2,330,000	713,013	3,043,013
2019	2,205,000	642,712	2,847,712
2020	2,315,000	562,144	2,877,144
2021	2,135,000	463,344	2,598,344
2022-2026	8,435,000	926,019	9,361,019
2027-2031	1,435,000	22,422	1,457,422
Total	<u>\$ 21,105,000</u>	<u>4,113,401</u>	<u>25,218,401</u>

Certificates of Obligation

The City issues certificates of obligation to fund construction projects and acquire capital assets. Certificates of obligation are direct obligations and pledge the full faith and credit of the City. Certificates of obligation at September 30, 2016 are as follows:

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2016</u>
Certificates of obligation:			
Certificates of Obligation, Series 2009 used for acquiring, constructing, improving and equipping various streets, park and recreational facilities, Waterworks and Sewer System, facilities, equipment and vehicles for various City departments, including City hall - due serially in varying amounts through February 1, 2030.	3.00% - 4.50%	\$ 17,420,000	\$13,590,000

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2016</u>
Certificates of Obligation, Series 2010 used for constructing, improving and equipping convention center facilities and the acquisition of sites - due serially in varying amounts through February 1, 2030.	1.02% - 5.728%	7,000,000	5,500,000
Combination Tax and Revenue Certificates of Obligation, Series 2012 used for street and drainage improvements, constructing, improving and equipping park and recreational facilities - due serially in varying amounts through February 1, 2035.	0.50% - 3.500%	4,115,000	3,670,000
Total certificates of obligation		<u>\$ 28,535,000</u>	<u>22,760,000</u>

Annual requirements to amortize certificates of obligations outstanding at September 30, 2016 are as follows:

<u>Requirements Year Ending September 30</u>	<u>Certificates of Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,165,000	933,942	2,098,942
2018	1,215,000	886,181	2,101,181
2019	1,265,000	835,266	2,100,266
2020	1,310,000	783,417	2,093,417
2021	1,365,000	730,940	2,095,940
2022-2026	7,745,000	2,753,269	10,498,269
2027-2031	7,745,000	903,122	8,648,122
2032-2036	950,000	67,618	1,017,618
Total	<u>\$ 22,760,000</u>	<u>7,893,755</u>	<u>30,653,755</u>

Revenue Bonds

The City issues bonds pledged with income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at September 30, 2016 are as follows:

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2016</u>
Revenue bonds:			
Waterworks and Sanitary Sewer System Revenue Bonds Series 2004 net of bond premium of \$5,213 used to finance the costs of making improvements and extensions to the water and sewer system due serially in varying amounts from February 1, 2006 through February 1, 2023.	3.00% - 4.25%	\$ 2,500,000	1,180,213

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

	<u>Rate of interest</u>	<u>Original Issue</u>	<u>Outstanding September 30, 2016</u>
Waterworks and Sanitary Sewer System Revenue Bonds, Series 2005 to finance the costs of making improvements and extensions to the water and sewer system. Due serially in varying amounts from February 1, 2007 through February 1, 2017.	3.10% - 4.65%	1,805,000	200,000
Waterworks and Sanitary Sewer System Revenue Bonds, Series 2013 net of bond discount of \$17,337 used to finance the costs of making improvements and extensions to the water and sewer system. Due serially in varying amounts from August 1, 2014 through August 1, 2033.	2.00% - 4.875%	<u>2,200,000</u>	<u>1,932,663</u>
Total Texarkana, Texas Water Utilities		<u>\$ 6,505,000</u>	<u>3,312,876</u>

Annual requirements to amortize revenue bonds outstanding at September 30, 2016 are as follows:

<i>Requirements Year Ending September 30</i>	<i>Revenue Bonds</i>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 434,793	131,159	565,952
2018	244,793	115,819	360,612
2019	249,793	107,169	356,962
2020	259,793	97,663	357,456
2021	269,793	87,588	357,381
2022-2026	900,948	303,396	1,204,344
2027-2031	649,851	166,750	816,601
2032-2033	303,112	22,424	325,536
Total	<u>\$ 3,312,876</u>	<u>1,031,968</u>	<u>4,344,844</u>

The Utility has pledged future water customer revenues, net of specified operating expenses, to repay \$6.505 million in water system revenue bonds issued in 2004, 2005, and 2013. Proceeds from the bonds provided financing for the water and wastewater facility improvements and updates. The bonds are payable solely from water customer net revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require less than 4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,344,844. Principal and interest paid for the current year and total customer net revenues were \$579,788 and \$16,791,298, respectively.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Changes in long-term liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2016:

	<i>Balance October 1, 2015</i>	<i>Additions</i>	<i>Retirements/ Deductions</i>	<i>Balance September 30, 2016</i>	<i>Long-term Balance</i>	<i>Due Within One Year</i>
<i>Governmental activities:</i>						
General obligation bonds	\$ 23,450,000		(2,345,000)	21,105,000	18,855,000	2,250,000
Issuance premiums	1,848,564		(211,883)	1,636,681	1,636,681	
Total general obligation bonds	25,298,564	-	(2,556,883)	22,741,681	20,491,681	2,250,000
Certificates of obligation	23,885,000		(1,125,000)	22,760,000	21,595,000	1,165,000
Issuance premiums	246,334		(18,475)	227,859	227,859	
Total certificates of obligation	24,131,334	-	(1,143,475)	22,987,859	21,822,859	1,165,000
Capital leases	96,864	1,177,496	(173,800)	1,100,560	905,237	195,323
Net pension and other postemploy- ment liabilities	16,927,105	13,113,638	(6,044,611)	23,996,132	23,996,132	
Accrued compensated absences	4,203,810	971,261	(1,013,237)	4,161,834	3,881,111	280,723
Governmental activity Long-term liabilities	<u>\$ 70,657,677</u>	<u>15,262,395</u>	<u>(10,932,006)</u>	<u>74,988,066</u>	<u>71,097,020</u>	<u>3,891,046</u>

	<i>Balance October 1, 2015</i>	<i>Additions</i>	<i>Retirements/ Deductions</i>	<i>Balance September 30, 2016</i>	<i>Long-term Balance</i>	<i>Due Within One Year</i>
<i>Business-type activities:</i>						
Revenue bonds	\$ 3,740,000		(415,000)	3,325,000	2,890,000	435,000
Issuance premiums	(12,330)		206	(12,124)	(12,124)	
Total revenue bonds	3,727,670	-	(414,794)	3,312,876	2,877,876	435,000
Capital leases	4,516,570		(383,627)	4,132,943	3,737,440	395,503
Net pension and other post- employment liabilities	4,577,526	2,661,433	(1,595,432)	5,643,527	5,643,527	
Accrued compensated absences	399,242	282,558	(315,992)	365,808	302,100	63,708
Business-type activity Long-term liabilities	<u>\$ 13,221,008</u>	<u>2,943,991</u>	<u>(2,709,845)</u>	<u>13,455,154</u>	<u>12,560,943</u>	<u>894,211</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities. At year end, \$65,354 of internal service funds compensated absences is included in the above amounts.

The General Fund is the governmental fund which primarily is responsible for the accrued compensated absences liability for the governmental activities.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

NOTE 18 - CONDUIT DEBT

The City issued \$2,430,000 in Combination Tax and Revenue Certificates of Obligation, Series 2008 dated February 1, 2008. The stated maturity date of the debt is February 1, 2023, with an interest rate of 3.660% per annum. The certificates were issued by the City on behalf of the Bi-State Justice Center. The purpose of the debt is to pay contractual obligations for improvements to the Bi-State Criminal Justice Center and professional services rendered in connection therewith. The payments are made by the Bi-State Justice Center directly to the paying agent. The City has no responsibility for the repayment of the debt beyond its participation in the BSJC joint venture. The balance outstanding at September 30, 2016 is \$1,295,000.

NOTE 19 - RISK MANAGEMENT

The City's workers' compensation insurance coverage is obtained through the Texas Municipal League Intergovernmental Risk Pool (TML Pool). The TML Pool was established by the various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. Losses under a stated amount for workers' compensation that are incurred by TML members are paid with TML Pool funds. Claims in excess of this limit are paid under terms of insurance policies obtained by the TML Pool. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board or by the State Board of Insurance of Texas. Such rates are estimated to include all claims expected to occur during the policy period, including claims incurred but not reported. The TML has established claims reserves for each of the types of insurance offered. Thus, although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contributed rate for subsequent years. Members are also entitled to returns of contributions if actual results are more favorable than estimated. For the year ended September 30, 2016, the City contributed \$259,374 for workers' compensation coverage.

Through an amendment, in 1978, of the Texas Unemployment Compensation Act, the City of Texarkana elected the Reimbursing Employer Option for providing unemployment insurance benefits for eligible former City employees.

The City has outside property insurance coverage totaling \$29,505,080 for major structures, primarily those used by the public and those located in a cluster to provide protection from catastrophic losses, as well as \$8,587,900 of contents coverage.

The City maintains liability insurance coverage of \$1,315,100 for all its vehicles and equipment. It has vehicle damage coverage on the most expensive vehicles and equipment including fire engines and large trucks.

The City has established an Employee Benefit Fund (an internal service fund) to account for a self-insured employee health benefit program. The City accounts for this expense on the accrual method in that as cash is transferred to the Employee Benefit Fund, it is expensed on the transferring fund. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Under this program, the City is self-insured up to a maximum of \$100,000 specific deductible per covered person in a calendar year, and a \$75,000 aggregating specific deductible. Costs in excess of this amount, up to \$1,900,000 per claimant as an annual benefit and unlimited as a lifetime benefit, were insured through QBE Insurance Corporation, which was offered by the reinsurance

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

company, Beacon Risk Strategies, LLC. Beacon, Risk Strategies, LLC is offered through the Third Party Administrator, Blue Advantage of Arkansas. Each participating fund makes payments to the Employee Benefit Fund based upon the computed monthly amount determined by the administrator of the plan. Employees pay a portion of their costs and an amount for dependents and the City pays for the remainder of employees' coverage. Costs are recognized by the City in the Employee Benefit Fund when claims are filed and processed according to the City of Texarkana's plan document by Blue Advantage Administrators of Arkansas. Estimated costs incurred but not billed at year end are accrued.

Changes in the balance of claims liabilities during the past year are as follows:

	<u>Year Ended</u> <u>September 30, 2016</u>	<u>Year Ended</u> <u>September 30, 2015</u>
Unpaid claims, October 1	\$ 312,800	\$ 346,150
Incurred claims	2,797,618	3,820,776
Claim payments	<u>(2,894,967)</u>	<u>(3,854,126)</u>
Unpaid claims, September 30	<u>\$ 215,451</u>	<u>\$ 312,800</u>

The amount of settlements has not exceeded the coverage during any of the past three years.

NOTE 20 - EMPLOYEE RETIREMENT SYSTEMS

The City has elected to participate in the following retirement plans for its employees: A) Texas Municipal Retirement System, and B) Texarkana Firemen's Relief and Retirement Fund.

A. TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

The City participates in three retirement plans in the Texas Municipal Retirement System (TMRS) which covers all eligible full time employees, excluding firefighters: Plan #1 covers Police Officers, Plan #2 covers Other City employees and Plan #3 covers Texarkana Water Utilities employees.

1. Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS ACT, Subtitle G, Title 8, Texas Government Code (The TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

2. Benefits Provided

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

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

Plan provisions for the City were as follows:

	<u><i>Plan No. 1</i></u>	<u><i>Plan No. 2</i></u>	<u><i>Plan No. 3</i></u>
Employee deposit rate	7%	7%	7%
City current matching ratio	2-1	2-1	2-1
Updated Service Credit:			
Rate	100T	100T	100T
Year effective	1998R	1992R	1992R
Annuity Increase	70%	70%	70%
Annuity Increase year effective	1998R	1992R	1992R
Military service credit effective date	Oct. 1988	Oct. 1988	Oct. 1988
Vesting	5 yrs.	5 yrs.	5 yrs.
Service retirement eligibilities	5 yrs/age 60, 20 yrs/any age	5 yrs/age 60, 20 yrs/any age	5 yrs/age 60, 20 yrs/any age
Restricted prior service credit effective date	June 1995	June 1995	June 1995

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

	<u><i>Plan No. 1</i></u>	<u><i>Plan No. 2</i></u>	<u><i>Plan No. 3</i></u>
Inactive employees or beneficiaries currently receiving benefits	68	163	99
Inactive employees entitled to but not yet receiving benefits	32	107	41
Active employees	87	214	151
Total	<u>187</u>	<u>484</u>	<u>291</u>

3. Contributions

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

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Employees for the City of Texarkana, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Texarkana, Texas were as follows in calendar years 2015 and 2016.

	<u>Plan No. 1</u>	<u>Plan No. 2</u>	<u>Plan No. 3</u>
City Contribution Rate:			
2015	17.38%	15.82%	16.71%
2016	16.76%	15.48%	15.83%

The City's contributions to TMRS for the year ended September 30, 2016 were \$898,144, \$1,237,191 and \$1,016,326 for Plan No. 1, Plan No. 2, and Plan No. 3, respectively, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<i><u>Asset Class</u></i>	<i><u>Target Allocation</u></i>	<i><u>Long-Term Expected Real Rate of Return (Arithmetic)</u></i>
Domestic equity	17.50%	4.55%
International equity	17.50%	6.10%
Core fixed income	10.00%	1.00%
Non-core fixed income	20.00%	3.65%
Real return	10.00%	4.03%
Real estate	10.00%	5.00%
Absolute return	10.00%	4.00%
Private equity	5.00%	8.00%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

CHANGES IN NET PENSION LIABILITY PLAN NO. 1

	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>
Balance at 12/31/2014	\$ 40,954,105	36,160,309	4,793,796
Changes for the year:			
Service cost	969,892		969,892
Interest	2,842,733		2,842,733
Change of benefit terms	-		-
Difference between expected and actual experience	(710,991)		(710,991)
Changes of assumptions	(72,483)		(72,483)
Contributions - employer		966,327	(966,327)
Contributions - employee		389,200	(389,200)
Net investment income		53,356	(53,356)
Benefit payments, including refunds of employee contributions	(1,657,168)	(1,657,168)	-
Administrative expense	-	(32,500)	32,500
Other changes		(1,605)	1,605
Net changes	1,371,983	(282,390)	1,654,373
Balance at 12/31/2015	\$ 42,326,088	35,877,919	6,448,169

CHANGES IN NET PENSION LIABILITY PLAN NO. 2

	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>
Balance at 12/31/2014	\$ 45,991,573	40,252,331	5,739,242
Changes for the year:			
Service cost	1,300,193		1,300,193
Interest	3,180,026		3,180,026
Change of benefit terms	-		-
Difference between expected and actual experience	(507,874)		(507,874)
Changes of assumptions	238,953		238,953
Contributions - employer		1,248,098	(1,248,098)
Contributions - employee		551,597	(551,597)
Net investment income		59,293	(59,293)
Benefit payments, including refunds of employee contributions	(2,277,497)	(2,277,497)	-
Administrative expense		(36,119)	36,119
Other changes		(1,784)	1,784
Net changes	1,933,801	(456,412)	2,390,213
Balance at 12/31/2015	\$ 47,925,374	39,795,919	8,129,455

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

CHANGES IN NET PENSION LIABILITY PLAN NO. 3

	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>
Balance at 12/31/2014	\$ 23,548,595	19,615,353	3,933,242
Changes for the year:			
Service cost	663,135		663,135
Interest	1,643,709		1,643,709
Change of benefit terms	-		-
Difference between expected and actual experience	(497,533)		(497,533)
Changes of assumptions	100,711		100,711
Contributions - employer		713,523	(713,523)
Contributions - employee		298,901	(298,901)
Net investment income		29,037	(29,037)
Benefit payments, including refunds of employee contributions	(948,775)	(948,775)	-
Administrative expense		(17,687)	17,687
Other changes		(872)	872
Net changes	961,247	74,127	887,120
Balance at 12/31/2015	\$ 24,509,842	19,689,480	4,820,362

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

The following presents the net pension liability of the City calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate:

	<i>1% Decrease in Discount Rate (5.75%)</i>	<i>Discount Rate (6.75%)</i>	<i>1% Increase in Discount Rate (7.75%)</i>
City's net pension liability:			
Plan No. 1	\$ 12,914,452	\$ 6,448,169	\$ 1,212,311
Plan No. 2	14,582,805	8,129,455	2,832,067
Plan No. 3	8,291,845	4,820,362	1,049,986

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the year ended September 30, 2016, the City recognized pension expense of \$1,281,778, \$1,597,004, and \$744,388 in Plan No. 1, Plan No. 2 and Plan No. 3, respectively.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SCHEDULE OF OUTFLOWS AND INFLOWS PLAN NO. 1

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Net difference between projected and actual earnings on pension plan investments	\$ 2,247,705	
Changes in actuarial assumptions		60,735
Differences between expected and actual experience		1,039,633
Contributions made after December 31, 2015 but before September 30, 2016	638,955	
Total	<u>\$ 2,886,660</u>	<u>1,100,368</u>

SCHEDULE OF OUTFLOWS AND INFLOWS PLAN NO. 2

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Net difference between projected and actual earnings on pension plan investments	\$ 2,498,687	
Changes of assumptions		575,176
Differences between expected and actual experience		(169,692)
Contributions made after December 31, 2015 but before September 30, 2016	857,894	
Total	<u>\$ 3,356,581</u>	<u>405,484</u>

SCHEDULE OF OUTFLOWS AND INFLOWS PLAN NO. 3

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Net difference between projected and actual earnings on pension plan investments	\$ 1,220,965	
Changes of assumptions	78,959	
Differences between expected and actual experience		754,378
Contributions made after December 31, 2015 but before September 30, 2016	470,157	
Total	<u>\$ 1,770,081</u>	<u>754,378</u>

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<i><u>Year ended December 31:</u></i>	<i><u>Plan No. 1</u></i>	<i><u>Plan No. 2</u></i>	<i><u>Plan No. 3</u></i>
2016	\$ 355,470	443,611	95,663
2017	355,470	484,592	95,663
2018	355,470	614,231	138,523
2019	267,000	550,769	215,697
2020	(164,490)	-	-
Thereafter	(21,583)	-	-
Total	<u>\$ 1,147,337</u>	<u>2,093,203</u>	<u>545,546</u>

B. TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT FUND (FRRF)

A. General Information about the Retirement Plan

1. Plan Description

The City contributes to the retirement plan for firefighters in the Texarkana Fire Department known as the Texarkana Firemen's Relief and Retirement fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Texarkana Firemen's Relief and Retirement Fund. The City does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained in writing from the Texarkana Firemen's Relief and Retirement Fund at P.O. Box 6083, Longview, TX 75608. See that report for all information about the plan fiduciary net position.

2. Benefits Provided

Firefighters in the Texarkana Fire Department are covered by the Texarkana Firemen's Relief and Retirement Fund which provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service. Firefighters become eligible for normal service retirement at age 50 with 20 years of service. If a terminated firefighter has a vested benefit but is not eligible for normal retirement, his benefit is deferred until the month after the date he would have first satisfied both age and service requirements for normal retirement if he had remained a Texarkana firefighter. The present plan effective October 1, 2014 provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity equal to 3.09% of Highest 36-Month Average Salary for each year of service.

A retiring firefighter who is at least age 52.5 with at least 22.5 years of service has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 36-Month Average

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Salary as if he had terminated employment on his selected RETRO DROP benefit calculation date, which is no earlier than the later of the date he meets the RETRO DROP eligibility requirements and the date three years preceding the date he actually retires. Upon retirement, the member will receive, in addition to his monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the fund after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date he retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

3. Members Covered by the Fund

In the December 31, 2015 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	0
Active employees	79
Total	<u>146</u>

4. Funding Policy

The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedures to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

The funding policy of the Texarkana Firemen's Relief and Retirement Fund requires contributions equal to 13.5% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City currently contributes according to an agreement between the City and the Fund's board of trustees. The City's contribution rate to the Fund is 19.5% of payroll and has been at that rate since October 2009. The December 31, 2015 actuarial valuation includes the assumption that the City contribution rate will be 19.5% at least as long as the UAAL amortization period. The costs of administering the plan are paid from the Fund assets.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. The board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending December 31, 2015, the money-weighted rate of return on pension plan investments was -3.07%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying that the contribution commitment by the firefighters and the assumed city contribution rate together provide an adequate

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

contribution agreement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contributions rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

B. Net Pension Liability

The City of Texarkana's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by a special study based on the actuarial valuation as of December 31, 2015.

Total pension liability	\$ 37,889,368
Plan fiduciary net position	<u>31,019,529</u>
City's net pension liability	<u>\$ 6,869,839</u>
Plan fiduciary net position as a percentage of the total pension liability	81.9%

1. Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25%, plus promotion, step and longevity increases that vary by service
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables for males and for females (sex distinct) projected to 2024 by scale AA.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.57%) and by adding expected inflation (3.25%). In addition, the final 7.75% assumption was selected by "rounding down" and thereby reflects a reduction of 0.07% for adverse deviation. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Net Real Rate of Return</i>
Equities		
Large/all cap domestic	23%	5.64%
Small/mid cap domestic	9%	6.14%
International developed	14%	6.14%
Emerging markets	6%	7.64%
Specialty		
Income opportunity	10%	3.84%
Real estate	3%	4.14%
Master limited part.	4%	7.64%
Global convertibles	5%	3.14%

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Net Real Rate of Return</i>
Fixed income		
Domestic core	15%	1.14%
Domestic high yield	8%	2.64%
Global	3%	1.64%
Cash	0%	0.10%
Total	100.0%	
Weighted Average		4.57%

2. Discount Rate

The discount rate used to measure the total pension liability was 7.75%. No projection of cash flows was used to determine the discount rate because the special study based on the December 31, 2015 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 16 years. Because of the 16-year amortization period of the UAAL with the lower value of assets, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.75% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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

The following presents the net pension liability of the City of Texarkana, calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<i>1% Decrease (6.75%)</i>	<i>Current Discount Rate (7.75%)</i>	<i>1% Increase (8.75%)</i>
City's Net Pension Liability	\$ 10,910,129	6,869,839	3,438,039

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

4. Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

C. Changes in the Net Pension Liability

	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>
Amounts as of September 30, 2015 ¹	\$ 37,527,657	33,244,477	4,283,180
Changes for the year:			
Service cost	905,833		905,833
Interest	2,879,964		2,879,964
Differences between expected and actual experience	(827,723)		(827,723)
Contributions by the city		795,780	(795,780)
Contributions by the firefighter		550,925	(550,925)
Net investment income		(1,001,621)	1,001,621
Benefit payments	(2,545,333)	(2,545,333)	-
Administrative expenses		(24,699)	24,699
Assumption changes	(51,030)		(51,030)
Net changes	361,711	(2,224,948)	2,586,659
Amounts as of September 30, 2016 ²	\$ 37,889,368	31,019,529	6,869,839

¹ Measurements for the fiscal year ended September 30, 2015 were taken as of December 31, 2014.

² Measurements for the fiscal year ended September 30, 2016 were taken as of December 31, 2015.

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

For the year ended September 30, 2016, the City's GASB 68 pension expense was \$1,467,110. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

The components of pension expense for the fiscal year ended September 30, 2016 are as follows:

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CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Service cost	\$ 905,833
Interest	2,879,964
Firefighter contributions	(550,925)
Projected earnings on pension plan investments	(2,529,043)
Amortization of differences between projected and actual earnings on plan investments	868,726
Amortization of changes of assumptions	(7,674)
Amortization of differences between expected and actual experience	(124,470)
Pension plan administrative expenses	24,699
Total pension expense	<u>\$ 1,467,110</u>

At September 30, 2016, the City reported deferred outflows of resources related to the Fire Pension plan from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Net difference between projected and actual earnings on pension plan investments	\$ 3,312,310	
Changes of assumptions		43,356
Differences between expected and actual experience		703,253
Contributions made after December 31, 2015 but before September 30, 2016	571,627	
Total	<u>\$ 3,883,937</u>	<u>\$ 746,609</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year Ended September 30</i>	<i>Net of Deferred Outflows Minus Deferred Inflows</i>
2017	\$ 736,582
2018	736,582
2019	736,582
2020	573,988
2021	(132,144)
Thereafter	(85,889)
Total	<u>\$ 2,565,701</u>

NOTE 21 - POSTEMPLOYMENT HEALTH CARE BENEFITS

In addition to the retirement benefits described in Note 20, eligible employees hired before January 1, 2010 receive upon retirement 1) a lump sum payment of their sick leave balance at retirement which is equal to their sick leave hours (limited to 720 for non-Civil Service) valued at their hourly pay rate, and 2) an additional amount equal to their sick leave balance used to pay future monthly healthcare contributions. Since the sick

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

leave balance in item 2 can only be used for healthcare it is required to be included as another post-employment benefit (OPEB).

The City and Texas Water Utility both provide the above described post employment benefits. Each plan has a separate actuarial valuation and are reported separately in the following disclosures.

Funding Policy

The Annual Required Contribution (ARC) is the periodic required contribution to fund the post employment healthcare benefits of both active and inactive participants. The ARC includes both the value of benefits earned during the year (normal costs) and an amortization of the Unfunded Actuarial Accrued Liability (UAAL). Although there is no requirement to contribute the ARC, it serves as the starting point for the Annual OPEB Cost.

The annual OPEB Cost is the amount the employer charges as the cost of the post employment healthcare benefits on its income statement each fiscal year. If there is no Net OPEB Obligation on the financial statements then the Annual OPEB Cost is equal to the ARC. However, if there is a Net OPEB Obligation, then the Annual OPEB Cost reflects adjustments for the Net OPEB Obligation previously recognized and interest.

The Annual Expected Pay-As-You-Go Cost is the expected claims and administration costs less deductibles, coinsurance and contributions for inactive participants during the fiscal year.

The City's Annual Required Contribution and Annual OPEB costs are as follows:

	<i>City</i>	<i>TWU</i>
Normal costs	\$ 461,119	107,529
Amortization of unfunded actuarial accrued liability	392,736	101,634
Annual required contribution	853,855	209,163
Interest on BOY net OPEB obligation	84,435	26,155
Adjustment	(81,445)	(37,813)
Annual OPEB cost	856,845	197,505
Contributions made	(419,063)	(18,624)
Increase (decrease) in OPEB obligation	437,782	178,881
OPEB at the beginning of period	2,110,887	644,284
OPEB at the end of period	<u>\$ 2,548,669</u>	<u>823,165</u>

The City's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended September 30, 2016 and the two preceding years were as follows:

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

<i>Plan</i>	<i>Year Ended</i>	<i>Annual OPEB Cost</i>	<i>Percentage of OPEB Cost Contributed</i>	<i>Net OPEB Obligation</i>
City	9/30/2014	\$ 681,247	60.18%	1,672,864
	9/30/2015	857,085	48.89%	2,110,887
	9/30/2016	856,845	48.91%	2,548,669
TWU	9/30/2014	129,866	29.39%	473,262
	9/30/2015	197,040	13.20%	644,284
	9/30/2016	197,505	9.43%	823,165

Funding Status and Funding Progress

The funded status of the plans as of September 30, 2016 was as follows:

SCHEDULE OF FUNDING PROGRESS

<i>Plan</i>	<i>Fiscal Year Ended</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded AAL (UAAL)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll</i>
City	9/30/2014	\$ -	7,886,704	7,886,704	0%	13,405,457	59%
	9/30/2015		9,882,392	9,882,392	0%	13,326,982	74%
	9/30/2016		9,882,392	9,882,392	0%	13,831,340	71%
TWU	9/30/2014		1,130,100	1,130,100	0%	6,525,691	17%
	9/30/2015		1,726,186	1,726,186	0%	6,643,748	26%
	9/30/2016		1,726,186	1,726,186	0%	6,523,106	26%

Actuarial Methods and Assumptions

City Plan – The actuarial assumptions used in the actuarial valuations are either based on actual City experience and developed through discussion with the City, or drawn from either the December 31, 2008 Texas Municipal Retirement System City of Texarkana (TMRS-COT) Actuarial Valuation, December 31, 2008 Texas Municipal Retirement System Texarkana Police Department (TMRS-TPD) Actuarial Valuation or December 31, 2007 Texarkana Firemen's Relief and Retirement Fund (FRRF) Actuarial Valuation. The TMRS actuarial valuation assumptions were developed from an actuarial investigation of TMRS experience during 1993 through 2006. Actuarial assumptions used from the TMRS-COT, TMRS-TPD, and FRRF Actuarial Valuations are assumed to be appropriate because employees and retirees of the City are members of one of these three retirement plans. Significant methods and assumptions were as follows:

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Valuation date	10/1/2015
Benefits valued	Medical and prescription drug benefits are valued. Dental benefits were not valued because retirees and their dependents are required to contribute the full group rates which are assumed to cover their full expected costs of dental coverage.
Discount Rate	4.0% (1.00% real rate of return plus 3.00% inflation)
Actuarial cost methods	Projected unit cost method. The period used to determine amortization costs for the initial unfunded actuarial accrued liability is a level period for 30 years on an open basis.
Actuarial value of assets	The plan is not prefunded.
Payroll growth rate	3.00%
Inflation rate	3.00%
Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 90% of all actives employed prior to January 1, 2010, who currently have healthcare coverage will continue with the same coverage. 25% of City employees and 60% of Firefighters with family coverage will continue with spouse coverage. 50% of those hired on or after January 1, 2010, will continue with coverage with the same dependent coverage election rates.
Age Difference/% Married	Males are assumed to be 3 years older than females, 50% married
Termination rates	Rates varying by years of service/gender/class. Sample rates for City employees (non-firefighter): Male, 5 years of service - 14.20%, Male, 10 years of service - 8.00%; Male, 20+ years of service - 0.00%
Disability rate	None
Retirement rates	Rates vary by age, with an average retirement age of 55.
Mortality Rates	RP-2000 combined table M/F projection AA 2015
Healthcare cost trend rates	7.50% for FY2015 grading to 4.00% in FY2022 and later.
Retiree contributions	Retirees pay the full contribution rate for coverage elected subject to payments by the City based on the value of the sick leave buyout account.

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

TWU Plan - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date of the pattern of sharing benefit costs between the employer and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Discount Rate for Valuing Liabilities	With prefunding: 4.0% per annum, compounded annually																																							
Payroll Increase	N/A																																							
Mortality rates	Pre-retirement: Sex distinct RP-2000 Combined Healthy Mortality Post-retirement: Sex distinct RP-2000 Combined Healthy Mortality																																							
Disability rates	None assumed																																							
Withdrawal rates	Sample rates are as follows: <table><tr><td><u>Age</u></td><td><u>Male</u></td><td><u>Female</u></td></tr><tr><td>20</td><td>17.90%</td><td>17.90%</td></tr><tr><td>30</td><td>16.2</td><td>16.2</td></tr><tr><td>40</td><td>13.1</td><td>13.1</td></tr><tr><td>50</td><td>7.9</td><td>7.9</td></tr><tr><td>60</td><td>1.2</td><td>1.2</td></tr></table>	<u>Age</u>	<u>Male</u>	<u>Female</u>	20	17.90%	17.90%	30	16.2	16.2	40	13.1	13.1	50	7.9	7.9	60	1.2	1.2																					
<u>Age</u>	<u>Male</u>	<u>Female</u>																																						
20	17.90%	17.90%																																						
30	16.2	16.2																																						
40	13.1	13.1																																						
50	7.9	7.9																																						
60	1.2	1.2																																						
Assumed Sick Leave Balance	Active participants assumed to have the maximum leave balance accrued at time of retirement. Retirees use actual sick leave balances.																																							
Participation Assumption	100% of all employees who are eligible for retiree medical benefits are assumed to elect medical coverage in retirement.																																							
Marriage Assumption	For actives it is assumed that husbands are two years older than their wives. 25% of active participants making it to retirement are assumed to be married and elect spouse medical coverage.																																							
Retirement rates	Sample rates for pre 7/1/1999 hires are as follows: <table><tr><td><u>Age</u></td><td><u>Males</u></td><td><u>Females</u></td></tr><tr><td>40-44</td><td>5.0%</td><td>5.0%</td></tr><tr><td>45-49</td><td>6.0%</td><td>6.0%</td></tr><tr><td>50-54</td><td>4.0%</td><td>4.0%</td></tr><tr><td>55-59</td><td>3.0%</td><td>3.0%</td></tr><tr><td>60</td><td>2.9%</td><td>2.9%</td></tr><tr><td>61</td><td>2.5%</td><td>2.5%</td></tr><tr><td>62</td><td>4.2%</td><td>4.2%</td></tr><tr><td>63</td><td>6.6%</td><td>6.6%</td></tr><tr><td>64</td><td>10.3%</td><td>10.3%</td></tr><tr><td>65</td><td>17.8%</td><td>17.8%</td></tr><tr><td>66-69</td><td>32.5%</td><td>32.5%</td></tr><tr><td>70+</td><td>48.6%</td><td>48.6%</td></tr></table>	<u>Age</u>	<u>Males</u>	<u>Females</u>	40-44	5.0%	5.0%	45-49	6.0%	6.0%	50-54	4.0%	4.0%	55-59	3.0%	3.0%	60	2.9%	2.9%	61	2.5%	2.5%	62	4.2%	4.2%	63	6.6%	6.6%	64	10.3%	10.3%	65	17.8%	17.8%	66-69	32.5%	32.5%	70+	48.6%	48.6%
<u>Age</u>	<u>Males</u>	<u>Females</u>																																						
40-44	5.0%	5.0%																																						
45-49	6.0%	6.0%																																						
50-54	4.0%	4.0%																																						
55-59	3.0%	3.0%																																						
60	2.9%	2.9%																																						
61	2.5%	2.5%																																						
62	4.2%	4.2%																																						
63	6.6%	6.6%																																						
64	10.3%	10.3%																																						
65	17.8%	17.8%																																						
66-69	32.5%	32.5%																																						
70+	48.6%	48.6%																																						

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CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

NOTE 22 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City's plan was amended effective January 1, 1997 to provide that all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

The City has delegated administrative and investment responsibilities to a third party administrator, ICMA Retirement Corporation, and as such, the plan assets do not meet the requirements for inclusion in the City's financial statements at September 30, 2016.

NOTE 23 – CLASSIFICATION OF GOVERNMENTAL FUND BALANCES

The table below presents a summary of the September 30, 2016, governmental fund balances by fund type and specific purpose. With the exception of nonspendable fund balances, fund balance is presented based on specific purpose. For the general fund, special revenue funds, debt service fund and capital projects funds, the specific purpose of the fund balance is determined by the governmental function for which the funds are restricted, committed, assigned or unassigned.

	<i>General</i>	<i>Debt Service</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Fund Balances:				
Nonspendable for:				
Noncurrent loans	\$ -		353,067	353,067
Investment in joint venture	90,247			90,247
Restricted				
Court security and technology	376,377			376,377
Police	214,838		39,675	254,513
Health and welfare	57,582		446,515	504,097
Debt service fund		76,937		76,937
Tourism			395,832	395,832
Capital improvements			2,422,336	2,422,336
Committed				
Police	20,848			20,848
Economic development			1,372,641	1,372,641
Assigned				
Police	1,885			1,885
Theatre			684,804	684,804
Insurance	113,525			113,525
Energy conservation	30,522			30,522
Economic development			843,540	843,540
Unassigned				
General fund	12,003,407			12,003,407
Special revenue funds			(173,131)	(173,131)
Total Fund Balances	<u>\$ 12,909,231</u>	<u>76,937</u>	<u>6,385,279</u>	<u>19,371,447</u>

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

NOTE 24 - CONTINGENT LIABILITIES

Litigation

The City of Texarkana, Arkansas applied in federal court for an order to compel arbitration with the City of Texarkana, Texas, contending a right to arbitration over Texarkana Water Utilities (TWU) management issues. The specific relief requested in the application filed by Texarkana, Arkansas was denied by court order dated July 6, 2012, while other claims later added but not included in the application were ordered to arbitration (but those matters do not involve affirmative claims for money damages). Also ordered to arbitration were all matters requested by the City of Texarkana, Texas, which include claims for money damages. The City of Texarkana, Texas, contests the issues raised by Texarkana, Arkansas. In compliance with the federal court order, the City of Texarkana, Texas promptly appointed an arbitrator, and notice was given to Texarkana, Arkansas, of that appointment. The arbitrator appointed by Texarkana, Arkansas, has not yet contacted the arbitrator appointed by the City of Texarkana, Texas, to select a third arbitrator as required by the contract between the two cities. While there appear to be no allegations or claims for damages asserted by Texarkana, Arkansas, the City attorney asserts that evaluating the likelihood of an unfavorable outcome is premature and an estimate of the amount or range of potential loss cannot be made at this time.

A civil rights complaint has been filed against a police officer of the City, the City and the City police department arising from the officer's lawful use of force which resulted in the death of an individual. The suit was filed January 29, 2016 and depositions will be taken during March 2017 and a motion for summary judgment will be filed on behalf of the officer and argued to the federal court in June 2017. The TML-retained attorney for the City maintains there is a high degree of likelihood the case will be dismissed. This claim is insured through Texas Municipal League – Intergovernmental Risk Pool.

A personal injury lawsuit was filed against the City of Texarkana, Texas, et al, stemming from an accident that occurred August 20, 2015 at an intersection in Texarkana, Arkansas where a Texarkana Water Utility vehicle operated by a Utility employee struck a school bus. The TML-retained attorney for the City estimates a range of potential loss to be \$10,000-\$15,000.

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount.

Grant Disallowances

The City participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor agency. As of September 30, 2016, significant amounts of grant expenditures have not been audited but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

Other Matters

During fiscal year 2015, the City of Texarkana, Texas expressed its interest to the U.S. Army Corps of Engineers (Corps) in obtaining an additional 120,000 acre feet of water storage space in Lake Wright Patman

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

pursuant to its April 16, 1968 agreement with the Corps. The City anticipates that the Corps will eventually raise the lake level to the ultimate operating rule curve that will then provide this additional water storage space. Operating the lake at the ultimate rule curve is contingent upon the Corps performing the necessary environmental impact studies, completing work to address the condition of the dam, completing required improvements to the lake, and converting the storage space from flood control to municipal and industrial water supply use. A preliminary annual payment estimate provided by the Corps is \$1,510,529 for fifty years, and a preliminary cost estimate for increased M&O cost related to the additional water rights is \$68,503. At the current time, the final payment amounts and the likelihood that the Corps will complete all the work required to make this additional water storage available are unknown. In fiscal year 2017, Corps discussions with Texarkana, Texas official and Riverbend Water Resource District regarding Wright Patman End State contract implementation resulted in initiation of a draft Scope of Work (SOW) for a Cultural Resources Survey (CRS) from which the related cultural survey actual scope of work, updated cost estimates and actual requirement can later be developed.

NOTE 25- SUBSEQUENT PRONOUNCEMENTS

The Governmental Accounting Standards Board recently issued the following statements not yet implemented by the City of Texarkana, Texas. The statements which might impact the City are as follows:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued in June 2015 will be effective for the year ending September 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OBEB) included in the general purpose external reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirement for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. The scope of this Statement includes OPEB plans – defined benefit and defined contribution – administered through trusts that meet specified criteria detailed in the Statement. The Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015 will be effective for the fiscal year ending September 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OBEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB, Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit OPEB, this Statement identifies

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information required about defined benefit OPEB are also addressed. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB.

Statement No. 77, *Tax Abatement Disclosures*, issued August 2015 will be effective for the fiscal year ending September 30, 2017. This Statement requires disclosure of tax abatement information about (a) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The Statement requires governments that enter into tax abatement agreements to disclose brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, the types of commitments made by tax abatement recipients, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. For tax abatement agreements of other governments, a reporting government should disclose the names of the governments that entered into the agreements, the specific taxes being abated and the gross dollar amount of the taxes abated during the period. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meets its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, issued December 2015 will be effective for the fiscal year ending September 30, 2017. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan).

Statement No. 81, *Irrevocable Split-Interest Agreements*, issued in March 2016 will be effective for the year ending September 30, 2017. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by provided recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, issued March 2016 will be effective for the fiscal year ending September 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and*

CITY OF TEXARKANA, TEXAS

Notes to the financial statements continued.

Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016 will be effective for the fiscal year ending September 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable.

NOTE 26 – SUBSEQUENT EVENTS

On October 15, 2016, the City issued \$9,090,000 general obligation refunding bonds, series 2016. The bonds are being issued in part to pay and discharge in full the City of Texarkana, Texas, Waterworks and Sanitary Sewer System Revenue Bonds, Series 2004 the City of Texarkana, Texas, General Obligation Refunding Bonds, Series 2006 and the City of Texarkana, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2009. The interest rate on the bonds ranges from 2.000% to 3.000%.

The City of Texarkana, Texas and the City of Texarkana, Arkansas each approved the application of different allocation ratios than those used in the fiscal year 2016 audit for shared costs of the Texarkana Water Utilities (business-type activities and enterprise fund) in the fiscal year 2017. The new funding ratio adopted will be 62.63% Texas and 37.37% Arkansas.

NOTE 27 – MANAGEMENT REVIEW

In preparing these financial statements, management of the City has evaluated events and transactions for potential recognition or disclosure through March 21, 2017, the date the financial statements were available to be issued.

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Required Supplementary Information

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TMRS PLAN #1 - Police Officers

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAST 10 YEARS

	Actuarial Valuation 12/31/2014	Actuarial Valuation 12/31/2015
1. Total Pension Liability		
a. Service cost	\$ 968,730	\$ 969,892
b. Interest	2,746,753	2,842,733
c. Changes of benefit provisions		
d. Differences between expected and actual experience	(647,060)	(710,991)
e. Changes of assumptions		(72,483)
f. Benefit payments	(1,738,559)	(1,657,168)
g. Net Change in Total Pension Liability	1,329,864	1,371,983
h. Total Pension Liability - Beginning	39,624,241	40,954,105
i. Total Pension Liability - Ending	<u>\$ 40,954,105</u>	<u>42,326,088</u>
2. Plan Fiduciary Net Position		
a. Contributions by the City	988,531	966,327
b. Contributions by the Employees	381,042	389,200
c. Net investment income	1,977,814	53,356
d. Benefit payments	(1,738,559)	(1,657,168)
e. Administrative Expenses	(20,649)	(32,500)
f. Other	(1,698)	(1,605)
g. Net Change in Plan Fiduciary Net Position	1,586,481	(282,390)
h. Plan Fiduciary Net Position - Beginning	34,573,828	36,160,309
i. Plan Fiduciary Net Position - Ending	<u>\$ 36,160,309</u>	<u>35,877,919</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 4,793,796	6,448,169
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.3%	84.8%
5. Covered Payroll for Year (Estimated)	\$ 5,443,456	5,554,938
6. City's Net Pension Liability as a Percentage of Covered Payroll	88.1%	116.08%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TMRS PLAN #2 - Other City Employees

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAST 10 YEARS

	Actuarial Valuation 12/31/2014	Actuarial Valuation 12/31/2015
1. Total Pension Liability		
a. Service cost	\$ 1,199,684	1,300,193
b. Interest	3,070,141	3,180,026
c. Changes of benefit provisions		
d. Differences between expected and actual experience	(470,023)	(507,874)
e. Changes of assumptions		238,953
f. Benefit payments	(2,135,093)	(2,277,497)
g. Net Change in Total Pension Liability	1,664,709	1,933,801
h. Total Pension Liability - Beginning	44,326,864	45,991,573
i. Total Pension Liability - Ending	<u>\$ 45,991,573</u>	<u>47,925,374</u>
2. Plan Fiduciary Net Position		
a. Contributions by the City	1,182,575	1,248,098
b. Contributions by the Employees	526,260	551,597
c. Net investment income	2,202,368	59,293
d. Benefit payments	(2,135,093)	(2,277,497)
e. Administrative Expenses	(22,995)	(36,119)
f. Other	(1,891)	(1,784)
g. Net Change in Plan Fiduciary Net Position	1,751,224	(456,412)
h. Plan Fiduciary Net Position - Beginning	38,501,107	40,252,331
i. Plan Fiduciary Net Position - Ending	<u>\$ 40,252,331</u>	<u>39,795,919</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 5,739,242	8,129,455
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.5%	83.04%
5. Covered Payroll for Year (Estimated)	\$ 7,517,730	7,879,962
6. City's Net Pension Liability as a Percentage of Covered Payroll	76.3%	103.17%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TMRS PLAN #3 - Water Utilities

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAST 10 YEARS

	Actuarial Valuation 12/31/2014	Actuarial Valuation 12/31/2015
1. Total Pension Liability		
a. Service cost	\$ 641,973	\$ 663,135
b. Interest	1,594,823	1,643,709
c. Changes of benefit provisions		
d. Differences between expected and actual experience	(635,746)	(497,533)
e. Changes of assumptions		100,711
f. Benefit payments	(1,029,300)	(948,775)
g. Net Change in Total Pension Liability	571,750	961,247
h. Total Pension Liability - Beginning	22,976,845	23,548,595
i. Total Pension Liability - Ending	<u>\$ 23,548,595</u>	<u>24,509,842</u>
2. Plan Fiduciary Net Position		
a. Contributions by the City	767,302	713,523
b. Contributions by the Employees	303,453	298,901
c. Net investment income	1,059,822	29,037
d. Benefit payments	(1,029,300)	(948,775)
e. Administrative Expenses	(11,065)	(17,687)
f. Other	(910)	(872)
g. Net Change in Plan Fiduciary Net Position	1,089,302	74,127
h. Plan Fiduciary Net Position - Beginning	18,526,049	19,615,352
i. Plan Fiduciary Net Position - Ending	<u>\$ 19,615,351</u>	<u>19,689,479</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	\$ 3,933,244	4,820,363
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.3%	80.33%
5. Covered Payroll for Year (Estimated)	\$ 4,277,720	4,137,776
6. City's Net Pension Liability as a Percentage of Covered Payroll	91.9%	116.50%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TMRS PLAN #1 - Police Officers

SCHEDULE OF CONTRIBUTIONS LAST 10 FISCAL YEARS

	<u>2015</u>	<u>2016</u>
Actuarially determined contributions	\$ 937,617	\$ 898,144
Contributions in relation to the actuarially determined contributions	<u>937,617</u>	<u>898,144</u>
Contribution deficiency	<u>\$ -</u>	<u>-</u>
Covered employee payroll	\$ 5,337,623	5,303,689
Contributions as a percentage of covered employee payroll	17.57%	16.93%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TMRS PLAN #2 - Other City Employees

SCHEDULE OF CONTRIBUTIONS LAST 10 FISCAL YEARS

	2015	2016
Actuarially determined contributions	\$ 1,212,706	\$ 1,178,109
Contributions in relation to the actuarially determined contributions	1,212,589	1,177,930
Contribution deficiency	\$ 117	179
Covered employee payroll	\$ 7,675,943	7,566,064
Contributions as a percentage of covered employee payroll	15.80%	15.57%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TMRS PLAN #3 - Water Utilities

SCHEDULE OF CONTRIBUTIONS LAST 10 FISCAL YEARS

	<u>2015</u>	<u>2016</u>
Actuarially determined contributions	\$ 726,542	\$ 665,287
Contributions in relation to the actuarially determined contributions	<u>726,542</u>	<u>665,287</u>
Contribution deficiency	<u>\$ -</u>	<u>-</u>
Covered employee payroll	\$ 4,277,720	4,137,776
Contributions as a percentage of covered employee payroll	16.98%	16.08%

This pension schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS¹

	Fiscal Year Ending 9/30/2015	Fiscal Year Ending 9/30/2016
1. Total Pension Liability		
a. Service cost	\$ 840,561	\$ 905,833
b. Interest	2,767,672	2,879,964
c. Changes of benefit provisions		
d. Differences between expected and actual experience		(827,723)
e. Changes of assumptions		(51,030)
f. Benefit payments	(1,903,832)	(2,545,333)
g. Net Change in Total Pension Liability	1,704,401	361,711
h. Total Pension Liability - Beginning	35,823,256	37,527,657
i. Total Pension Liability - Ending	<u>37,527,657</u> ²	<u>37,889,368</u>
2. Plan Fiduciary Net Position		
a. Contributions by the City	790,379	795,780
b. Contributions by the firefighters	547,186	550,925
c. Net investment income	1,658,552	(1,001,621)
d. Benefit payments	(1,903,832)	(2,545,333)
e. Administrative Expenses	(42,978)	(24,699)
f. Other		
g. Net Change in Plan Fiduciary Net Position	1,049,307	(2,224,948)
h. Plan Fiduciary Net Position - Beginning	32,195,170	33,244,477
i. Plan Fiduciary Net Position - Ending	<u>33,244,477</u>	<u>31,019,529</u>
3. City's Net Pension Liability - Ending [Item 1(i)-2(i)]	4,283,180	6,869,839
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.6%	81.9%
5. Covered Payroll for Year (Estimated)	4,160,599	4,080,926
6. City's Net Pension Liability as a Percentage of Covered Payroll	102.9%	168.3%

Notes to schedule:

¹ The measurement date is December 31, nine months prior to the fiscal year end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

² Determined from the total pension liability in the special study as of December 31, 2013 using the roll forward procedure allowed for GASB 68.

CITY OF TEXARKANA, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

TEXARKANA FIREFIGHTER'S RELIEF AND RETIREMENT

SCHEDULE OF CITY CONTRIBUTIONS FOR LAST 10 FISCAL YEARS¹

¹ A schedule of City contributions is not required because the City contributions to the Fund are neither actuarially determined nor statutorily nor contractually established.

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

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Nonmajor Governmental Funds Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Housing and Community Development Fund - This fund was established to account for the receipts and disbursements of Department of Housing and Urban Development Community Development Block Grant Funds.

HOME Fund - This fund was established to account for the repayment of loans originally funded through the Home Program.

Theatre Fund - This fund was established to account for the operations of the Perot Theatre.

Hotel/Motel Tax Fund - This fund was established to account for the collection and distribution of hotel/motel taxes.

Housing Fund - This fund was established to account for the repayment of loans which are funded with non-federal, local funds under the Home Ownership Assistance Program guidelines.

Economic Development - This fund was established to account for additional franchise tax revenue restricted for economic development activity.

Law Enforcement Block Grant - This fund was established to account for the activity related to the Law Enforcement Block Grant, Weed and Seed Grant and Asset Forfeiture Program.

Law Enforcement Programs Fund - This fund was established to account for the activity related to the Tobacco Compliance Grant and the Law Enforcement Officer Standards and Education (LEOSE) allocations.

Brownfield Grant Fund - This fund was established to account for the activity related to the Environmental Protection Agency Brownfield Hazardous Waste and Petroleum Assessment Grants.

Donation Fund - This fund includes grant awards and donations given for community projects through the Texarkana, Texas Planning & Community Development Department. Programs funded from these grant awards and donations include: Texarkana, Texas Farmers Market, Believe in Beverly Campaign, City-Wide Cleanups and the Texarkana Arts & Historic District.

TIRZ #1 Fund - This fund was established to facilitate a program of public improvements to allow and encourage the development and redevelopment of approximately 868 acres of land located in the north and west part of Texarkana through the use of tax dollars collected over a designated base amount.

TIRZ # 2 Fund - This fund was established to help finance the cost of public improvements needed to promote developing or redeveloping a specific geographic area that would otherwise not attract significant private investment "but for" the Zone. Tax Increment Reinvestment Zones are regulated and monitored by the City and Chapter 311 of the Tax Code.

Rotary Splash Park Fund - This fund was established to account for the activity related to the splash pad at Spring Lake Park.

CDBG Revolving Loans Fund - This fund was established to account for funds related to the Community Development Block Grant (CDBG) Revolving Loan grant. This program enables the City to make loans to small businesses, microenterprises, minority and women-owned businesses and consumer cooperatives that are located in an area designated for redevelopment. Loan funds may be used for projects designed to create or retain permanent jobs.

Supportive Housing Grant Fund - This fund was established to account for the activity related to the U.S. Department of Housing and Urban Development grant funding which focuses on providing transitional housing for domestic violence victims and for individuals who meet the HUD definition of homeless.

NEA Grant Fund - This fund was established to account for the activity related to the National Endowment for the Arts awarded to the City of Texarkana, Texas to support the Texarkana Perot Theatre Restoration and Art Park Project.

COC Homeless Assistance Grant Fund - This fund was established by the City of Texarkana, Texas in the partnership with the Texarkana Friendship Center, Inc. and the Randy Sam's Outreach Shelter to administer a comprehensive rapid-rehousing program for the homeless. This program serves 50 homeless clients per year, as well as their immediate family members all of whom will be housed in scatter site housing.

EPA Petroleum Grant Fund - The fund was established to account for funds related to the EPA Hazardous and Petroleum Assessment grant which focuses on identifying contaminated sites in the downtown and 7th street corridor. The program assists property owners in determining the type and level of contamination so that an appropriate clean-up plan may be developed if needed.

EPA Job Training Fund - This fund was established to account for funds related to the IPA Environmental Workforce Development Job Training grant. The City works in conjunction with Texas A&M University – Texarkana to provide training leading to certification in 13 areas of environmental training.

EPA Revolving Loan Fund - This fund was established to account for funds related to the EPA Revolving Loan grant. This program enables the City to make sub grants and loans to developers seeking to redevelop contaminated properties in targeted areas of the community. Loan and grant funds may be used for clean-up activities at approved redevelopment sites.

EPA Multi-Purpose Grant Fund - This fund was established to account for funds related to the EPA Multipurpose Assessment and Clean-Up grant funds. This program provides funds to be used in the assessment and cleanup of 203 and 205 West Broad Street as part of the City's on-going downtown redevelopment initiative.

Capital Project Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

2003 Bond Fund - This fund was established to account for bond proceeds used for improving streets, drainage, flood control and the library.

2005 Bond Fund - This fund was established to account for bond proceeds used for improving streets and parks, as well as fire-fighting facilities and purchase of three fire trucks.

2009 Bond Fund – This fund was established to accumulate bond proceeds and allocate project expenditures as presented in the bond issuance.

TIRZ Bond Fund – This fund was established to account for 2012 bond proceeds used for street and drainage improvements, constructing, improving and equipping park and recreational facilities.

CITY OF TEXARKANA, TEXAS

BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2016

	<i>Special Revenue Funds</i>					
	<i>Housing and Community Development</i>	<i>HOME</i>	<i>Theatre</i>	<i>Hotel/ Motel Tax</i>	<i>Housing</i>	<i>Economic Development</i>
ASSETS						
Cash	\$ 217,832	46,019	299,038	227,098	259,510	1,331,835
Investments - certificates of deposit			403,779			
Receivables (net of allowance for uncollectible):						
Property taxes						
Other taxes				310,069		
Accounts				9,046		35,743
Other government agencies	65,978			586		
Accrued interest			465			
Loans	24,811	17,976			180,000	84,998
Due from other funds						
TOTAL ASSETS	<u>308,621</u>	<u>63,995</u>	<u>703,282</u>	<u>546,799</u>	<u>439,510</u>	<u>1,452,576</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	230,795		18,478	31,035		4,160
Contracts payable						
Due to other funds	51,210					
Unearned revenue	24,811					
TOTAL LIABILITIES	<u>306,816</u>	<u>-</u>	<u>18,478</u>	<u>31,035</u>	<u>-</u>	<u>4,160</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants	65,978					
Unavailable revenue - other taxes				119,932		
Unavailable revenue - property taxes						
TOTAL DEFERRED INFLOWS	<u>65,978</u>	<u>-</u>	<u>-</u>	<u>119,932</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable:						
Noncurrent loans		15,595			179,100	75,775
Restricted		48,400		395,832	260,410	
Committed						1,372,641
Assigned			684,804			
Unassigned	(64,173)					
TOTAL FUND BALANCE	<u>(64,173)</u>	<u>63,995</u>	<u>684,804</u>	<u>395,832</u>	<u>439,510</u>	<u>1,448,416</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>308,621</u>	<u>63,995</u>	<u>703,282</u>	<u>546,799</u>	<u>439,510</u>	<u>1,452,576</u>

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Special Revenue Funds

<i>Law Enforcement Block Grant</i>	<i>Law Enforcement Programs</i>	<i>Brownfield Grant</i>	<i>Donation</i>	<i>TIRZ #1</i>	<i>TIRZ #2</i>	<i>Rotary Splash Park</i>	<i>CDBG Revolving Loans</i>	<i>Supportive Housing Grant</i>
15,052	25,664		9,764	875,030	3	350	112,741	
				659,129				
							97,195	
<u>15,052</u>	<u>25,664</u>	<u>-</u>	<u>9,764</u>	<u>1,534,159</u>	<u>3</u>	<u>350</u>	<u>209,936</u>	<u>-</u>
1,042								
		74,368		33,375				4,719
<u>1,042</u>	<u>-</u>	<u>74,368</u>	<u>-</u>	<u>33,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,719</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>657,247</u> <u>657,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
							82,597	
14,010	25,664		9,764			350		
				843,537	3			
		(74,368)					127,339	(4,719)
<u>14,010</u>	<u>25,664</u>	<u>(74,368)</u>	<u>9,764</u>	<u>843,537</u>	<u>3</u>	<u>350</u>	<u>209,936</u>	<u>(4,719)</u>
<u>15,052</u>	<u>25,664</u>	<u>-</u>	<u>9,764</u>	<u>1,534,159</u>	<u>3</u>	<u>350</u>	<u>209,936</u>	<u>-</u>

(Continued)

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CITY OF TEXARKANA, TEXAS

BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2016

	Special Revenue Funds					
	NEA Grant	COC Homeless Assistance Grant	EPA Petroleum Grant	EPA Job Training Grant	EPA Revolving Loan Grant	EPA Multipurpose Grant
ASSETS						
Cash	13	18,719			400	(110)
Investments - certificates of deposit						
Receivables (net of allowance for uncollectible):						
Property taxes						
Other taxes						
Accounts						
Other government agencies		25,671			2,817	59,725
Accrued interest						
Loans						
Due from other funds						
TOTAL ASSETS	13	44,390	-	-	3,217	59,615
LIABILITIES AND FUND BALANCES						
Accounts payable		3,180			2,326	57,125
Contracts payable						
Due to other funds	13	41,210	217		4,874	2,237
Unearned revenue						
TOTAL LIABILITIES	13	44,390	217	-	7,200	59,362
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants		25,671				
Unavailable revenue - property taxes						
TOTAL DEFERRED INFLOWS	-	25,671	-	-	-	-
FUND BALANCES						
Nonspendable:						
Noncurrent loans						
Restricted						253
Committed						
Assigned						
Unassigned		(25,671)	(217)		(3,983)	
TOTAL FUND BALANCE	-	(25,671)	(217)	-	(3,983)	253
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	13	44,390	-	-	3,217	59,615

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<i>Capital Project Funds</i>						
<i>Total Special Revenue</i>	<i>2003 Bond</i>	<i>2005 Bond</i>	<i>2009 Bond</i>	<i>TIRZ Bond</i>	<i>Total Capital Projects</i>	<i>Total Nonmajor Governmental Fund</i>
3,438,958	4,070	512,914	1,025	1,904,254	2,422,263	5,861,221
403,779					-	403,779
659,129					-	659,129
310,069					-	310,069
44,789					-	44,789
154,777					-	154,777
465					-	465
404,980					-	404,980
-			73		73	73
<u>5,416,946</u>	<u>4,070</u>	<u>512,914</u>	<u>1,098</u>	<u>1,904,254</u>	<u>2,422,336</u>	<u>7,839,282</u>
348,141					-	348,141
-					-	-
212,223					-	212,223
24,811					-	24,811
<u>585,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,175</u>
91,649					-	91,649
119,932					-	119,932
657,247					-	657,247
<u>868,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>868,828</u>
353,067					-	353,067
754,683	4,070	512,914	1,098	1,904,254	2,422,336	3,177,019
1,372,641					-	1,372,641
1,528,344					-	1,528,344
(45,792)					-	(45,792)
<u>3,962,943</u>	<u>4,070</u>	<u>512,914</u>	<u>1,098</u>	<u>1,904,254</u>	<u>2,422,336</u>	<u>6,385,279</u>
<u>5,416,946</u>	<u>4,070</u>	<u>512,914</u>	<u>1,098</u>	<u>1,904,254</u>	<u>2,422,336</u>	<u>7,839,282</u>
						(Concluded)

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CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2016

	<i>Special Revenue Funds</i>					
	<i>Housing and Community Development</i>	<i>HOME</i>	<i>Theatre</i>	<i>Hotel/ Motel Tax</i>	<i>Housing</i>	<i>Economic Development</i>
REVENUES:						
Property taxes						
Taxes-other				1,387,313		
Franchise receipts						339,791
Charges for services			65,509			
Grants and entitlements	156,559					
Investment earnings:						
Interest and dividends		149	4,442	698	856	10,378
Intergovernmental						
Other		690		6,423	900	
Total revenues	<u>156,559</u>	<u>839</u>	<u>69,951</u>	<u>1,394,434</u>	<u>1,756</u>	<u>350,169</u>
EXPENDITURES:						
Current:						
General government						156,650
Public safety						
Parks and recreation			300,285	396,277		
Health and welfare	438,429					
Capital outlay			4,108			
Total expenditures	<u>438,429</u>	<u>-</u>	<u>304,393</u>	<u>396,277</u>	<u>-</u>	<u>156,650</u>
Excess (deficiency) of revenues over expenditures	<u>(281,870)</u>	<u>839</u>	<u>(234,442)</u>	<u>998,157</u>	<u>1,756</u>	<u>193,519</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	217,697		272,397	78,835		
Transfers out			(1,335)	(835,228)		(78,231)
Total other financing sources (uses)	<u>217,697</u>	<u>-</u>	<u>271,062</u>	<u>(756,393)</u>	<u>-</u>	<u>(78,231)</u>
Net change in fund balances	(64,173)	839	36,620	241,764	1,756	115,288
Fund balances at beginning of year	-	63,156	648,184	154,068	437,754	1,333,128
Fund balances at end of year	<u>(64,173)</u>	<u>63,995</u>	<u>684,804</u>	<u>395,832</u>	<u>439,510</u>	<u>1,448,416</u>

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Special Revenue Funds

<i>Law Enforcement Block Grant</i>	<i>Law Enforcement Programs</i>	<i>Brownfield Grant</i>	<i>Donations</i>	<i>TIRZ #1</i>	<i>TIRZ #2</i>	<i>Rotary Splash Park</i>	<i>CDBG Revolving Loans</i>	<i>Supportive Housing Grant</i>
				395,978				
29,608		3,346						
6	68 7,210		34	2,219 258,123	3	4	3,957	
29,614	7,278	3,346	13,111 13,145	656,320	3	4	3,957	-
				211				
15,689	400	4,913						
			4,794 3,176			16,825		
15,689	400	4,913	7,970	211	-	16,825	-	-
13,925	6,878	(1,567)	5,175	656,109	3	(16,821)	3,957	-
		1,317						11,534
-	-	1,317	-	(267,238) (267,238)	-	-	-	11,534
13,925	6,878	(250)	5,175	388,871	3	(16,821)	3,957	11,534
85	18,786	(74,118)	4,589	454,666	-	17,171	205,979	(16,253)
14,010	25,664	(74,368)	9,764	843,537	3	350	209,936	(4,719)

(continued)

CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2016

	Special Revenue Funds					
	COC	EPA	EPA			
	Homeless	EPA	Job	Revolving	EPA	
	Assistance	Petroleum	Training	Loan	Multipurpose	
	Grant	Grant	Grant	Grant	Grant	Grant
REVENUES:						
Property taxes						
Taxes-other						
Franchise receipts						
Charges for services						
Grants and entitlements						
Investment earnings:						
Interest and dividends						
Intergovernmental	452,701	69,169		8,474		81,050
Other						
Total revenues	- 452,701	69,169	-	8,474		81,050
EXPENDITURES:						
Current:						
General government						
Public safety						
Parks and recreation	14,794					
Health and welfare		524,485	68,769		23,854	122,462
Capital outlay						
Total expenditures	14,794	524,485	68,769	-	23,854	122,462
Excess (deficiency) of revenues over expenditures	(14,794)	(71,784)	400	-	(15,380)	(41,412)
OTHER FINANCING SOURCES (USES):						
Transfers in	14,794	46,113			15,164	30,926
Transfers out				(1,971)		(30)
Total other financing sources (uses)	14,794	46,113	-	(1,971)	15,164	30,896
Net change in fund balances	-	(25,671)	400	(1,971)	(216)	(10,516)
Fund balances at beginning of year	-	-	(617)	1,971	(3,767)	10,769
Fund balances at end of year	-	(25,671)	(217)	-	(3,983)	253

<i>Capital Projects Funds</i>						<i>Total Nonmajor Governmental Fund</i>
<i>Total Special Revenue</i>	<i>2003 Bond</i>	<i>2005 Bond</i>	<i>2009 Bond</i>	<i>TIRZ Bond</i>	<i>Total Capital Projects</i>	
395,978					-	395,978
1,387,313					-	1,387,313
339,791					-	339,791
65,509					-	65,509
189,513					-	189,513
22,814	472	1,991	74	5,728	8,265	31,079
876,727					-	876,727
21,124			32,292		32,292	53,416
<u>3,298,769</u>	<u>472</u>	<u>1,991</u>	<u>32,366</u>	<u>5,728</u>	<u>40,557</u>	<u>3,339,326</u>
156,861					-	156,861
21,002					-	21,002
711,356					-	711,356
1,182,793					-	1,182,793
24,109	178,475	215,190			393,665	417,774
<u>2,096,121</u>	<u>178,475</u>	<u>215,190</u>	<u>-</u>	<u>-</u>	<u>393,665</u>	<u>2,489,786</u>
<u>1,202,648</u>	<u>(178,003)</u>	<u>(213,199)</u>	<u>32,366</u>	<u>5,728</u>	<u>(353,108)</u>	<u>849,540</u>
688,777					-	688,777
(1,184,033)					-	(1,184,033)
<u>(495,256)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(495,256)</u>
707,392	(178,003)	(213,199)	32,366	5,728	(353,108)	354,284
<u>3,255,551</u>	<u>182,073</u>	<u>726,113</u>	<u>(31,268)</u>	<u>1,898,526</u>	<u>2,775,444</u>	<u>6,030,995</u>
<u>3,962,943</u>	<u>4,070</u>	<u>512,914</u>	<u>1,098</u>	<u>1,904,254</u>	<u>2,422,336</u>	<u>6,385,279</u> (concluded)

CITY OF TEXARKANA, TEXAS

HOUSING AND COMMUNITY DEVELOPMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES:				
Grants and entitlements	\$ 423,129	423,129	156,559	(266,570)
Total revenues	<u>423,129</u>	<u>423,129</u>	<u>156,559</u>	<u>(266,570)</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>423,129</u>	<u>423,129</u>	<u>438,429</u>	<u>(15,300)</u>
Total expenditures	<u>423,129</u>	<u>423,129</u>	<u>438,429</u>	<u>(15,300)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(281,870)</u>	<u>(281,870)</u>
OTHER FINANCING SOURCES/USES				
Transfers in			217,697	217,697
Total other financing sources/uses	<u>-</u>	<u>-</u>	<u>217,697</u>	<u>217,697</u>
Net change in fund balances	-	-	(64,173)	(64,173)
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>-</u>	<u>(64,173)</u>	<u>(64,173)</u>

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CITY OF TEXARKANA, TEXAS

HOME FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Grants and entitlements	\$ 61,997	18,147	-	(18,147)
Investment earnings:				
Interest	-	140	149	9
Other			690	690
Total revenues	<u>61,997</u>	<u>18,287</u>	<u>839</u>	<u>(17,448)</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>81,443</u>	<u>81,443</u>	<u>-</u>	<u>81,443</u>
Total expenditures	<u>81,443</u>	<u>81,443</u>	<u>-</u>	<u>81,443</u>
Net change in fund balances	(19,446)	(63,156)	839	63,995
Fund balances at beginning of year	<u>63,156</u>	<u>63,156</u>	<u>63,156</u>	<u>-</u>
Fund balances at end of year	<u>\$ 43,710</u>	<u>-</u>	<u>63,995</u>	<u>63,995</u>

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CITY OF TEXARKANA, TEXAS

THEATRE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
REVENUES:				
Charges for services	\$ 65,000	65,000	65,509	509
Investment earnings:				
Interest and dividends	3,400	3,750	4,442	692
Total revenues	<u>68,400</u>	<u>68,750</u>	<u>69,951</u>	<u>1,201</u>
EXPENDITURES:				
Current:				
Parks and recreation	332,697	336,707	300,285	36,422
Capital outlay	50,000	45,000	4,108	40,892
Total expenditures	<u>382,697</u>	<u>381,707</u>	<u>304,393</u>	<u>77,314</u>
Excess (deficiency) of revenues over expenditures	<u>(314,297)</u>	<u>(312,957)</u>	<u>(234,442)</u>	<u>78,515</u>
OTHER FINANCING SOURCES/USES				
Transfers in	272,397	272,397	272,397	-
Transfers out	(1,335)	(1,335)	(1,335)	-
Total other financing sources/uses	<u>271,062</u>	<u>271,062</u>	<u>271,062</u>	<u>-</u>
Net change in fund balances	(43,235)	(41,895)	36,620	78,515
Fund balances at beginning of year	<u>648,184</u>	<u>648,184</u>	<u>648,184</u>	<u>-</u>
Fund balances at end of year	<u>\$ 604,949</u>	<u>606,289</u>	<u>684,804</u>	<u>78,515</u>

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CITY OF TEXARKANA, TEXAS

HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
REVENUES:				
Taxes-other	\$ 1,094,000	1,281,018	1,387,313	106,295
Investment earnings:				
Interest and dividends	500	985	698	(287)
Other	10,525	1,337	6,423	5,086
Total revenues	<u>1,105,025</u>	<u>1,283,340</u>	<u>1,394,434</u>	<u>111,094</u>
EXPENDITURES:				
Current:				
Parks and recreation	<u>343,935</u>	<u>369,043</u>	<u>396,277</u>	<u>(27,234)</u>
Total expenditures	<u>343,935</u>	<u>369,043</u>	<u>396,277</u>	<u>(27,234)</u>
Excess of revenues over expenditures	<u>761,090</u>	<u>914,297</u>	<u>998,157</u>	<u>83,860</u>
OTHER FINANCING USES:				
Transfers in	78,835	78,835	78,835	-
Transfers out	<u>(835,228)</u>	<u>(835,228)</u>	<u>(835,228)</u>	<u>-</u>
Total other financing uses	<u>(756,393)</u>	<u>(756,393)</u>	<u>(756,393)</u>	<u>-</u>
Net change in fund balances	4,697	157,904	241,764	83,860
Fund balances at beginning of year	<u>154,068</u>	<u>154,068</u>	<u>154,068</u>	<u>-</u>
Fund balances at end of year	<u>\$ 158,765</u>	<u>311,972</u>	<u>395,832</u>	<u>83,860</u>

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CITY OF TEXARKANA, TEXAS

HOUSING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
REVENUES:				
Investment earnings:				
Interest and dividends	\$ 850	825	856	31
Other			900	900
Total revenues	<u>850</u>	<u>825</u>	<u>1,756</u>	<u>931</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>437,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>437,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(436,150)</u>	<u>825</u>	<u>1,756</u>	<u>931</u>
Net change in fund balances	(436,150)	825	1,756	931
Fund balances at beginning of year	<u>437,754</u>	<u>437,754</u>	<u>437,754</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,604</u>	<u>438,579</u>	<u>439,510</u>	<u>931</u>

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CITY OF TEXARKANA, TEXAS

ECONOMIC DEVELOPMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
REVENUES:				
Franchise receipts	\$ 380,000	343,000	339,791	(3,209)
Investment earnings:				
Interest and dividends	8,000	7,500	10,378	2,878
Total revenues	<u>388,000</u>	<u>350,500</u>	<u>350,169</u>	<u>(331)</u>
EXPENDITURES:				
Current:				
General government	<u>389,053</u>	<u>337,181</u>	<u>156,650</u>	<u>180,531</u>
Total expenditures	<u>389,053</u>	<u>337,181</u>	<u>156,650</u>	<u>180,531</u>
Excess (deficiency) of revenues over expenditures	<u>(1,053)</u>	<u>13,319</u>	<u>193,519</u>	<u>180,200</u>
OTHER FINANCING USES:				
Transfers out	<u>(547)</u>	<u>(78,231)</u>	<u>(78,231)</u>	<u>-</u>
Total other financing uses	<u>(547)</u>	<u>(78,231)</u>	<u>(78,231)</u>	<u>-</u>
Net change in fund balances	(1,600)	(64,912)	115,288	180,200
Fund balances at beginning of year	<u>1,333,128</u>	<u>1,333,128</u>	<u>1,333,128</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,331,528</u>	<u>1,268,216</u>	<u>1,448,416</u>	<u>180,200</u>

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CITY OF TEXARKANA, TEXAS

LAW ENFORCEMENT BLOCK GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Grants and entitlements	\$ 29,608	29,608	29,608	-
Investment earnings:				-
Interest and dividends	5	-	6	6
Total revenues	<u>29,613</u>	<u>29,608</u>	<u>29,614</u>	<u>6</u>
EXPENDITURES:				
Current:				
Public safety	20,624	20,624	15,689	4,935
Capital outlay	8,984	9,069	-	9,069
Total expenditures	<u>29,608</u>	<u>29,693</u>	<u>15,689</u>	<u>14,004</u>
Net change in fund balances	5	(85)	13,925	14,010
Fund balances at beginning of year	<u>85</u>	<u>85</u>	<u>85</u>	<u>-</u>
Fund balances at end of year	<u>\$ 90</u>	<u>-</u>	<u>14,010</u>	<u>14,010</u>

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CITY OF TEXARKANA, TEXAS

LAW ENFORCEMENT PROGRAMS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
REVENUES:				
Investment earnings:				
Interest and dividends	\$ 50	60	68	8
Intergovernmental	7,000	7,210	7,210	-
Total revenues	<u>7,050</u>	<u>7,270</u>	<u>7,278</u>	<u>8</u>
EXPENDITURES:				
Current:				
Public safety	7,000	7,000	400	6,600
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>400</u>	<u>6,600</u>
Net change in fund balances	50	270	6,878	6,608
Fund balances at beginning of year	18,786	18,786	18,786	-
Fund balances at end of year	<u>\$ 18,836</u>	<u>19,056</u>	<u>25,664</u>	<u>6,608</u>

CITY OF TEXARKANA, TEXAS

BROWNFIELD GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES:				
Grants and entitlements	\$ 73,272	3,346	3,346	-
Total revenues	<u>73,272</u>	<u>3,346</u>	<u>3,346</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public safety	<u>73,272</u>	<u>4,913</u>	<u>4,913</u>	<u>-</u>
Total expenditures	<u>73,272</u>	<u>4,913</u>	<u>4,913</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,567)</u>	<u>(1,567)</u>	<u>-</u>
OTHER FINANCING USES:				
Transfers in	<u>-</u>	<u>75,685</u>	<u>1,317</u>	<u>(74,368)</u>
Total other financing uses	<u>-</u>	<u>75,685</u>	<u>1,317</u>	<u>(74,368)</u>
Net change in fund balances	-	74,118	(250)	(74,368)
Fund balances at beginning of year	<u>(74,118)</u>	<u>(74,118)</u>	<u>(74,118)</u>	<u>-</u>
Fund balances at end of year	<u>\$ (74,118)</u>	<u>-</u>	<u>(74,368)</u>	<u>(74,368)</u>

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CITY OF TEXARKANA, TEXAS

DONATIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Investment earnings:				
Interest	\$ -	30	34	4
Other	30,000	30,000	13,111	(16,889)
Total revenues	30,000	30,030	13,145	(16,885)
EXPENDITURES:				
Current:				
Health and welfare	30,000	29,750	4,794	24,956
Capital outlay		250	3,176	(2,926)
Total expenditures	30,000	30,000	7,970	22,030
Net change in fund balances	-	30	5,175	5,145
Fund balances at beginning of year	4,589	4,589	4,589	-
Fund balances at end of year	\$ 4,589	4,619	9,764	5,145

CITY OF TEXARKANA, TEXAS

TIRZ #1 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES:				
Property taxes	\$ 425,077	421,452	395,978	(25,474)
Intergovernmental	275,000	258,123	258,123	-
Investment earnings:				
Interest and dividends	1,750	2,000	2,219	219
Total revenues	<u>701,827</u>	<u>681,575</u>	<u>656,320</u>	<u>(25,255)</u>
EXPENDITURES:				
Current:				
General government	300	500	211	289
Total expenditures	<u>300</u>	<u>500</u>	<u>211</u>	<u>289</u>
Excess of revenues over expenditures	<u>701,527</u>	<u>681,075</u>	<u>656,109</u>	<u>(24,966)</u>
OTHER FINANCING SOURCES/USES				
Transfers out	(267,238)	(267,238)	(267,238)	-
Total other financing sources/uses	<u>(267,238)</u>	<u>(267,238)</u>	<u>(267,238)</u>	<u>-</u>
Net change in fund balances	434,289	413,837	388,871	(24,966)
Fund balances at beginning of year	<u>454,666</u>	<u>454,666</u>	<u>454,666</u>	<u>-</u>
Fund balances at end of year	<u>\$ 888,955</u>	<u>868,503</u>	<u>843,537</u>	<u>(24,966)</u>

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CITY OF TEXARKANA, TEXAS

TIRZ #2 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
REVENUES:				
Investment earnings:				
Interest and dividends			3	3
Other	\$ 5,000	-		-
Total revenues	5,000	-	3	3
EXPENDITURES:				
General government	-	-		-
Total expenditures	-	-	-	-
Net change in fund balances	5,000	-	3	3
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ 5,000	-	3	3

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CITY OF TEXARKANA, TEXAS

ROTARY SPLASH PARK FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
REVENUES:				
Investment earnings:				
Interest and dividends	\$ -	4	4	-
Other	30,000	-		-
Total revenues	30,000	4	4	-
EXPENDITURES:				
Capital outlay	30,080	16,825	16,825	-
Total expenditures	30,080	16,825	16,825	-
Net change in fund balances	(80)	(16,821)	(16,821)	-
Fund balances at beginning of year	17,171	17,171	17,171	-
Fund balances at end of year	\$ 17,091	350	350	-

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CITY OF TEXARKANA, TEXAS

CDBG REVOLVING LOANS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Investment earnings:				
Interest	\$ 5,000	4,100	3,957	(143)
Total revenues	<u>5,000</u>	<u>4,100</u>	<u>3,957</u>	<u>(143)</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Net change in fund balances	4,500	3,600	3,957	357
Fund balances at beginning of year	<u>205,979</u>	<u>205,979</u>	<u>205,979</u>	<u>-</u>
Fund balances at end of year	<u>\$ 210,479</u>	<u>209,579</u>	<u>209,936</u>	<u>357</u>

CITY OF TEXARKANA, TEXAS

SUPPORTIVE HOUSING GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Other	\$ -	4,719		(4,719)
Total revenues	-	4,719	-	(4,719)
EXPENDITURES:				
Current:				
Health and welfare	-	-		-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	4,719	-	(4,719)
OTHER FINANCING SOURCES/USES				
Transfers in	-	11,534	11,534	-
Total other financing sources/uses	-	11,534	11,534	-
Net change in fund balances	-	16,253	11,534	(4,719)
Fund balances at beginning of year	(16,253)	(16,253)	(16,253)	-
Fund balances at end of year	\$ (16,253)	-	(4,719)	(4,719)

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CITY OF TEXARKANA, TEXAS

NEA GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Intergovernmental	\$ -	91,235		(91,235)
Total revenues	-	91,235	-	(91,235)
EXPENDITURES:				
Current:				
Parks and recreation	-	100,000	14,794	85,206
Total expenditures	-	100,000	14,794	85,206
Excess (deficiency) of revenues over expenditures	-	(8,765)	(14,794)	(6,029)
OTHER FINANCING SOURCES/USES				
Transfers in	-	8,765	14,794	6,029
Total other financing sources/uses	-	8,765	14,794	6,029
Net change in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	-	-	-

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CITY OF TEXARKANA, TEXAS

COC HOMELESS ASSISTANCE GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES:				
Intergovernmental	\$ 327,241	394,335	452,701	58,366
Total revenues	<u>327,241</u>	<u>394,335</u>	<u>452,701</u>	<u>58,366</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>327,241</u>	<u>418,835</u>	<u>524,485</u>	<u>(105,650)</u>
Total expenditures	<u>327,241</u>	<u>418,835</u>	<u>524,485</u>	<u>(105,650)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(24,500)</u>	<u>(71,784)</u>	<u>(47,284)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	<u>-</u>	<u>24,500</u>	<u>46,113</u>	<u>21,613</u>
Total other financing sources/uses	<u>-</u>	<u>24,500</u>	<u>46,113</u>	<u>21,613</u>
Net change in fund balances	-	-	(25,671)	(25,671)
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>-</u>	<u>(25,671)</u>	<u>(25,671)</u>

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CITY OF TEXARKANA, TEXAS

EPA PETROLEUM GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Intergovernmental	\$ 3,311	63,892	69,169	5,277
Total revenues	<u>3,311</u>	<u>63,892</u>	<u>69,169</u>	<u>5,277</u>
EXPENDITURES:				
Current:				
Health and welfare	<u>3,311</u>	<u>63,479</u>	<u>68,769</u>	<u>(5,290)</u>
Total expenditures	<u>3,311</u>	<u>63,479</u>	<u>68,769</u>	<u>(5,290)</u>
Excess of revenues over expenditures	<u>-</u>	<u>413</u>	<u>400</u>	<u>(13)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	<u>-</u>	<u>204</u>	<u>-</u>	<u>(204)</u>
Total other financing sources/uses	<u>-</u>	<u>204</u>	<u>-</u>	<u>(204)</u>
Net change in fund balances	-	617	400	(217)
Fund balances at beginning of year	<u>(617)</u>	<u>(617)</u>	<u>(617)</u>	<u>-</u>
Fund balances at end of year	<u>\$ (617)</u>	<u>-</u>	<u>(217)</u>	<u>(217)</u>

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CITY OF TEXARKANA, TEXAS

EPA JOB TRAINING GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Intergovernmental	\$ -	-		-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Health and welfare				-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES/USES				
Transfers out	-	(1,971)	(1,971)	-
Total other financing sources/uses	-	(1,971)	(1,971)	-
Net change in fund balances	-	(1,971)	(1,971)	-
Fund balances at beginning of year	1,971	1,971	1,971	-
Fund balances at end of year	\$ 1,971	-	-	-

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CITY OF TEXARKANA, TEXAS

EPA REVOLVING LOAN GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>			<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Final Budget</i>
REVENUES:				
Intergovernmental	\$ 829,459	817,726	8,474	(809,252)
Total revenues	<u>829,459</u>	<u>817,726</u>	<u>8,474</u>	<u>(809,252)</u>
EXPENDITURES:				
Current:				
Health and welfare	826,459	826,459	23,854	802,605
Capital outlay	<u>3,000</u>	<u>3,000</u>		<u>3,000</u>
Total expenditures	<u>829,459</u>	<u>829,459</u>	<u>23,854</u>	<u>805,605</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(11,733)</u>	<u>(15,380)</u>	<u>(3,647)</u>
OTHER FINANCING SOURCES/USES				
Transfers in	-	15,500	15,164	(336)
Total other financing sources/uses	<u>-</u>	<u>15,500</u>	<u>15,164</u>	<u>(336)</u>
Net change in fund balances	-	3,767	(216)	(3,983)
Fund balances at beginning of year	<u>(3,767)</u>	<u>(3,767)</u>	<u>(3,767)</u>	<u>-</u>
Fund balances at end of year	<u>\$ (3,767)</u>	<u>-</u>	<u>(3,983)</u>	<u>(3,983)</u>

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CITY OF TEXARKANA, TEXAS

EPA MULTIPURPOSE GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended September 30, 2016

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES:				
Intergovernmental	\$ 145,250	261,750	81,050	(180,700)
Total revenues	<u>145,250</u>	<u>261,750</u>	<u>81,050</u>	<u>(180,700)</u>
EXPENDITURES:				
Current:				
Health and welfare	145,250	312,519	122,462	190,057
Total expenditures	<u>145,250</u>	<u>312,519</u>	<u>122,462</u>	<u>190,057</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(50,769)</u>	<u>(41,412)</u>	<u>9,357</u>
OTHER FINANCING SOURCES/USES				
Transfers in	-	40,000	30,926	(9,074)
Transfers out	-	-	(30)	(30)
Total other financing sources/uses	<u>-</u>	<u>40,000</u>	<u>30,896</u>	<u>(9,104)</u>
Net change in fund balances	-	(10,769)	(10,516)	253
Fund balances at beginning of year	<u>10,769</u>	<u>10,769</u>	<u>10,769</u>	<u>-</u>
Fund balances at end of year	<u>\$ 10,769</u>	<u>-</u>	<u>253</u>	<u>253</u>

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Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in that the costs of providing goods and services to the general public on a continuing basis are recovered primarily through user charges. The City's enterprise funds are established to account for the financing of water and sewer services to the public, other municipalities and industrial customers. All activities necessary to provide these services are included in these funds.

Lake Texarkana Water Supply Corporation – This fund is used to account for the financing and operation of the water distribution system from Lake Wright Patman to the City of Texarkana and other “Member Cities” and wholesale customers located in Bowie and Red River counties. The operations of this fund are combined with the Texas Water Utilities for reporting purposes and all inter-fund accounts are eliminated in the combination.

International Paper Company Water System Contract Fund – This fund is used to account for the financing and operations of the water system which provides treated water from Lake Wright Patman to the International Paper Company paper mill.

CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS September 30, 2016

	<i>Lake Texarkana Water Supply Corporation</i>	<i>International Paper Company Water System Contract Fund</i>	<i>Total</i>
ASSETS			
Current assets:			
Cash	\$ -	14,858	14,858
Receivables (net of allowance for uncollectible):			
Accounts	2,000	118,624	120,624
Due from other funds	64,742		64,742
Total current assets	66,742	133,482	200,224
Noncurrent assets:			
Restricted assets:			
Cash	268,382	98,397	366,779
Investments - certificates of deposit	600,000		600,000
Accounts receivable		205,379	205,379
Accrued interest	568		568
Total noncurrent assets	868,950	303,776	1,172,726
TOTAL ASSETS	935,692	437,258	1,372,950
LIABILITIES			
Current liabilities:			
Accounts payable		98,202	98,202
Accrued liabilities		5,381	5,381
Due to other funds		87,495	87,495
Total current liabilities	-	191,078	191,078
Noncurrent liabilities:			
Capital improvement deposits	935,692	246,180	1,181,872
Total noncurrent liabilities	935,692	246,180	1,181,872
TOTAL LIABILITIES	935,692	437,258	1,372,950
NET POSITION			
Unrestricted			-
TOTAL NET POSITION	\$ -	-	-

CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended September 30, 2016

	<i>Lake Texarkana Water Supply Corporation</i>	<i>International Paper Company Water System Contract Fund</i>	<i>Total</i>
OPERATING REVENUES			
Water sales	\$ -	1,093,346	1,093,346
Total operating revenues	-	1,093,346	1,093,346
OPERATING EXPENSES			
Contract water & sewer expense-International Paper		1,093,923	1,093,923
Total operating expense	-	1,093,923	1,093,923
Operating income (loss)	-	(577)	(577)
NONOPERATING REVENUES			
Interest revenue - investments		577	577
Total nonoperating revenues	-	577	577
Income before contributions	-	-	-
Capital contributions			-
Change in net position	-	-	-
Total net position, beginning of year			-
Total net position, end of year	\$ -	-	-

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended September 30, 2016

	<i>Lake Texarkana Water Supply Corporation</i>	<i>International Paper Company Water System Contract Fund</i>	<i>Total</i>
Cash flows from operating activities:			
Cash received from customers	\$ -	940,164	940,164
Cash paid to suppliers		(986,126)	(986,126)
Cash paid to employees		(109,796)	(109,796)
Net cash provided (used) from operating activities	-	(155,758)	(155,758)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(908,539)		(908,539)
Capital improvement deposits received	928,844		928,844
Interest received on capital improvement deposits	2,550		2,550
Net cash used from capital and related financing activities	22,855	-	22,855
Cash flows from investing activities:			
Purchase of investments	(600,570)		(600,570)
Interest received on investments		577	577
Net cash provided from investing activities	(600,570)	577	(599,993)
Net increase (decrease) in cash	(577,715)	(155,181)	(732,896)
Cash, beginning of year	846,097	268,436	1,114,533
Cash, end of year	\$ 268,382	113,255	381,637

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CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended September 30, 2016

	<i>Lake Texarkana Water Supply Corporation</i>	<i>International Paper Company Water System Contract Fund</i>	<i>Total</i>
<u>Reconciliation of operating income to net cash provided by operating activities</u>			
Operating income (loss)	\$ -	(577)	(577)
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in assets:			
Accounts receivable		(153,182)	(153,182)
Increase (decrease) in liabilities:			
Accounts payable		39,586	39,586
Accrued liabilities		1,250	1,250
Due to other funds		(42,835)	(42,835)
Total adjustments	-	(155,181)	(155,181)
Net cash provided from operating activities	\$ -	(155,758)	(155,758)

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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governments, on a cost-reimbursement basis.

Employee Benefit Fund - This fund is used to account for the contributions received from various other City funds and employees to pay medical benefits and life insurance premiums for covered City employees. Payments are made to a paying agent who determines coverage on claims submitted by employees.

Fleet Services Fund - This fund is used to account for the repair and maintenance on all vehicles and equipment owned by the City, excluding the Water Utilities.

CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS September 30, 2016

	<i>Employee Benefit</i>	<i>Fleet Services</i>	<i>Total</i>
ASSETS			
Current assets:			
Cash	\$ 2,603,596	431,024	3,034,620
Receivables (net of allowance for uncollectible):			
Accounts	233,240	12,660	245,900
Other government agencies	622		622
Inventory		26,121	26,121
Total current assets	<u>2,837,458</u>	<u>469,805</u>	<u>3,307,263</u>
Noncurrent assets:			
Capital assets (net of accumulated depreciation)			
Buildings		72,084	72,084
Improvements other than buildings		15,564	15,564
Machinery and equipment		19,142	19,142
Licensed vehicles		22,026	22,026
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>128,816</u>	<u>128,816</u>
TOTAL ASSETS	<u>2,837,458</u>	<u>598,621</u>	<u>3,436,079</u>
LIABILITIES			
Current liabilities:			
Accounts payable	368,528	38,803	407,331
Accrued payroll		10,588	10,588
TOTAL LIABILITIES	<u>368,528</u>	<u>49,391</u>	<u>417,919</u>
NET POSITION			
Net invested in capital assets		128,816	128,816
Unrestricted	2,468,930	420,414	2,889,344
TOTAL NET POSITION	<u>\$ 2,468,930</u>	<u>549,230</u>	<u>3,018,160</u>

CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended September 30, 2016

	<i>Employee Benefit</i>	<i>Fleet Services</i>	<i>Total</i>
OPERATING REVENUES			
Charges for services	\$ 5,777,177	143,520	5,920,697
Other	482	4,039	4,521
Total revenues	<u>5,777,659</u>	<u>147,559</u>	<u>5,925,218</u>
OPERATING EXPENSES			
Benefit payments	4,955,903		4,955,903
Cost of sales and service		1,170,713	1,170,713
Depreciation		18,766	18,766
Total expenditures	<u>4,955,903</u>	<u>1,189,479</u>	<u>6,145,382</u>
Operating income (loss)	<u>821,756</u>	<u>(1,041,920)</u>	<u>(220,164)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	7,220	2,167	9,387
Total nonoperating revenues (expenses)	<u>7,220</u>	<u>2,167</u>	<u>9,387</u>
Income (loss) before transfers	828,976	(1,039,753)	(210,777)
Transfers in		1,027,097	1,027,097
Transfers out		(2,026)	(2,026)
Change in net position	828,976	(14,682)	814,294
Total net position - beginning	<u>1,639,954</u>	<u>563,912</u>	<u>2,203,866</u>
Total net position - ending	<u>\$ 2,468,930</u>	<u>549,230</u>	<u>3,018,160</u>

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CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended September 30, 2016

	<i>Employee Benefit</i>	<i>Fleet Services</i>	<i>Total</i>
Cash flows from operating activities:			
Cash received from users	\$ 1,964,141		1,964,141
Cash received from interfund services provided and used	4,162,152	1,161,997	5,324,149
Cash paid to suppliers	(5,637,884)	(909,918)	(6,547,802)
Cash paid to employees		(260,686)	(260,686)
Net cash provided from operating activities	488,409	(8,607)	479,802
Cash flows from noncapital financing activities:			
Transfers to other funds		(2,026)	(2,026)
Net cash provided (used) from noncapital financing activities	-	(2,026)	(2,026)
Cash flows from investing activities:			
Interest received from investment	7,220	2,167	9,387
Net cash provided from investing activities	7,220	2,167	9,387
Net increase in cash	495,629	(8,466)	487,163
Cash at beginning of year	2,107,967	439,490	2,547,457
Cash at end of year	2,603,596	431,024	3,034,620
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities</u>			
Operating income (loss)	821,756	(1,041,920)	(220,164)
<u>Adjustments to Reconcile Operating Income to Net Cash</u>			
<u>Provided by Operating Activities</u>			
Depreciation		18,766	18,766
Transfers from other funds		1,027,097	1,027,097
(Increase) decrease in assets:			
Accounts receivable	306,322	(12,660)	293,662
Due from other government agencies	42,312		42,312
Inventory		(9,221)	(9,221)
Increase (decrease) in liabilities:			
Accrued liabilities	(681,981)	7,673	(674,308)
Accrued payroll		1,650	1,650
Due to other funds		8	8
Total adjustments	(333,347)	1,033,313	699,966
Net cash provided by operating activities	\$ 488,409	(8,607)	479,802

Fiduciary Funds

Fiduciary Funds are established to account for assets held by the City in a trustee capacity, or as an agent for individuals, other governmental units, and/or other funds.

Agency Funds

Police Evidence Fund - This fund is used to account for evidence money seized by the Police Department. This money is held until disposition is directed by the courts.

Drug Enforcement Fund - This fund is used to account for evidence money seized by the Police Department, primarily in drug related cases. This money is held until disposition is directed by the courts.

CITY OF TEXARKANA, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

For the Year Ended September 30, 2016

	<i>Balance October 1, 2015</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance September 30, 2016</i>
POLICE EVIDENCE FUND				
Assets				
Cash	\$ 16,830	51	(51)	16,830
Total Assets	<u>16,830</u>	<u>51</u>	<u>(51)</u>	<u>16,830</u>
Liabilities				
Escrow Deposits	16,830			16,830
Total Liabilities	<u>16,830</u>	<u>-</u>	<u>-</u>	<u>16,830</u>
Net position	<u>-</u>	<u>51</u>	<u>(51)</u>	<u>-</u>
DRUG ENFORCEMENT ESCROW FUND				
Assets				
Cash	78,398	58,036	(236)	136,198
Total Assets	<u>78,398</u>	<u>58,036</u>	<u>(236)</u>	<u>136,198</u>
Liabilities				
Escrow deposits	78,398	57,800		136,198
Total liabilities	<u>78,398</u>	<u>57,800</u>	<u>-</u>	<u>136,198</u>
Net position	<u>-</u>	<u>236</u>	<u>(236)</u>	<u>-</u>
TOTAL ALL AGENCY FUNDS				
Assets				
Cash	95,228	58,087	(287)	153,028
Total assets	<u>95,228</u>	<u>58,087</u>	<u>(287)</u>	<u>153,028</u>
Liabilities				
Escrow deposits	95,228	57,800	-	153,028
Total liabilities	<u>95,228</u>	<u>57,800</u>	<u>-</u>	<u>153,028</u>
Net position	<u>\$ -</u>	<u>287</u>	<u>(287)</u>	<u>-</u>

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**Capital Assets
Used in the Operation
Of Governmental Funds**

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CITY OF TEXARKANA, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE

September 30, 2016

Governmental funds capital assets:

Land	\$ 47,032,128
Buildings	31,413,955
Improvements other than buildings	8,466,354
Infrastructure	122,704,841
Machinery and equipment	5,080,159
Licensed vehicles	8,954,846
Construction in progress	1,973,753
Total governmental funds capital assets	<u>\$ 225,626,036</u>

Investments in governmental funds capital assets by source:

General fund	\$ 141,129,416
Special revenue funds	4,895,976
Capital projects funds	79,600,644
Total governmental funds capital assets	<u>\$ 225,626,036</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds and investments in joint ventures are excluded from the above amounts. Generally, the capital assets of internal service funds and investments in joint ventures are included as governmental activities in the statement of net assets.

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CITY OF TEXARKANA, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY September 30, 2016

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>
Function and activity			
General government			
City manager			
Municipal court		18,976	
Finance administration			
Economic development			
Other - unclassified	\$ 47,032,128		
Total general government	<u>47,032,128</u>	<u>18,976</u>	<u>-</u>
Public safety			
Police administration		12,069,245	167,088
Patrol division			
Services division		63,000	
Criminal investigation			
Narcotics operations			
JAG Grant			
Law enforcement			
Fire administration		2,463,811	136,236
Total public safety	<u>-</u>	<u>14,596,056</u>	<u>303,324</u>
Public works			
Engineering design			
Urban transportation			
Street maintenance		499,758	798,737
Fleet Maintenance			
Inspection			
Sign and signal		249,164	64,064
Stormwater management			
Total public works	<u>-</u>	<u>748,922</u>	<u>862,801</u>
Health and welfare			
Community development		6,500	
Environmental services			
Farmers' market			
Total health and welfare	<u>-</u>	<u>6,500</u>	<u>-</u>

<u>Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Licensed Vehicles</u>	<u>Construction in Progress</u>	<u>Total</u>
	68,022			68,022
	70,567			89,543
	340,605			340,605
244,500				244,500
				47,032,128
<u>244,500</u>	<u>479,194</u>	<u>-</u>	<u>-</u>	<u>47,774,798</u>
	6,000	1,019,444	1,360,227	14,622,004
	151,191	673,533		824,724
	40,355	189,281		292,636
	30,451	171,074		201,525
	30,320	73,434		103,754
	31,350			31,350
	14,414			14,414
23,602	550,115	3,347,065	34,226	6,555,055
<u>23,602</u>	<u>854,196</u>	<u>5,473,831</u>	<u>1,394,453</u>	<u>22,645,462</u>
	76,833	65,133		141,966
	6,950			6,950
115,877,112	1,222,017	2,316,962	431,065	121,145,651
	22,883	23,370		46,253
	42,433	233,204		275,637
2,684,999	139,217	265,824	462	3,403,730
888,257	310,388		35,600	1,234,245
<u>119,450,368</u>	<u>1,820,721</u>	<u>2,904,493</u>	<u>467,127</u>	<u>126,254,432</u>
			9,192	15,692
		39,225		39,225
107,790	15,390			123,180
<u>107,790</u>	<u>15,390</u>	<u>39,225</u>	<u>9,192</u>	<u>178,097</u>

CITY OF TEXARKANA, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY September 30, 2016

Function and activity	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>
Parks and recreation			
Parks and recreation administration			
Parks maintenance		4,749,502	2,161,837
Recreational programs		290,229	4,054,010
Perot Theatre		3,061,434	51,468
Perot Theatre building maintenance		253,162	
Sports Promotion			
Library		2,621,241	46,228
Convention Center		5,067,933	986,686
Total parks and recreation	<u>-</u>	<u>16,043,501</u>	<u>7,300,229</u>
Total governmental funds capital assets	<u>\$ 47,032,128</u>	<u>31,413,955</u>	<u>8,466,354</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds and investments in joint ventures are excluded from the above amounts. Generally, the capital assets of internal service funds and investments in joint ventures are included as governmental activities in the statement of net assets.

<i><u>Infrastructure</u></i>	<i><u>Machinery and Equipment</u></i>	<i><u>Licensed Vehicles</u></i>	<i><u>Construction in Progress</u></i>	<i><u>Total</u></i>
	6,100			6,100
2,693,482	1,320,753	537,297	77,981	11,540,852
5,740	69,418			4,419,397
	82,330			3,195,232
	57,950		25,000	336,112
	50,540			50,540
67,149	6,438			2,741,056
112,210	317,129			6,483,958
<u>2,878,581</u>	<u>1,910,658</u>	<u>537,297</u>	<u>102,981</u>	<u>28,773,247</u>
<u>122,704,841</u>	<u>5,080,159</u>	<u>8,954,846</u>	<u>1,973,753</u>	<u>225,626,036</u>

CITY OF TEXARKANA, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY For the Year Ended September 30, 2016

	<i>Governmental Funds Capital Assets 9/30/2015</i>	<i>Additions</i>	<i>Deductions</i>	<i>Transfers</i>	<i>Governmental Funds Capital Assets 9/30/2016</i>
Function and activity					
General government					
City manager	\$ 14,323			53,699	68,022
Quality assurance	16,958			(16,958)	-
Municipal court	89,543				89,543
Finance administration	340,605				340,605
Purchasing	541,410			(541,410)	-
Accounting	-				-
Building maintenance	2,043,602			(2,043,602)	-
Economic development	244,500				244,500
Other - unclassified	46,839,655			192,473	47,032,128
Total general government	50,130,596	-	-	(2,355,798)	47,774,798
Public safety					
Police administration	13,295,891	1,315,899	(41,413)	51,627	14,622,004
Patrol division	1,005,778		(186,849)	5,795	824,724
Services division	248,048			44,588	292,636
Criminal investigation	273,365		(71,840)		201,525
Commercial vehicle enforcement	57,420			(57,420)	-
Code enforcement	30,014			(30,014)	-
Animal control	80,170			(80,170)	-
Special operations	30,438			(30,438)	-
Narcotics	14,150			(14,150)	-
Narcotics operations	103,754				103,754
JAG Grant	31,350				31,350
Law enforcement	14,414				14,414
Fire administration	113,312	34,226		6,407,517	6,555,055
Fire operations	5,257,346			(5,257,346)	-
Fire prevention	60,825			(60,825)	-
Fire training	808,433			(808,433)	-
Emergency management	280,913			(280,913)	-
Total public safety	21,705,621	1,350,125	(300,102)	(110,182)	22,645,462
Public works					
Engineering design	147,056		(5,090)		141,966
Urban transportation	6,950				6,950
Street maintenance	119,416,628	1,307,019	(76,976)	523,980	121,170,651
Fleet Maintenance	-	46,253			46,253
Inspection	116,022	22,875	(17,543)	154,283	275,637
Sign and signal	3,382,362	462		20,906	3,403,730
Stormwater management	1,198,645	35,600			1,234,245
Downtown enhancement	803,547		(66,185)	(737,362)	-
Total public works	125,071,210	1,412,209	(165,794)	(38,193)	126,279,432
Health and welfare					
Community development	23,100	9,192	(16,600)		15,692
Environmental services	46,029	37,296		(44,100)	39,225
Farmers' market	113,892	9,288			123,180
Total health and welfare	183,021	55,776	(16,600)	(44,100)	178,097

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CITY OF TEXARKANA, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY For the Year Ended September 30, 2016

	<i>Governmental Funds Capital Assets</i>				<i>Governmental Funds Capital Assets</i>
	<i>9/30/2015</i>	<i>Additions</i>	<i>Deductions</i>	<i>Transfers</i>	<i>9/30/2016</i>
Function and activity					
Parks and recreation					
Parks and recreation administration	6,100				6,100
Parks maintenance	8,803,613	244,072	(55,105)	2,548,272	11,540,852
Recreational programs	4,119,552			299,845	4,419,397
Perot Theatre	3,195,232				3,195,232
Perot Theatre building maintenance	311,112				311,112
Senior citizens programs	173,884			(173,884)	-
Beverly Center	125,960			(125,960)	-
Sports Promotion	50,540				50,540
Library	2,741,056				2,741,056
Convention Center	6,483,958				6,483,958
Total parks and recreation	<u>26,011,007</u>	<u>244,072</u>	<u>(55,105)</u>	<u>2,548,273</u>	<u>28,748,247</u>
Total governmental funds capital assets	<u>\$223,101,455</u>	<u>3,062,182</u>	<u>(537,601)</u>	<u>-</u>	<u>225,626,036</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds and investments in joint ventures are excluded from the above amounts. Generally, the capital assets of internal service funds and investments in joint ventures are included as governmental activities in the statement of net assets.

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Component Unit

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

BALANCE SHEET COMPONENT UNIT - HEALTH CENTER September 30, 2016

ASSETS

Cash	\$ 353,205
Receivables (net of allowance for uncollectible):	
Other government agencies	138,832
TOTAL ASSETS	492,037

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	23,209
Accrued payroll	17,532
Deferred revenue	67,901
TOTAL LIABILITIES	108,642

Fund Balances:

Unassigned	383,395
TOTAL FUND BALANCES	383,395

TOTAL LIABILITIES AND FUND BALANCES	\$ 492,037
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CITY OF TEXARKANA, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE COMPONENT UNIT - HEALTH CENTER For the Year Ended September 30, 2016

REVENUES

Charges for services	\$ 271,507
Grants and entitlements	564,930
Investment earnings:	
Interest and dividends	1,004
Intergovernmental	187,593
Other	994
Total revenues	<u>1,026,028</u>

EXPENDITURES

Current:	
Health and welfare	<u>966,541</u>
Total expenditures	<u>966,541</u>
Net change in fund balance	59,487
Fund balance at beginning of year	<u>323,908</u>
Fund balance at end of year	<u>\$ 383,395</u>

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Statistical Section

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Statistical Section

This part of the City of Texarkana, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Financial Trends - Schedule 1 through Schedule 6 - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity - Schedule 7 through Schedule 14 - These schedules contain information to help the reader assess the City's most significant local revenue sources, including property taxes and water and sewer revenue.

Debt Capacity - Schedule 15 through Schedule 19 - The schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information - Schedule 20 through Schedule 21 - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information - Schedule 22 through Schedule 24 - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Net Position by Component

Last Ten Fiscal Years

Schedule 1

(accrual basis of accounting)

	<i>Fiscal Year</i>				
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Governmental activities:					
Net invested in capital assets	\$ 76,103,232	76,349,021	75,187,833	75,989,018	73,083,340
Restricted	3,808,754	3,955,059	4,597,610	3,527,351	22,377,550
Unrestricted	16,623,006	14,341,579	16,619,162	16,705,965	395,143
Total governmental activities net position	<u>96,534,992</u>	<u>94,645,659</u>	<u>96,404,605</u>	<u>96,222,334</u>	<u>95,856,033</u>
Business-type activities:					
Net invested in capital assets	55,838,951	57,848,213	57,582,403	56,910,208	58,447,526
Restricted	8,176,712	6,458,586	7,646,353	9,365,905	9,068,969
Unrestricted	6,079,546	5,662,181	4,777,364	4,719,398	4,782,683
Total business-type activities net position	<u>70,095,209</u>	<u>69,968,980</u>	<u>70,006,120</u>	<u>70,995,511</u>	<u>72,299,178</u>
Primary government					
Net invested in capital assets	131,942,183	134,197,234	132,770,236	132,899,226	131,530,866
Restricted	11,985,466	10,413,645	12,243,963	12,893,256	31,446,519
Unrestricted	22,702,552	20,003,760	21,396,526	21,425,363	5,177,826
Total primary government net position	<u>\$ 166,630,201</u>	<u>164,614,639</u>	<u>166,410,725</u>	<u>167,217,845</u>	<u>168,155,211</u>

Unaudited -see accompanying auditors' report

<i>Fiscal Year</i>				
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
77,541,533	82,719,452	83,155,796	85,106,547	85,391,477
16,346,523	13,196,487	8,118,578	4,277,958	4,342,782
5,992,540	5,815,734	11,274,308	4,979,007	4,051,074
<u>99,880,596</u>	<u>101,731,673</u>	<u>102,548,682</u>	<u>94,363,512</u>	<u>93,785,333</u>
59,671,961	58,503,625	57,691,676	58,283,054	58,709,850
6,302,773	8,744,657	10,809,056	10,183,541	8,914,641
4,317,249	2,932,377	2,000,694	(314,620)	2,757,977
<u>70,291,983</u>	<u>70,180,659</u>	<u>70,501,426</u>	<u>68,151,975</u>	<u>70,382,468</u>
137,213,494	141,223,077	140,847,472	143,389,601	144,101,327
22,649,296	21,941,144	18,927,634	14,461,499	13,257,423
10,309,789	8,748,111	13,275,002	4,664,387	6,809,051
<u>170,172,579</u>	<u>171,912,332</u>	<u>173,050,108</u>	<u>162,515,487</u>	<u>164,167,801</u>

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Changes in Net Position

Last Ten Fiscal Years

Schedule 2

(accrual basis of accounting)

	<i>Fiscal Year</i>			
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Expenses				
Governmental activities:				
Current:				
General government	\$ 6,612,065	7,494,737	6,677,826	6,009,327
Public safety	13,517,972	13,812,910	16,495,996	17,460,252
Public works	5,956,957	5,682,854	6,755,059	7,271,760
Parks and recreation	2,632,806	2,926,214	2,755,050	2,906,975
Health and welfare	1,260,117	1,391,078	1,724,892	1,630,227
Interest on long-term debt	1,954,819	1,947,304	1,868,860	2,246,394
Total governmental activities expenses	<u>31,934,736</u>	<u>33,255,097</u>	<u>36,277,683</u>	<u>37,524,935</u>
Business-type activities:				
Water and Sewer	13,931,868	15,361,311	16,166,206	16,154,126
Total business-type activities expenses	<u>13,931,868</u>	<u>15,361,311</u>	<u>16,166,206</u>	<u>16,154,126</u>
Total primary government expenses	<u>45,866,604</u>	<u>48,616,408</u>	<u>52,443,889</u>	<u>53,679,061</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	1,081,360	966,780	978,806	1,057,194
Public safety	1,506,126	1,839,093	2,148,979	1,735,896
Other activities	496,407	607,380	572,359	678,445
Operating grants and contributions	1,616,829	1,476,933	2,513,783	1,552,787
Capital grants and contributions		355,900		293,158
Total governmental activities program revenues	<u>4,700,722</u>	<u>5,246,086</u>	<u>6,213,927</u>	<u>5,317,480</u>
Business-type activities:				
Charges for services:				
Water and sewer	13,453,857	13,988,748	15,184,072	15,259,196
Capital grants and contributions	879,848	41,822		199,074
Total business-type activities program revenues	<u>14,333,705</u>	<u>14,030,570</u>	<u>15,184,072</u>	<u>15,458,270</u>
Total primary government program revenues	<u>19,034,427</u>	<u>19,276,656</u>	<u>21,397,999</u>	<u>20,775,750</u>

Unaudited -see accompanying auditors' report

<i>Fiscal Year</i>					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5,523,459	5,984,631	6,797,714	7,114,857	7,416,500	8,011,669
17,142,327	17,624,401	16,886,838	16,681,701	16,272,709	16,396,091
7,117,788	7,461,167	7,498,517	7,545,126	7,464,975	8,881,205
3,027,226	2,918,560	3,379,678	3,012,271	3,408,188	3,446,421
1,659,584	2,451,906	2,335,011	1,915,780	1,436,864	1,671,102
2,747,460	2,593,982	2,167,516	2,262,532	2,043,793	2,085,451
<u>37,217,844</u>	<u>39,034,647</u>	<u>39,065,274</u>	<u>38,532,267</u>	<u>38,043,029</u>	<u>40,491,939</u>
15,592,718	15,840,902	15,813,999	15,841,333	15,736,026	15,734,804
<u>15,592,718</u>	<u>15,840,902</u>	<u>15,813,999</u>	<u>15,841,333</u>	<u>15,736,026</u>	<u>15,734,804</u>
<u>52,810,562</u>	<u>54,875,549</u>	<u>54,879,273</u>	<u>54,373,600</u>	<u>53,779,055</u>	<u>56,226,743</u>
957,111	583,956	981,567	887,114	812,556	
1,619,345	1,725,816	1,698,464	1,733,651	2,192,611	1,838,438
645,522	581,768	748,273	756,869	1,020,804	856,602
1,133,876	2,467,647	1,851,104	1,323,001	1,514,552	1,628,327
		566,142	808,174		
<u>4,355,854</u>	<u>5,359,187</u>	<u>5,845,550</u>	<u>5,508,809</u>	<u>5,540,523</u>	<u>4,323,367</u>
16,030,015	16,136,042	15,642,192	15,198,786	15,448,372	16,775,322
		39,387	38,071	118,869	39,327
<u>16,030,015</u>	<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>
<u>20,385,869</u>	<u>21,495,229</u>	<u>21,527,129</u>	<u>20,745,666</u>	<u>21,107,764</u>	<u>21,138,016</u>

(Continued)

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Changes in Net Position Last Ten Fiscal Years Schedule 2 Continued

	<i>Fiscal Year</i>			
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Net (Expense)/Revenue				
Governmental activities	(27,234,014)	(28,009,011)	(30,063,756)	(32,207,455)
Business-type activities	401,837	(1,330,741)	(982,134)	(695,856)
Total primary government net expense	<u>(26,832,177)</u>	<u>(29,339,752)</u>	<u>(31,045,890)</u>	<u>(32,903,311)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	10,689,899	11,456,172	13,346,908	13,584,920
Sales taxes	12,861,211	13,045,922	13,392,204	13,148,821
Franchise taxes	2,160,078	2,230,071	2,196,103	2,197,528
Other taxes	892,562	1,261,153	1,183,855	1,379,404
Unrestricted investment earnings	1,425,700	663,762	198,386	243,935
Gain on sale of capital assets	62,273			
Miscellaneous	627,374	1,231,150	1,486,346	1,451,676
Transfers	14,308	17,325	18,900	18,900
Total governmental activities	<u>28,733,405</u>	<u>29,905,555</u>	<u>31,822,702</u>	<u>32,025,184</u>
Business-type activities:				
Unrestricted investment earnings	669,904	348,128	94,880	48,472
Miscellaneous	722,073	873,709	943,294	1,655,675
Transfers	(14,308)	(17,325)	(18,900)	(18,900)
Total business-type activities program revenues	<u>1,377,669</u>	<u>1,204,512</u>	<u>1,019,274</u>	<u>1,685,247</u>
Change in Net Position				
Governmental activities	1,499,391	1,896,544	1,758,946	(182,271)
Business-type activities	1,779,506	(126,229)	37,140	989,391
Total primary government	<u>\$ 3,278,897</u>	<u>1,770,315</u>	<u>1,796,086</u>	<u>807,120</u>

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

<i>Fiscal Year</i>					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
(32,861,990)	(33,675,460)	(33,219,724)	(33,023,458)	(32,502,506)	(36,168,572)
437,297	295,140	(132,420)	(604,476)	(168,785)	1,079,845
<u>(32,424,693)</u>	<u>(33,380,320)</u>	<u>(33,352,144)</u>	<u>(33,627,934)</u>	<u>(32,671,291)</u>	<u>(35,088,727)</u>
13,655,104	15,577,638	15,763,817	16,450,285	16,304,576	15,979,531
13,800,353	14,114,271	14,326,770	14,735,398	15,164,177	15,899,829
2,070,004	2,002,603	2,005,690	2,006,662	1,970,362	1,789,518
1,278,680	1,264,118	1,351,583	1,248,856	1,273,131	1,661,189
211,155	186,700	170,967	88,788	107,914	105,702
				89,385	
1,211,493	1,235,793	365,470	169,481	180,820	135,724
268,900	3,318,900	1,086,504	18,900	18,900	18,900
<u>32,495,689</u>	<u>37,700,023</u>	<u>35,070,801</u>	<u>34,718,370</u>	<u>35,109,265</u>	<u>35,590,393</u>
65,121	50,601	38,346	62,088	60,910	60,226
1,070,149	965,964	1,069,254	1,055,847	1,140,886	1,109,322
<u>(268,900)</u>	<u>(3,318,900)</u>	<u>(1,086,504)</u>	<u>(18,900)</u>	<u>(18,900)</u>	<u>(18,900)</u>
<u>866,370</u>	<u>(2,302,335)</u>	<u>21,096</u>	<u>1,099,035</u>	<u>1,182,896</u>	<u>1,150,648</u>
(366,301)	4,024,563	1,851,077	1,694,912	2,606,759	(578,179)
1,303,667	(2,007,195)	(111,324)	494,559	1,014,111	2,230,493
<u>937,366</u>	<u>2,017,368</u>	<u>1,739,753</u>	<u>2,189,471</u>	<u>3,620,870</u>	<u>1,652,314</u>

(Concluded)

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Program Revenues by Function/ Program

Last Ten Fiscal Years

Schedule 3

(accrual basis of accounting)

	<i>Program Revenues</i>				
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Function/ Program					
Governmental activities:					
General government	\$ 1,035,897	1,565,525	1,436,165	1,385,662	1,049,720
Public safety	1,831,168	2,153,738	2,991,916	2,604,636	2,112,675
Public works	313,885	671,838	446,057	509,842	223,836
Parks and Recreation	167,308	167,696	238,500	296,044	315,563
Health and welfare	778,225	687,289	1,101,289	521,296	654,060
Subtotal governmental activities	<u>4,126,483</u>	<u>5,246,086</u>	<u>6,213,927</u>	<u>5,317,480</u>	<u>4,355,854</u>
<i>Business-type activities:</i>					
Water and sewer	<u>14,352,589</u>	<u>14,030,570</u>	<u>15,184,072</u>	<u>15,458,270</u>	<u>16,030,015</u>
Subtotal business-type activities	<u>14,352,589</u>	<u>14,030,570</u>	<u>15,184,072</u>	<u>15,458,270</u>	<u>16,030,015</u>
Total primary government	<u>\$ 18,479,072</u>	<u>19,276,656</u>	<u>21,397,999</u>	<u>20,775,750</u>	<u>20,385,869</u>

Unaudited -see accompanying auditors' report

Program Revenues

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
750,688	1,145,219	1,061,405	1,436,416	408,024
2,321,374	1,988,390	2,252,465	2,502,162	2,112,647
332,797	680,520	979,029	564,645	425,131
527,139	365,251	355,000	304,110	295,790
<u>1,427,189</u>	<u>1,666,170</u>	<u>860,910</u>	<u>733,190</u>	<u>1,081,775</u>
<u>5,359,187</u>	<u>5,845,550</u>	<u>5,508,809</u>	<u>5,540,523</u>	<u>4,323,367</u>
<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>
<u>16,136,042</u>	<u>15,681,579</u>	<u>15,236,857</u>	<u>15,567,241</u>	<u>16,814,649</u>
<u><u>21,495,229</u></u>	<u><u>21,527,129</u></u>	<u><u>20,745,666</u></u>	<u><u>21,107,764</u></u>	<u><u>21,138,016</u></u>

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Fund Balances, Governmental Funds

Last Ten Fiscal Years

Schedule 4

(modified accrual basis of accounting)

	<i>Fiscal Year</i>				
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011*</i>
General Fund					
Reserved	\$ 425,905	491,130	372,368	379,637	
Unreserved	504,565	205,066	551,949	1,550,244	
Nonspendable					93,257
Restricted					499,889
Committed					
Assigned					2,172,462
Unassigned	2,990,900	3,595,302	4,245,301	3,371,709	2,785,910
Total General Fund	<u>3,921,370</u>	<u>4,291,498</u>	<u>5,169,618</u>	<u>5,301,590</u>	<u>5,551,518</u>
All Other Governmental Funds					
Reserved	12,395,257	7,093,884	4,356,314	25,434,284	
Unreserved, designated for					
Convention center	469,717	827,949	1,183,828	201,975	
Unreserved					
Special revenue fund	1,474,430	1,757,441	2,400,757	2,369,474	
Debt service fund	1,779,458	1,748,284	1,707,982	1,538,656	
Capital projects fund	1,841,743	786,593	622,126	469,315	
Nonspendable					
Special revenue fund					638,311
Restricted					
Special revenue fund					1,309,318
Debt service fund					670,992
Capital projects fund					19,599,146
Committed					
Special revenue fund					1,911,341
Assigned					
Special revenue fund					697,434
Unassigned					
Special revenue fund					(23,568)
Debt service fund					
Capital projects fund					
Total all other governmental funds	<u>\$ 17,960,605</u>	<u>12,214,151</u>	<u>10,271,007</u>	<u>30,013,704</u>	<u>24,802,974</u>

* The City implemented GASB Statement 54 in fiscal year 2011. Except for the unassigned category, conversion of prior year data to new categories is not possible at this time.

Unaudited -see accompanying auditors' report

<i>Fiscal Year</i>				
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
101,081	98,990	93,432	88,297	90,247
478,043	330,049	689,448	675,143	648,797
		35,000		20,848
462,852	36,021	128,739	268,073	145,932
<u>7,808,993</u>	<u>10,327,257</u>	<u>9,304,806</u>	<u>10,511,161</u>	<u>12,003,407</u>
<u>8,850,969</u>	<u>10,792,317</u>	<u>10,251,425</u>	<u>11,542,674</u>	<u>12,909,231</u>
310,426	261,448	325,693	411,561	353,067
854,290	499,913	4,624,343	568,030	882,022
318,394				76,937
14,388,271	12,070,107	2,515,323	2,806,712	2,422,336
1,751,275	1,149,318	1,112,025	1,267,865	1,372,641
1,371,484	862,925	942,542	1,102,850	1,528,344
(338,733)	(340,465)	(139,462)	(94,755)	(173,131)
	(104,606)	(146,654)	(173,968)	
<u>(741,393)</u>			<u>(31,268)</u>	
<u>17,914,014</u>	<u>14,398,640</u>	<u>9,233,810</u>	<u>5,857,027</u>	<u>6,462,216</u>

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

Schedule 5

(modified accrual basis of accounting)

	<i>Fiscal Year</i>			
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
REVENUES:				
Taxes	\$ 26,545,692	27,941,371	30,037,456	30,258,026
Fees and permits	219,157	309,680	395,834	395,511
Charges for services	775,330	694,878	677,603	846,054
Municipal court	1,428,189	1,734,734	2,051,942	1,648,799
Grants and entitlements	929,462	884,610	1,182,928	1,013,367
Investment earnings	1,377,117	620,674	173,039	233,463
Intergovernmental	504,807	284,794	507,715	677,714
Sale of capital assets				
Other	602,235	1,021,179	935,364	467,527
Total revenues	<u>32,381,989</u>	<u>33,491,920</u>	<u>35,961,881</u>	<u>35,540,461</u>
EXPENDITURES:				
Current:				
General government	6,240,999	7,171,027	6,326,081	5,638,878
Public safety	12,823,379	13,615,418	15,178,168	16,291,717
Public works	3,806,711	3,467,370	4,036,371	4,004,301
Parks and recreation	2,151,789	2,496,629	2,159,831	2,282,880
Health and welfare	674,659	613,902	1,497,632	1,419,374
Miscellaneous	410,378	612,979	9,609	16,448
Capital outlay	9,738,050	7,960,625	3,650,301	6,115,692
Debt service:				
Principal retirement	2,798,292	2,583,789	2,685,087	2,552,290
Interest and fiscal charges	1,588,909	1,573,889	1,502,725	1,897,567
Bond issuance costs		12,820		394,530
Total expenditures	<u>40,233,166</u>	<u>40,108,448</u>	<u>37,045,805</u>	<u>40,613,677</u>
Excess (deficiency) of revenues over expenditures	<u>(7,851,177)</u>	<u>(6,616,528)</u>	<u>(1,083,924)</u>	<u>(5,073,216)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	555,206	408,440	488,197	593,911
Transfers out	(540,898)	(391,115)	(469,297)	(752,978)
Bonds issued				24,420,000
Tax notes issued		1,200,000		
Payments to refunded bond escrow agent				
Bond premium				446,830
Capital lease	248,619			332,847
Discount on bonds issued				(92,725)
Total other financing sources (uses)	<u>262,927</u>	<u>1,217,325</u>	<u>18,900</u>	<u>24,947,885</u>
Net change in fund balances	<u>\$ (7,588,250)</u>	<u>(5,399,203)</u>	<u>(1,065,024)</u>	<u>19,874,669</u>
Debt Service as a percentage of noncapital expenditures	14.4%	12.9%	12.5%	12.9%

Unaudited -see accompanying auditors' report

<i>Fiscal Year</i>					
<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
30,846,064	33,042,265	33,432,131	33,976,724	34,290,500	35,562,155
200,558	185,615	245,003	241,751	726,386	579,704
760,200	622,632	1,175,867	560,530	377,102	868,486
1,723,251	1,715,643	1,631,182	1,652,149	2,023,923	1,671,117
766,275	1,999,673	794,466	626,421	369,114	258,240
199,616	178,533	167,813	79,017	82,785	96,316
289,924	321,621	1,092,352	1,518,657	1,006,232	923,001
780,731					
335,346	288,508	647,550	447,449	357,902	632,649
<u>35,901,965</u>	<u>38,354,490</u>	<u>39,186,364</u>	<u>39,102,698</u>	<u>39,233,944</u>	<u>40,591,668</u>
5,167,206	5,687,089	6,096,316	5,778,132	6,500,409	7,144,935
15,479,970	15,729,556	15,370,410	14,913,921	14,900,200	14,033,527
4,077,566	3,815,722	3,843,357	4,085,840	4,674,794	5,069,600
2,342,064	2,133,616	2,393,470	2,234,747	2,429,448	2,428,568
1,483,147	2,272,270	2,144,737	1,727,656	1,073,624	1,483,091
11,134					
6,859,040	12,141,083	4,651,366	8,921,568	5,152,652	3,136,260
3,472,228	3,788,802	3,780,647	3,747,283	3,639,164	3,643,800
2,415,565	2,301,087	2,182,138	2,047,350	1,939,214	1,851,466
	219,427	193,000			
<u>41,307,920</u>	<u>48,088,652</u>	<u>40,655,441</u>	<u>43,456,497</u>	<u>40,309,505</u>	<u>38,791,247</u>
<u>(5,405,955)</u>	<u>(9,734,162)</u>	<u>(1,469,077)</u>	<u>(4,353,799)</u>	<u>(1,075,561)</u>	<u>1,800,421</u>
1,510,273	4,277,448	4,472,167	995,874	1,089,860	1,621,310
(1,065,120)	(2,406,073)	(4,630,978)	(2,392,810)	(2,186,683)	(2,627,481)
	14,845,000	14,550,000			
	(11,805,488)	(15,788,017)			
	1,150,861	1,270,367			
	82,905	21,512	45,013	86,851	1,177,496
<u>445,153</u>	<u>6,144,653</u>	<u>(104,949)</u>	<u>(1,351,923)</u>	<u>(1,009,972)</u>	<u>171,325</u>
<u>(4,960,802)</u>	<u>(3,589,509)</u>	<u>(1,574,026)</u>	<u>(5,705,722)</u>	<u>(2,085,533)</u>	<u>1,971,746</u>
17.1%	16.9%	16.6%	16.8%	15.9%	15.4%

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CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Tax Revenue by Source, Governmental Funds Last Ten Fiscal Years Schedule 6

<i>Fiscal Year</i>	<i>Property</i>	<i>Sales and Use</i>	<i>Franchise</i>	<i>Other</i>	<i>Total</i>
2007	\$ 10,606,159	12,861,211	2,160,079	918,243	26,545,692
2008	11,350,892	13,045,922	2,230,070	1,314,487	27,941,371
2009	13,261,502	13,392,204	2,196,103	1,187,647	30,037,456
2010	13,606,421	13,148,821	2,197,528	1,305,256	30,258,026
2011	13,666,358	13,800,353	2,070,004	1,309,349	30,846,064
2012	15,629,446	14,114,271	2,002,603	1,295,945	33,042,265
2013	15,762,593	14,326,770	2,005,689	1,337,079	33,432,131
2014	15,993,035	14,735,398	2,006,662	1,241,629	33,976,724
2015	15,886,472	15,164,177	1,891,699	1,348,152	34,290,500
2016	16,186,609	15,899,829	1,868,181	1,607,536	35,562,155
Percentage change	1.89%	4.85%	-1.24%	19.24%	3.71%

Unaudited - see accompanying auditors' report

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Assessed and Estimated Actual Value of Taxable Property

(per \$100 of assessed value)

Last Ten Fiscal Years

Schedule 7

<i>Fiscal Year</i>	<i>Tax Roll Year</i>	<i>Personal Property Assessed Value</i>	<i>Real Property Assessed Value</i>	<i>Total Property Assessed Value</i>	<i>Tax Rate (1)</i>	<i>Gross Tax Levy</i>
2007	2006	\$ 343,388,570	1,666,170,594	2,009,559,164	0.5265	10,580,329
2008	2007	363,820,820	1,789,358,078	2,153,178,898	0.5265	11,336,487
2009	2008	378,012,082	1,911,219,783	2,289,231,865	0.5831	13,348,511
2010	2009	388,655,480	1,998,210,887	2,386,866,367	0.5831	13,917,818
2011	2010	366,108,919	2,104,527,844	2,470,636,763	0.5831	14,406,283
2012	2011	356,579,341	2,127,490,741	2,484,070,082	0.669293	16,625,707
2013	2012	366,695,306	2,130,026,677	2,496,721,983	0.669293	16,710,385
2014	2013	369,660,911	2,156,931,065	2,526,591,976	0.669293	16,910,303
2015	2014	369,666,514	2,148,580,335	2,518,246,849	0.669293	16,854,450
2016	2015	385,406,566	2,089,714,475	2,475,121,041	0.669293	16,565,812

Note:

- (1) Tax rate per \$100 of assessed value.
- (2) Detail for Frozen Items & Late Penalty Gain and Adjustments not available for tax years 2006 through 2013.

Source: Bowie Central Appraisal District

Unaudited - see accompanying auditors' report

<i><u>Frozen Items & Late Penalty Gain (2)</u></i>	<i><u>Total Tax Levy</u></i>	<i><u>Adjustments</u></i>	<i><u>Adjusted Tax Levy</u></i>	<i><u>Tax Distribution</u></i>		
				<i><u>General Fund</u></i>	<i><u>Debt Service</u></i>	<i><u>TIRZ #1</u></i>
	10,580,329		10,580,329	6,608,474	3,971,855	
2,843	11,339,330		11,339,330	7,593,949	3,745,381	
(376,845)	12,971,666		12,971,666	9,071,086	3,900,580	
(410,391)	13,507,427		13,507,427	9,182,349	4,325,078	
(873,274)	13,533,009		13,533,009	8,925,019	4,502,432	105,558
(1,146,231)	15,479,476		15,479,476	10,208,714	5,150,022	120,740
(1,110,876)	15,599,509		15,599,509	10,280,076	5,146,278	173,155
(1,024,186)	15,886,117		15,886,117	10,364,103	5,075,614	446,400
(481,451)	16,372,999	(372,733)	16,000,266	10,656,177	5,036,884	307,205
(479,406)	16,086,406	(34,698)	16,051,708	10,847,744	4,768,963	435,001

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Direct and Overlapping Property Tax Rates

(per \$100 of assessed value)

Last Ten Fiscal Years

Schedule 8

<i>Fiscal Year</i>	<i>City Direct Rates</i>			
	<i>General</i>	<i>General Obligation Debt Service</i>	<i>TIRZ #1</i>	<i>Total City Direct Rate</i>
2007	0.3289	0.1976		0.5265
2008	0.3526	0.1739		0.5265
2009	0.4078	0.1753		0.5831
2010	0.3964	0.1867		0.5831
2011	0.3846	0.194	0.0045	0.5831
2012	0.441429	0.222636	0.005228	0.669293
2013	0.41819	0.24368	0.00743	0.6693
2014	0.436613	0.213842	0.018838	0.669293
2015	0.445789	0.21068	0.012824	0.669293
2016	0.452287	0.198844	0.018162	0.669293

Source: Bowie Central Appraisal District

Notes: Overlapping rates are those of local and county governments that apply to the property owners within the City of Texarkana, Texas. Not all overlapping rates apply to all City property owners.

Unaudited -see accompanying auditors' report

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

Overlapping Rates

<i>Texarkana Independent School District</i>	<i>Bowie County</i>	<i>Texarkana College</i>	<i>Liberty-Eylau Independent School District</i>	<i>Pleasant Grove Independent School District</i>
1.5116	0.3191	0.0826	1.4390	1.5289
1.339	0.327	0.089591	1.299535	1.44
1.339	0.327	0.09679	1.299193	1.44
1.339	0.3262	0.097527	1.29388	1.44
1.339	0.3262	0.097527	1.29388	1.44
1.339	0.3262	0.105339	1.29622	1.44
1.339	0.3612	0.10527	1.26126	1.44
1.339	0.47361	0.105267	1.26102	1.44
1.425	0.399173	0.105267	1.261	1.44
1.425	0.399173	0.105267	1.261	1.44

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Principal Property Taxpayers Current Year and Nine Years Ago Schedule 9

<i>Taxpayer</i>	<i>Rank</i>	<i>2016</i>	
		<i>2015 Assessed Valuation (1) (2)</i>	<i>Percentage of Total Assessed Valuation</i>
GG&A Central Mall Partners	1	\$ 32,120,120	1.30%
AEP Southwestern Electric Power Co	2	26,354,035	1.06%
Christus Health Ark La Tx	3	24,903,530	1.01%
LPG Apartments LP	4	12,603,812	0.51%
Arklatex Real Estate LP	5	11,875,890	0.48%
William Gregg Orr	6	11,704,107	0.47%
Sterno Candle Lamp	7	11,645,580	0.47%
Waggoner Creek Crossing LP	8	11,554,308	0.47%
Walmart Store #01-2123	9	11,000,000	0.44%
Valor Telecom	10	10,339,760	0.42%
Richmond Road Apartments LP			
Candle Corporation of America			
Arden Texarkana LLC			
Cowhorn Creek Property, LLC			
CONDEB LP			
Total principal taxpayers		<u>\$164,101,142</u>	<u>6.63%</u>

(1) Net of exemptions

(2) Source - Bowie Central Appraisal District

Unaudited - see accompanying auditors' report

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

<i>2007</i>		
<i>Rank</i>	<i>2006 Assessed Valuation (1) (2)</i>	<i>Percentage of Total Assessed Valuation</i>
1	\$ 31,517,610	1.57%
3	18,071,820	0.90%
2	20,740,930	1.03%
8	10,915,510	0.54%
4	15,576,290	0.78%
5	14,668,800	0.73%
6	13,586,990	0.68%
7	13,023,250	0.65%
9	10,599,720	0.53%
10	10,118,930	0.50%
	<u>\$ 158,819,850</u>	<u>7.91%</u>

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Property Tax Levies and Collections Last Ten Fiscal Years Schedule 10

<i>Fiscal Year</i>	<i>Tax Roll Year</i>	<i>Total Adjusted Tax Levy</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Collections in Subsequent Years</i>	<i>Total Collections to Date</i>	
			<i>Amount</i>	<i>Percentage</i>		<i>Amount</i>	<i>Percentage</i>
2007	2006	\$ 10,580,329	10,253,335	96.90%	255,169	10,508,504	99.32%
2008	2007	11,339,330	10,918,808	96.29%	235,088	11,153,896	98.36%
2009	2008	12,971,666	12,634,807	97.40%	392,913	13,027,720	100.43%
2010	2009	13,507,427	13,056,769	96.66%	205,755	13,262,524	98.19%
2011	2010	13,533,009	13,150,342	97.17%	236,565	13,386,907	98.92%
2012	2011	15,479,476	15,117,864	97.66%	304,184	15,422,048	99.63%
2013	2012	15,599,509	15,256,890	97.80%	296,341	15,553,231	99.70%
2014	2013	15,886,117	15,514,090	97.66%	286,899	15,800,989	99.46%
2015	2014	16,000,266	15,452,342	96.58%	203,942	15,656,284	97.85%
2016	2015	16,051,708	15,748,536	98.11%		15,748,536	98.11%

Ad valorem taxes are levied on October 1 of each year.

Source - Bowie Central Appraisal District.

Unaudited -see accompanying auditors' report

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Direct and Overlapping Sales Tax Rates

(per \$100 of assessed value)

Last Ten Fiscal Years

Schedule 11

<i>Fiscal Year</i>	<i>City Direct Rate</i>	<i>Bowie County</i>
2007	1.50%	0.50%
2008	1.50%	0.50%
2009	1.50%	0.50%
2010	1.50%	0.50%
2011	1.50%	0.50%
2012	1.50%	0.50%
2013	1.50%	0.50%
2014	1.50%	0.50%
2015	1.50%	0.50%
2016	1.50%	0.50%

Source: Texas Comptroller Website

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

Unaudited -see accompanying auditors' report

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Water Sold by Type of Customer - Texarkana, Texas Water Utilities

(in thousands of gallons)

Last Ten Fiscal Years

Schedule 12

Type of Customer	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Residential	944,028	937,401	914,376	926,250	1,164,446
Commercial	664,667	652,537	585,553	596,290	735,020
Member Cities	905,547	936,941	916,698	928,052	1,014,877
Wholesale	<u>723,824</u>	<u>683,562</u>	<u>676,645</u>	<u>717,840</u>	<u>683,856</u>
Total	<u><u>3,238,066</u></u>	<u><u>3,210,441</u></u>	<u><u>3,093,272</u></u>	<u><u>3,168,432</u></u>	<u><u>3,598,199</u></u>
Total Direct Rate per 1,000 Gallons					
Residential (2)	\$ 2.48	2.59	3.01	3.01	3.01
>0-2,000					
>2,000-5,000					
>5,000-7,000					
>7,000-10,000					
>10,000					
Commercial (2)	1.87	1.95	2.26	2.26	2.26
>0-2,000					
>2,000-5,000					
>5,000-7,000					
>7,000-10,000					
>10,000					
Member Cities	0.67	0.64	0.98	0.77	0.65

(1) Includes TexAmericas Center usage of 318,769 (in 000's).

(2) TWU adopted tiered structure for water rates during FY 2016.

Unaudited -see accompanying auditors' report

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1,141,614	1,027,446	1,417,354	1,376,505	1,287,088
769,874	717,174	991,064	951,031	973,341
1,071,608	952,637	874,055	817,986	850,476
<u>650,888</u>	<u>958,491</u>	<u>948,195</u>	<u>918,397</u>	<u>995,876 (1)</u>
<u><u>3,633,984</u></u>	<u><u>3,655,748</u></u>	<u><u>4,230,668</u></u>	<u><u>4,063,919</u></u>	<u><u>4,106,781</u></u>

3.01

3.01

3.01

3.01

1.75

2.00

3.25

3.75

4.00

2.26

2.26

2.26

2.26

3.25

3.25

3.25

3.25

3.25

0.83

0.7308

0.7448

0.7275

0.7986

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Water and Sewer Rates - Texarkana, Texas Water Utilities

Last Ten Fiscal Years

Schedule 13

<i>Fiscal Year</i>	<i>Water</i>		<i>Sewer</i>	
	<i>Monthly Minimum 2000 Gals</i>	<i>Rate per 1000 Gals Over Minimum</i>	<i>Monthly Minimum 2000 Gals</i>	<i>Rate per 1000 Gals Over Minimum</i>
Residential				
2007	\$ 6.72	2.48	9.07	3.25
2008	7.01	2.59	9.46	3.39
2009	8.15	3.01	10.52	3.77
2010	8.15	3.01	10.52	3.77
2011	8.15	3.01	10.52	3.77
2012	8.15	3.01	10.52	3.77
2013	8.15	3.01	10.52	3.77
2014	8.15	3.01	10.52	3.77
2015	8.15	3.01	10.52	3.77
2016	8.15		10.52	3.77
>0-2,000		1.75		
>2,000-5,000		2.00		
>5,000-7,000		3.25		
>7,000-10,000		3.75		
>10,000		4.00		
Commercial				
2007	7.65	1.87	9.07	3.80
2008	7.98	1.95	9.46	3.96
2009	9.28	2.26	10.52	4.41
2010	9.28	2.26	10.52	4.41
2011	9.28	2.26	10.52	4.41
2012	9.28	2.26	10.52	4.41
2013	9.28	2.26	10.52	4.41
2014	9.28	2.26	10.52	4.41
2015	9.28	2.26	10.52	4.41
2016	9.28		10.52	4.41
>0-2,000		3.25		
>2,000-5,000		3.25		
>5,000-7,000		3.25		
>7,000-10,000		3.25		
>10,000		3.25		

- Note: (1) The Commercial minimum for water is based on a 5/8 inch meter. The minimum increases for each size up to \$50 for a 6 inch or larger meter.
 (2) Rates for outside the City limit are 50% more than the above.
 (3) TWU adopted tiered structure for water rates during FY 2016.

Unaudited -see accompanying auditors' report

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Principal Water and Sewer Revenue Payers - Texarkana, Texas Water Utilities

Current Year and Nine Years Ago

Schedule 14

<i>Payer</i>	<i>Rank (1)</i>	<i>2016</i>		<i>Rank (1)</i>	<i>2007</i>	
		<i>Water & Sewer Revenue</i>	<i>Percentage of Total Water & Sewer Revenue</i>		<i>Water & Sewer Revenue</i>	<i>Percentage of Total Water & Sewer Revenue</i>
Federal Correctional Institute	1	\$ 613,281	4.80%	1	\$ 738,703	7.45%
Christus St Michael Hospital	2	350,898	2.75%	5	189,428	1.91%
LaSalle Southwest Corrections	3	204,770	1.60%			
Wadley Hospital	4	167,363	1.31%	3	152,765	1.54%
West Fraser	5	111,848	0.88%			
Texarkana Housing Authority	6	125,314	0.98%	4	235,839	2.38%
Texarkana Texas ISD	7	130,869	1.02%	7	104,745	1.06%
City of Texarkana, Texas	8	91,267	0.71%			
Westridge Apartments	9	114,521	0.90%			
Summerhill Woods/Richmond Oaks Apts.	10	91,558	0.72%	9	88,880	0.90%
Alcoa				2	251,331	2.53%
Civigenics Texas Inc.				6	129,653	1.31%
Woodlands Apartments				8	87,049	0.88%
Texarkana College				10	57,410	0.58%
Totals		<u>\$ 2,001,689</u>	15.67%		<u>\$ 2,035,803</u>	20.54%

(1) Ranking is computed based on consumption (number of gallons), not revenue.

Unaudited -see accompanying auditors' report

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Ratios of Outstanding Debt by Type Last Ten Fiscal Years Schedule 15

<i>Fiscal Year</i>	<i>Governmental Activities</i>				
	<i>General Obligation Bonds</i>	<i>Certificates of Obligation</i>	<i>Tax Notes</i>	<i>Installment Loans</i>	<i>Capital Leases</i>
2007	\$ 20,625,223	21,281,360		5,818	437,852
2008 (2)	19,301,168	20,617,040	1,200,000		208,852
2009	17,867,429	19,857,720	1,200,000		82,959
2010 (3)	16,509,387	43,564,165	1,160,000		254,195
2011	15,108,573	42,021,874	1,040,000		148,537
2012 (4)	15,808,814	42,125,475	860,000		86,295
2013 (5)(6)	27,636,147	27,263,094			46,935
2014	27,290,448	25,964,808			54,177
2015	25,298,564	24,131,334			96,864
2016	22,741,681	22,987,859			1,100,560

- (1) See Demographic and Economic Statistics Schedule for personal income and population data.
 (2) The City issued \$1,200,000 in Tax Notes in 2009.
 (3) The City issued \$24,420,000 in Certificates of Obligation in 2010.
 (4) The City issued \$4,115,000 in Certificates of Obligation in 2012.
 (5) The City issued \$14,550,000 in General Obligation Refunding Bonds in 2013.
 (6) The City issued \$2,200,000 in Revenue Bonds in 2013.

Unaudited -see accompanying auditors' report

<i>Business-type Activities</i>				
<i>Water Revenue Bonds</i>	<i>Capital Leases</i>	<i>Total Primary Government</i>	<i>Percentage of Personal Income(1)</i>	<i>Per Capita(1)</i>
6,930,380	6,129,990	55,410,623	7.21%	1,529
5,963,213	5,900,544	53,190,817	6.56%	1,463
4,961,046	5,674,537	49,643,691	6.23%	1,391
4,478,878	5,685,765	71,652,390	7.77%	1,968
3,971,711	5,497,784	67,788,479	8.09%	1,862
2,689,544	5,229,477	66,799,605	7.88%	1,835
4,489,191	4,985,995	64,421,362	7.59%	1,769
4,132,463	4,734,592	62,176,488	6.91%	1,666
3,727,670	4,516,570	57,771,002	6.33%	1,526
3,312,876	4,132,943	54,275,919	5.91%	1,435

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Ratios of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years Schedule 16

Fiscal Year	Population (1)	Assessed Value	Gross Bonded Debt (2)
2007	36,250	\$ 2,009,559,164	48,836,963
2008	36,350	2,153,718,898	47,081,421
2009	35,682	2,289,231,865	43,886,195
2010 (3)	36,411	2,386,866,367	65,712,430
2011	36,411	2,170,196,575	62,142,158
2012	36,411	2,484,070,082	61,483,833
2013	36,998	2,496,721,983	59,388,432
2014	37,332	2,526,591,976	57,387,719
2015	37,857	2,518,246,849	53,157,568
2016	37,831	2,475,121,041	49,042,416

Notes:

- (1) Estimate of City Planning Department which is from U.S. Census.
- (2) Includes certificates of obligations issued for water and sewer programs.
- (3) 2010 Census Redistricting Data (Public Law 94-171) Summary File, Tables P1 and H1

Unaudited - see accompanying auditors' report

<i>Less Debt Service Funds</i>	<i>Less Debt Payable From Enterprise Funds (2)</i>	<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Value</i>	<i>Net Bonded Debt per Capita</i>
1,779,458	6,930,380	40,127,125	2.00	1,107
1,748,284	5,963,213	39,369,924	1.83	1,083
1,707,982	4,961,046	37,217,167	1.63	1,043
1,538,656	4,478,878	59,694,896	2.50	1,639
670,992	3,971,711	57,499,455	2.65	1,579
318,397	2,689,544	58,475,892	2.35	1,606
0	4,489,191	54,899,241	2.20	1,484
0	4,132,463	53,255,256	2.11	1,427
0	3,727,670	49,429,898	1.96	1,306
76,937	3,312,876	45,652,603	1.84	1,207

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CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Direct and Overlapping Governmental Activities Debt

September 30, 2016

Schedule 17

<i>Jurisdiction</i>	<i>Outstanding Debt</i>	<i>Percentage of Debt Applicable to City of Texarkana</i>	<i>Amount Applicable to City of Texarkana</i>
Direct:			
City of Texarkana, Texas	\$ 46,830,100	100.00%	<u>\$ 46,830,100</u>
Overlapping:			
Texarkana Independent School District	54,208,307	76.37%	41,398,884
Bowie County	34,017,697	51.35%	17,468,087
Liberty-Eylau Independent School District	25,310,000	41.51%	10,506,181
Pleasant Grove School District	31,395,000	84.86%	26,641,797
Red Lick Independent School District	4,900,000	8.08%	<u>395,920</u>
Subtotal - Overlapping debt			<u>96,410,869</u>
Total direct and overlapping			<u><u>\$ 143,240,969</u></u>
Per capita overlapping debt			<u><u>\$ 3,786</u></u>

Source - City and County tax records

Note - Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Texarkana, Texas. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Unaudited - see accompanying auditors' report

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Legal Debt Margin Last Ten Fiscal Years Schedule 18

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed value of real property	<u>\$ 1,640,707,284</u>	<u>1,771,117,978</u>	<u>1,997,924,581</u>	<u>1,998,210,887</u>
Debt limit - 25% of assessed value of real property	<u>410,176,821</u>	<u>442,779,495</u>	<u>499,481,145</u>	<u>499,552,722</u>
Total general obligation bonded debt	20,625,223	-	17,867,429	16,509,387
Less amount available in Debt Service Fund	<u>-</u>	<u>-</u>	<u>(1,707,982)</u>	<u>(1,538,656)</u>
Total amount of debt applicable to debt limit	<u>20,625,223</u>	<u>-</u>	<u>16,159,447</u>	<u>14,970,731</u>
Legal debt margin	<u>389,551,598</u>	<u>442,779,495</u>	<u>483,321,698</u>	<u>484,581,991</u>

Notes:

There is a rate limitation of \$2.50 per \$100 of assessed value imposed by the Texas Constitution and City Charter.

Article 3, Section 53 of the Texas Constitution limits the legal debt to 25% of the assessed valuation of the real property.

Unaudited - see accompanying auditors' report

<i><u>2011</u></i>	<i><u>2012</u></i>	<i><u>2013</u></i>	<i><u>2014</u></i>	<i><u>2015</u></i>	<i><u>2016</u></i>
<u>2,104,527,844</u>	<u>2,127,490,741</u>	<u>2,130,026,677</u>	<u>2,156,931,065</u>	<u>2,148,580,335</u>	<u>2,089,714,475</u>
<u>526,131,961</u>	<u>531,872,685</u>	<u>532,506,669</u>	<u>539,232,766</u>	<u>537,145,084</u>	<u>522,428,619</u>
15,108,573	15,808,814	27,636,147	27,290,448	25,298,564	22,741,681
<u>(670,992)</u>	<u>(318,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,937)</u>
<u>14,437,581</u>	<u>15,490,417</u>	<u>27,636,147</u>	<u>27,290,448</u>	<u>25,298,564</u>	<u>22,664,744</u>
<u>511,694,380</u>	<u>516,382,268</u>	<u>504,870,522</u>	<u>511,942,318</u>	<u>511,846,520</u>	<u>499,763,875</u>

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Pledged Revenue Coverage (1) Last Ten Fiscal Years Schedule 19

<i>Fiscal Year</i>	<i>Gross Revenue(2)</i>	<i>Operating Expenses (3)</i>	<i>Net Revenue Available For Debt Service</i>	<i>Debt Service Requirements (4)</i>	<i>Coverage</i>
2007	\$ 14,126,104	9,512,745	4,613,359	1,271,608	3.63
2008	14,472,792	10,321,585	4,151,207	1,250,470	3.32
2009	15,412,539	11,522,666	3,889,873	1,246,946	3.12
2010	15,983,461	11,459,098	4,524,363	697,624	6.49
2011	16,204,481	11,025,853	5,178,628	698,252	7.42
2012	16,311,709	11,314,900	4,996,809	1,457,656	3.43
2013	15,847,484	11,418,138	4,429,346	492,840	8.99
2014	15,269,056	11,064,894	4,204,162	559,088	7.52
2015	15,767,506	11,261,328	4,506,178	562,188	8.02
2016	16,864,947	11,262,109	5,602,838	560,647	9.99

Notes:

- (1) Exclusive of Lake Texarkana Water Supply Corporation and International Paper Company utility operations and obligations.
- (2) Total revenue includes interest income on investments and payments received from Texarkana, Arkansas Utilities for debt service on revenue bonds issued for construction on direct financing lease facilities.
- (3) Operating expenses exclude depreciation and amortization.
- (4) Principal and interest on revenue bonds only. Amounts do not include payments on obligations under capital leases.

Unaudited -see accompanying auditors' report

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION Demographic and Economic Statistics Last Ten Fiscal Years Schedule 20

<i>Fiscal Year</i>	<i>Population</i>	<i>Median Age</i>	<i>Per Capita Income</i>	<i>Unemployment Rate</i>	<i>Personal Income (6)</i>
2007	36,250 (1)	36.4 (5)	21,220 (5)	5.3 (3)	\$ 769,225,000
2008	36,350 (1)	35.7 (5)	22,291 (2)	5.1 (5)	810,277,850
2009	35,682 (5)	37.1 (5)	22,326 (5)	7.2 (7)	796,636,332
2010	36,411 (4)	36.4 (7)	25,336 (7)	7.2 (7)	922,509,096
2011	36,411 (7)	38 (7)	23,007 (7)	7.9 (7)	837,707,877
2012	36,411 (7)	36.5 (7)	23,297 (7)	5.7 (7)	848,267,067
2013	36,998 (7)	36.5 (7)	23,297 (7)	6.8 (7)	861,942,406
2014	37,332 (7)	37 (7)	24,118 (7)	5.8 (7)	900,373,176
2015	37,857 (7)	37 (7)	24,095 (7)	4.8 (7)	912,164,415
2016	37,831 (7)	37 (7)	24,285 (7)	4.6 (7)	918,725,835

Notes:

- (1) Estimate of City of Texarkana, Texas.
- (2) 2000 U.S. Census. (ATCOG)
- (3) Texas Workforce Commission LMI Tracer
- (4) 2010 U. S. Census. (City of Texarkana, Texas)
- (5) Sites on Texas.com
- (6) Personal income calculated by multiplying estimated population by per capita income.
- (7) Economic Development Director, City of Texarkana, Texas

Unaudited -see accompanying auditors' report

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CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Principal Employers, Metropolitan Statistical Area (MSA) - Texarkana, Texas and Texarkana, Arkansas

Current Year and Nine Years Ago Schedule 21

<i>Employer</i>	<i>2016</i>			<i>2007 (2)</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total MSA Employ- ment (1)</i>	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total MSA Employ- ment</i>
Red River Army Depot & Tenants	4,800	1	7.77%	6,000	1	10.58%
Christus St. Michael Health Care	2,700	2	4.37%	1,680	3	2.96%
Cooper Tire & Rubber	1,900	3	3.08%	2,000	2	3.53%
Wal-Mart/Sam's	1,300	4	2.11%	1,100	5	1.94%
Domtar (fr. Georgia Pacific)	950	5	1.54%	1,201	4	2.12%
International Paper	825	6	1.34%	865	7	1.53%
Wadley Regional Medical Ctr	800	7	1.30%	1,000	6	1.76%
Texarkana Texas ISD	800	8	1.30%	787	8	1.39%
Texarkana AR ISD	775	9	1.26%	785	9	1.38%
Harte Hanks	725	10	1.17%			0.00%
Southern Refrigerated Transport	725	11	1.17%	670	10	1.18%
City of Texarkana, Texas	625	12	1.01%			0.00%
Total	<u>16,925</u>		<u>27.42%</u>	<u>16,088</u>		<u>28.37%</u>

Source:

Chamber of Commerce, Texas Workforce Commission LMI Tracer

Notes:

(1) MSA employment for 2016 is 61,741

(2) MSA employment for 2007 is 56,700

Unaudited - see accompanying auditors' report

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Full-time-Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years Schedule 22

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government				
Purchasing- General Services	4	4	3	3
Finance / Accounting	7	6	5	6
Building Maintenance	3	3	3	3
City Manager	3	1	1	1
City Secretary	3	1	1	2
Research and Vital Statistics		2	2	2
Human Resources	3	5	4	5
City Attorney	3.5	2.0	0	0
Municipal Court	7	7.5	8.5	8
Quality Assurance	0	0	0	1
Marketing	0	0	0	1
Public safety				
Police Administration	3	3	7	7
Uniform Services- Patrol	66	74	65	69
Support Services	12	11	9	10
Criminal Investigation	18.5	17.5	18.5	18.5
CMV Enforcement Unit	0	0	0	2
Narcotics	4	2	3	4
Fire Administration	3	3	3	3
Fire Operations	72	72	72	72
Fire Prevention	4	4	4	4
Fire Training	2	2	2	2
Emergency Management	2	2	2	2
Public works				
Public Works Administration	3	2	0	0
Engineering	7	7	7	7
Engineering & Infrastructure Administration		2	2	2
Street Maintenance	38	38	38	38
Building Inspection	7	7	7	7
Sign and Signal	6	6	6	6
P&Z/Comm & PW Administration	2	0	2	2
Code Enforcement	0	0	3	3
Stormwater Management	0	0	0	0
Health and welfare				
Community Development	4	3	3	3
Environmental Services		3	2	2
Environmental Health Services	2	2	1	1
Demolition	4	4	1	1
Animal Control	2	2	2	2

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
3	3	0	0	0	0
6	6	8	8	8	8
3	3	3	2	0	0
1	1	1	2	9	10
2	2	2	3	0	0
2	2	2	3	0	0
4	4	4	4	4	4
0	0	0	0	0	0
9	8	8.5	7.5	9.5	8.5
1	1	1	0	0	0
2	2	1.5	1	0	0
5	11	9	8	6	2
72	66	63	62	61	59
31.5	31.5	32	31	31	39
0	0	0	0	0	0
2	2	0	0	0	0
3	0	0	0	0	0
3	2	3	4	81	78
72	73	72	70	0	0
4	0	5	6	0	0
2	0	0	0	0	0
2	2	0	0	0	0
0	0	0	0	0	0
7	7	4	4	3	2
2	2	2	2	2	1
38	38	32	30	36	36
7	7	7	6	13	12
6	6	6	5	6	6
2	2	1.5	0	0	0
3	3	3	3	0	0
0	2	2	2	2	2
3	3.5	5	5	5.5	5.5
2	2	2	2	0	0
1	1	1	1	0	0
1	0	0	0	0	0
2	2	2	2	0	0

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Full-time-Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years Schedule 22 (Continued)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Parks and recreation				
Parks Administration	3	2	2	2
Parks Maintenance	23	24	24	19
Recreational Programs	5.5	5.5	5.5	3.5
Senior Citizen Programs	2.5	2.5	2.5	1
Community Center / Weed & Seed	3	3	3	1
Library	12.5	12.5	12.5	16
Teen Court	1.5	1	1	1
Veterans Affairs	0.5	0.5	0.5	1
Family Health Center				
Administration	3	5	4	4
Community	4	6	5	6
WIC	7	7	5	7
Reproductive	7	7	6	7
TB	1	0	0	0
Public Health Response	5	2	0	0
Tobacco	0	0	0	0
Diabetes	0	0	0	0
Central Records - Dispatch	53	54	54	53
MPO	2.5	2.5	2.5	3
Fleet	10	11	9	8
Total	<u>439.0</u>	<u>443.5</u>	<u>423.5</u>	<u>432.0</u>

Source: Various City Departments

Notes: Full-time equivalent of non-civil service employees and civil service police is 2,080 hours per year and 2,912 hours per year for civil service firefighters.

Unaudited - see accompanying auditors' report

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
2	2	2	2	2	2
19	19	20	21	17	16
3.5	3.5	3	3	4	5
1	1	1	1	0	0
1	1	1	1	0	0
16	16	12.5	13.5	11	10.5
0	0	0	0	0	0
1	1	0.5	0.5	0.5	0
3.15	3	4	4	3	3
1.5	2	1	1	1	1
7	7	6	7	7	6
10.95	8	5	4	5	4
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1	2	1	0	0
53	54	41	38	41	40
3	3	1.5	3	3	2
6	6	6	4	6	6
<u>431.6</u>	<u>422.5</u>	<u>389.0</u>	<u>377.5</u>	<u>377.5</u>	<u>368.5</u>

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Operating Indicators by Function/Program

Last Ten Fiscal Years

Schedule 23

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Function/Program</u>				
General government				
Birth certificate requests	5,740	5,695	5,278	6,138
Public safety				
Police				
Commissioned officers	94	94	94	100
Calls for service	44,456	43,554	45,673	43,518
Total citations issued	13,922	8,879	11,606	10,536
Custody arrests	3,739	4,032	5,085	4,010
Fire				
Firefighters	79	79	79	78
Responses- Fire	250	281	250	256
Responses- EMS/Rescue	1,295	1,357	1,494	1,479
Responses- Other	963	1,139	978	1,098
Inspections	4,217	3,983	3,988	2,837
Public works				
Street resurfacing (miles)	(1)	(1)	(1)	(1)
Building permits issued	663	484	1,188	768
Building permits (\$)	48,621,881	76,804,888	44,937,572	49,115,042
Water				
Average daily consumption (millions of gallons)	10.29	10.938	10.255	11.207
Raw water production (millions of gallons)	11.849	11.882	11.978	13.949
Wastewater				
Average daily sewage treatment (millions of gallons)				
South Regional Plant	10.348	10.762	10.524	10.778
Wagner Creek Plant	1.088	1.190	1.257	1.253
Airlines				
Scheduled airline arrivals and departures per day	10	10	(1)	(1)
Passengers enplaning and deplaning per year	70,000	70,000		

Source: Various City Departments

Notes:

(1) No information available

Unaudited -see accompanying auditors' report

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5,937	5,832	5,758	6,056	6,257	6,718
99	99	96	95	90	91
42,407	42,625	38,712	41,556	38,622	39,562
11,003	12,993	10,558	12,507	11,012	9,244
4,105	4,125	3,243	2,383	3,488	3,429
78	78	77	78	78	78
306	258	259	220	264	250
1,478	1,770	1,753	1,871	1,761	1,748
1,062	1,088	1,109	1,022	1,005	1,096
2,867	3,910	3,950	3,950	4,032	4,028
1.5	(1)	(1)	(1)	(1)	2
591	559	577	443	481	544
63,049,176	43,348,566	40,844,204	37,317,875	58,075,585	38,254,996
9.518	11.201	12.368	11.467	10.677	8.815
10.61	11.74	12.997	12.062	11.545	9.888
8.328	7.514	6.642	8.062	8.890	10.130
0.747	1.116	1.3	1.678	1.673	1.730
(1)	4	6	6	6	6
	60,000	66,338	68,674	71,500	67,642

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Capital Asset Statistics by Function/ Program

Last Ten Fiscal Years

Schedule 24

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Function/Program</u>				
General Government				
Buildings	2	2	2	4
Public safety				
Police Stations	1	1	1	1
Number of vehicles	69	72	63	69
Fire Stations	5	5	5	5
Fire Apparatus	9	9	9	9
Other motorized vehicles	6	6	6	6
Public works				
Buildings	3	3	3	2
Streets (miles)	(1)	(1)	(1)	(1)
Paved alleys	(1)	(1)	(1)	(1)
Unpaved alleys	(1)	(1)	(1)	(1)
Storm sewers	(1)	(1)	(1)	(1)
Streetlights	(1)	(1)	(1)	(1)
Parks and recreation				
Parks	15	14	14	12
Park acreage developed	500	500	500	500
Park acreage partially developed	1,330	1,330	1,330	1,330
Playgrounds	19	20	20	26
Swimming pools	0	0	0	0
Tennis courts	6	6	6	4
Baseball diamonds	8	8	8	8
Softball diamonds	10	10	10	10
Recreation centers	2	2	2	2
Senior citizens centers	1	1	1	1
Cemetery acreage	19	19	19	19
Landscaped island/ historical markers	8	8	8	8
Landscaped medians	4	4	4	4
Soccer fields	8	10	10	12
Restroom facilities	14	15	17	17
Boat ramp	1	1	1	1
Splash pad	0	0	0	0
Perot Theatre	1	1	1	1

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
4	4	4	4	4	4
1	1	1	1	1	1
62	80	80	72	80	72
5	5	5	5	5	5
10	10	10	7	9	9
10	16	16	8	8	9
2	2	4	4	4	4
(1)	257	259	260	261	262
(1)	8	8	8	8	8
(1)	15	15	15	15	15
(1)	30	31	31	32	33
(1)	3,150	3,200	3,200	3,200	3,250
12	12	12	12	12	12
500	587	587	587	587	587
1,330	1,330	1,330	1,330	1,330	1,330
26	27	26	24	26	25
0	0	0	0	0	0
4	4	4	4	4	4
8	8	8	8	8	8
10	10	10	10	10	10
2	2	2	1	1	1
1	1	1	1	1	1
19	19	19	19	19	19
8	8	8	8	8	8
5	10	10	10	10	9
13	13	12	10	12	13
17	17	17	18	18	18
2	2	2	2	2	2
0	1	1	1	1	1
1	1	1	1	1	1

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

STATISTICAL SECTION

Capital Asset Statistics by Function/ Program

Last Ten Fiscal Years

Schedule 24 (Continued)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Function/Program</u>				
Library				
Number of libraries	1	1	1	1
Health and Welfare				
Buildings	1	1	1	1
Water				
Water mains (miles)	460	462	473	479
Water connections	12,893	13,032	12,951	12,937
Fire hydrants	1,906	1,963	2,013	2,051
Plant capacity (million gallons per day)	18	18	18	18
Wastewater				
Sanitary sewer mains (miles)	323	329	330	328
Sewer connections	12,364	12,512	12,418	12,436
Sewer plant capacity (millions gallons per day)	18	20	20	20
Airports				
Number of airports	1	1	1	1
Acres	1,200	1,200	1,200	1,200
Length of main runways	6,601	6,601	6,601	6,601

Source: Various City of Texarkana, Texas departments

Notes:

(1) No information available

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Unaudited -see accompanying auditors' report

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1	1	1	1	1	1
1	1	1	1	1	1
484	504	479	483	486	473
12,962	13,119	13,133	13,170	13,224	13,285
2,079	2,172	2,115	2,139	2,169	2,183
18	18	18	18	18	18
340	343	340	337	342	336
12,435	12,518	12,584	12,622	12,677	12,719
20	20	20	20	20	20
1	1	1	1	1	1
1,200	1,200	1,200	1,200	1,200	1,200
6,601	6,601	6,601	6,601	6,601	6,601

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Schedule of Federal Awards Section

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

CITY OF TEXARKANA, TEXAS

SUMMARY OF AUDITORS' RESULTS For the Year Ended September 30, 2016

PROGRAM	DESCRIPTION
Type of Report of Financial Statements	Unmodified Opinion
Significant Deficiencies in Internal Control	Schedule of Findings Reference 2016-001 and 2016-003
Material Weaknesses in Internal Control	None
Noncompliance Material to Financial Statements	Schedule of Findings Reference 2016-002
Significant Deficiencies in Internal Controls over Major Programs	Schedule of Findings Reference 2016-004 and 2016-007
Material Weaknesses Involving Significant Deficiencies over Major Programs	Schedule of Findings Reference 2016-005 and 2016-006
Type of Report on Compliance with Major Programs	Qualified Opinion – Special Supplement Nutrition Program for Women, Infants and Children Adverse Opinion – Continuum of Care
Findings for Federal Awards as Defined in OMB Circular A-133	Schedule of Findings Reference 2016-004 through 2016-007
Major Federal Programs	10.557 U. S. Department of Agriculture – Special Supplemental Nutrition Program for Women, Infants and Children 14.267 U. S. Department of Housing and Urban Development– Continuum of Care Program
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$300,000
Low Risk Auditee Statements	The City of Texarkana, Texas was not classified as a low-risk auditee in the context of OMB Circular A-133

CITY OF TEXARKANA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended September 30, 2016

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures</i>
Department of Homeland Security				
Emergency Management Performance Grants	97.042	Texas Department of Public Safety	Emergency Management Performance Grant--16TX- EMPG-0208	\$37,490
Homeland Security Grant Program	97.067	Texas Department of Public Safety	Homeland Security Program--14- SR 72368-01	4,353
Homeland Security Grant Program	97.067	Texas Department of Public Safety	Homeland Security Program-- 2016	6,860
Total Homeland Security Grant Program				11,213
Total Department of Homeland Security				48,703
United States Department of Justice				
Bulletproof Vest Partnership Program	16.607	Texas Governors Office Criminal Justice Division, 2015-DJ-BX- 1006	Law Enforcement Block Grant J.A.G.--2015-DJ-BX-0576	14,647
Total United States Department of Justice				14,647
Department of Transportation				
National Priority Safety Programs	20.616		Selective Traffic Enforcement Program (STEP)- 2016- TexarkPD-CIOT-00020	3,029
Highway Planning and Construction	20.205	Texas Department of Transportation	Downtown Enhancement STP2001(215)TE	10,015
Highway Planning and Construction	20.205	Texas Department of Transportation	Federal Transit Capital and Operating Assistance Formula Grant--50-16XF0017	89,552
Highway Planning and Construction	20.205	Arkansas Highway Transportation Department, 50-16XF0017	Federal Transit Capital and Operating Assistance Formula Grant--50-16XF0017	39,485
Total Highway Planning and Construction				139,052

CITY OF TEXARKANA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended September 30, 2016

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures</i>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Texas Department of Transportation, 50- 16XF0017	Federal Transit Capital and Operating Assistance Formula Grant--50-16XF0017	89,551
Total Department of Transportation				231,632
United States Environmental Protection Agency				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		EPA Revolving Loan Fund--BF- 00F62501	8,690
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		Brownfield Hazardous--BF- 00F19501	3,346
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		EPA Multipurpose Grant--BF- 00F62801	91,566
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		Brownfield Petroleum--BF- 00F20201	68,769
Total Brownfields Assessment and Cleanup Cooperative Agreements				172,371
Total United States Environmental Protection Agency				172,371
Department of Health and Human Services				
Immunization Cooperative Agreements	93.268		Preventative Health and Health	133,572
Preventive Health and Health Services Block Grant	93.991		RLSS/LPHS--2016-001076-00	95,250
Total Department of Health and Human Services				228,822
Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218		Community Development Block Grant - Entitlement (CDBG)--B- 14-MC-48-1000	232,156
Continuum of Care Program	14.267		Continuum of Care Program-- TX0387L6T071400	209,142
Continuum of Care Program	14.267		Continuum of Care-- TX0387L6T071501	269,231
Total Continuum of Care Program				478,373
Total Department of Housing and Urban Development				710,529

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended September 30, 2016

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures</i>
United States Department of Agriculture				
Farmers' Market and Local Food Promotion Program	10.168		Farmer's Market Grant--14-FMPPX-TX-0157	49,923
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		NSS-WIC Card Participation--2016-048749-001	368,731
Total United States Department of Agriculture				<u>418,654</u>
Total Expenditures of Federal Awards				<u>\$ 1,825,358</u>

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The accompanying notes are an integral part of this schedule.

CITY OF TEXARKANA, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS September 30, 2016

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards is a summary of the activity of all federal award programs of the City of Texarkana, Texas for the year ended September 30, 2016. The grant programs are administered by the various departments of the City. The activities of these departments are monitored by City staff to ensure compliance with the requirements of the underlying grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The grant accounts in the various funds where grants are recorded are maintained on the modified accrual basis. Grant revenues are recognized when eligible grant expenditures are incurred.

NOTE 3 - USE OF 10% DE MINIMIS COST RATE

The City of Texarkana, Texas has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE 4 - RELATIONSHIP TO GRANT FINANCIAL REPORTS

The amounts reported in the accompanying schedule may not agree with the amounts reported in the related grant financial reports filed with grantor agencies due to the fact that the accompanying schedule represents the activity for the twelve months ended September 30, 2016, while some grant reports are prepared monthly, quarterly, or annually on a grant fiscal year end that is different.

NOTE 5 - STATUS OF PRIOR YEAR FINDINGS

The current status of findings related to federal grant awards that were reported with the September 30, 2015 audit of the City of Texarkana, Texas financial statements is provided in the Summary Schedule of Prior Audit Findings.



HOLLIDAY, LEMONS, & COX, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and
Members of the City Council
Texarkana, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of Texarkana, Texas as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Texarkana, Texas' basic financial statements and have issued our report thereon dated March 21, 2017. Our report includes a reference to other auditors who audited the financial statements of the Texarkana Firemen's Relief and Retirement Fund, as described in our report on the City of Texarkana, Texas' financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Texarkana Firemen's Relief and Retirement Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Texarkana, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Texarkana, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Texarkana, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we

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AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

DIVISION FOR CPA FIRMS, PRIVATE COMPANIES PRACTICE SECTION

TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

ARKANSAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings, we that we consider to be significant deficiencies. Reference 2016-001 and 2016-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Texarkana, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item: Reference 2016-002.

City of Texarkana, Texas' Response to Findings

City of Texarkana, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings. City of Texarkana, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holliday, Remons & Cox, P.C.

March 21, 2017

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HOLLIDAY, LEMONS, & COX, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and
Members of the City Council
Texarkana, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Texarkana, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Texarkana, Texas' major federal programs for the year ended September 30, 2016. The City of Texarkana, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Texarkana, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Texarkana, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Texarkana, Texas' compliance.

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Basis for Qualified Opinion on Special Supplemental Nutrition Program for Women, Infants and Children

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient, appropriate audit evidence supporting the compliance of the City of Texarkana, Texas with the CFDA 10.557 U. S. Department of Agriculture - Special Supplemental Nutrition Program for Women, Infants and Children as described in finding number 2016-004 for Procurement and Suspension and Debarment and Reporting, consequently, we were unable to determine whether the City of Texarkana, Texas complied with those requirements applicable to that program.

Qualified Opinion on Special Supplemental Nutrition Program for Women, Infants and Children

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Texarkana, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Special Supplemental Nutrition Program for Women, Infants and Children for the year ended September 30, 2016.

Basis for Adverse Opinion on Continuum of Care

As described in the accompanying schedule of findings and questioned costs, the City of Texarkana, Texas did not comply with requirements regarding CFDA 14.267 U. S. Department of Housing and Urban Development - Continuum of Care as described in finding number 2016-005 for Allowable Costs, 2016-006 for Matching and 2016-007 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City of Texarkana, Texas to comply with the requirements applicable to that program.

Adverse Opinion on Continuum of Care

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the City of Texarkana, Texas did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Continuum of Care for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of the City of Texarkana, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Texarkana, Texas's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Texarkana, Texas' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items: Reference 2016-005 and 2016-006.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as item: Reference 2016-004 and 2016-007.

The City of Texarkana's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Texarkana, Texas' response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Holliday, Lemons, & Cox, P.C.

March 21, 2017

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CITY OF TEXARKANA, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended September 30, 2016

Reference 2015-001 Financial Policies, Procedures, and Application of Accounting Principles

Current Status: The finding was partially corrected in the current year.

Reference 2015-002 Credit Card Policies and Procedures

Current Status: The finding was corrected in the current year.

Reference 2015-003 Compensation Reporting for the Fire Pension Actuarial Valuation

Current Status: The finding was corrected in the current year.

Reference 2015-004 Texarkana Downtown TE Enhancement Program CFDA 20.205-Reporting

Current Status: The finding was corrected in the current year.

***Reference 2015-005 Special Supplemental Nutrition Program for Women, Infants and Children
CFDA 10.557 – Reporting***

Current Status: The finding was partially corrected in the current year.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS - FINANCIAL STATEMENT AUDIT **For the Year Ended September 30, 2016**

Financial Policies, Procedures, and Application of Accounting Principles ***Reference 2016-001***

Condition

The following account balances required adjusting entries on the City's financial statements:

TIRZ taxes assessed and collected were not allocated according to the City's budgeted tax allocations between the General Fund, Debt Service Fund and the TIRZ 1 Fund. The General Fund's revenue was decreased by \$21,686. The Debt Service Fund's revenue was increased by \$42,616, and the TIRZ Fund's revenue was decreased by \$20,930.

Criteria

Property taxes should be allocated based on the City's adopted budget and ordinances. All financial statement accounts should be properly stated prior to close of the year end books and issuance of interim financial statements by the City Finance Department staff.

Cause

Taxes were allocated before the final calculation of property taxes received and receivable was performed.

Effect

Potentially material misstatements in the financial statements or material misstatements of assets due to error or fraud could occur and not be prevented or detected in a timely manner.

Recommendation

Finance Department should review the annual settle-up allocation after the year end calculation for property taxes received and receivable have been performed.

Views of Responsible Officials and Planned Corrective Actions

Allocations will be recorded based on budgeted percentages throughout the fiscal year. Allocation percentages will be recalculated at the end of the fiscal year based on reports provided by Bowie Central Appraisal District. Amounts will be trued up to agree with the actual percentage calculations.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – *FINANCIAL STATEMENT AUDIT*

For the Year Ended September 30, 2016

Community Development Block Grant-Entitlement (CDBG) Reference 2016-002

Condition

In June and July 2016, CDBG funds totaling \$219,310 were drawn for the construction of a skate park on property adjacent to Kidtopia Park. In November 2016, U. S. Department of Housing and Urban Development (HUD) disallowed the project based on two findings: (1) the City failed to meet the citizen participation requirements to carry out an activity using funds from any program covered by the consolidated plan not previously described in the action plan and (2) the skate park project failed to meet a national objective.

HUD maintains the City did not identify in its Action Plan that it would be undertaking a skate park in Kidtopia Park and that the City qualified the skate park as meeting the national objective of benefit to low-to-moderate income persons on an area basis, rather than a service area based on a determination of who would use the park.

HUD instructed to the City to repay the \$219,310 CDBG funds that were disbursed for the skate park. The amount was repaid in January 2017. On January 25, 2017, HUD revised their finding and allowed approximately \$22,000 of park improvements.

For the fiscal year 2016 financial statement presentation, the City transferred funds from the General fund to the HCD fund to cover the costs associated with the skate park.

Criteria

The City is required to meet all HUD and CDBG requirements and guidelines for project funding. The City had obtained guidance on the project from the local HUD representative. However, upon further review HUD maintains the project did not meet specific requirements regarding advance inclusion in sufficient detail in the Action Plan, citizen participation requirements and certain standards regarding the benefit to low-to-moderate income families.

Cause

HUD maintains that the City neither obtained proper citizen participation nor included adequate detail in its annual action plan to cover the skate park. In addition, HUD maintains that the skate park did not meet the requirements for benefiting low to moderate income families.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – *FINANCIAL STATEMENT AUDIT* For the Year Ended September 30, 2016

Community Development Block Grant-Entitlement (CDBG) *Reference 2016-002*

Effect

Federal funds were expended on the construction of a skate park which was later determined to be an unallowable use of federal funds. City management and the City Council may have approved the project based upon assumed HUD approval. A different decision may have been made had all facts and circumstances been known at the time of approval. A transfer from the General fund was made to the CDBG fund for \$219,310 to cover the project cost without advance approval from the City Council. The Council was, however, subsequently made aware of the repayment to HUD.

Recommendation

The City should sufficiently describe all planned projects in the Action Plan and meet all citizen participation requirements and standards required by HUD. Should a project be disallowed, the City Council should be notified when the project amount is over the \$50,000 threshold or is an unbudgeted item.

Views of Responsible Officials and Planned Corrective Action

City management maintains oral approval for the project was obtained from the local HUD office and also that the project is an extension of Kidtopia, an approved CDBG project. The City presented data to support the low to moderate income benefit and citizen participation. The City has scheduled technical assistance for April 2017.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – FINANCIAL STATEMENT AUDIT

For the Year Ended September 30, 2016

Drug Escrow Seizure

Reference 2016-003

Criteria

The Police Department seized cash from defendants between November 2015 and September 2016 totaling \$57,800 for 8 new cases. The Police Department did not deposit the cash in the City bank account restricted specially for this purpose, but rather kept the cash in their property room until February 2017.

The City's annual required "Chapter 59 Asset Forfeiture Report by Law Enforcement Agency" filed with the State of Texas reports the amount of seized funds as well as forfeited funds at the beginning of the year, current year activity and the end of year balances for seizures and forfeitures. The City's report as of and for the year ended September 30, 2016 did not include the \$57,800 held in cash.

The City's cash deposit balances in the Drug Escrow Seizure bank account of \$78,398 has not changed in approximately 2 years. The deposits for the cases date from 2005 through June 2015 (prior to the February 2017 deposit.) The City's cash deposit balance in the Police Evidence bank account of \$16,834 has not changed in 3 years. The cases are dated from May 2007 through October 2011.

Cause

The deposit for the \$57,800 had not yet been made by the Police Department.

The internal controls over cash failed to detect and include the cash held by the Police Department in the State report.

Effect

The cash which was not properly and timely deposited into the City's bank account may have been subject to misappropriation or theft.

The City failed to report \$57,800 of seized money to the State.

The seizures may have been forfeited to the City and/or another law enforcement agency or may be required to be returned to the defendant. Upon review with the Police Department, it appears that approximately \$21,150 should be returned to the defendants for various reasons.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – FINANCIAL STATEMENT AUDIT For the Year Ended September 30, 2016

Drug Escrow Seizure Reference 2016-003 (Continued)

Recommendation

All cash collected by the City, including Police Department seizures, should be properly and timely deposited in a City bank account. The City should properly report all seizures and forfeitures to the State as required on the Chapter 59 report. The State should be contacted to determine if an amended report should be filed. The cases for which deposits are held in the Drug Escrow Seizures and Police Evidence accounts should be reviewed to determine the current status. We recommend reviewing the files at least annually to determine if the cases are still pending.

Views of Responsible Officials and Planned Corrective Actions

Cash seized or otherwise taken from defendants will be deposited in the City bank account restricted specifically for this purpose, in every case where funds are seized or taken. These deposits shall occur as soon as practicable and in no case later than the close of the next business day. Cases for which deposits are held in the Drug Escrow Seizure and Police Evidence accounts will be reviewed on an annual basis to determine if cases are still pending.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

Special Supplemental Nutrition Program for Women, Infants and Children CFDA 10.557 – Procurement and Suspension and Debarment and Reporting Reference 2016-004

Condition

A contract for painting, maintenance and repair services was entered into by the City with a contractor to perform services at an hourly rate of \$25 per hour and utilized on an “as-needed” basis. The contract did not contain a ceiling price that the contractor exceeds at his own risk.

One monthly report, Form B-13 *State of Texas Purchase Voucher*, and one quarterly report, Form FSR 269a *Texas Department of State Health Services Financial Status Report*, were not filed timely. The Form B-13 was due on October 31, 2016 and was filed on November 17, 2016. The quarterly report was due on October 31, 2016 and was filed on November 2, 2016.

Criteria

As stated in Section 200.318(j)(1) of the Uniform Guidance: The non-federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

The monthly purchase vouchers (B-13) are due on the last business day of the month following the reporting month. The quarterly Financial Status Reports are due the last day of the month following the last day of the quarter.

Cause

Program personnel may not have been familiar with grant requirements.

Effect

Omitting ceiling price language in the contract creates an open-ended price that without a high degree of oversight might present an opportunity for excess payments. The City was not in compliance with grant requirements by the contract not containing the proper clause and by filing these two reports late.

Recommendation

Management should require staff to review procurement policies effective in the Uniform Guidance and the reporting deadlines provided in grant guidance. Management should oversee contracts and grant reports to ensure the City is in compliance with grant requirements.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

***Special Supplemental Nutrition Program for Women, Infants and Children CFDA 10.557 – Procurement and Suspension and Debarment and Reporting
Reference 2016-004 (Continued)***

Views of Responsible Officials and Planned Corrective Action

Responsible departments will meet with the City Manager on a periodic basis to review the status of each grant. The City will set up a monitoring system to track financial reporting deadlines, to monitor accuracy of reports and to insure timely submission of draw requests.

Attachment: CAFR 9 30 2016secured.pdf (1627 : CAFR FYE 093016)

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

Continuum of Care CFDA 14.267 – Allowable Costs Reference 2016-005

Condition

We selected 6 subrecipient reimbursements totaling \$208,998 from a population of 27 checks totaling \$488,490, or 43%, to review the evidence and documentation to determine the grant expenses were for allowable costs. In the 6 reimbursement requests, we determined the City utilized grants funds for the following unallowable costs:

1. An appliance deposit in the amount of \$925 was paid in addition to a security deposit of \$925.
2. A utility deposit in the amount of \$750 was paid to a landlord.
3. Damages to an apartment for \$26 were paid in excess of the amount allowed. Total damages were \$541 which exceeded the rent amount of \$515.
4. Overpayments of rental assistance for \$57 and \$148 were paid to a subrecipient.
5. Two utility deposits for \$198 and \$420 were reimbursed without evidence or documentation.
6. Supplies expense of \$234 was reimbursed without evidence or documentation.
7. An overpayment of \$1,486 was paid twice to a subrecipient. The draw report was submitted twice for reimbursement with two different subrecipient's names and one of the subrecipients was reimbursed twice.
8. An overpayment to a subrecipient of \$7,617 was paid without evidence or documentation. The finding was noted in HUD's on-site review on November 16-18, 2016 and reported to the City on February 14, 2017.
9. Overpayments to subrecipients were made totaling \$6,658 of rental assistance in the amounts of \$2,392, \$1,643, and \$2,623 for June, July and August 2016. The finding was noted in HUD's on-site review on November 16-18, 2016 and reported to the City on February 14, 2017.
10. Overpayments of rental assistance for \$8,918 and \$5,927 were reimbursed to a subrecipient. The amounts were included as advanced rent on each of two months of the subrecipient's requests, but were not subtracted from the following month's requests.

Criteria

1. The U. S. Department of Housing and Urban Development 14 CFR Part 578 Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program (Interim Rule) provides guidance in section 578.51(a)(2) for the specific expenses allowed including a security deposit not to exceed 2 months of rent. The guidance does not address permitting an appliance deposit in addition to a security deposit.
2. The Interim Rule section 578.53(e)(16) allows for a utility deposit to be a one-time fee, paid to a utility company.
3. The Interim Rule section 578.51(j) allows for the use of grant funds not to exceed one month's rent to pay for any damages to housing due to the action of a program participant.
4. The Interim Rule section 578.51(g) provides that the rental assistance provided must be reasonable in relation to location, size, type, etc. HUD provided the FY 2016 Fair Market Rent Documentation System. Two of the 15 rent amounts tested exceeded the fair market rent allowed for the Texarkana area based on the number of bedrooms in the participant's apartment. No further documentation was available to prove that the excess amount was reasonable.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

Continuum of Care CFDA 14.267 – Allowable Costs Reference 2016-005 (Continued)

- 5-10. All allowable costs should be supported by proper evidence and documentation. The subrecipient should provide a complete and accurate detailed listing of the expenses for which it is seeking reimbursement.

Cause

The City did not require the subrecipient to submit all necessary evidence and documentation. Also, the City did not review all documentation to ascertain the expenses were properly allowed based on the HUD Continuum of Care Interim Rule prior to submission to HUD for reimbursement.

Effect

Based on the selected sample of expenses, the City requested and received grant funds for unallowable costs totaling \$33,363. When extrapolated to the total grant funds received, the City potentially utilized grant funds for estimated questioned costs ranging from \$33,363 to \$88,973. Subsequent to year end, \$14,275 of these expenses was reimbursed to HUD.

Recommendation

We recommend a complete review be made of all reimbursed expenses to determine the extent of the total unallowable costs since only a sample of expenses was reviewed for propriety. In the future, we recommend the City staff review the documentation of the reported expenses on an on-going basis to ensure the expenses are allowable and properly supported prior to drawing down federal funds as a reimbursement.

Views of Responsible Officials and Planned Corrective Action

Responsible staff will require all supporting documentation for requested reimbursements be provided prior to reimbursement approval. Each reimbursement request will be reviewed in detail to determine that supporting documentation is sufficient and acceptable before payment is issued. Staff will work with sub-recipients to verify that expenses meet eligibility requirements under the HUD Continuum of Care guidelines. The City has scheduled technical assistance on this grant for May 2017.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

Continuum of Care CFDA 14.267 – Matching Reference 2016-006

Condition

For the U. S. Department of HUD, Continuum of Care (CoC) grant, the City reported match expenses on the fiscal year 2014 grant Annual Performance Report filed November 30, 2016 of \$80,973. However, the City's records reflect matching expenses of \$36,932. The City subsequently provided a summary report of additional subrecipient match/in-kind contributions of \$8,788. Of the additional match, \$3,825 has not yet been properly documented. However, the City is continuing to monitor the subrecipient to obtain the necessary documentation and is certain the additional match will be allowable. As such, the total match obtained for the 2014 grant is \$45,720.

The City's records reflect total matching expenses for the fiscal year 2015 Continuum of Care grant of \$18,086. The City subsequently provided a summary report of additional subrecipient match/in-kind contributions of \$21,322. Of the additional match, \$7,550 has not yet been properly documented. However, the City is continuing to monitor the subrecipient to obtain the necessary documentation and is certain the additional match will be allowable. As such, the total match obtained for the 2015 grant is \$39,408.

Criteria

The Continuum of Care Interim Rule section 578.73 requires the recipient or subrecipient to match all grant funds with no less than 25 percent of funds or in-kind contributions from other sources. In-kind contributions are goods or services contributed to the project as match, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible. All cash match must be used for the costs of activities that are eligible.

Cause

The City did not require the subrecipients to submit matching (cash or in-kind) expenses and documentation on an on-going basis.

Effect

The City has failed to comply with the requirement to match CoC federal grant funds with 25% of funds or in-kind contributions by \$60,967. The shortage is \$35,253 for the fiscal year 2014 grant and \$25,714 for the fiscal year 2015 grant. The total match shortage of \$60,967 places \$243,868 in HUD funding at risk of repayment.

Recommendation

The City should obtain all cash match and in-kind contributions from the subrecipients for the fiscal year 2014 and 2015 grants and review the documentation to determine the eligibility of such match and in-kind

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

Continuum of Care CFDA 14.267 – Matching Reference 2016-006 (Continued)

contributions. The documentation of the match expenses should be summarized to determine if the City and/or the subrecipient has adequately matched the federal funds received.

In the future, we recommend the City require the subrecipients to submit cash match or in-kind contributions on an on-going basis prior to the request and disbursement of federal grant funds.

Views of Responsible Officials and Planned Corrective Action

Responsible staff will require sub-recipient matching documentation to be submitted on a regular basis for review. Match documentation will be reviewed by City staff for approval and a master worksheet will be used to track match claimed for each sub-recipient by grant year to determine that the City and its sub-recipients are adequately meeting grant matching requirements. The City has until April 30, 2017 (end of grant) to fully document all match for the 2015 grant. The City has scheduled technical assistance on this grant for May 2017.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

Continuum of Care CFDA 14.267 – Reporting Reference 2016-007

Condition

The U. S. Department of Housing and Urban Development Continuum of Care (CoC) grant #TX038L6T071400 (fiscal year 2014 grant) Annual Performance Report was filed in November 2016.

The fiscal year 2014 grant had three requests made during the City's fiscal year audited and two of those requests were made late. The first request was submitted May 5, 2016 for October 2015 through March 2016 expenses. The second request was submitted August 26, 2016 for additional February 2016 expenses and April 2016 expenses.

The fiscal year 2015 grant (TX038L6T071501) had two requests made during the City's fiscal year audited and one of those requests was submitted late. The request was submitted September 22, 2016 for May through August 2016 expenses.

Criteria

The Continuum of Care Interim Rule section 578.109(b) requires the Annual Performance Report to be filed no later than 90 days from the end of the project's grant term. The fiscal year 2014 grant ended on April 30, 2016.

HUD's CoC on-site compliance review report received by the City on February 14, 2017 for the November 16-18, 2016 review stated that the reimbursement requests should be made at least quarterly.

Cause

It is unclear why the City did not make the draw requests in a more timely manner since the City was receiving monthly requests from the subrecipients.

Effect

The City is not in compliance with the grant requirement to report the end of grant Annual Performance Report by July 31, 2016. The City was four months late filing the report and there is no evidence of an extension having been requested or granted.

The City is not in compliance with the grant requirements to make the draw requests on a quarterly basis for the three draw requests described above. Furthermore, the City is using the General fund to advance (loan) the money to the subrecipients until the grant funds are drawn. The City advanced \$487,480 to the subrecipients. The Continuum of Care grant fund owed the General fund \$41,210 at September 30, 2016.

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CITY OF TEXARKANA, TEXAS

SCHEDULE OF FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT For the Year Ended September 30, 2016

Continuum of Care CFDA 14.267 – Reporting Reference 2016-007 (Continued)

Recommendation

We recommend the City file all grant reports prior to their due date as required by grantor agencies. Since the City is receiving monthly requests from the subrecipients, the City should be able to draw the federal funds in a timely manner to avoid the necessity of an advance from the General Fund or at least minimize the period of the advance.

Views of Responsible Officials and Planned Corrective Action

Responsible departments will meet with the City Manager on a periodic basis to review the status of each grant. The City has set up a monitoring system to track financial reporting deadlines, to monitor accuracy of reports and to insure timely submission of draw requests. The City has scheduled technical assistance on this grant for May 2017.

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CITY OF TEXARKANA

CITY COUNCIL

MINUTES • FEBRUARY 13, 2017

Council Chambers

Regular Meeting

6:00 PM

220 TEXAS BLVD.
TEXARKANA, TX 75501

I. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM

Member Name	Title	Status	Arrived
Aggeman	Mayor	Present	
Matlock	Ward 1	Present	
May	Ward 2	Present	
Williams	Ward 3	Present	
Matthews	Ward 4	Present	
P. Paddock	Ward 5	Present	
vis	Ward 6	Present	

Staff Present: City Manager John Whitson, Vicky Coopwood, Shirley Jaster, Kristin Peeples, Kyle Dooley, Dustin Henslee, David Orr, Karey Parker, Ann Treadway, Rea Donna Jones, Robby Robertson, Eric Schlotter, J. D. Phillips, Lisa Thompson and Jerry Sparks.

Legal Counsel: Jeff Lewis

II. INVOCATION BY COUNCIL MEMBER DR. BRIAN MATTHEWS AND PLEDGE LED BY GIRL SCOUT TROOP 2061

III. MAYOR'S REMARKS AND ITEMS OF COMMUNITY INTEREST

Upcoming City Council Meetings:

Monday, February 27, 2017 at 6:00 p.m.

Monday, March 13, 2017 at 6:00 p.m.

Monday, March 27, 2017 at 6:00 p.m.

Parks & Recreation Events:

February 23rd & 24th

25th Annual Fishing Derby

Spring Lake Park

For a complete list of Parks and Recreation activities and information call (903) 798-3978 or visit the city website: <http://tx-texarkana.civicplus.com>

Minutes Acceptance: Minutes of Feb 13, 2017 6:00 PM (Consent Items)

Mayor Bruggeman attended the celebration for the complete renovation of St. Paul's Baptist Church in the Liberty Eylau community this past Saturday. Pastor Robertson and the congregation were commended on their beautiful building.

Mayor Bruggeman commended Girl Scout Troop Leader Trish Mitchell and the girl scouts for their community service library project. The project was called "Little Free Library Book Exchange".

Mayor Bruggeman welcomed Texas High School students from Mr. Littman's government class.

Appointments to Boards & Commissions

Council Member Paddock recommended the appointment of George Merrill as an alternate member to the Planning and Zoning Commission.

1. Motion to appoint George Merrill to the Planning and Zoning Commission.

(6:15 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Josh Davis, Ward 6
SECONDER:	Brian Matthews, Ward 4
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

IV. OPEN FORUM: COMMENTS FROM THE PUBLIC (LIMIT 5 MINUTES EACH)

Items scheduled for "Public Hearing" or have been heard at a previous "Public Hearing" are not to be addressed at the "Open Forum".

Mike Malone, President of the Texarkana Chamber of Commerce, addressed council regarding the Northeast Texas Regional Coalition Reception to be held in Austin on March 8, 2017.

V. ITEMS FOR CONSIDERATION

Consent Items

(6:18 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Christy P. Paddock, Ward 5
SECONDER:	Betty Williams, Ward 3
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

1. Consider approval of the minutes of the Regular Meeting of the City Council held on January 23, 2017 at 6:00 PM.
2. Consider approval of the minutes of the Special Joint Meeting of the City Council, Riverbend Water Resources District, and Sulphur River Basin Authority held on January 10, 2017 at 6:00 PM.
3. Ordinance No. 2017-015 amending Ordinance No. 2016-086 concerning the fiscal year 2016-17 budget to allow for non-expended funds from the FY2015 Edward Byrne Memorial Justice Assistance Grant in the amount totaling \$14,005.42.

Public Hearing:

Second Briefing:

Council Vote: February 13, 2017

Action Items - None

VI. FIRST BRIEFINGS

1. Resolution No. 2017-010 authorizing the City Manager to enter into a contract with Mid-Continental Restoration Company, Inc. in an amount not to exceed Ninety-Nine Thousand Nine Hundred Seventy Dollars (\$99,970.00) for the Millwood Water Treatment Plant settling basin concrete repairs.

Public Hearing: February 27, 2017

Second Briefing: March 13, 2017

Council Vote: March 27, 2017

J. D. Phillips briefed this item.

RESULT:	MOVED FORWARD	Next: 2/27/2017 6:00 PM
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2. Resolution No. 2017-011 approving the 2017 fiscal year Ark-Tex Council of Governments Homeland Security Grant submission to the Office of the Governor.

Public Hearing:
 Second Briefing:
 Council Vote: February 13, 2017

Eric Schlotter briefed this item.
 (6:25 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Josh Davis, Ward 6
SECONDER:	Jean H. Matlock, Ward 1
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

3. Resolution No. 2017-013 authorizing support for a Texas Department of Housing and Community Affairs (TDHCA) housing tax credit development application for the "Residences at Texarkana".

Public Hearing: February 27, 2017
 Second Briefing: March 13, 2017
 Council Vote: March 27, 2017

David Orr briefed this item. Len Vilicic, of NuRock Companies, gave a video presentation concerning the project.

RESULT:	MOVED FORWARD	Next: 2/27/2017 6:00 PM
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4. Resolution No. 2017-014 authorizing the City Manager to enter into an addendum to Contract 16-2001-00 in an amount not to exceed \$200,000.00 utilizing EPA Brownfields grant funds for the hazardous materials remediation of 203/205 W. Broad Street.

Public Hearing:
 Second Briefing:
 Council Vote: February 13, 2017

David Orr briefed this item.
 (6:41 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Christy P. Paddock, Ward 5
SECONDER:	Brian Matthews, Ward 4
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

5. Resolution No. 2017-016 approving and authorizing publication of notice of intention to issue certificates of obligation and declaring expectation to reimburse expenditures with proceeds of future debt.

Public Hearing:
 Second Briefing:
 Council Vote: February 13, 2017

Kristin Peebles briefed this item.
 (6:43 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Betty Williams, Ward 3
SECONDER:	Jean H. Matlock, Ward 1
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

VII. PUBLIC HEARINGS

1. Motion to move Ordinance No. 2017-007 up for council vote.

(6:45 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Matthews, Ward 4
SECONDER:	Christy P. Paddock, Ward 5
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

2. Ordinance No. 2017-007 amending PD-85-1(GR) for site plan approval on a 1.781 acre tract of land being all of Tracts 5 and 5A in the Mary E. Willis Subdivision (proposed Lot 1, Richmond Road Runner Subdivision), located at 1632 Richmond Road. John D. Harris, applicant. MTG Engineers and Surveyors, agent.

Public Hearing: February 13, 2017
 Second Briefing: February 27, 2017
 Council Vote: March 13, 2017

Bob Murray, of MTG Engineers & Surveyors, asked council for an expedited vote on this item.

(6:47 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Matthews, Ward 4
SECONDER:	Betty Williams, Ward 3
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

3. Motion to move Ordinance No. 2017-008 up for council vote.

(6:49 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Matthews, Ward 4
SECONDER:	Willie Ray, Ward 2
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

4. Ordinance No. 2017-008 amending PD-99-9(C) for site plan approval on a 2.176 acre tract of land being part of Tract 339B in the Nancy Dycus HRS, A-145 (proposed Lot 1, Highway 67 Road Runner Subdivision), located at 4603 West 7th Street. John D. Harris, applicant. MTG Engineers and Surveyors, agent.

Public Hearing: February 13, 2017
 Second Briefing: February 27, 2017
 Council Vote: March 13, 2017

Bob Murray, of MTG Engineers & Surveyors, asked council for an expedited vote on this item.

(6:50 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Matthews, Ward 4
SECONDER:	Jean H. Matlock, Ward 1
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

5. Motion to move Ordinance No. 2017-009 up for council vote.

(6:51 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Matthews, Ward 4
SECONDER:	Jean H. Matlock, Ward 1
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

6. Ordinance No. 2017-009 revoking Specific Use Permit No. S-499 that permitted the location of the outdoor display of an above ground pool business on an approximate 0.637 acre tract of land in the Thomas Price HRS, A-466, located at 3314 New Boston Road. City of Texarkana, Texas, applicant.

Public Hearing: February 13, 2017
 Second Briefing: February 27, 2017
 Council Vote: March 13, 2017

There were no public comments made at this hearing.

(6:52 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jean H. Matlock, Ward 1
SECONDER:	Betty Williams, Ward 3
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

VIII. SECOND BRIEFING WITH UPDATES - NONE

IX. SECOND BRIEFING WITHOUT UPDATES - NONE

X. ITEMS FOR DISCUSSION

Staff Updates

Staff had no updates for council.

XI. ADMINISTRATIVE COMMENTS

1. City Council

Mayor Bruggeman said it was exciting to see progress moving along on the gateway welcome sign.

2. City Staff

Staff had no administrative comments for council.

XII. ADJOURNMENT

1.

A motion was made to adjourn the meeting.
(6:54 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Willie Ray, Ward 2
SECONDER:	Betty Williams, Ward 3
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman



CITY OF TEXARKANA

CITY COUNCIL

MINUTES • FEBRUARY 27, 2017

Council Chambers

Regular Meeting

6:00 PM

220 TEXAS BLVD.
TEXARKANA, TX 75501

I. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM

Member Name	Title	Status	Arrived
Bruggeman	Mayor	Present	
Matlock	Ward 1	Present	
May	Ward 2	Present	
Williams	Ward 3	Present	
Matthews	Ward 4	Present	
P. Paddock	Ward 5	Present	
W. Davis	Ward 6	Present	

Staff Present: City Manager John Whitson, Vicky Coopwood, Shirley Jaster, Kyle Dooley, Kristin Peeples, Eric Schlotter, Karey Parker, Jim Powell, Kevin Schutte, Sherry Jackson Hawkins, Dustin Henslee, Jerry Sparks, Mashell Daniel, Jim Cornelius, Kevin Davenport, J. D. Phillips, Rea Donna Jones, David Orr, Lisa Thompson and Robby Robertson.

Legal Counsel: Jeff Lewis

II. INVOCATION BY MAYOR BOB BRUGGEMAN AND PLEDGE LED BY BOY SCOUT TROOP #3

III. MAYOR'S REMARKS AND ITEMS OF COMMUNITY INTEREST

Upcoming City Council Meetings:

Monday, March 13, 2017 at 6:00 p.m.

Monday, March 27, 2017 at 6:00 p.m.

Parks & Recreation Events:

March 4 th	Youth Basketball Clinic	Southwest Center
March 7 th	Youth Tennis Lessons	Southwestern Center
March 18 th	Early Bird Softball Tournament	Karrh Park

Minutes Acceptance: Minutes of Feb 27, 2017 6:00 PM (Consent Items)

March 23rd - 25th

Huggins Baseball Tournament

Spring Lake Park

For a complete list of Parks and Recreation activities and information call (903) 798-3978 or visit the city website: <http://tx-texarkana.civicplus.com>

Arbor Day Celebration

The City will partner with local organizations, the Texas A&M Forest Service and the Arkansas Forestry Commission, to give away trees during Texarkana's third annual Arbor Day celebration on Saturday, March 4, 2017 from 9:00 a.m. until 12:00 p.m. at Spring Lake Park across from the Rotary Splash Pad.

Mayor Bruggeman wished a Happy 15th Birthday to his daughter Olivia.

The Mayor reminded all of the Kiwanis Pancake Breakfast and 5K Run scheduled for Saturday, March 4th at the Truman Arnold Center on the campus of Texarkana College. They will be serving from 7:00 a.m to 2:00 p.m.

He congratulated City Manager Whitson and his wife Lillian on the birth of their first grandchild. Lilyana Elise Patrick was born Friday, February 24th at 8:05 a.m.

He also announced that David Gill, American Ninja Warrior, was in town presenting his anti-bullying program to the schools. Mayor Bruggeman met him and his wife at Fairview Elementary school and welcomed them to the community.

Proclamation Presentation

Arbor Day Proclamation - March 4, 2017

Mayor Bruggeman gave a brief history of Arbor Day and then read the proclamation.

Appointments to Boards & Commissions

Council Member Paddock recommended the appointment of Casey Boyette to the Planning and Zoning Commission.

1. Motion to appoint Casey Boyette to the Planning and Zoning Commission.

(6:17 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Josh Davis, Ward 6
SECONDER:	Brian Matthews, Ward 4
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

IV. OPEN FORUM: COMMENTS FROM THE PUBLIC (LIMIT 5 MINUTES EACH)

Items scheduled for "Public Hearing" or have been heard at a previous "Public Hearing" are not to be addressed at the "Open Forum".

There were no public comments made at open forum.

V. ITEMS FOR CONSIDERATION

Consent Items

(6:18 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Christy P. Paddock, Ward 5
SECONDER:	Josh Davis, Ward 6
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

1. Resolution No. 2017-027 approving the 2017 fiscal year Ark-Tex Council of Governments Homeland Security Grant submission to the Office of the Governor.

Public Hearing:

Second Briefing:

Council Vote: February 27, 2017

2. Ordinance No. 2017-028 amending the Fund 220 Metropolitan Planning Organization budget for additional funding approved by the Texas Department of Transportation (TxDOT) and the Arkansas State Highway Transportation Department (AHTD).

Public Hearing:

Second Briefing:

Council Vote: February 27, 2017

3. Resolution No. 2017-029 acknowledging receipt of the police department's 2016 Racial Profiling Report as statutorily required.

Public Hearing:
 Second Briefing:
 Council Vote: February 27, 2017

Action Items - None

VI. FIRST BRIEFINGS

1. Resolution No. 2017-017 authorizing the City Manager to enter into an agreement with Service Line Partners Private Label, Inc. d/b/a Service Line Warranties of America to provide City of Texarkana, Texas, utility customers the opportunity to purchase a sewer and water line warranty.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

Emilie Zalfini, of Service Line Warranties of America, briefed this item.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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2. Ordinance No. 2017-018 amending PD-07-4(GR) for site plan approval to allow an office building on a portion of Lot 1A, Block 6, Replat No. 1 of Richmond Development 5th Addition, located at the northeast intersection of Arista Boulevard and McKnight Road. Cheney Pruett, owner. Kayla Wood, MTG Engineering and Surveying, agent.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

David Orr briefed this item. Kayla Wood, of MTG Engineers & Surveyors, provided additional comments.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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3. Ordinance No. 2017-019 requesting renewal of Specific Use Permit No. S-155 to allow the continued location of a non-conforming single wide mobile home on Lots 4 and 5, Block 3, Greenwood Sunnyslope Addition, located at 3207 Austin Street. Rumaldo Arredondo, owner.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

David Orr briefed this item.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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4. Ordinance No. 2017-020 rezoning Lot 12, Block 22, City Improvement Co. Westside Addition, located at 514 North Lake Drive. Multiple Family-1 to Commercial. Charles E. Paul, Jr., owner.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

David Orr briefed this item.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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5. Ordinance No. 2017-021 amending the Code of Ordinances, Chapter 140 "Zoning" to add new uses of microbrewery, microdistillery, winery, brewery and distillery in Section 140-80 "Use Regulations Districts" and to amend Section 140-179 "Definitions" to add definitions for these new uses.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

David Orr briefed this item.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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6. Resolution No. 2017-022 hearing an appeal for a burning permit and making a final determination.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

Eric Schlotter briefed this item. Property owner Greg Latham addressed council regarding this appeal for a burning permit.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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7. Resolution No. 2017-023 authorizing the City Manager to enter into a contract with Continental Utility Solutions, Inc. (CUSI) for utility billing computer software, installation, conversion and training in an amount with the Texas portion not to exceed \$249,524.18 and total amount not to exceed \$398,410.00.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

Jim Cornelius briefed this item.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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8. Resolution No. 2017-024 approving the amendment of the CDBG 2013-2017 Consolidated Plan and 2016 Annual Action Plan.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

David Orr briefed this item.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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9. Resolution No. 2017-025 accepting HUD Section 108 Loan Guarantee Assistance in the amount of \$1,429,000.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

David Orr briefed this item.

RESULT:	MOVED FORWARD	Next: 3/13/2017 6:00 PM
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VII. PUBLIC HEARINGS

1. Resolution No. 2017-010 authorizing the City Manager to enter into a contract with Mid-Continental Restoration Company, Inc. in an amount not to exceed Ninety-Nine Thousand Nine Hundred Seventy Dollars (\$99,970.00) for the Millwood Water Treatment Plant settling basin concrete repairs.

Public Hearing: February 27, 2017
 Second Briefing: March 13, 2017
 Council Vote: March 27, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD
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Next: 3/13/2017 6:00 PM

2. Resolution No. 2017-013 authorizing support for a Texas Department of Housing and Community Affairs (TDHCA) housing tax credit development application for the "Residences at Texarkana".

Public Hearing: February 27, 2017

Second Briefing: March 13, 2017

Council Vote: March 27, 2017

The following citizens spoke against this proposed agenda item: John Powers, Marsha Burris, David Dart, Amber Dart, Ray McFaul and Tylesha Ross.

RESULT:	MOVED FORWARD
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Next: 3/13/2017 6:00 PM

VIII. SECOND BRIEFING WITH UPDATES - NONE

IX. SECOND BRIEFING WITHOUT UPDATES - NONE

X. ITEMS FOR DISCUSSION

Staff Updates

City Manager Whitson informed council that the City will be receiving a bond rating review. Mr. Whitson also informed council that he has been selected to attend the Public Executive Institute at the University of Texas in Austin to be held in April.

XI. ADMINISTRATIVE COMMENTS

1. City Council

Council had no administrative comments for staff.

2. City Staff

Staff had no administrative comments for council.

XII. CLOSED SESSION

The City Council convened in closed session pursuant to section 551.071 of the Texas Government Code for a private consultation with the City Attorney.

XIII. RECONVENED INTO OPEN SESSION

XIV. ADJOURNMENT

1.

A motion was made to adjourn the meeting.
(8:28 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Willie Ray, Ward 2
SECONDER:	Brian Matthews, Ward 4
AYES:	Matlock, Ray, Williams, Matthews, Paddock, Davis
EXCUSED:	Bruggeman

Minutes Acceptance: Minutes of Feb 27, 2017 6:00 PM (Consent Items)



CITY OF TEXARKANA
CITY COUNCIL
MINUTES • MARCH 13, 2017

Council Chambers**Regular Meeting****6:00 PM**

220 TEXAS BLVD.
TEXARKANA, TX 75501

I. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM

Member Name	Title	Status	Arrived
Aggeman	Mayor	Present	
Matlock	Ward 1	Present	
May	Ward 2	Present	
Williams	Ward 3	Present	
Matthews	Ward 4	Present	
P. Paddock	Ward 5	Absent	
W. Davis	Ward 6	Absent	

Staff Present: City Manager John Whitson, Jennifer Evans, Shirley Jaster, Kyle Dooley, Kristin Peeples, Dusty Henslee, Karey Parker, Michael Henry, Jim Cornelius, Lisa Thompson, JD Phillips, Robby Robertson, Rea Donna Jones, Daphnea Ryan, and Jerry Sparks.

Legal Counsel: Jeff Lewis

II. INVOCATION AND PLEDGE BY COUNCIL MEMBER BETTY WILLIAMS

III. MAYOR'S REMARKS AND ITEMS OF COMMUNITY INTEREST

Upcoming City Council Meetings:

Monday, March 27, 2017 at 6:00 p.m.

Monday, April 10, 2017 at 6:00 p.m.

Monday, April 24, 2017 at 6:00 p.m.

Parks & Recreation Events:

March 18th	Early Bird Softball Tournament	Karrh Park
March 23 rd - 25 th	Huggins Baseball Tournament	Spring Lake Park
March 25 th	Spring Soccer League Begins	Wallace Park
March 27 th	Spring Dixie Baseball League Begins	Spring Lake Park

Minutes Acceptance: Minutes of Mar 13, 2017 6:00 PM (Consent Items)

For a complete list of Parks and Recreation activities and information call (903) 798-3978 or visit the city website: <http://tx-texarkana.civicplus.com>

Mayor Bruggeman welcomed special guests - local International Rotary Club members to the meeting. Council Member Matlock gave an informative presentation to rotary club members in the past week. Mayor Bruggeman also welcomed Channel 6 - KTAL's newest reporter, Heather Wright, to the meeting.

Mayor Bruggeman, Director of Planning and Community Development David Orr, and Planning and Zoning Commission member Dr. Wanda Northam, along with a collective group representing nine counties from northeast Texas, attended a two-day Legislative Update forum in Austin earlier this month. The forum provided information on proposed bills in progress for this year's legislative session.

An article in the Gazette featured an upcoming event called "The Big Event: Eagle Pride City Wide" sponsored by Texas A&M - Texarkana. The event is scheduled for Saturday, April 8th. The day-long event will consist of community service projects such as raking leaves, removing debris, washing windows, cleaning closets, painting and minor repairs, tutoring children, organizing donated goods and participating in games and activities with senior citizens. Sponsorship deadline for this event is March 24th. Citizens can call (903) 223.1362 for more information.

Proclamation Presentation

Poison Prevention Week Proclamation - March 19 - 25, 2017

Mayor Bruggeman read the proclamation and urged citizens to be mindful of Poison Prevention Week.

Appointments to Boards & Commissions

Council Member Matthews recommended the appointment of Council Member Williams to the Bi-State Intergovernmental Advisory Committee.

1. Motion to appoint Council Member Williams to the Bi-State Intergovernmental Advisory Committee.

(6:14 p.m.)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Brian Matthews, Ward 4
SECONDER:	Willie Ray, Ward 2
AYES:	Matlock, Ray, Williams, Matthews
ABSENT:	Paddock, Davis
EXCUSED:	Bruggeman

IV. OPEN FORUM: COMMENTS FROM THE PUBLIC (LIMIT 5 MINUTES EACH)

Items scheduled for "Public Hearing" or have been heard at a previous "Public Hearing" are not to be addressed at the "Open Forum".

John Harrison addressed council concerning the proposed purchase of body cameras for police officers.

Julie Ray Harrison shared with council the results and success of this year's Run the Line Half Marathon held on February 19th. The marathon is sponsored by Partnership for the Pathway.

V. ITEMS FOR CONSIDERATION

Consent Items - None

Action Items - None

VI. FIRST BRIEFINGS

- Resolution No. 2017-030 authorizing the City Manager to execute a contract for the Millwood Water Treatment Plant Sludge Ponds Cleaning Project in an amount with the Texas portion not to exceed \$74,529.70 and the total amount not to exceed \$119,000.00.

Public Hearing:	March 27, 2017
Second Briefing:	April 10, 2017
Council Vote:	April 24, 2017

J.D. Phillips briefed this agenda item.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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- Resolution No. 2017-031 authorizing the City Manager to enter into a five (5) year purchasing agreement with Taser International of Scottsdale, Arizona, to supply police fleet and body cameras along with cloud storage for a total amount not to exceed \$228,031.86.

Public Hearing: March 27, 2017
 Second Briefing: April 10, 2017
 Council Vote: April 24, 2017

Michael Henry briefed this agenda item.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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- Ordinance No. 2017-032 amending the budget and authorizing the City Manager to enter into a contract for the environmental abatement and demolition of the Kress Building located at 116 W. Broad St.

Public Hearing: March 27, 2017
 Second Briefing: April 10, 2017
 Council Vote: April 24, 2017

Daphnea Ryan briefed this agenda item. Larry Snodgrass, of ERI Consulting, Inc., made additional comments concerning project timelines.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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VII. PUBLIC HEARINGS

- Resolution No. 2017-017 authorizing the City Manager to enter into an agreement with Service Line Partners Private Label, Inc. d/b/a Service Line Warranties of America to provide City of Texarkana, Texas, utility customers the opportunity to purchase a sewer and water line warranty.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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- Ordinance No. 2017-018 amending PD-07-4(GR) for site plan approval to allow an office building on a portion of Lot 1A, Block 6, Replat No. 1 of Richmond Development 5th Addition, located at the northeast intersection of Arista Boulevard and McKnight Road. Cheney Pruett, owner. Kayla Wood, MTG Engineering and Surveying, agent.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

Kayla Wood, of MTG Engineers & Surveyors, asked for an expedited vote on this agenda item.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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3. Ordinance No. 2017-019 requesting renewal of Specific Use Permit No. S-155 to allow the continued location of a non-conforming single wide mobile home on Lots 4 and 5, Block 3, Greenwood Sunnyslope Addition, located at 3207 Austin Street. Rumaldo Arredondo, owner.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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4. Ordinance No. 2017-020 rezoning Lot 12, Block 22, City Improvement Co. Westside Addition, located at 514 North Lake Drive. Multiple Family-1 to Commercial. Charles E. Paul, Jr., owner.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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5. Ordinance No. 2017-021 amending the Code of Ordinances, Chapter 140 "Zoning" to add new uses of microbrewery, microdistillery, winery, brewery and distillery in Section 140-80 "Use Regulations Districts" and to amend Section 140-179 "Definitions" to add definitions for these new uses.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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6. Resolution No. 2017-022 hearing an appeal for a burning permit and making a final determination.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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7. Resolution No. 2017-023 authorizing the City Manager to enter into a contract with Continental Utility Solutions, Inc. (CUSI) for utility billing computer software, installation, conversion and training in an amount with the Texas portion not to exceed \$249,524.18 and total amount not to exceed \$398,410.00.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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8. Resolution No. 2017-024 approving the amendment of the CDBG 2013-2017 Consolidated Plan and 2016 Annual Action Plan.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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9. Resolution No. 2017-025 accepting HUD Section 108 Loan Guarantee Assistance in the amount of \$1,429,000.

Public Hearing: March 13, 2017
 Second Briefing: March 27, 2017
 Council Vote: April 10, 2017

There were no public comments made at this hearing.

RESULT:	MOVED FORWARD	Next: 3/27/2017 6:00 PM
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VIII. SECOND BRIEFING WITH UPDATES - NONE

IX. SECOND BRIEFING WITHOUT UPDATES

1. Resolution No. 2017-010 authorizing the City Manager to enter into a contract with Mid-Continental Restoration Company, Inc. in an amount not to exceed Ninety-Nine Thousand Nine Hundred Seventy Dollars (\$99,970.00) for the Millwood Water Treatment Plant settling basin concrete repairs.

Public Hearing: February 27, 2017
 Second Briefing: March 13, 2017
 Council Vote: March 27, 2017

RESULT: MOVED FORWARD

Next: 3/27/2017 6:00 PM

Agenda Items Withdrawn

1. Resolution No. 2017-013 authorizing support for a Texas Department of Housing and Community Affairs (TDHCA) housing tax credit development application for the "Residences at Texarkana".

Public Hearing: February 27, 2017
 Second Briefing: March 13, 2017
 Council Vote: March 27, 2017

NOTE: Resolution No. 2017-013 was withdrawn by the requester on Wednesday, March 1, 2017 via e-mail.

RESULT: WITHDRAWN

X. ITEMS FOR DISCUSSION**Staff Updates**

City Manager Whitson said both Deputy City Managers were in class last week continuing their studies in the Certified Public Manager program.

XI. ADMINISTRATIVE COMMENTS

1. City Council

Mayor Bruggeman said, as he headed eastbound on Interstate 30 at the Texarkana/Nash border, construction on the gateway welcome sign is moving along and looking very good.

2. City Staff

City Manager Whitson said staff appreciates what the elected officials are doing for citizens in our community. Mr. Whitson also said that staff was recently visited by representatives from the bond rating industry. The city received positive feedback but will continue at a bond rating of "AA-" due to the socio-economic situation of the community. However, bond rating officials found that, from a governmental aspect, the city's policies and procedures were strong. A report will be forthcoming for council consideration.

XII. ADJOURNMENT

A motion was made to adjourn the meeting.
7:00 p.m.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Willie Ray, Ward 2
SECONDER:	Betty Williams, Ward 3
AYES:	Matlock, Ray, Williams, Matthews
ABSENT:	Paddock, Davis
EXCUSED:	Bruggeman

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 3/8/2017 4:08 PM

Lead Department: Finance Department **Action Officer:** Kristin Peeples,
Subject: Resolution No. 2017-033 approving the preliminary budget calendar for fiscal
year 2018.
Briefing: 3/27/2017 **Public Hearing:** **Second Briefing:** **Council Vote:** 3/27/2017

Item Schedule

Updates/History of Briefing:

Not Applicable

Executive Summary and Background Information:

The charter requires the City Council to approve the calendar that sets the schedule for preparing and adopting the City's annual operating budget for the next fiscal cycle that will begin October 1, 2017 and end September 30, 2018.

Potential Options:

- Approve
- Deny

Fiscal Implications:

None

Staff Recommendation:

Staff recommends approval

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

Not Applicable

Advisory Board/Committee Meeting Date and Minutes:

Not Applicable

Attachments

- a. 2017-033 RES Budget Calendar (DOC)
- b. 2017-033 EXH 'A' FY 18 Budget Calendar (XLSX)
- c. 2017-033 Goals & Perspectives (DOCX)

City of Texarkana, Texas

Staff Coordination

Finance Department	Kristin Peeples 03/08/2017 4:08 PM	Department Head Review	Completed	
Finance Department 4:08 PM	Kristin Peeples	Finance Review	Completed	03/08/2017
Deputy City Manager - Shirley Jaster Review	Completed	Shirley Jaster 03/15/2017 10:55 AM	Deputy City Manager	
Deputy City Manager - Kyle Dooley Review	Completed	Kyle Dooley 03/15/2017 12:15 PM	Deputy City Manager	
Public Information Officer	03/15/2017 12:32 PM	Lisa Thompson	PIO Review	Completed
City Manager 1:29 PM	John Whitson	City Manager Review	Completed	03/22/2017
City Council 6:00 PM	Vicky Coopwood	Meeting	Pending	03/27/2017

Meeting History

RESOLUTION NO. 2017 - 033**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEXARKANA, TEXAS, APPROVING THE PRELIMINARY
BUDGET CALENDAR FOR FISCAL YEAR 2018; AND
ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the charter requires the City Council to approve the calendar that sets the schedule for preparing and adopting the City's annual operating budget for the next fiscal cycle that will begin October 1, 2017 and end September 30, 2018; and

WHEREAS, the preliminary budget calendar for the fiscal year ending September 30, 2018 is attached as "**Exhibit A**".

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

SECTION 1: That the preliminary budget calendar for the fiscal year ending September 30, 2018 is hereby approved.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **27th day of March, 2017.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Budget Calendar

Fiscal Year 2018

EXHIBIT "A"

Initial Planning

Mon March 27 City Council approves budget calendar

Preliminary Preparation

Fri May 12 Budget requests returned to Finance department

Mon May 15 - Wed July 19 Budget entry by Finance department and meetings with departments as necessary. Finance department prepares proposed budget for presentation to City Council.

Public Meetings

Mon July 24 First briefing of proposed budget in City Council meeting

Mon July 31 Budget Open House meetings at 9:00 a.m., 2:00 p.m., and 5:30 p.m.

Mon August 7 Public hearing on budget, first briefing on tax rate

Fri August 11 Notice of public hearing on tax rate

Mon August 14 Workshop on budget and tax rate

Mon August 21 Second briefing on budget, first public hearing on tax rate, first briefing on resolution ratifying budget

Mon August 28 Second public hearing on tax rate

Mon September 11 Adoption of budget, record vote for adoption of tax rate, record vote to ratify budget that raises more tax revenue than last year

Implementation

Sun October 1 Fiscal year begins, adopted budget is implemented

Mon December 11 Final budget book posted and distributed

Mon December 11 Submit budget to Government Finance Officers Association (GFOA)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☒ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: High

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☒ None Required	☐

Other:

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 2/20/2017 10:59 AM

Lead Department: Water Utilities **Action Officer:** Gary Smith,
Resolution No. 2017-010 authorizing the City Manager to enter into a contract
with Mid-Continental Restoration Company, Inc. in an amount not to exceed
Ninety-Nine Thousand Nine Hundred Seventy Dollars (\$99,970.00) for the
Subject: Millwood Water Treatment Plant settling basin concrete repairs.

Public **Second** **Council**
Briefing: 3/27/2017 **Hearing:** 2/27/2017 **Briefing:** March 13, 2017 **Vote:** 3/27/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

Bids were received Tuesday, January 24, 2017 for the Millwood Water Treatment Plant (WTP) Settling Basin Concrete Repairs Project. Six (6) contractors picked up bid packages for the project and two bids were received. Mid-Continental Restoration Company, Inc of Fort Worth, Texas was the apparent low bidder with a low bid of \$99,970.00. Funds are available for this project in the Utility's 2016-2017 Budget in the Millwood Depreciation Fund. The project will consist of repairing several areas of deteriorated concrete and cracks on the settling basins at our Millwood WTP in Ashdown, Arkansas. There will be a total of 540 linear feet of crack sealant and 136 square feet of spalled area repairs. Mid-Continental Restoration Company, Inc has satisfactorily completed several jobs for the Utility including the Wright Patman North Clearwell Concrete Repairs and the Wright Patman WTP Settling Basin Crack Repairs.

Potential Options:

- None

Fiscal Implications:

This project will repair several areas of spalled/deteriorated concrete and cracks on the settling basins at the Millwood WTP in Ashdown, Arkansas. The repairs will not only help extend the life of the basins, but will help improve the functioning of the water treatment plant. Funds are available in the Millwood Depreciation Fund. The Texas portion of this project is \$62,611.21.

Staff Recommendation:

Utility staff recommends approval.

City of Texarkana, Texas

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-010 RES Millwood WTP Settling Basin Repairs (DOCX)
- b. 2017-010 ATTH01 Millwood WTP Basin Repairs (DOC)
- c. 2017-010 ATTH02 Millwood WTP Basin Repairs (PDF)
- d. 2017-010 Goals & Perspectives (DOCX)

Staff Coordination

Water Utilities	Gary Smith	Department Head Review	Completed	
	02/01/2017 10:02 AM			
Water Utilities	Jim Cornelius	Review	Completed	02/01/2017
10:09 AM				
Water Utilities	JD Phillips	Review	Completed	02/01/2017
10:14 AM				
Public Information Officer		Lisa Thompson	PIO Review	Completed
	02/01/2017 10:19 AM			
City Manager	John Whitson	City Manager Review	Completed	02/05/2017
4:45 PM				
City Council	Vicky Coopwood	Meeting	Completed	02/13/2017
6:00 PM				

Meeting History

02/13/17	City Council	MOVED FORWARD	Next: 02/27/17
02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

RESOLUTION NO. 2017-010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AUTHORIZING THE CITY MANAGER TO ACCEPT THE BID AND ENTER INTO A CONTRACT WITH MID-CONTINENTAL RESTORATION COMPANY, INC. OF FORT WORTH, TEXAS FOR THE MILLWOOD WTP SETTLING BASIN CONCRETE REPAIRS, IN AN AMOUNT WITH THE TEXAS PORTION NOT TO EXCEED SIXTY TWO THOUSAND SIX HUNDRED ELEVEN AND 21/100 DOLLARS (\$62,611.21) AND THE TOTAL AMOUNT NOT TO EXCEED NINETY NINE THOUSAND NINE HUNDRED SEVENTY AND 00/100 DOLLARS (\$99,970.00); AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on January 24, 2017, two (2) bids were received, a copy of which is attached hereto as **ATTH01**, by Texarkana Water Utilities for the Millwood WTP – Settling Basin Concrete Repairs Project which will consist of repairing several areas of deteriorated concrete and cracks on the settling basins at the Millwood Water Treatment Plant in Ashdown, Arkansas; and

WHEREAS, the project will consist of repairing approximately 540 linear feet of cracks and 136 square feet of spalled/deteriorated concrete and related appurtenances; and

WHEREAS, the lowest and best bid by a responsible vendor for this project was submitted by Mid-Continental Restoration Company, Inc. of Fort Worth, Texas, a copy of which is attached hereto as **ATTH02** in an amount not to exceed \$99,970; and

WHEREAS, funds are currently available in the Texarkana Water Utilities 2015-2016 Budget in the Millwood Depreciation Fund in the amount of \$99,970 with the Texas portion being \$62,611.21.

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

SECTION 1: That the lowest and best bid by a responsible vendor, submitted by Mid-Continental Restoration Company, Inc. of Fort Worth, Texas, a copy of which is attached hereto as **ATTH02** be and is hereby approved in an amount with the Texas portion not to exceed \$62,611.21 and the total amount not to exceed \$99,970.00 for the installation of approximately 540 linear feet of crack repair and 136 square feet of spalled/deteriorated concrete repair and related appurtenances for the Millwood WTP – Settling Basin Concrete Repairs.

SECTION 2: That the City Manager be and is authorized to contract with Mid-Continental Restoration Company, Inc. of Fort Worth, Texas for the above-described services.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the 27th day of March, 2017.

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Attachment: 2017-010 RES Millwood WTP Settling Basin Repairs [Revision 1] (1595 : 2017-010 RES Millwood WTP settling basin concrete

2017-010 ATTH01

Bid Tabulation

**MILLWOOD WTP
SETTLING BASIN CONCRETE REPAIRS
Project 61/62-000-135112-A/T131620**

2:00 P.M. Tuesday, January 24, 2017

	<u>Base Bid</u>
1. Mid-Continental Restoration Co., Inc. Fort Worth, Texas	\$ 99,970.00
2. J R Pope Company, Inc. Texarkana, Texas	\$198,975.00
3. H & H Concrete Texarkana, Arkansas	No Bid
4. TEC, Inc. Texarkana, Texas	No Bid
5. Champion Coating, Inc. Savage, Minnesota	No Bid
6. Heritage Constructors, Inc. Texarkana, Texas	No Bid

Time First Bid Opened: 2:00 P.M.

Number of Bidders: Two

Apparent Low Bidder: Mid-Continental Restoration Co., Inc.

BIDTAB

Attachment: 2017-010 ATTH01 Millwood WTP Basin Repairs (1595 : 2017-010 RES Millwood WTP settling basin concrete repairs)

Bid Tabulation
 MILLWOOD WTP
 SETTLING BASIN CONCRETE REPAIRS
 Project No. 61/62-000-135112-A/T131719
 JANUARY 24, 2017 @ 2:00

BASE BID:				Mid-Continental Inc. Fort Worth, TX		J R Pope Company, Inc. Texarkana, TX	
Item	Quantity	Unit	Description	Amount	Total	Amount	Total
1	1	LS	Mobilization, Bonds, and Submittals	\$22,500.00	\$22,500.00	\$20,000.00	\$20,000.00
2	540	LF	Crack Repair	\$97.00	\$52,380.00	\$300.00	\$162,000.00
3	45	GAL	SikaFix HH LV	\$74.00	\$3,330.00	\$75.00	\$3,375.00
4	136	SF	Concrete Patch	\$160.00	\$21,760.00	\$100.00	\$13,600.00
			TOTAL BASE BID		\$99,970.00		\$198,975.00

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☐	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☐	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☐	None Required	☐	

Other:

City of Texarkana, Texas

Version: C

Update Date: 3/24/2017 8:15 AM

Briefing Sheet

Lead Department: Building Code Administration **Action Officer:** Mashell Daniel
Subject: Ordinance No. 2017-034 amending Chapter 100 "General Administrative Provisions" and Chapter 105 of the Land Development Code "Buildings & Construction" for clarification purposes by changing Sec. 105-8 from "Required" to "Permit Required", adding Sec. 105-9 "Stop Work Order", and adding Sec. 105-10 "Offense; Penalty."
Briefing: 3/27/2017 **Public Hearing:** 4/10/2017 **Second Briefing:** April 24, 2017 **Council Vote:** 5/8/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

"NOT APPLICABLE"

Executive Summary and Background Information:

Amend Chapter 100 "General and Administrative Provisions" of the Land Development Code of the City's Code of Ordinances to add an Offense penalty.

Sec. 100-5 Offense; Penalty.

A violation of any provision of this Land Development Code or failure to comply with any requirements under this Code shall be deemed a misdemeanor and, upon conviction of such violation or failure to comply, such violation or failure to comply shall be subject to punishment as provided in Section 1-5 of the Code of Ordinances of the City of Texarkana, Texas.

Amend Sec. 105-8 "Required" of chapter 105 "Buildings & Construction" of the Land Development Code of the City's Code of Ordinances by changing to "Permit Required."

Amend chapter 105 "Buildings & Construction" of the Land Development Code of the City's Code of Ordinances by adding the following for clarification purposes:

Sec 105-9 – Stop Work Order

When the building official or his representative finds, any work regulated by this chapter being performed in a manner contrary to the provisions and requirements contained therein, the building official or his representative may issue a Stop Work Order.

The Stop Work Order shall be in writing and shall be given to the owner of the property involved, the owner's authorized agent, or the person performing the work. Upon issuance of a Stop Work Order, the cited work shall immediately cease. The Stop Work Order shall state the reason for the Order and the conditions under which the cited work will be permitted to resume.

City of Texarkana, Texas

It shall be unlawful for any person to perform work on a property when a Stop Work Order has been issued unless otherwise directed by the building official or his designee to remove a violation or unsafe condition.

Section 105-10 - Offense; Penalty.

It shall be unlawful for any person to violate a provision of this chapter or to fail to comply with any of the requirements therein, including those contained in the various technical codes adopted in this chapter; or to erect, construct, alter, extend, repair, move, remove, demolish or occupy a building or structure in violation of any approved construction document, including any permit or certificate issued under the provisions of this chapter. An offense shall be subject to punishment as provided in Section 1-5 of the Texarkana Code of Ordinances.

Potential Options:

- “None”
-

Fiscal Implications:

None

Staff Recommendation:

Staff recommends approval.

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

Not Applicable

Advisory Board/Committee Meeting Date and Minutes:

Not Applicable

Attachments

- a. 2017-034 Goals & Perspectives (DOCX)
- b. 2017-034 ORD Amend Land Development Code (DOC)

Staff Coordination

Building Code Administration	Mashell Daniel	Department Head Review
Completed	03/20/2017 3:41 PM	
Municipal Prosecutor Deborah Jones	Asst. City Attorney Review	Completed
03/21/2017 8:33 AM		
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager
Review Completed	03/21/2017 5:22 PM	

City of Texarkana, Texas

Deputy City Manager - Shirley Jaster	John Whitson	Deputy City Manager
Review	Skipped	03/22/2017 1:58 PM
City Attorney	Jennifer Evans	City Attorney Review Skipped
5:08 PM		03/20/2017
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager
Review	Completed	03/23/2017 7:48 AM
Public Information Officer	Lisa Thompson	PIO Review
03/23/2017 8:29 AM		Completed
City Manager	John Whitson	City Manager Review
2:21 PM		Completed
City Council	Vicky Coopwood	Meeting
6:00 PM		Pending
		03/27/2017

Meeting History

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

Provide clarity to the Code of Ordinances of the City of Texarkana, Texas.

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☒ None Required	☐

Other:

PUBLISH

ORDINANCE NO. 2017 – 034

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE LAND DEVELOPMENT CODE OF THE CITY OF TEXARKANA, TEXAS; AMENDING CHAPTER 100, "GENERAL AND ADMINISTRATIVE PROVISIONS" BY ADDING SECTION 100-5, "OFFENSE; PENALTY"; AMENDING CHAPTER 105 "BUILDINGS AND CONSTRUCTION" BY CHANGING THE CAPTION OF SECTION 105-8, "REQUIRED", TO "PERMIT REQUIRED", ADDING SECTION 105-9, "STOP WORK ORDER", AND ADDING SECTION 105-10, "OFFENSE - PENALTY"; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING FOR A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City's Inspection Department recommends revisions and additions to Chapters 100 and 105 of the Land Development Code of the City of Texarkana, Texas, for clarity and ease of understanding of enforcement issues and penalty provisions for violations; and

WHEREAS, the City Council of the City of Texarkana, Texas, finds and determines that such revisions and additions as set forth below are in the best interest of citizens and the City's future growth and safety.

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

SECTION 1: Chapter 100 "General and Administrative Provisions" of the Land Development Code of the City of Texarkana, Texas, is hereby amended to add the following Section 100-5:

Sec. 100-5. - Offense; Penalty.

A violation of any provision of this Land Development Code or failure to comply with any requirements under this Code shall be deemed a misdemeanor and, upon conviction of such violation or failure to comply, such violation or failure to comply shall be subject to punishment as provided in Section 1-5 of the Code of Ordinances of the City of Texarkana, Texas.

SECTION 2: Chapter 105 "Buildings and Construction" of the Land Development Code of the City of Texarkana, Texas, is hereby amended to change the caption of Section 105-8, "Required", to read "Permit Required".

SECTION 3: Chapter 105 "Buildings and Construction" of the Land Development Code of the City of Texarkana, Texas, is hereby amended to add the following Section 105-9:

Sec. 105-9. - Stop Work Order.

When the building official or his representative finds, any work regulated by this chapter being performed in a manner contrary to the provisions and requirements contained therein, the building official or his representative may issue a Stop Work Order.

PUBLISH

The Stop Work Order shall be in writing and shall be given to the owner of the property involved, the owner's authorized agent, or the person performing the work. Upon issuance of a Stop Work Order, the cited work shall immediately cease. The Stop Work Order shall state the reason for the Order and the conditions under which the cited work will be permitted to resume.

It shall be unlawful for any person to perform work on a property when a Stop Work Order has been issued unless otherwise directed by the building official or his designee to remove a violation or unsafe condition.

SECTION 4: Chapter 105 "Buildings and Construction" of the Land Development Code of the City of Texarkana, Texas, is hereby amended to add the following Section 105-10:

Sec. 105-10. - Offense; Penalty.

It shall be unlawful for any person to violate a provision of this chapter or to fail to comply with any of the requirements therein, including those contained in the various technical codes adopted in this chapter; or to erect, construct, alter, extend, repair, move, remove, demolish or occupy a building or structure in violation of any approved construction document, including any permit or certificate issued under the provisions of this chapter. An offense shall be subject to punishment as provided in Section 1-5 of the Texarkana Code of Ordinances.

SECTION 5: All Ordinances or parts of Ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 6: The City Secretary shall give notice of the passage of this ordinance as provided in Article XI, Section 3 of the Charter of the City of Texarkana, Texas.

SECTION 7: In case a section, clause, sentence or part of this Ordinance shall be deemed or adjudged by a Court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair or invalidate the remainder of this Ordinance.

SECTION 8: This Ordinance shall be in full force and effect after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **8th day of May, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 3/23/2017 4:53 PM

Lead Department: Finance Department **Action Officer:** Kristin Peeples,
Subject: Ordinance No. 2017-035 approving the sale of City of Texarkana, Texas,
Combination Tax and Revenue Certificates of Obligation, Series 2017.
Briefing: 3/27/2017 **Public Hearing:** **Second Briefing:** **Council Vote:** 3/27/2017

Item Schedule

Updates/History of Briefing:

Not Applicable

Executive Summary and Background Information:

On September 12, 2016 the City Council adopted the Fiscal Year 2017 budget which included the City's capital improvement plan. On February 13, 2017 the Council approved a notice of intent to issue certificates of obligation. The first notice of intent was published in the Texarkana Gazette on February 16, 2017 and the second notice of intent was published on February 23, 2017. Since the publication, staff has not received any feedback from citizens. In order to officially sell the bonds, Council must approve an ordinance approving the sale.

Potential Options:

- Approve
- Deny

Fiscal Implications:

The proposed certificates of obligation will replace retired debt and have been built into the capital improvement plan to be paid with current resources based on normal growth factors.

Staff Recommendation:

Staff recommends approval

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

Not Applicable

Advisory Board/Committee Meeting Date and Minutes:

Not Applicable

City of Texarkana, Texas

Attachments

- a. 2017-035 ORD Approving sale of 2017 CO's (DOCX)
- b. 2017-035 ATTH 01 Proposed Allocation of 2017 CO's (PDF)
- c. 2017-035 Goals & Perspectives (DOCX)

Staff Coordination

Finance Department	Kristin Peebles	Department Head Review	Completed	
	03/23/2017 8:28 AM			
Finance Department	Kristin Peebles	Finance Review	Completed	03/23/2017
	8:28 AM			
Deputy City Manager - Shirley Jaster		Shirley Jaster	Deputy City Manager	
Review	Completed	03/23/2017 2:10 PM		
Deputy City Manager - Kyle Dooley		Kyle Dooley	Deputy City Manager	
Review	Completed	03/23/2017 3:15 PM		
Public Information Officer		Lisa Thompson	PIO Review	Completed
	03/23/2017 3:15 PM			
City Manager	John Whitson	City Manager Review	Completed	03/23/2017
	4:19 PM			
City Council	Vicky Coopwood	Meeting	Pending	03/27/2017
	6:00 PM			

Meeting History

ORDINANCE NO. 2017-035

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF TEXARKANA, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE SURPLUS NET REVENUES DERIVED FROM THE OPERATION OF THE CITY’S WATERWORKS AND SANITARY SEWER SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SUCH CERTIFICATES OF OBLIGATION AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES OF OBLIGATION, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Texarkana, Texas has heretofore determined that certificates of obligation should be issued in the maximum principal amount not to exceed \$15,600,000 for the purpose of paying contractual obligations to be incurred for (i) constructing, improving and equipping public safety facilities, (ii) street improvements, including landscaping, drainage, curbs, gutters, medians, sidewalks, signage, lighting and traffic signalization incidental thereto, the relocation of utilities affected by such street improvements and the acquisition of land and rights-of-way therefor, (iii) drainage improvements, including the acquisition of land and rights-of-way therefor, (iv) constructing, improving and equipping park and recreational facilities, (v) roof replacements to existing municipal buildings, (vi) building and parking improvements for the public works department, (vii) constructing, improving and equipping municipal airport facilities, including design costs and (viii) professional services rendered in relation to such projects and the financing thereof;

WHEREAS, a “Notice of Intention to Issue City of Texarkana, Texas, Certificates of Obligation” was duly published in the *Texarkana Gazette*, a newspaper of general circulation in the City of Texarkana, Texas, on February 16, 2017, and February 23, 2017, the date of the first publication of such notice being not less than thirty-one (31) days prior to the tentative date stated therein for the passage and adoption of this Ordinance; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in the aforesaid notice, signed by at least 5% of the qualified voters of the City, has been presented to or filed with the City Secretary on or prior to the date of the passage of this Ordinance; and

WHEREAS, the City Council hereby finds and determines that \$_____ in total principal amount of the certificates of obligation described in such notice should be authorized at this time; now, therefore,

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

SECTION 1: Authorization, Designation, Principal Amount, Purpose. Certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____, to be designated and bear the title “CITY OF TEXARKANA, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017” (hereinafter referred to as the “Certificates”), for the purpose of paying contractual obligations to be incurred for (i) constructing, improving and equipping public safety facilities, (ii) street improvements, including landscaping, drainage, curbs, gutters, medians, sidewalks, signage, lighting and traffic signalization incidental thereto, the relocation of utilities affected by such street improvements and the acquisition of land and rights-of-way therefor, (iii) drainage improvements, including the acquisition of land and rights-of-way therefor, (iv) constructing, improving and equipping park and recreational facilities, (v) roof replacements to existing municipal buildings, (vi) building and parking improvements for the public works department, (vii) constructing, improving and equipping municipal airport facilities, including design costs and (viii) professional services rendered in relation to such projects and the financing thereof, pursuant to authority conferred by, and in conformity with, the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended.

SECTION 2: Fully Registered Obligations – Authorized Denominations – Stated Maturities – Interest Rates – Date. The Certificates are issuable in fully registered form only; shall be dated March 15, 2017 (the “Certificate Date”); and shall be in denominations of \$5,000 or any integral multiple thereof, and the Certificates shall become due and payable on February 15 in each of the years and in principal amounts (the “Stated Maturity”) and bear interest at the per annum rate(s) in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2036		
2037		

The Certificates shall bear interest on the unpaid principal amount thereof from the Certificate Date at the per annum rates shown above (calculated on the basis of a 360-day year consisting of twelve 30-day months), and such interest shall be payable on February 15 and August 15 of each year until maturity or prior redemption, commencing February 15, 2018.

SECTION 3: Payment of Certificates – Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of maturity, redemption or otherwise, shall be payable, without exchange or collection charges to the registered owner thereof, 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.

The selection and appointment of U.S. Bank National Association, Dallas, Texas, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records (the “Security Register”) for the registration, payment, and transfer of the Certificates, shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar all as provided herein, 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; and the Mayor or Mayor Pro Tem and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity duly qualified and legally authorized to act as and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates 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 Certificates shall be payable at the Stated Maturities or upon prior redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices initially in St. Paul, Minnesota, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor, (the “Designated Payment/Transfer Office”). Interest on the Certificates shall be paid to the registered owners of the Certificates (the “Holder” or “Holders”) whose name appears in the Security Register at the close of business on the Record Date (the fifteenth (15th) day of the month next preceding the interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent by 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 Certificates 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 be closed, 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 in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized to be closed, 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 non-payment 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 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.

SECTION 4: Redemption.

(a) Optional Redemption. The Certificates having Stated Maturities on and after February 15, 2027, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2026, 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 an optional redemption date for the Certificates (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 Certificates, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

(c) Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Certificates as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificates by \$5,000 and shall select the Certificates 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 Certificates, 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 Certificate to be redeemed in whole or in part 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 or not received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates 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 Certificates, 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 Certificates, or the principal amount thereof to be redeemed, shall be made at the principal offices of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Certificate 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 Certificate (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 Certificate (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 Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 5: Registration-Transfer-Exchange of Certificates-Predecessor Certificates. A Security Register relating to the registration, payment, and transfer or exchange of the Certificates shall at all times be kept and maintained by the City at the principal offices of the Paying Agent/Registrar, and the Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each Holder of the Certificates issued under and pursuant to the provisions of this Ordinance. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar at its principal offices 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 the surrender for transfer of any Certificate (other than the Initial Certificate authorized in Section 8 hereof) 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 Certificates, executed on behalf of, and furnished by, the City, of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the Paying

Agent/Registrar shall register and deliver new Certificates, executed on behalf of, and furnished by the City, to the Holder requesting the exchange.

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

All transfers or exchanges of Certificates 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.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any Certificate registered and delivered pursuant to Section 23 hereof in lieu of a mutilated, lost, destroyed, or stolen Certificate, which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

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

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution – Registration. The Certificates shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signatures of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of said individuals who are or were the proper officers of the City on the Certificate Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or any of them shall cease to hold such offices prior to the delivery of the Certificates to the initial purchasers, and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee, or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered, and delivered.

SECTION 8: Initial Certificate. The Certificates herein authorized shall be initially issued as a single fully registered Certificate in the total principal amount as provided in Section 1 hereof with the principal amount to become due and payable as provided in Section 2 hereof and numbered T-1 (hereinafter referred to as the “Initial Certificate”) and the Initial Certificate shall be registered in the name of the initial purchasers or the designee thereof. The Initial Certificate shall be the Certificate 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 purchasers. Any time after the delivery of the Initial Certificate, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturity, 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 purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms. (a) **Forms Generally.** The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration of the Paying Agent/Registrar, and the form of Assignment to be printed on the Certificates, 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 on any insured Certificates and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or be determined by the officers executing such Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The Certificates, including the Initial Certificate, shall be printed, lithographed, photocopied, typewritten, or engraved, or produced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution thereof.

(b) Form of Definitive Certificates.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF TEXARKANA, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2017

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
March 15, 2017	_____ %	February 15, _____	_____

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Texarkana (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Bowie, 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 (or so much thereof as shall not have been paid upon prior redemption), on the Stated Maturity date specified above and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate 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 Certificate is prior to the initial interest payment date in which case it shall bear interest from the Certificate Date) at the per annum rate of interest specified above computed on the basis of a 360-day year consisting of twelve 30-day months; such interest being payable on February 15 and August 15 in each year until maturity or prior redemption, commencing February 15, 2018. Principal installments of this Certificate are payable in the year of maturity to the Registered Owner hereof, upon its presentation and surrender at the Designated Payment/Transfer Office of U.S. Bank National Association, Dallas, Texas, the initial

“Paying Agent/Registrar” executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest shall be payable to the Registered Owner of this Certificate 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 fifteenth day of the month next preceding the interest payment date hereof, and interest shall be paid by the Paying Agent/Registrar by check sent by 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 Certificates 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 Certificate shall be without exchange or collection charges to the owners 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 Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the “Certificates”) for the purpose of paying contractual obligations to be incurred for (i) constructing, improving and equipping public safety facilities, (ii) street improvements, including landscaping, drainage, curbs, gutters, medians, sidewalks, signage, lighting and traffic signalization incidental thereto, the relocation of utilities affected by such street improvements and the acquisition of land and rights-of-way therefor, (iii) drainage improvements, including the acquisition of land and rights-of-way therefor, (iv) constructing, improving and equipping park and recreational facilities, (v) roof replacements to existing municipal buildings, (vi) building and parking improvements for the public works department, (vii) constructing, improving and equipping municipal airport facilities, including design costs and (viii) professional services rendered in relation to such projects and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Texas Local Government Code, Subchapter C of Chapter 271, as amended, and pursuant to an ordinance adopted by the City Council of the City (herein referred to as the “Ordinance”).

The Certificates having Stated Maturities on and after February 15, 2027 may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2026, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty days prior to a redemption date, 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 Certificate 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 Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption

duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued 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, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates 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 Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate 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 Certificate redeemed in part.

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

This Certificate is payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and is additionally payable from and secured by a lien on and limited pledge (not to exceed \$1,000) of the surplus Net Revenues of the City's Waterworks and Sanitary Sewer System (the "System"), such lien and pledge, together with a parity pledge securing the payment of the Previously Issued Certificates, being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of the Prior Lien Obligations (identified and defined in the Ordinance). In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise and additional certificates equally and ratably secured with the Certificates by a parity lien on and pledge of the surplus Net Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file at the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner 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 this Certificate; the properties constituting the System; the Net Revenues pledged to the payment of the principal of and interest on this Certificate; the nature, extent, and manner of enforcement of the pledge; the terms and

conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate is deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, 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 Certificates 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 the payment of the interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to the payment of the principal hereof at its Stated Maturity, 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 non-payment 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 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 Registered Owner 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 covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates 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 Certificates 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 Certificates 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 Certificates by the levy of a tax and a limited pledge of and lien on the surplus Net Revenues of the System as aforesated. In case any provision in this Certificate or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate 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 Certificate to be duly executed under the official seal of the City as of the Certificate Date.

CITY OF TEXARKANA, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(CITY SEAL)

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

REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	)	
	)	
OF PUBLIC ACCOUNTS	)	REGISTER NO. _____
	)	
THE STATE OF TEXAS	)	

I HEREBY CERTIFY that this Certificate 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)

Attachment: 2017-035 ORD Approving sale of 2017 CO's (1623 : 2017-035 ORD Authorizing Issuance of Certificates of Obligation)

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate of Obligation has been duly issued and registered under the provisions of the within mentioned Ordinance; the Certificate of Obligation or Certificates of Obligation 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 office of the Paying Agent/Registrar in St. Paul, Minnesota, is the Designated Payment/Transfer Office for this Certificate.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas, Paying Agent/Registrar

By: _____
Authorized Signature

Registered this date:

(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 Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate 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 Certificate in every particular.

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

The heading and first paragraph shall be amended as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF TEXARKANA, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2017

Certificate Date: March 15, 2017

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Texarkana (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Bowie, 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:

YEAR	PRINCIPAL INSTALLMENTS	INTEREST RATE
------	---------------------------	------------------

(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Certificate Date 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, 2018. Principal installments of this Certificate are payable at its Stated Maturity or on a prepayment date to the registered owner hereof by U.S. Bank National Association, Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in St. Paul, Minnesota (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate 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 fifteenth (15th) 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 Certificates 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 Certificate 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 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appear herein without qualifying language, are defined to mean as follows:

(a) The term “Additional Certificates” shall mean combination tax and revenue certificates of obligation hereafter issued under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended, or any similar law hereafter enacted, and payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the surplus Net Revenues on a parity with and of equal dignity with the lien and pledge securing the payment of the Certificates.

(b) The term “Certificates” shall mean the “City of Texarkana, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017” authorized by this Ordinance.

(c) The term “Certificate Fund” shall mean the special Fund created and established under the provisions of Section 11 of this Ordinance.

(d) The term “Collection Date” shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(e) The term “Fiscal Year” shall mean the annual financial accounting period used with respect to the System now ending on September 30th of each year; provided, however, the City Council may change, by ordinance duly passed, such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes and to be consistent with the ordinances authorizing the Prior Lien Obligations.

(f) The term “Maintenance and Operating Expenses” shall mean all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining “Net Revenues”. Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply,

treatment of sewage or other materials, goods, services, or facilities for the System to the extent authorized by law and the provisions of such contract.

(g) The term “Net Revenues” shall mean, with respect to any period, all income, revenues, and receipts received from the operation and ownership of the System less Maintenance and Operation expenses of the System during such period.

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

(1) those Certificates theretofore canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 25 hereof by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and for which (i) replacement Certificates have been registered and delivered in lieu thereof or (ii) have been paid, all as provided in Section 23 hereof.

(i) The term “Prior Lien Obligations” shall mean all bonds or other obligations now outstanding and hereafter issued that are payable from and secured by a lien on and pledge of all or any part of the Net Revenues of the System, including but not limited to, the unpaid bonds of the following issues or series designated “City of Texarkana, Texas, Waterworks and Sanitary Sewer System Revenue [Refunding] Bonds,” further identified by Series, Date, and Original Principal Amount as follows:

<u>SERIES</u>	<u>DATE</u>	<u>ORIGINAL PRINCIPAL AMOUNT</u>
2004	January 15, 2004	\$2,500,000
2005	October 15, 2005	\$1,805,000
2013	June 15, 2013	\$2,200,000

and (i) all bonds hereafter issued to refund any part of the aforesaid bonds or other obligations listed in this definition if the same are made payable from and secured by a lien on and pledge of the Net Revenues of the System and (ii) any obligations hereafter issued on a parity (insofar as the revenues of the System are concerned) with such Prior Lien Obligations or refunding bonds issued to refund such obligations if the same are made payable from and secured by a lien on and pledge of the Net Revenues of the System which lien is prior and superior in claim, rank, and dignity to the lien and pledge of the Net Revenues securing the payment of the Certificates.

(j) The term “System” shall mean the City’s combined Water and Sanitary Sewer System, including all present and future additions, extensions, replacements, and improvements thereto.

SECTION 11: Certificate Fund. The City covenants that for the purpose of paying the interest on and providing a sinking fund for the payment and retirement of the Certificates, there shall be and is hereby created a special fund to be designated “Special 2017 Combination Tax and Revenue Certificate of Obligation Fund” (the “Certificate Fund”) which Certificate Fund shall be kept and maintained at the City’s depository bank, and moneys deposited in the Certificate Fund shall be used for no other purpose. Authorized officials of the City are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the City’s Investment Policy as the same may be amended from time to time and the “Public Funds Investment Act” (Texas Government Code, Chapter 2256, as amended) relating to the investment of “bond proceeds”; provided that all such investments shall be made in such a manner that the money required to be expended from the Certificate Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 12: Tax Levy. To provide for the payment of the “Debt Service Requirements” on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied, within the limitations prescribed by law, for the current year and each succeeding year thereafter while said Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars’ valuation of taxable property in said City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:

(1) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Net Revenues and other lawfully available funds appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of surplus Net Revenues and any other lawfully available revenues which are appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13: Limited Pledge of Net Revenues. The City hereby covenants and agrees that subject to the prior lien on and pledge of the Net Revenues to the payment and security of the Prior Lien Obligations, the surplus Net Revenues of the System (within the limitation of a total amount of \$1,000) are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates, and the limited pledge of surplus Net Revenues herein made for the payment of the Certificates shall constitute a lien on the surplus Net Revenues in accordance with terms and provisions hereof and shall be on a parity in all respects with the lien on the Net Revenues securing the payment of the Certificates. Furthermore, such lien on and pledge of the Net Revenues securing the payment of the Certificates shall constitute a lien on the Net Revenues of the System until such time as the City shall pay all of such \$1,000, after which time the pledge shall cease, all in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

Chapter 1208, Texas Government Code, as amended, applies to the issuance of the Certificates and the pledge of the revenues granted by the City under this Section of this Ordinance, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are Outstanding and unpaid such that the pledge of the revenues granted by the City under this Section of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, as amended, then in order to preserve to the Holders of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 14: System Fund. The City hereby covenants and agrees that all revenues derived from the operation and ownership of the System shall be kept separate and apart from all other funds, accounts, and moneys of the City, and shall be deposited as collected into the "Water and Sewer

System Fund” (heretofore created in conjunction with the issuance of the outstanding Prior Lien Obligations and hereinafter called the “System Fund”). All moneys deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of the reasonable and proper Maintenance and Operation Expenses of the System as defined herein or required by statute to be a first charge on and claim against the revenues of the System.

Second: To the payment of all amounts required to be deposited in any special funds created and established for the payment, security, and benefit of any Prior Lien Obligations in accordance with the terms and provisions of any ordinance authorizing the issuance of any Prior Lien Obligations.

Third: To the payment, equally and ratably, of the amounts required to be deposited in the special funds and accounts created and established for the payment of the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Series 2008”, dated February 1, 2008, the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Series 2009”, dated December 1, 2009, the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2010”, dated May 15, 2010, the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Series 2012”, dated August 1, 2012, the Certificates and Additional Certificates.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 15: Deposits to Certificate Fund. The City hereby covenants and agrees to cause to be deposited in the Certificate Fund the amount required to fully pay the interest and principal then due and payable on the Certificates, such deposits to pay maturing principal and accrued interest on the Certificates to be made on or before February 15 and August 15, beginning February 15, 2018.

The deposits to be made to the Certificate Fund, as hereinabove provided, shall be made until such time as such Fund contains an amount equal to pay the principal of and interest and premium, if any, on the Certificates to maturity. Accrued interest, if any, and premium, if any (to the extent it is not used to finance the projects described in Section 1), received from the purchaser(s) of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied, collected, and deposited in the Certificate Fund for and on behalf of the Certificates may be taken into consideration and utilized to reduce the amount of the deposits otherwise required to be deposited in the Certificate Fund from the Net Revenues of the System. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues.

SECTION 16: Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be

secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 18: Special Covenants. The City hereby covenants as follows:

(i) That it has the lawful power to pledge the Net Revenues supporting this issue of Certificates and has lawfully exercised said powers under the Constitution and laws of the State of Texas, including said power existing under Subchapter C of Chapter 271 of the Texas Local Government Code, as amended, and Texas Government Code, Chapter 1502, as amended.

(ii) That other than for the payment of the outstanding Prior Lien Obligations, the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Series 2008”, dated February 1, 2008, the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Series 2009”, dated December 1, 2009, the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2010”, dated May 15, 2010, the “City of Texarkana, Texas Combination Tax and Revenue Certificates of Obligation, Series 2012”, dated August 1, 2012, and the Certificates, the Net Revenues are not in any manner pledged to the payment of any debt or obligation of the City or of the System.

(iii) That, as long as any Certificates or any interest thereon remain Outstanding and the limited pledge of the surplus Net Revenues has not been fully satisfied, the City will not sell, lease, or encumber the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System.

(iv) The City recognizes that the purchasers and owners of the Certificates will have accepted them on, and paid therefor a price which reflects, the understanding that interest thereon is excludable from federal income taxation under laws in force at the time the Certificates shall have been delivered. In this connection the City covenants to take no

action or fail to take any action, which action or failure to act may render the interest on any of such Certificates subject to federal income taxation, particularly pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), nor shall the City take any action or fail to take any action, which action or failure to act, would have the effect of causing the income derived by the City from the System to become subject to federal income taxation in the hands of the City, whether or not provision shall have been made for the payment of such Certificates.

SECTION 19: Issuance of Prior Lien Obligations and Additional Certificates. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions, or restrictions applicable thereto under law or otherwise, and, also reserves the right to issue Additional Certificates payable from and secured by a lien on and pledge of the Net Revenues of equal rank and dignity, and on a parity in all respects, with the lien thereon and pledge thereof securing the payment of the Previously Issued Certificates and the Certificates.

It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in any ordinance authorizing the issuance any Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in any ordinance authorizing the issuance of any Prior Lien Obligations, the provisions, agreements, and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of any Prior Lien Obligations.

SECTION 20: Sale of the Certificates – Official Statement Approval. Pursuant to a public sale for the Certificates, the bid submitted by _____ (herein referred to as the “Purchasers”) is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Certificates to said Purchaser at the price of par plus a cash premium of \$_____ is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Certificates to the Purchasers shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Certificate shall be registered as provided in the winning bid.

Furthermore, the use of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager or Chief Financial Officer, individually or collectively), shall be and is hereby in all respects approved, and the Purchasers are hereby authorized to use and distribute said final Official Statement, dated March 27, 2017 in the reoffering, sale and delivery of the Certificates to the public. The Mayor, Mayor Pro Tem, and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 21: Proceeds of Sale. The proceeds of sale of the Certificates, less amounts to pay costs of issuance and accrued interest, shall be deposited in a construction fund maintained at a City depository bank. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Accrued interest shall be deposited to the credit of the Certificate Fund. Any investment earnings remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund. Any surplus proceeds of sale may be deposited to the Certificate Fund or used for other authorized purposes specified in Section 1 hereof.

SECTION 22: Cancellation. All Certificates 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 Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 23: Mutilated, Destroyed, Lost, and Stolen Certificates. If (a) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (b) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

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 Certificates.

SECTION 24: Covenants to Maintain Tax Exempt Status of Interest on the Certificates.

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

“Closing Date” means the date on which the Certificates are first authenticated and delivered to the initial purchaser 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 Certificates.

“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 Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“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 Certificates. 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 Certificates 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 Certificate 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 Certificate, 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 Certificates:

(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 Certificates, 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 Certificates 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 Certificates 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 Certificates 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 Certificates.

(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 Certificates 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 (6) years after the day on which the last outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates 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 Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates 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 out of its general fund, or appropriate fund, or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Certificate Fund, the amount that when added to the future value of previous rebate payments made for the Certificates 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 Certificates, 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 Certificates not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager and Chief Financial Officer, either or any combination of them, 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 Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 25: Satisfaction of Obligations 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 Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and the lien on and pledge of the Net Revenues (to the extent such limited pledge of Net Revenues shall not have been discharged or terminated by prior payment of principal of or interest on the Certificates) and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, 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 (a) money sufficient to pay in full such Certificates or the principal amount(s) thereof at maturity, 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 (b) 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 Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity 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 Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code or regulations adopted pursuant thereto.

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 Certificates, 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 Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates for which 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.

The term “Government Securities”, as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City 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 on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas.

SECTION 26: Ordinance a Contract – Amendments. 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 Certificate 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 owning a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (a) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, 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 Certificates, (b) give any preference to any Certificate over any other Certificate, or (c) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 27: Control and Custody of Certificates. The Mayor or Mayor Pro Tem 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 Certificates, and shall take and have charge and control of the Initial Certificate pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchaser.

Furthermore, the Mayor, Mayor Pro Tem, the City Secretary, the City Manager and the Chief Financial Officer of the City, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General, and their registration by the Comptroller of Public Accounts and, together with the City’s financial advisor, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Purchaser and the initial exchange thereof for definitive Certificates.

SECTION 28: Bond Counsel's Opinion. The Purchaser's obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving such Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Certificates. An executed counterpart of said opinion shall accompany the global certificates deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Certificates in the event the book-entry-only system shall be discontinued.

SECTION 29: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 30: 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 31: 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 32: 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 33: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 34: 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 or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 35: 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 Chapter 551 of the Texas Government Code, as amended.

SECTION 36: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2 12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB: (1) within six months after the end of each fiscal year, beginning in or after 2017, financial information and operating data with respect to the City of the general type included under Tables numbered 1 through 6 and 8 through 15 of the Official Statement and (2) within twelve months after the end of each fiscal year ending in or after 2017, and if not provided as part of such financial information and operating data, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B of the Official Statement hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s internet web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of holders of the Certificates, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in item 12 of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 36(b) of this Ordinance by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by Section 36(c) of any Certificate calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN

CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under the Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with Section 36(b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 37: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer and City Secretary 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 Certificates. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer 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 Certificates 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 38: 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 39: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[Remainder of page intentionally left blank]

PASSED AND APPROVED in Regular Council Session on this the 27th day of March, 2017.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

(City Seal)

Attachment: 2017-035 ORD Approving sale of 2017 CO's (1623 : 2017-035 ORD Authorizing Issuance of Certificates of Obligation)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

Attachment: 2017-035 ORD Approving sale of 2017 CO's (1623 : 2017-035 ORD Authorizing Issuance of Certificates of Obligation)

Proposed Allocation of 2017 Certificates of Obligation

Total Estimated Cost for 2017 Projects

Original Budget

Revised Budget

Forest Lake Concrete Reconstruction	6,214,846.07	4,984,969.78
Playground Replacement (All Parks)	342,538.09	434,511.25
Ball Field Lights Fields 1 & 2 (SLP)	239,205.76	973,750.00
Ball Field Lights (5 Fields) Wallace Park Softball	592,590.89	
Walton Drive and Pavilion Drainage Improvements	428,634.50	
Roof Replacement-City Buildings	652,453.50	1,050,207.50
Roof Replacement-Parks/Public Works	521,962.80	
Roof Replacement-Fire Stations	326,226.75	
PD Training Center Parking Lot Reconstruction	615,053.56	222,708.25
Fire Training Field Phase 2 Enhancement	430,075.60	455,013.75
SLP Lake Dredging	706,824.63	1,072,418.75
Courthouse Square Initiative	349,674.76	742,819.44
Building and Parking Improvments - Public Works	806,375.04	893,570.63
Cowhorn Creek Linear Park Trail	1,185,988.82	1,254,490.05
Subtotal	13,412,450.77	12,084,459.40

Design Cost for 2018 Projects

Airport Terminal	50,000.00	50,000.00
Perot Theatre Restoration & Art Park	1,411,967.00	1,411,967.00
Fire Station Relocation	542,500.00	542,500.00
Other	183,082.23	111,073.60
Subtotal	2,187,549.23	2,115,540.60
Fees		200,000.00
	15,600,000.00	14,400,000.00

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☒ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☒ Foster a Healthy Community
Run the Operations	☒ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☒ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: High

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☐ None Required	☐

Other:

City of Texarkana, Texas

Version: B

Update Date: 3/17/2017 9:40 AM

Briefing Sheet

Lead Department: Fire Department **Action Officer:** Chris Black, Assistant Fire Chief
Subject: Ordinance No. 2017-036 amending the Fire Department Budget for FY 2017 for the acceptance of grant funds.
Briefing: 3/27/2017 **Public Hearing:** **Second Briefing:** **Council Vote:** 3/27/2017

Item Schedule

Schedule 3: No briefing required (one week)

Updates/History of Briefing:

N/A

Executive Summary and Background Information:

The Fire Department has received a grant in the amount of \$2,000 from Wal-Mart #2123 (4000 New Boston Road) to purchase wildland firefighting gear and supplies. This gear will provide required protection for fighting grass and woods fires.

Potential Options:

- None
-

Fiscal Implications:

Grant is 100% funded. No fiscal implications

Staff Recommendation:

Accept grant and amend budget.

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

N/A

Advisory Board/Committee Meeting Date and Minutes:

N/A

Attachments

- 2017-036 ORD Amending Fire Budget FY 2017 (DOC)
- 2017-036 Goals and perspectives (DOCX)

City of Texarkana, Texas

Staff Coordination

Fire Department	Chris Black	Department Head Review	Completed	
	03/14/2017 4:05 PM			
Finance Department	Kristin Peebles	Finance Review	Completed	03/14/2017
				5:18 PM
Deputy City Manager - Shirley Jaster		Shirley Jaster	Deputy City Manager	
Review	Completed	03/15/2017 10:58 AM		
Deputy City Manager - Kyle Dooley		Kyle Dooley	Deputy City Manager	
Review	Completed	03/15/2017 12:18 PM		
Public Information Officer		Lisa Thompson	PIO Review	Completed
	03/15/2017 12:34 PM			
City Manager	John Whitson	City Manager Review	Completed	03/22/2017
				1:31 PM
City Council	Vicky Coopwood	Meeting	Pending	03/27/2017
				6:00 PM

Meeting History

ORDINANCE NO. 2017 - 036

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING BUDGET EXPENDITURES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017 TO APPROPRIATE ADDITIONAL GRANT FUNDING IN THE AMOUNT OF TWO THOUSAND DOLLARS (\$2,000) RECEIVED FROM WAL-MART #2123 FOR THE TEXARKANA, TEXAS FIRE DEPARTMENT; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, budgeted expenditures of **FIVE MILLION NINE HUNDRED NINETY-FOUR THOUSAND EIGHT HUNDRED THIRTY-NINE DOLLARS (\$5,994,839)** were originally appropriated in the fiscal year ending September 30, 2017 for the Texarkana, Texas Fire Department; and

WHEREAS, the Texarkana, Texas Fire Department has received a grant from Wal-Mart #2123 in the amount of **TWO-THOUSAND DOLLARS (\$2,000)**; and

WHEREAS, the budget for the fiscal year ending September 30, 2017 should be amended to reflect the grant award.

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

SECTION 1: That the budget estimate of the expenditures of the City of Texarkana, Texas, as prepared by the City Manager and appropriated by the City Council for the fiscal year beginning October 1, 2016 and ending September 30, 2017, be amended to reflect additional expenditures appropriated with the addition of **TWO THOUSAND DOLLARS (\$2,000)** of grant funds received from Wal-Mart #2123.

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **27th day of March, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Attachment: 2017-036 ORD Amending Fire Budget FY 2017 (1624 : 2017-036 ORD Amending Fire Department Budget FY 2017)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☒ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☒ None Required	☐

Other:

City of Texarkana, Texas

Version: A

Update Date: 3/24/2017 8:48 AM

Briefing Sheet

Lead Department: Finance Department **Action Officer:** Kristin Peeples,
Ordinance No. 2017-037 approving contracts for the Capital Improvement Plan
projects for Forest Lake Estates street reconstruction; fire department and street
department building improvements; Cowhorn Creek trail corridor; fleet
department, SOTC, and fire department training center parking lots; dredging of
Subject: Spring Lake Park pond; and roof replacement projects.

Briefing: 3/27/2017 **Public Hearing:** **Second Briefing:** **Council Vote:** 3/27/2017

Item Schedule

Updates/History of Briefing:

Not Applicable

Executive Summary and Background Information:

The capital improvement plan was approved with the adoption of the budget on September 12, 2016. After approval, staff consulted with First Southwest, the City's financial advisor, and Norton Rose Fulbright, the City's bond counsel, in an effort to move forward with the issuance of certificates of obligation to fund the proposed projects. A Notice of Intent to Issue Certificates of Obligation was published in the Texarkana Gazette on February 16, 2017 and again on February 23, 2017. Agenda item 2017-035, also on the March 27th, 2017 agenda, will approve or deny the issuance of said bonds. If agenda item 2017-035 meets Council approval, the contracts associated with several of the fiscal year 2017 capital improvement projects are ready for approval as well.

Potential Options:

- Approve
- Deny

Fiscal Implications:

The contracts will be funded through funds received from the issuance of the 2017 Certificates of Obligation. The proposed Certificates of Obligation will replace retired debt and have been built into the Capital Improvement Plan to be paid with current resources based on normal growth factors.

Staff Recommendation:

Staff recommends approval

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

Not Applicable

City of Texarkana, Texas

Advisory Board/Committee Meeting Date and Minutes:

Not Applicable

Attachments

- a. 2017-037 ORD Approving CIP Contracts (DOC)
- b. 2017-037 ATTH 01 Forest Lake Bid Comparison (PDF)
- c. 2017-037 ATTH 02 FD and Street Building Improv Bid Comparison (PDF)
- d. 2017-037 ATTH 03 Cowhorn Creek Trail Bid Comparison (PDF)
- e. 2017-037 ATTH 04 Parking Lot Bid Comparison (PDF)
- f. 2017-037 ATTH 05 SLP Dredging Bid Comparison (PDF)
- g. 2017-037 Goals & Perspectives (DOCX)

Staff Coordination

Finance Department	Kristin Peeples	Department Head Review	Completed	
	03/22/2017 10:56 AM			
Finance Department	Kristin Peeples	Finance Review	Completed	03/22/2017
	10:56 AM			
Purchasing and Contracting		Sharon Moore	Purchasing Review	
	Completed	03/22/2017 10:57 AM		
Public Works Department		Dusty Henslee	Review	Completed
	03/22/2017 2:33 PM			
Parks, Recreation & Health		Robby Robertson	Review	Completed
	03/22/2017 2:36 PM			
Deputy City Manager - Shirley Jaster		Shirley Jaster	Deputy City Manager	
Review	Completed	03/23/2017 2:10 PM		
Deputy City Manager - Kyle Dooley		Kyle Dooley	Deputy City Manager	
Review	Completed	03/23/2017 3:16 PM		
Public Information Officer		Lisa Thompson	PIO Review	Completed
	03/23/2017 3:17 PM			
City Manager	John Whitson	City Manager Review	Completed	03/23/2017
	4:19 PM			
City Council	Vicky Coopwood	Meeting	Pending	03/27/2017
	6:00 PM			

Meeting History

ORDINANCE NO. 2017-037

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, APPROVING CONTRACTS FOR CAPITAL IMPROVEMENT PLAN PROJECTS FOR FOREST LAKE ESTATES STREET RECONSTRUCTION; FIRE DEPARTMENT AND STREET DEPARTMENT BUILDING IMPROVEMENTS; COWHORN CREEK TRAIL CORRIDOR; FLEET DEPARTMENT, SOTC, AND FIRE DEPARTMENT TRAINING CENTER PARKING LOTS; DREDGING OF SPRING LAKE PARK POND; AND ROOF REPLACEMENT PROJECTS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council approved the fiscal year 2017 budget on September 12, 2016; and

WHEREAS, this approved budget included the capital improvement plan; and

WHEREAS, bids have been completed for several of the listed projects in the capital improvement plan; and

WHEREAS, Stan Excavating submitted a bid and was the low bidder for the Forest Lake Estates Street Reconstruction project in the amount of three million six hundred forty-three thousand ninety-five dollars and eighty-two cents (\$3,643,095.82); and

WHEREAS, Contech Contractors, Inc. submitted a bid and was the low bidder for the Fire Department and Street Department Building Improvements project in the amount of six hundred forty-seven thousand six hundred dollars and no cents (\$647,600.00); and

WHEREAS, J.R. Pope Company, Inc. submitted a bid and was the low bidder for the Cowhorn Creek Trail Corridor project in the amount of nine hundred thirty-one thousand one hundred fifty-five dollars and twenty-four cents (\$931,155.24); and

WHEREAS, RBIS, LLC submitted a bid and was the low bidder for the Fleet Department, SOTC, and Fire Department Training Center Parking Lot Improvements project in the amount of five hundred thirty-eight thousand nine hundred forty-two dollars and ten cents (\$538,942.10); and

WHEREAS, Tatum Excavating Company, Inc. submitted a bid and was the low bidder for the Dredging of Spring Lake Park Pond project in an amount of eight hundred fifty-seven thousand nine hundred thirty-five dollars and no cents (\$857,935.00); and

WHEREAS, Hefner Roofing submitted a bid and was the low bidder for the Roof Replacement project in an amount of eight hundred forty thousand one hundred sixty-six dollars and no cents (\$840,166.00); and

WHEREAS, estimated contingency costs for these projects totals one million nine hundred sixty-four thousand seven hundred twenty-three dollars and fifty-four cents (\$1,964,723.54); and

WHEREAS, the budget for the fiscal year ending September 30, 2017 should be amended to reflect the appropriation of nine million four hundred twenty-three thousand six hundred seventeen dollars and seventy cents (\$9,423,617.70) in the 2017 Bond Fund.

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

SECTION 1: That the City Manager be and is hereby authorized to enter into a contract with Stan Excavating for the Forest Lake Estates Street Reconstruction project in an amount not to exceed three million six hundred forty-three thousand ninety-five dollars and eighty-two cents (\$3,643,095.82).

SECTION 2: That the City Manager be and is hereby authorized to enter into a contract with Contech Contractors, Inc. for the Fire Department and Street Department Building Improvements project in an amount not to exceed six hundred forty-seven thousand six hundred dollars and no cents (\$647,600.00).

SECTION 3: That the City Manager be and is hereby authorized to enter into a contract with J.R. Pope Company, Inc. for the Cowhorn Creek Trail Corridor project in an amount not to exceed nine hundred thirty-one thousand one hundred fifty-five dollars and twenty-four cents (\$931,155.24).

SECTION 4: That the City Manager be and is hereby authorized to enter into a contract with RBIS, LLC for the Fleet Department, SOTC, and Fire Department Training Center Parking Lot Improvements project in an amount not to exceed five hundred thirty-eight thousand nine hundred forty-two dollars and ten cents (\$538,942.10).

SECTION 5: That the City Manager be and is hereby authorized to enter into a contract with Tatum Excavating Company, Inc. for the Dredging of Spring Lake Park Pond project in an amount not to exceed eight hundred fifty-seven thousand nine hundred thirty-five dollars and no cents (\$857,935.00).

SECTION 6: That the City Manager be and is hereby authorized to enter into a contract with Hefner Roofing for the Roof Replacement project in an amount not to exceed eight hundred forty thousand one hundred sixty-six dollars and no cents (\$840,166.00).

SECTION 7: That the City Manager be and is hereby authorized to allocate contingency to the approved projects as needed in an amount not to exceed one million nine hundred sixty-four thousand seven hundred twenty-three dollars and fifty-four cents (\$1,964,723.54).

SECTION 8: That the budget estimate of the expenditures of the City of Texarkana, Texas, as prepared by the City Manager and appropriated by the City Council for the fiscal year beginning October 1, 2016 and ending September 30, 2017, be amended to reflect additional expenditures of nine million four hundred twenty-three thousand six hundred seventeen dollars and seventy cents (\$9,423,617.70) in the 2017 Bond Fund.

SECTION 9: That this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **27th day of March, 2017.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Attachment: 2017-037 ORD Approving CIP Contracts (1626 : 2017-037 ORD Approving CIP Contracts)

IFB 17-1901-01 Forest Lake Estates Street Reconstruction

Bid Comparison

BASE BID				STAN		TEC	
ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	COST	UNIT COST	COST
100 6002	PREPARING ROW	87	STA	\$2,500.00	\$217,500.00	\$1,450.00	\$126,150.00
104 6001	REMOVE CONCRETE (PAVEMENT, DRIVEWAYS, SIDEWALKS, CURB)	38600	SY	\$6.00	\$231,600.00	\$4.65	\$179,490.00
110 6001	EXCAVATION (ROADWAY)	9500	CY	\$15.00	\$142,500.00	\$23.75	\$225,625.00
110 9999	EXCAVATION (UNDERCUT UNSUITABLE MATERIAL)	3800	CY	\$13.00	\$49,400.00	\$19.50	\$74,100.00
132 6006	EMBANKMENT (FINAL)(DENS CONT)(TY C)	3800	CY	\$16.00	\$60,800.00	\$20.50	\$77,900.00
162 6002	BLOCK SODDING	24000	SY	\$4.00	\$96,000.00	\$4.85	\$116,400.00
260 6016	LIME (HYDRATED LIME (DRY))	900	TON	\$190.00	\$171,000.00	\$190.50	\$171,450.00
260 6073	LIME TRT (SUBGRADE)(8")	40200	SY	\$6.25	\$251,250.00	\$7.50	\$301,500.00
360 9998	CONCRETE PAVEMENT (6.5 INCHES THICK)	31300	SY	\$48.25	\$1,510,225.00	\$49.30	\$1,543,090.00
360 9999	CONCRETE PAVEMENT (8 INCHES THICK)	5100	SY	\$58.17	\$296,667.00	\$82.50	\$420,750.00
360 6026	CURB (TYPE I)	17650	LF	\$3.75	\$66,187.50	\$3.00	\$52,950.00
432 6024	RIPRAP (STONE COMMON)(DRY)(12 IN)	162	CY	\$45.00	\$7,290.00	\$134.00	\$21,708.00
464 6003	RC PIPE (CL III)(18 IN)	44	LF	\$91.75	\$4,037.00	\$57.50	\$2,530.00
464 6005	RC PIPE (CL III)(24 IN)	272	LF	\$22.86	\$6,217.92	\$65.00	\$17,680.00
465 6013	INLET (COMPLETE)(CURB)(TYPE 1)	1	EA	\$4,200.00	\$4,200.00	\$3,785.00	\$3,785.00
465 6158	INLET(COMPLETE)(PAZD)(FG)(3FTX3FT)	2	EA	\$3,200.00	\$6,400.00	\$3,375.00	\$6,750.00
466 6005	HEADWALL (CH-FW-0)(DIA= 24 IN)	5	EA	\$2,700.00	\$13,500.00	\$1,350.00	\$6,750.00
466 6006	HEADWALL (CH-FW-0)(DIA= 24 IN)(TWO PIPES)	2	EA	\$4,350.00	\$8,700.00	\$1,850.00	\$3,700.00
496 6002	REMOVE STRUCTURE (INLET)	3	EA	\$1,500.00	\$4,500.00	\$670.00	\$2,010.00
496 6006	REMOVE STRUCTURE (HEADWALL)	6	EA	\$1,000.00	\$6,000.00	\$670.00	\$4,020.00
496 6007	REMOVE STRUCTURE (PIPE)	316	LF	\$8.00	\$2,528.00	\$21.00	\$6,636.00
496 6099	REMOVE STRUCTURE (RAIL)	110	LF	\$7.00	\$770.00	\$8.00	\$880.00
500 6001	MOBILIZATION	1	LS	\$200,000.00	\$200,000.00	\$157,600.00	\$157,600.00
502 6001	BARRICADES, SIGNS AND TRAFFIC HANDLING	15	MO	\$2,500.00	\$37,500.00	\$1,850.00	\$27,750.00
506 6001	ROCK FILTER DAMS (INSTALL AND REMOVE) (TY 1)	240	LF	\$65.00	\$15,600.00	\$68.00	\$16,320.00
506 6020	CONSTRUCTION EXITS (INSTALL AND REMOVE) (TY 1)	160	SY	\$50.00	\$8,000.00	\$31.00	\$4,960.00
506 6039	TEMPORARY SEDIMENT CONT FENCE (INSTALL AND REMOVE)	9100	LF	\$3.75	\$34,125.00	\$4.25	\$38,675.00
528 6006	REMOVE AND RELAY PAVERS	7	SY	\$50.00	\$350.00	\$325.00	\$2,275.00
530 6004	DRIVEWAYS (CONC)	1950	SY	\$52.50	\$102,375.00	\$52.00	\$101,400.00
531 6001	CONC SIDEWALKS (4")	85	SY	\$50.00	\$4,250.00	\$116.00	\$9,860.00
536 6001	CONC MEDIAN	200	LF	\$36.25	\$7,250.00	\$70.00	\$14,000.00
560 6001	MAILBOX/PLANTER SALVAGE AND REINSTALL (BRICK MAILBOX/PLANTER)	36	EA	\$500.00	\$18,000.00	\$425.00	\$15,300.00
560 6002	MAILBOX SALVAGE AND REINSTALL (POST MAILBOX)	2	EA	\$150.00	\$300.00	\$313.00	\$626.00
644 6060	INSTALL SMALL ROADSIDE SIGN ASSEMBLY TYTWT(1)WS(P)	2	EA	\$300.00	\$600.00	\$265.00	\$530.00
666 6176	REFL PAV MRK TY II (W) 8" (DOT)	40	LF	\$2.20	\$88.00	\$2.15	\$86.00
666 6178	REFL PAV MRK TY II (W) 8" (SLD)	60	LF	\$2.20	\$132.00	\$2.15	\$129.00
666 6182	REFL PAV MRK TY II (W) 24" (SLD)	110	LF	\$6.60	\$726.00	\$6.50	\$715.00
666 6184	REFL PAV MRK TY II (W) (ARROW)	2	EA	\$165.00	\$330.00	\$159.00	\$318.00
666 6185	REFL PAV MRK TY II (W) (DBL ARROW)	3	EA	\$330.00	\$990.00	\$318.00	\$954.00
666 6196	REFL PAV MRK TY II (W) (RR XING)	2	EA	\$192.50	\$385.00	\$185.50	\$371.00
666 6205	REFL PAV MRK TY II (Y) 4" (BRK)	1680	LF	\$0.83	\$1,394.40	\$0.80	\$1,344.00
666 6207	REFL PAV MRK TY II (Y) 4" (SLD)	2300	LF	\$0.83	\$1,909.00	\$0.80	\$1,840.00
666 6214	REFL PAV MRK TY II (Y) 24" (SLD)	140	LF	\$6.60	\$924.00	\$6.50	\$910.00
666 6217	REFL PAV MRK TY II (Y) (MED NOSE)	4	EA	\$330.00	\$1,320.00	\$318.00	\$1,272.00
S-0001	GEOGRID FABRIC	3900	SY	\$4.00	\$15,600.00	\$4.25	\$16,575.00
SUBTOTAL - BASE BID				\$3,609,420.82		\$3,779,664.00	
ALTERNATE NO. 1 - HOT MIX ASPHALTIC CONCRETE							
ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	COST	UNIT COST	COST
ADD ITEMS							
110 6001	EXCAVATION (ROADWAY)	14900	CY	\$15.00	\$223,500.00	\$22.00	\$327,800.00
247 6231	FLEXIBLE BASE (COMPLETE IN PLACE) (TYPE A GR 1-2) (8")	20000	SY	\$15.00	\$300,000.00	\$14.75	\$295,000.00
247 6232	FLEXIBLE BASE (COMPLETE IN PLACE) (TYPE A GR 1-2) (10")	20200	SY	\$18.75	\$378,750.00	\$18.35	\$370,670.00
310 6009	PRIME COAT (MC-30)	12100	GAL	\$6.60	\$79,860.00	\$5.00	\$60,500.00
340 6050	D-GR HMA(SQ) TY-C PG70-22	800	TON	\$108.86	\$87,088.00	\$99.00	\$79,200.00
340 6119	D-GR HMA(SQ) TY-D SAC-A PG70-22	3700	TON	\$108.86	\$402,782.00	\$99.50	\$368,150.00
360 6026	CURB (TYPE I)	1220	LF	\$20.00	\$24,400.00	\$10.00	\$12,200.00
529 6007	CONC CURB & GUTTER (TY I)	16330	LF	\$20.00	\$326,600.00	\$25.70	\$419,681.00
OMIT ITEMS							
110 6001	EXCAVATION (ROADWAY)	9500	CY	\$15.00	\$142,500.00	\$23.75	\$225,625.00
360 9998	CONCRETE PAVEMENT (6.5 INCHES THICK)	31300	SY	\$48.25	\$1,510,225.00	\$49.30	\$1,543,090.00
360 9999	CONCRETE PAVEMENT (8 INCHES THICK)	5100	SY	\$58.17	\$296,667.00	\$82.50	\$420,750.00
360 6026	CURB (TYPE I)	17650	LF	\$3.75	\$66,187.50	\$3.00	\$52,950.00
SUBTOTAL - ALTERNATE NO. 1				-\$192,599.50		-\$309,214.00	
SUBTOTAL - BASE BID + ALTERNATE NO. 1				\$3,416,821.32		\$3,470,450.00	
ALTERNATE NO. 2 - N-12 HP STORM PIPE							
ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	COST	UNIT COST	COST
ADD ITEMS							
S-001	N-12 HP STORM PIPE (18 IN)	44	LF			\$60.00	\$2,640.00
S-002	N-12 HP STORM PIPE (24 IN)	272	LF			\$68.00	\$18,496.00
OMIT ITEMS							
464 6003	RC PIPE (CL III)(18 IN)	44	LF			\$57.50	\$2,530.00
464 6005	RC PIPE (CL III)(24 IN)	272	LF			\$65.00	\$17,680.00
SUBTOTAL - ALTERNATE NO. 2						\$926.00	
SUBTOTAL - BASE BID + ALTERNATE NO. 2						\$3,780,590.00	
ALTERNATE NO. 3 - IRRIGATION SYSTEM & LANDSCAPE REPLACEMENT							
ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	COST	UNIT COST	COST
ADD ITEMS							
170 9999	IRRIGATION SYSTEM & LANDSCAPE REPLACEMENT	1	LS	\$33,675.00	\$33,675.00	\$35,700.00	\$35,700.00
SUBTOTAL - ALTERNATE NO. 3				\$33,675.00		\$35,700.00	
SUBTOTAL - BASE BID + ALTERNATE NO. 3				\$3,643,095.82		\$3,815,364.00	
SUBTOTAL - BASE BID + ALTERNATE NO. 1 + ALTERNATE NO. 2 + ALTERNATE NO. 3				\$3,450,496.32		\$3,507,076.00	

Attachment: 2017-037 ATTH 01 Forest Lake Bid Comparison (1626 : 2017-037 ORD Approving CIP Contracts)

**IFB 17-1901-02 FD and Street Department Building Improvements
Bid Comparison**

		CONTECH	ALTECH	FOUR THIRTEEN
Item No.	Description	Lump Sum Total	Lump Sum Total	Lump Sum Total
A	Fire Training Center Classroom	\$237,300.00	\$232,240.00	\$254,000.00
B	Existing Service Center Renovation and Expansion	\$253,300.00	\$248,400.00	\$266,800.00
C	Existing Oper Air Covered Parking Building Expansion	\$53,900.00	\$60,897.00	\$56,300.00
D	New Parking Lot	\$86,500.00	\$102,800.00	\$111,000.00
	TOTAL BASE BID	\$631,000.00	\$644,337.00	\$688,100.00
	Additive Alernate #1-Remove the existing metal siding of Service Center and replace with new	\$3,400.00	\$5,500.00	\$4,500.00
	TOTAL BASE BID Plus Alternate No. 1	\$634,400.00	\$649,837.00	\$692,600.00
	Additive Alernate #2-Labor and material cost to install 12 work stations	\$13,200.00	\$12,700.00	\$13,000.00
	TOTAL BASE BID Plus Alternate No. 2	\$644,200.00	\$657,037.00	\$701,100.00
	TOTAL BASE BID Plus Alternate No. 1 and 2	\$647,600.00	\$662,537.00	\$705,600.00

IFB 17-1901-05 Cowhorn Creek Trail Corridor

Bid Comparison

Bid Comparison				JR POPE		TEC	
ITEM NO.	DESCRIPTION TXDOT SPEC ITEM	ESTIMATED QUANTITY	UNIT	UNIT PRICE	EXTENDED AMOUNT	UNIT PRICE	EXTENDED AMOUNT
1	MOBILIZATION ITEM 500	1	LS	\$40,000.00	\$40,000.00	\$48,350.00	\$48,350.00
2	BARRICADES, SIGNS & TRAFFIC HANDLING ITEM 502	4	MO	\$1,600.00	\$6,400.00	\$2,665.00	\$10,660.00
3	REMOVING CONC (CURB OR CURB & GUTTER) ITEM 104	194	LF	\$15.00	\$2,910.00	\$57.35	\$11,125.90
4	BROADCAST SEED (TEMP) (WARM) ITEM 164	1,867	SY	\$0.35	\$653.45	\$1.50	\$2,800.50
5	BROADCAST SEED (PERM) (URBAN) ITEM 164	1,867	SY	\$0.35	\$653.45	\$1.50	\$2,800.50
6	CEMENT ITEM 275	21.9	TON	\$138.00	\$3,022.20	\$200.00	\$4,380.00
7	CEMENT TREAT (EXIST MATL) (8") ITEM 275	1,092	SY	\$6.60	\$7,207.20	\$12.50	\$13,650.00
8	PRIME COAT (MC-30) ITEM 310	218	GAL	\$5.50	\$1,199.00	\$7.70	\$1,678.60
9	DRILL SHAFT (TRF SIG POLE) (30 IN) ITEM 416	90.4	LF	\$170.00	\$15,368.00	\$176.00	\$15,910.40
10	DRILL SHAFT (TRF SIG POLE) (36 IN) ITEM 416	52.8	LF	\$240.00	\$12,672.00	\$248.00	\$13,094.40
11	RC PIPE (CL III) (60 IN) ITEM 464	20	LF	\$275.00	\$5,500.00	\$320.00	\$6,400.00
12	WINGWALL (PW-1) (HW = 6 FT) ITEM 466	2	EA	\$25,000.00	\$50,000.00	\$13,150.00	\$26,300.00
13	REMOVE STR (PIPE) ITEM 496	20	LF	\$1,000.00	\$20,000.00	\$85.00	\$1,700.00
14	SILT FENCE ITEM 506	1,000	LF	\$3.00	\$3,000.00	\$6.75	\$6,750.00
15	PORT CTB (FUR & INST) (SGL SLOPE) (TY 1) ITEM 512	750	LF	\$88.00	\$66,000.00	\$88.00	\$66,000.00
16	CURB RAMPS ITEM 531	29	EA	\$750.00	\$21,750.00	\$1,500.00	\$43,500.00
17	CONC SIDEWALKS (4") ITEM 531	2,209	SY	\$50.00	\$110,450.00	\$85.50	\$188,869.50
18	PREFORMED IN-LANE RUMBLE STRIP ITEM 6056	160	LF	\$15.75	\$2,520.00	\$10.00	\$1,600.00
19	CRASH CUSH ATTEN (N) (TL2) ITEM 545	2	EA	\$20,000.00	\$40,000.00	\$19,250.00	\$38,500.00
20	CONDUIT (PVC) (SCH 40) (3") ITEM 618	446	LF	\$8.50	\$3,791.00	\$9.00	\$4,014.00
21	CONDUIT (PVC) (SCH 40) (3") (BORE) ITEM 618	751	LF	\$26.25	\$19,713.75	\$27.50	\$20,652.50
22	ELEC CONDUCTOR (NO 12) (INSULATED) ITEM 620	3,005	LF	\$0.80	\$2,404.00	\$0.85	\$2,554.25
23	ELEC CONDUCTOR (NO 8) (INSULATED) ITEM 620	1,844	LF	\$2.20	\$4,056.80	\$2.30	\$4,241.20
24	ELEC CONDUCTOR (NO 6) (BARE) ITEM 620	1,380	LF	\$2.05	\$2,829.00	\$2.15	\$2,967.00
25	ELEC CONDUCTOR (NO 6) (INSULATED) ITEM 620	62	LF	\$3.00	\$186.00	\$3.15	\$195.30
26	ELEC CONDUCTOR (NO 2) (INSULATED) ITEM 620	386	LF	\$3.25	\$1,254.50	\$3.15	\$1,215.90
27	GROUND BOX TY D (16922) W/APRON ITEM 624	15	EA	\$750.00	\$11,250.00	\$785.00	\$11,775.00
28	ELC SRV TY D 120/240 100 (NS) AL (E) PS (U) ITEM 628	3	EA	\$4,300.00	\$12,900.00	\$4,510.00	\$13,530.00
29	IN SM RD SN SUPPORT ASSEMBLY ITEM 644	17	EA	\$825.00	\$14,025.00	\$250.00	\$4,250.00
30	REFL PAV MRK TY II (Y) 24" (SLD) ITEM 666	160	LF	\$3.85	\$616.00	\$4.00	\$640.00
31	REFL PAV MRK TY II (W) 4" (SLD) ITEM 666	12,338	LF	\$0.21	\$2,590.98	\$0.25	\$3,084.50
32	REFL PAV MRK TY II (W) 8" (SLD) ITEM 666	900	LF	\$0.53	\$477.00	\$0.55	\$495.00
33	REFL PAV MRK TY II (W) 24" (SLD) ITEM 666	785	LF	\$2.90	\$2,276.50	\$3.00	\$2,355.00
34	REFL PAV MRK TY II (Y) 4" (BRK) ITEM 666	3,406	LF	\$0.21	\$715.26	\$0.25	\$851.50
35	REFL PAV MRK TY II (Y) 4" (SLD) ITEM 666	12,426	LF	\$0.21	\$2,609.46	\$0.25	\$3,106.50
36	REFL PAV MRK TY II (W) (ARROW) ITEM 666	18	EA	\$47.50	\$855.00	\$49.50	\$891.00
37	REFL PAV MRK TY II (W) (WORD) ITEM 666	18	EA	\$58.00	\$1,044.00	\$60.50	\$1,089.00
38	REFL PAV MRK TY II (W) (BIKE ARROW) ITEM 666	11	EA	\$26.25	\$288.75	\$27.50	\$302.50
39	REFL PAV MRK TY II (W) (BIKE LANE) (WORDS) ITEM 666	22	EA	\$68.25	\$1,501.50	\$71.50	\$1,573.00
40	REFL PAV MRK TY II (W) (BIKE DOT) ITEM 666	161	EA	\$6.30	\$1,014.30	\$6.60	\$1,062.60
41	RE PM W/RET REQ TY I (W) 4" (SLD) (100MIL) ITEM 666	12,338	LF	\$0.42	\$5,181.96	\$0.45	\$5,552.10
42	RE PM W/RET REQ TY I (W) 8" (SLD) (100MIL) ITEM 666	900	LF	\$1.10	\$990.00	\$1.10	\$990.00
43	RE PM W/RET REQ TY I (Y) 4" (BRK) (100MIL) ITEM 666	3,406	LF	\$0.42	\$1,430.52	\$0.45	\$1,532.70
44	RE PM W/RET REQ TY I (Y) 4" (SLD) (100MIL) ITEM 666	12,426	LF	\$0.42	\$5,218.92	\$0.45	\$5,591.70

Attachment: 2017-037 ATTH 03 Cowhorn Creek Trail Bid Comparison (1626 : 2017-037 ORD Approving CIP Contracts)

45	PREFAB PAV MRK TY C (W) (24") (SLD) ITEM 668	785	LF	\$12.60	\$9,891.00	\$13.20	\$10,362.00
46	PREFAB PAV MRK TY C (Y) (24") (SLD) ITEM 668	160	LF	\$12.60	\$2,016.00	\$13.20	\$2,112.00
47	PREFAB PAV MRK TY C (W) (ARROW) ITEM 668	18	EA	\$185.00	\$3,330.00	\$193.00	\$3,474.00
48	PREFAB PAV MRK TY C (W) (WORD) ITEM 668	18	EA	\$226.00	\$4,068.00	\$235.00	\$4,230.00
49	PREFAB PAV MRK TY C (W) (BIKE ARROW) ITEM 668	11	EA	\$79.25	\$871.75	\$83.00	\$913.00
50	REFL PAV MRK TY C (W) (BIKE LANE) (WORDS) ITEM 668	22	EA	\$168.25	\$3,701.50	\$175.00	\$3,850.00
51	REFL PAV MRK TY C (W) (BIKE DOT) ITEM 668	161	EA	\$5.80	\$933.80	\$6.00	\$966.00
52	ELIM EXT PAV MRK & MRKS (4") ITEM 677	17,032	LF	\$0.37	\$6,301.84	\$0.45	\$7,664.40
53	INSTL OF HWY TRAF SIG (ISOLATED) ITEM 680	3	EA	\$21,150.00	\$63,450.00	\$22,100.00	\$66,300.00
54	VEH SIG SEC (12 IN) (LED) (GRN) ITEM 682	36	EA	\$225.00	\$8,100.00	\$235.00	\$8,460.00
55	VEH SIG SEC (12 IN) (LED) (GRN ARW) ITEM 682	12	EA	\$252.00	\$3,024.00	\$264.00	\$3,168.00
56	VEH SIG SEC (12 IN) (LED) (YEL) ITEM 682	36	EA	\$225.00	\$8,100.00	\$235.00	\$8,460.00
57	VEH SIG SEC (12 IN) (LED) (YEL ARW) ITEM 682	12	EA	\$250.00	\$3,000.00	\$250.00	\$3,000.00
58	VEH SIG SEC (12 IN) (LED) (RED) ITEM 682	36	EA	\$225.00	\$8,100.00	\$235.00	\$8,460.00
59	PED SIG SEC (LED) (COUNTDOWN) ITEM 682	6	EA	\$615.00	\$3,690.00	\$650.00	\$3,900.00
60	BACK PLATE (3 SEC) (12 IN) ITEM 682	24	EA	\$110.00	\$2,640.00	\$115.00	\$2,760.00
61	BACK PLATE (5 SEC) (12 IN) ITEM 682	12	EA	\$132.00	\$1,584.00	\$140.00	\$1,680.00
62	TRAF SIG CBL (TY A) (12 AWG) (7 CONDR) ITEM 684	3,005	LF	\$3.25	\$9,766.25	\$3.40	\$10,217.00
63	INSTALL RDSD RRFB ASSEMBLY ITEM 685	2	EA	\$12,563.00	\$25,126.00	\$13,150.00	\$26,300.00
64	INSTALL RDSD FLSH BCN ASSM (SOLAR PWRD)	1	EA	\$9,398.00	\$9,398.00	\$9,800.00	\$9,800.00
65	INS TRF SIG PL AM (S) 1 ARM (28') LUM ITEM 686	8	EA	\$7,350.00	\$58,800.00	\$7,700.00	\$61,600.00
66	INS TRF SIG PL AM (S) 1 ARM (36') LUM ITEM 686	4	EA	\$8,925.00	\$35,700.00	\$9,350.00	\$37,400.00
67	PED POLE ASSEMBLY ITEM 687	8	EA	\$1,600.00	\$12,800.00	\$1,675.00	\$13,400.00
68	PED DETEDT PUSH BUTTON (APS) ITEM 688	8	EA	\$2,050.00	\$16,400.00	\$2,150.00	\$17,200.00
69	VIVDS COMMUNICATION CABLE (COAXIAL) ITEM 6002	1,709	LF	\$4.20	\$7,177.80	\$4.40	\$7,519.60
70	VIVDS CAMERA ASSEMBLY ITEM 6002	12	EA	\$1,865.00	\$22,380.00	\$1,950.00	\$23,400.00
71	VIVDS PROCESSOR SYSTEM ITEM 6002	3	EA	\$8,925.00	\$26,775.00	\$9,350.00	\$28,050.00
72	VIVDS SET-UP SYSTEM ITEM 6002	1	EA	\$2,250.00	\$2,250.00	\$2,300.00	\$2,300.00
73	TRAIL BENCH & APRON	2	EA	\$1,500.00	\$3,000.00	\$2,725.00	\$5,450.00
74	TRAIL TRASH RECEPTACLE	3	EA	\$1,300.00	\$3,900.00	\$1,760.00	\$5,280.00
75	TRAIL BIKE RACK	1	EA	\$1,000.00	\$1,000.00	\$990.00	\$990.00
76	TRAIL LIGHT	10	EA	\$2,458.00	\$24,580.00	\$2,800.00	\$28,000.00
77	REMOVE TRAFFIC SIGNALS (KENNEDY)	1	LS	\$5,100.00	\$5,100.00	\$5,335.00	\$5,335.00
78	ACP SURFACE (TY D) PG64-20	180	TON	\$106.70	\$19,206.00	\$113.00	\$20,340.00
79	CONCRETE SIDEWALK (6")	124.4	SY	\$52.00	\$6,468.80	\$122.00	\$15,176.80
TOTAL BID AMOUNT							\$1,056,099.85

Attachment: 2017-037 ATTH 03 Cowhorn Creek Trail Bid Comparison (1626 : 2017-037 ORD Approving CIP Contracts)

Fleet Department Parking Lot				RBIS		CONTECH		STAN		JR POPE		TEC		FOUR THIRTEEN	
Item No.	Description	Estimated Quantity	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization	1	LS	\$6,515.00	\$6,515.00	\$13,332.00	\$13,332.00	\$1,500.00	\$1,500.00	\$12,200.00	\$12,200.00	\$18,453.75	\$18,453.75	\$3,800.00	\$3,800.00
2	Remove existing pavement	4800	SY	\$7.51	\$36,048.00	\$1.39	\$6,672.00	\$2.50	\$12,000.00	\$3.30	\$15,840.00	\$6.30	\$30,240.00	\$4.25	\$20,400.00
3	8" Reinforced Concrete Pavement	4800	SY	\$37.83	\$181,584.00	\$50.52	\$242,496.00	\$58.50	\$280,800.00	\$58.00	\$278,400.00	\$50.75	\$243,600.00	\$67.00	\$321,600.00
4	Mountable Curb	150	LF	\$17.85	\$2,677.50	\$21.60	\$3,240.00	\$2.20	\$330.00	\$10.00	\$1,500.00	\$32.35	\$4,852.50	\$25.00	\$3,750.00
5	Subgrade Preparation	4800	SY	\$1.62	\$7,776.00	\$3.37	\$16,176.00	\$2.25	\$10,800.00	\$3.05	\$14,640.00	\$6.15	\$29,520.00	\$5.50	\$26,400.00
6	Lime Subgrade Preparation	2400	SY	\$3.00	\$7,200.00	\$7.79	\$18,696.00	\$4.00	\$9,600.00	\$5.00	\$12,000.00	\$10.10	\$24,240.00	\$9.00	\$21,600.00
7	Lime (40 LBS/SY)	48	TON	\$190.00	\$9,120.00	\$185.68	\$8,912.64	\$185.00	\$8,880.00	\$225.00	\$10,800.00	\$205.75	\$9,876.00	\$173.00	\$8,304.00
8	Relocate Building	1	SY	\$700.00	\$700.00	\$330.00	\$330.00	\$1,000.00	\$1,000.00	\$1,687.00	\$1,687.00	\$2,725.00	\$2,725.00	\$4,600.00	\$4,600.00
9	Erosion Control	1	LS	\$2,250.00	\$2,250.00	\$2,420.00	\$2,420.00	\$3.25	\$1,625.00	\$3,000.00	\$3,000.00	\$3,245.00	\$3,245.00	\$2,400.00	\$2,400.00
10	Payment and Performance Bond	1	LS	\$6,500.00	\$6,500.00	\$5,685.00	\$5,685.00	\$9,800.00	\$3.00	\$10,000.00	\$10,000.00	\$7,000.00	\$7,000.00	\$6,700.00	\$6,700.00
				TOTAL:	\$260,370.50	TOTAL:	\$317,959.64	TOTAL:	\$326,538.00	TOTAL:	\$360,067.00	TOTAL:	\$373,752.25	TOTAL:	\$419,554.00

SOTC Parking Lot															
Item No.	Description	Estimated Quantity	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization	1	LS	\$1,000.00	\$1,000.00	\$9,042.00	\$9,042.00	\$2,000.00	\$2,000.00	\$10,000.00	\$10,000.00	\$6,905.00	\$6,905.00	\$3,000.00	\$3,000.00
2	Milling (12")	2020	SY	\$7.97	\$16,099.40	\$2.40	\$4,848.00	\$7.85	\$15,857.00	\$7.70	\$15,554.00	\$9.35	\$18,887.00	\$16.00	\$32,320.00
3	Milling (10")	4385	SY	\$7.15	\$31,352.75	\$2.17	\$9,515.45	\$7.85	\$34,422.25	\$7.15	\$31,352.75	\$8.00	\$35,080.00	\$12.00	\$52,620.00
4	Dry Cement (40 lbs/SY)	128	TN	\$147.00	\$18,816.00	\$269.61	\$34,510.08	\$140.00	\$17,920.00	\$137.50	\$17,600.00	\$146.95	\$18,809.60	\$276.00	\$35,328.00
5	2" Type D HMA	6405	SY	\$11.18	\$71,607.90	\$11.72	\$75,066.60	\$11.71	\$75,002.55	\$11.72	\$75,066.60	\$12.75	\$81,663.75	\$12.00	\$76,860.00
6	Remove existing fence	715	LF	\$1.85	\$1,322.75	\$1.54	\$1,101.10	\$3.00	\$2,145.00	\$1.55	\$1,108.25	\$2.60	\$1,859.00	\$4.00	\$2,860.00
7	Install Chainlink Fence	490	LF	\$18.07	\$8,854.30	\$18.07	\$8,854.30	\$19.70	\$9,653.00	\$18.07	\$8,854.30	\$14.85	\$7,276.50	\$21.00	\$10,290.00
8	Install Chainlink Gate	1	EA	\$880.00	\$880.00	\$880.00	\$880.00	\$1,595.00	\$1,595.00	\$880.00	\$880.00	\$2,200.00	\$2,200.00	\$660.00	\$660.00
9	5" Reinforced Concrete Pavement	30	SY	\$120.50	\$3,615.00	\$63.90	\$1,917.00	\$72.00	\$2,160.00	\$65.00	\$1,950.00	\$74.90	\$2,247.00	\$129.00	\$3,870.00
10	Strip, topsoil, and seed	1800	SY	\$5.23	\$9,414.00	\$6.22	\$11,196.00	\$3.06	\$5,501.00	\$3.73	\$6,714.00	\$7.80	\$14,040.00	\$2.10	\$3,780.00
11	Erosion Control Items	1	LS	\$690.00	\$690.00	\$2,420.00	\$2,420.00	\$1,000.00	\$1,000.00	\$3,000.00	\$3,000.00	\$3,245.00	\$3,245.00	\$2,200.00	\$2,200.00
12	Payment and Performance Bond	1	LS	\$4,250.00	\$4,250.00	\$3,391.00	\$3,391.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$1,860.00	\$1,860.00	\$2,700.00	\$2,700.00
				TOTAL:	\$167,902.10	TOTAL:	\$162,741.53	TOTAL:	\$172,255.80	TOTAL:	\$177,079.90	TOTAL:	\$194,072.85	TOTAL:	\$226,488.00

Additive Alternate

1	Remove and replace curb	110	LF	\$26.25	\$2,887.50	\$28.37	\$3,120.70	\$25.00	\$2,750.00	\$40.00	\$4,400.00	\$38.25	\$4,207.50	\$29.00	\$3,190.00
2	Remove and haul off trees	1	LS	\$4,227.00	\$4,227.00	\$6,981.00	\$6,981.00	\$2,500.00	\$2,500.00	\$3,300.00	\$3,300.00	\$15,145.00	\$15,145.00	\$5,900.00	\$5,900.00
3	Bermuda Grass Sod Disturbed Areas	1	LS	\$3,150.00	\$3,150.00	\$2,866.00	\$2,866.00	\$950.00	\$950.00	\$3,000.00	\$3,000.00	\$4,050.00	\$4,050.00	\$3,000.00	\$3,000.00
				TOTAL:	\$10,264.50	TOTAL:	\$12,967.70	TOTAL:	\$6,200.00	TOTAL:	\$10,700.00	TOTAL:	\$23,402.50	TOTAL:	\$12,090.00

FD Training Center Parking Lot															
Item No.	Description	Estimated Quantity	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization	1	LS	\$2,000.00	\$2,000.00	\$9,141.00	\$9,141.00	\$1,500.00	\$1,500.00	\$5,000.00	\$5,000.00	\$4,280.00	\$4,280.00	\$1,200.00	\$1,200.00
2	8" Reinforced Concrete Pavement	1500	SY	\$46.30	\$69,450.00	\$53.63	\$80,445.00	\$58.50	\$87,750.00	\$58.00	\$87,000.00	\$52.90	\$79,350.00	\$59.00	\$88,500.00
3	6" Reinforced Concrete Pavement	443	SY	\$28.00	\$12,404.00	\$46.70	\$20,688.10	\$48.50	\$21,485.50	\$49.00	\$21,707.00	\$51.70	\$22,903.10	\$57.00	\$25,251.00
4	Subgrade Preparation	1943	SY	\$7.00	\$13,601.00	\$6.29	\$12,221.47	\$5.60	\$10,880.80	\$6.82	\$13,251.26	\$10.10	\$19,624.30	\$10.00	\$19,430.00
5	Erosion Control	1	LS	\$450.00	\$450.00	\$3,388.00	\$3,388.00	\$500.00	\$500.00	\$1,500.00	\$1,500.00	\$2,065.00	\$2,065.00	\$4,000.00	\$4,000.00
6	Payment and Performance Bond	1	LS	\$2,500.00	\$2,500.00	\$2,890.00	\$2,890.00	\$3,600.00	\$3,600.00	\$4,000.00	\$4,000.00	\$1,850.00	\$1,850.00	\$1,900.00	\$1,900.00
				TOTAL:	\$100,405.00	TOTAL:	\$128,773.57	TOTAL:	\$125,716.30	TOTAL:	\$132,458.26	TOTAL:	\$130,072.40	TOTAL:	\$140,281.00
Total Base:					\$609,474.74		\$624,510.10		\$624,510.10		\$669,605.16		\$678,897.50		\$786,323.00
Total Base & Alternate:					\$538,942.10		\$622,442.44		\$630,710.10		\$680,305.16		\$721,300.00		\$798,413.00

**IFB 17-2202-09 Dredging Spring Lake Park Pond
Bid Comparison**

		TEC	3D Farms	RBIS	FOUR THIRTEEN
Item No.	Description	Lump Sum Total	Lump Sum Total	Lump Sum Total	Lump Sum Total
1	Dredging Spring Lake Park Pond	\$582,614.50	\$985,500.00	\$920,400.00	\$1,230,000.00
2	Gabion Baskets (2,730 LF)	\$275,320.50	\$326,508.00	\$418,900.00	\$387,000.00
	TOTAL BASE BID	\$857,935.00	\$1,312,008.00	\$1,339,300.00	\$1,617,000.00

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☒ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☒ Foster a Healthy Community
Run the Operations	☒ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: High

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☐ None Required	☐

Other:

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 3/9/2017 2:30 PM

Lead Department: Water Utilities **Action Officer:** Pam White,
Resolution No. 2017-030 authorizing the City Manager to execute a contract for
the Millwood Water Treatment Plant Sludge Ponds Cleaning Project in an
amount with the Texas portion not to exceed \$74,529.70 and the total amount
Subject: not to exceed \$119,000.00.

Briefing: 3/27/2017 **Public Hearing:** 3/27/2017 **Second Briefing:** April 10, 2017 **Council Vote:** 4/24/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

“NOT APPLICABLE”

Executive Summary and Background Information:

Bids were received Tuesday, February 28, 2017 for the Millwood Water Treatment Plant Sludge Pond Cleaning Project. Five (5) contractors picked up bid packages for the project and three (3) contractors bid on the project. Denali Water Solutions, LLC of Russellville, Arkansas was the apparent low bidder on the project with a low bid amount of \$119,000.00. The project will consist of removing the accumulated solids from two (2) of the sludge ponds at the Millwood Water Treatment Plant and properly disposing of them through land application. The ponds are used to store the solids that are removed from the raw water during the drinking water treatment process. The ponds need to be cleaned periodically to maintain their effectiveness and meet the required State discharge levels. TWU has previously completed four (4) sludge pond cleaning projects at the Millwood Water Treatment Plant, in 2001, 2005, 2009 and in 2014. Denali Water Solutions, LLC previously successfully completed the 2014 sludge pond cleaning project.

Potential Options:

- “None”

Fiscal Implications:

Funds are available in the Utility’s Millwood Water Treatment Plant Depreciation Fund for this project. \$100,000 was budgeted and the additional funds required can be reallocated from within the fund.

Staff Recommendation:

Texarkana Water Utilities Staff recommends approval of the bid and a bid tabulation sheet is attached.

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

City of Texarkana, Texas

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-030 RES Millwood WTP Sludge Pond Cleaning (DOC)
- b. 2017-030 ATTH 01 Bid Tab (DOCX)
- c. 2017-030 Goals & Perspectives (DOCX)

Staff Coordination

Water Utilities 4:31 PM	Jim Cornelius	Review	Completed	03/01/2017
Water Utilities	JD Phillips 03/01/2017 4:32 PM	Department Head Review	Completed	
Public Information Officer	Lisa Thompson 03/01/2017 4:36 PM	PIO Review	Completed	
City Manager 2:29 PM	John Whitson	City Manager Review	Completed	03/09/2017
City Council 6:00 PM	Jennifer Evans	Meeting	Completed	03/13/2017

Meeting History

03/13/17	City Council	MOVED FORWARD	Next: 03/27/17
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RESOLUTION NO. 2017-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AUTHORIZING THE CITY MANAGER TO ACCEPT THE BID AND ENTER INTO A CONTRACT WITH DENALI WATER SOLUTIONS, LLC. OF RUSSELLVILLE, ARKANSAS, IN AN AMOUNT WITH THE TEXAS PORTION NOT TO EXCEED \$74,529.70 AND THE TOTAL AMOUNT NOT TO EXCEED \$119,000.00 FOR THE CLEANING OF TWO SLUDGE PONDS AT THE MILLWOOD WATER TREATMENT PLANT; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on February 28, 2017, three (3) bids were received by the Texarkana Water Utilities for the Millwood Water Treatment Plant Sludge Pond Cleaning Project; and

WHEREAS, the project will consist of removing and disposing of the accumulated solids from two (2) of the sludge ponds at the Millwood Water Treatment Plant; and

WHEREAS, the lowest and best bid by a responsible vendor for this project was submitted by Denali Water Solutions, LLC. of Russellville, Arkansas, a copy of which is attached hereto as ATTH 01; and

WHEREAS, the funds were budgeted in the Texarkana Water Utilities 2016-2017 Budget at \$100,000.00 in the Millwood Water Treatment Plant Depreciation Fund and the additional funds required can be reallocated from within the fund.

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

SECTION 1: That the lowest and best bid by a responsible vendor, submitted by Denali Water Solutions, LLC. of Russellville, Arkansas, a copy of which is attached hereto as ATTH 01, be and is hereby approved in an amount with the Texas portion not to exceed \$74,529.70 and the total amount not to exceed \$119,000.00 for removing and disposing of the accumulated solids for the Millwood Water Treatment Plant Sludge Pond Cleaning Project.

SECTION 2: That the City Manager be and is authorized to contract with Denali Water Solutions, LLC. of Russellville, Arkansas, for the above described services.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **24th day of April, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

2017-030 ATTH 01

BID TABULATION

**Millwood Water Treatment Plant
Sludge Pond Cleaning**

2:00 P.M., Tuesday, February 28, 2017

	<u>Base Bid</u>
1. TEC Texarkana, Texas	No Bid
2. Denali Water Solutions Russellville, Arkansas	\$119,000.00
3. Midwest Injection Cascade, Iowa	\$169,000.00
4. HEC Environmental Group Texarkana, Arkansas	\$160,000.00
5. J & B Tanker, Inc Plainview, Arkansas	No Bid

Time First Bid Opened: 2:00 P.M.

Number of Bidders: 3

Apparent Low Bidder: Denali Water Solutions

Attachment: 2017-030 ATTH 01 Bid Tab (1618 : 2017-030 RES Millwood Water Treatment Plant Sludge Ponds Cleaning Project)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☐	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☐	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☐	None Required	☐	

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 3/9/2017 4:55 PM

Lead Department: Police **Action Officer:** Michael Henry, Captain
Resolution No. 2017-031 authorizing the City Manager to enter into a five (5)
year purchasing agreement with Taser International of Scottsdale, Arizona, to
supply police fleet and body cameras along with cloud storage for a total
Subject: amount not to exceed \$228,031.86.

Briefing: 3/27/2017 **Public Hearing:** 3/27/2017 **Second Briefing:** April 10, 2017 **Council Vote:** 4/24/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

The police department is mandated by the State of Texas to have video and audio recording equipment in all fleet vehicles regularly used to make traffic stops. In addition, the department initiated a body worn camera program in August of 2015 after receiving private donations to purchase body cameras. The body worn camera program proved to be a success. Unfortunately, the equipment from the department's long-time vendor no longer meets the minimum standards for functionality and reliability. After testing and evaluation, the cameras and cloud management system from Taser International have been chosen to replace all in-car and body worn cameras. The new equipment will increase the quality of the video captured and improve officer efficiency, as well as officer safety. The cloud storage will make managing vast amounts of video less time-consuming and will streamline the process of providing video to the court systems.

Potential Options:

- Continue using equipment from current vendor.
-

Fiscal Implications:

The purchasing agreement is for five years. The initial payment is \$64,015.86. Funding is available in the fleet replacement fund (combined with previously received private donations for body worn cameras) to make the initial payment. Years 2-5 are \$41,004.00 per year. Funding will also be available from the fleet replacement fund to make these payments.

In addition, cellular modem/routers will be needed in each vehicle equipped with the in-car video systems. With all the technology that is being added to the patrol fleet, placing modems in each car was already underway and had been accounted for in the fleet fund. However, modems were being rotated in as new cars were placed into service and so the cost was spread out. In order to accommodate the Taser systems, it will be necessary to equip all cars with the modems at once prior

City of Texarkana, Texas

to switching to Taser. To equip the thirty vehicles with the modems and antennas, the total cost will be \$26,217.54. This purchase will also come from the fleet replacement fund.

Staff Recommendation:

It is recommended that the council authorize the City Manager to enter into this five-year purchasing agreement with Taser International for police cameras and cloud storage.

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-031 RES Purchasing Agreement with TASER for Police Cameras v2(DOC)
- b. 2017-031 ATTH 01 Taser Fleet Cameras (PDF)
- c. 2017-031 ATTH 02 Taser Body Cameras (PDF)
- d. 2017-031 ATTH 03 Texarkana_MSPA_2017-2-16 ASSURANCE (jcl rev))
(DOCX)
- e. 2017-031 ATTH 04 Texarkana_MSPA_2017-2-16 AXON (jcl rev)(DOCX)
- f. 2017-031 ATTH 05 Taser Body Camera Info (PDF)
- g. 2017-031 ATTH 06 Taser Fleet Camera Info(PDF)
- h. 2017-031 ATTH 07 CradlePoint Routers (PDF)
- i. 2017-031 Goals & Perspectives (DOCX)

Staff Coordination

Police 10:51 AM	Charles Kreidler	Review	Completed	03/08/2017
Police	Dan Shiner	Department Head Review	Completed	
	03/08/2017 10:53 AM			
Finance Department 11:38 AM	Kristin Peebles	Finance Review	Completed	03/08/2017
Purchasing and Contracting		Vicky Coopwood	Purchasing Review	
	Skipped	03/08/2017 8:47 AM		
Deputy City Manager - Shirley Jaster Review	Completed	Shirley Jaster	Deputy City Manager	
		03/08/2017 11:46 AM		
Deputy City Manager - Kyle Dooley Review	Completed	Kyle Dooley	Deputy City Manager	
		03/08/2017 3:01 PM		
Public Information Officer		Lisa Thompson	PIO Review	Completed
	03/08/2017 3:04 PM			
City Manager 2:32 PM	John Whitson	City Manager Review	Completed	03/09/2017
City Council 6:00 PM	Jennifer Evans	Meeting	Completed	03/13/2017

City of Texarkana, Texas

Meeting History

03/13/17 City Council MOVED FORWARD Next: 03/27/17

RESOLUTION NO. 2017-031

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIVE (5) YEAR PURCHASING AGREEMENT WITH TASER INTERNATIONAL OF SCOTTSDALE, ARIZONA, TO SUPPLY POLICE FLEET AND BODY CAMERAS ALONG WITH CLOUD STORAGE FOR A TOTAL AMOUNT NOT TO EXCEED \$228,031.86; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Texarkana, Texas Police Department is mandated by the State of Texas to have video and audio recording devices in all police vehicles that are regularly used to make traffic stops; and

WHEREAS, the Police Department initiated a body worn camera program in August of 2015 and achieved positive results from the use of the cameras; and

WHEREAS, the products and services of the current vendor for Police Department in-car and body worn cameras no longer meet the minimum standards for functionality and reliability required by the Department; and

WHEREAS, in-car and body worn cameras, along with cloud storage and management software, from Taser International have been tested and evaluated and have proven to meet department standards; and

WHEREAS, funds are available in the fleet replacement fund, combined with previously received private donations for body worn cameras, to make the five annual payments for the purchasing agreement.

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

SECTION 1: That the City Manager be and is hereby authorized to enter into a five (5) year purchasing agreement with Taser International of Scottsdale, Arizona, for a total amount not to exceed \$228,031.86.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **24th day of April, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

TASER International

Protect Life. Protect Truth.

17800 N 85th St.
Scottsdale, Arizona 85255
United States
Phone: (800) 978-2737
Fax:

Michael Henry
(903) 798-3112
henry@txkusa.org



Quotation

Quote: Q-91174-3
Date: 3/1/2017 8:59 PM
Quote Expiration: 3/29/2017
Contract Start Date*: 4/15/2016
Contract Term: 5 years

AX Account Number:
147833

Bill To:

Texarkana Police Dept. - TX
100 N. STATE LINE AVE.
TEXARKANA, TX 75501
US

Ship To:

Michael Henry
Texarkana Police Dept. - TX
100 N. STATE LINE AVE.
TEXARKANA, TX 75501
US

SALESPERSON	PHONE	EMAIL	DELIVERY METHOD	PAYMENT METHOD
Paul Strozier		pstrozier@taser.com	Fedex - Ground	Net 30

*Note this will vary based on the shipment date of the product.

Axon Fleet Pre-Order

Thank you for your interest in Axon! This pre-order is a commitment to purchase Axon Fleet. Axon Fleet will be available for delivery sometime in 2017. You will be notified if there are any delays. TASER reserves the right to make product changes without notice.

Axon Fleet System Compatibility

Additional costs may be incurred by the customer related to installing or optimizing their wireless infrastructure in order to achieve the desired wireless download speeds, access point coverage, band width or network stability. These costs are solely the responsibility of the customer.

Year 1 - Hardware and Evidence.com- Due Net 30

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
64	74003	CAMERA SYSTEM, AXON FLEET	USD 399.00	USD 25,536.00	USD 25,536.00	USD 0.00
64	74025	MOUNT ASSEMBLY, AXON FLEET	USD 0.00	USD 0.00	USD 0.00	USD 0.00
64	74024	BATTERY SYSTEM, AXON FLEET	USD 0.00	USD 0.00	USD 0.00	USD 0.00
32	74027	Axon Fleet Dongle	USD 0.00	USD 0.00	USD 0.00	USD 0.00
32	85163	UNLIMITED EVIDENCE.COM FLEET: YEAR 1 PAYMENT	USD 468.00	USD 14,976.00	USD 0.00	USD 14,976.00
64	87032	4 YEAR EXTENDED WARRANTY AXON FLEET	USD 0.00	USD 0.00	USD 0.00	USD 0.00
1	74003	CAMERA SYSTEM, AXON FLEET	USD 399.00	USD 399.00	USD 399.00	USD 0.00

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
1	85144	AXON STARTER	USD 2,500.00	USD 2,500.00	USD -2,500.00	USD 5,000.00
32	89101	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 1 PAYMENT	USD 468.00	USD 14,976.00	USD 14,976.00	USD 0.00
960	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00

Year 1 - Hardware and Evidence.com- Due Net 30 Total Before Discounts:

USD 58,387.00

Year 1 - Hardware and Evidence.com- Due Net 30 Discount:

USD 38,411.00

Year 1 - Hardware and Evidence.com- Due Net 30 Net Amount Due:

USD 19,976.00

Year 2 - Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
32	85164	UNLIMITED EVIDENCE.COM FLEET: YEAR 2 PAYMENT	USD 468.00	USD 14,976.00	USD 0.00	USD 14,976.00
32	89201	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 2 PAYMENT	USD 468.00	USD 14,976.00	USD 14,976.00	USD 0.00
960	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00

Year 2 - Evidence.com Total Before Discounts:

USD 29,952.00

Year 2 - Evidence.com Discount:

USD 14,976.00

Year 2 - Evidence.com Net Amount Due:

USD 14,976.00

Year 3 - Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
32	85165	UNLIMITED EVIDENCE.COM FLEET: YEAR 3 PAYMENT	USD 468.00	USD 14,976.00	USD 0.00	USD 14,976.00
32	89301	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 3 PAYMENT	USD 468.00	USD 14,976.00	USD 14,976.00	USD 0.00
960	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00

Year 3 - Evidence.com Total Before Discounts:

USD 29,952.00

Year 3 - Evidence.com Discount:

USD 14,976.00

Year 3 - Evidence.com Net Amount Due:

USD 14,976.00

Year 4 - Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
32	85166	UNLIMITED EVIDENCE.COM FLEET: YEAR 4 PAYMENT	USD 468.00	USD 14,976.00	USD 0.00	USD 14,976.00
32	89401	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 4 PAYMENT	USD 468.00	USD 14,976.00	USD 14,976.00	USD 0.00
960	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00

Year 4 - Evidence.com Total Before Discounts:

USD 29,952.00

Year 4 - Evidence.com Discount:

USD 14,976.00

Year 4 - Evidence.com Net Amount Due:

USD 14,976.00

Year 5 - Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
32	85167	UNLIMITED EVIDENCE.COM FLEET: YEAR 5 PAYMENT	USD 468.00	USD 14,976.00	USD 0.00	USD 14,976.00
32	89501	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 5 PAYMENT	USD 468.00	USD 14,976.00	USD 14,976.00	USD 0.00
960	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
Year 5 - Evidence.com Total Before Discounts:						USD 29,952.00
Year 5 - Evidence.com Discount:						USD 14,976.00
Year 5 - Evidence.com Net Amount Due:						USD 14,976.00
Subtotal						USD 79,880.00
Estimated Shipping & Handling Cost						USD 12.96
Grand Total						USD 79,892.96

Axon Body 2 Shipping

Axon Body 2 is available for delivery between 8-10 weeks after purchase date. You will be notified if there are any delays. TASER reserves the right to make product changes without notice.

Unlimited Axon Fleet License Includes:

- Evidence.com Pro License
- Extended warranty coverage on Axon Fleet cameras for the duration of the contract term
- Unlimited Storage for files uploaded from your Axon Fleet cameras

The training included in the Axon Full Service package includes installation of the Fleet systems and systems training. Any additional services required are not included in this package.

This quote is for initial hardware and license only. Customer will not be receiving TAP with this program.

TASER International, Inc.'s Sales Terms and Conditions for Direct Sales to End User Purchasers

By signing this Quote, you are entering into a contract and you certify that you have read and agree to the provisions set forth in this Quote and TASER's Master Services and Purchasing Agreement posted at www.taser.com/legal. You represent that you are lawfully able to enter into contracts and if you are entering into this agreement for an entity, such as the company, municipality, or government agency you work for, you represent to TASER that you have legal authority to bind that entity. If you do not have this authority, do not sign this Quote.

Signature: _____ Name (Print): _____ PO# (if needed): _____	Date: _____ Title: _____
--	---

Quote: Q-91174-3

Please sign and email to Paul Strozier at pstrozier@taser.com or fax to

THANK YOU FOR YOUR BUSINESS!

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Attachment: 2017-031 ATTH 01 Taser Fleet Cameras (1619 : 2017-031 RES Authorizing Purchasing Agreement with Taser for Police Cameras)

TASER International

Protect Life. Protect Truth.

17800 N 85th St.
Scottsdale, Arizona 85255
United States
Phone: (800) 978-2737
Fax:

Michael Henry
(903) 798-3112
henry@txkusa.org



Quotation

Quote: Q-88228-8
Date: 3/1/2017 6:55 PM
Quote Expiration: 3/29/2017
Contract Start Date*: 4/15/2017
Contract Term: 5 years

AX Account Number:
147833

Bill To:

Texarkana Police Dept. - TX
100 N. STATE LINE AVE.
TEXARKANA, TX 75501
US

Ship To:

Michael Henry
Texarkana Police Dept. - TX
100 N. STATE LINE AVE.
TEXARKANA, TX 75501
US

SALESPERSON	PHONE	EMAIL	DELIVERY METHOD	PAYMENT METHOD
Paul Strozier		pstrozier@taser.com	Fedex - Ground	Net 30

*Note this will vary based on the shipment date of the product.

Year 1 - Hardware and Evidence.com-Due Net 30

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
60	74001	AXON CAMERA ASSEMBLY, ONLINE, AXON BODY 2, BLK	USD 399.00	USD 23,940.00	USD 23,940.00	USD 0.00
60	74020	MAGNET MOUNT, FLEXIBLE, AXON RAPIDLOCK	USD 0.00	USD 0.00	USD 0.00	USD 0.00
60	74021	MAGNET MOUNT, THICK OUTERWEAR, AXON RAPIDLOCK	USD 0.00	USD 0.00	USD 0.00	USD 0.00
60	11553	SYNC CABLE, USB A TO 2.5MM	USD 0.00	USD 0.00	USD 0.00	USD 0.00
60	73004	WALL CHARGER, USB SYNC CABLE, FLEX	USD 0.00	USD 0.00	USD 0.00	USD 0.00
60	85070	TASER ASSURANCE PLAN ANNUAL PAYMENT, BODYCAM	USD 204.00	USD 12,240.00	USD 0.00	USD 12,240.00
10	74008	AXON DOCK, 6 BAY + CORE, AXON BODY 2	USD 1,495.00	USD 14,950.00	USD 0.00	USD 14,950.00
10	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	USD 35.00	USD 350.00	USD 0.00	USD 350.00
10	87026	TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT	USD 216.00	USD 2,160.00	USD 0.00	USD 2,160.00

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
1	89101	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 1 PAYMENT	USD 468.00	USD 468.00	USD 0.00	USD 468.00
30	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
1	85144	AXON STARTER	USD 2,500.00	USD 2,500.00	USD 0.00	USD 2,500.00
9,000	85035	EVIDENCE.COM STORAGE	USD 0.75	USD 6,750.00	USD 6,750.00	USD 0.00
62	87101	BASIC EVIDENCE.COM LICENSE: YEAR 1 PAYMENT	USD 180.00	USD 11,160.00	USD 0.00	USD 11,160.00
620	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
Year 1 - Hardware and Evidence.com-Due Net 30 Total Before Discounts:						USD 74,518.00
Year 1 - Hardware and Evidence.com-Due Net 30 Discount:						USD 30,690.00
Year 1 - Hardware and Evidence.com-Due Net 30 Net Amount Due:						USD 43,828.00

Spares

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
2	74001	AXON CAMERA ASSEMBLY, ONLINE, AXON BODY 2, BLK	USD 0.00	USD 0.00	USD 0.00	USD 0.00
2	74020	MAGNET MOUNT, FLEXIBLE, AXON RAPIDLOCK	USD 0.00	USD 0.00	USD 0.00	USD 0.00
2	74021	MAGNET MOUNT, THICK OUTERWEAR, AXON RAPIDLOCK	USD 0.00	USD 0.00	USD 0.00	USD 0.00
2	11553	SYNC CABLE, USB A TO 2.5MM	USD 0.00	USD 0.00	USD 0.00	USD 0.00
Spares Total Before Discounts:						USD 0.00
Spares Net Amount Due:						USD 0.00

Year 2 - Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
9,000	85035	EVIDENCE.COM STORAGE	USD 0.75	USD 6,750.00	USD 6,750.00	USD 0.00
62	87201	BASIC EVIDENCE.COM LICENSE: YEAR 2 PAYMENT	USD 180.00	USD 11,160.00	USD 0.00	USD 11,160.00
620	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
1	89201	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 2 PAYMENT	USD 468.00	USD 468.00	USD 0.00	USD 468.00
30	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
10	87026	TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT	USD 216.00	USD 2,160.00	USD 0.00	USD 2,160.00
60	85070	TASER ASSURANCE PLAN ANNUAL PAYMENT, BODYCAM	USD 204.00	USD 12,240.00	USD 0.00	USD 12,240.00
Year 2 - Evidence.com Total Before Discounts:						USD 32,778.00
Year 2 - Evidence.com Discount:						USD 6,750.00
Year 2 - Evidence.com Net Amount Due:						USD 26,028.00

Year 3- Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
9,000	85035	EVIDENCE.COM STORAGE	USD 0.75	USD 6,750.00	USD 6,750.00	USD 0.00

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
62	87301	BASIC EVIDENCE.COM LICENSE: YEAR 3 PAYMENT	USD 180.00	USD 11,160.00	USD 0.00	USD 11,160.00
620	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
1	89301	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 3 PAYMENT	USD 468.00	USD 468.00	USD 0.00	USD 468.00
30	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
10	87026	TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT	USD 216.00	USD 2,160.00	USD 0.00	USD 2,160.00
60	85070	TASER ASSURANCE PLAN ANNUAL PAYMENT, BODYCAM	USD 204.00	USD 12,240.00	USD 0.00	USD 12,240.00
Year 3- Evidence.com Total Before Discounts:						USD 32,778.00
Year 3- Evidence.com Discount:						USD 6,750.00
Year 3- Evidence.com Net Amount Due:						USD 26,028.00

Year 4 - Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
9,000	85035	EVIDENCE.COM STORAGE	USD 0.75	USD 6,750.00	USD 6,750.00	USD 0.00
62	87401	BASIC EVIDENCE.COM LICENSE: YEAR 4 PAYMENT	USD 180.00	USD 11,160.00	USD 0.00	USD 11,160.00
620	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
1	89401	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 4 PAYMENT	USD 468.00	USD 468.00	USD 0.00	USD 468.00
30	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
10	87026	TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT	USD 216.00	USD 2,160.00	USD 0.00	USD 2,160.00
60	85070	TASER ASSURANCE PLAN ANNUAL PAYMENT, BODYCAM	USD 204.00	USD 12,240.00	USD 0.00	USD 12,240.00
Year 4 - Evidence.com Total Before Discounts:						USD 32,778.00
Year 4 - Evidence.com Discount:						USD 6,750.00
Year 4 - Evidence.com Net Amount Due:						USD 26,028.00

Year 5 - Evidence.com

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
9,000	85035	EVIDENCE.COM STORAGE	USD 0.75	USD 6,750.00	USD 6,750.00	USD 0.00
62	87501	BASIC EVIDENCE.COM LICENSE: YEAR 5 PAYMENT	USD 180.00	USD 11,160.00	USD 0.00	USD 11,160.00
620	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
1	89501	PROFESSIONAL EVIDENCE.COM LICENSE: YEAR 5 PAYMENT	USD 468.00	USD 468.00	USD 0.00	USD 468.00
30	85110	EVIDENCE.COM INCLUDED STORAGE	USD 0.00	USD 0.00	USD 0.00	USD 0.00
10	87026	TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT	USD 216.00	USD 2,160.00	USD 0.00	USD 2,160.00

QTY	ITEM #	DESCRIPTION	UNIT PRICE	TOTAL BEFORE DISCOUNT	DISCOUNT (\$)	NET TOTAL
60	85070	TASER ASSURANCE PLAN ANNUAL PAYMENT, BODYCAM	USD 204.00	USD 12,240.00	USD 0.00	USD 12,240.00
Year 5 - Evidence.com Total Before Discounts:						USD 32,778.00
Year 5 - Evidence.com Discount:						USD 6,750.00
Year 5 - Evidence.com Net Amount Due:						USD 26,028.00
Subtotal						USD 147,940.00
Estimated Shipping & Handling Cost						USD 198.90
Grand Total						USD 148,138.90

Axon Body 2 Shipping

Axon Body 2 is available for delivery between 8-10 weeks after purchase date. You will be notified if there are any delays. TASER reserves the right to make product changes without notice.

Discount valid through 3/28/17

TASER International, Inc.'s Sales Terms and Conditions for Direct Sales to End User Purchasers

By signing this Quote, you are entering into a contract and you certify that you have read and agree to the provisions set forth in this Quote and TASER's Master Services and Purchasing Agreement posted at www.taser.com/legal. You represent that you are lawfully able to enter into contracts and if you are entering into this agreement for an entity, such as the company, municipality, or government agency you work for, you represent to TASER that you have legal authority to bind that entity. If you do not have this authority, do not sign this Quote.

Signature:	_____	Date:	_____
Name (Print):	_____	Title:	_____
PO# (if needed):	_____		

Quote: Q-88228-8

Please sign and email to Paul Strozier at pstrozier@taser.com or fax to

THANK YOU FOR YOUR BUSINESS!

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Attachment: 2017-031 ATTH 02 Taser Body Cameras (1619 : 2017-031 RES Authorizing Purchasing Agreement with Taser for Police Cameras)



MASTER SERVICES AND PURCHASING AGREEMENT

between

TASER INTERNATIONAL, INC.

and

Texarkana Police Dept. - TX

CITY Agreement Number:

MASTER SERVICES AND PURCHASING AGREEMENT

This Master Agreement (the **Agreement**) by and between TASER International, Inc., (**TASER or Party**) a Delaware corporation having its principal place of business at 17800 N 85th Street, Scottsdale, Arizona, 85255, and Texarkana Police Dept. - TX, (**Agency or Party**) having its principal place of business at 100 N. State Line Ave., Texarkana, TX, 75501, is entered into as of March, 31, 2017 (**the Effective Date**). TASER and AGENCY are collectively referred to as **Parties**.

This Agreement sets forth the terms and conditions for the purchase, delivery, use, and support of TASER products and services as detailed in Quote # Q-88228 (the **Quote**), which is hereby incorporated by reference. It is the intent of the Parties that this Agreement shall act as a master agreement governing all subsequent purchases by Agency of TASER Products and all subsequent quotes accepted by Agency shall be also incorporated by reference as a Quote. In consideration of this Agreement the Parties agree as follows:

1 Term. This Agreement will commence on the Effective Date and will remain in full force and effect until terminated by either Party. TASER services will not be authorized until a signed Quote or Purchase Order is received, whichever is first.

1.1 Evidence.com Subscription Term: The Initial Term of the Subscription services will begin after shipment of the Product. If shipped in the first half of the month, the start date is on the 1st of the following month. If shipped in the last half of the month, the start date is on the 15th of the following month. Subscription Services will automatically renew for additional successive Terms of one (1) year after completion of the initial Term at the list price detailed in the Quote, unless the Agency gives TASER written notice of termination within sixty (60) days prior to the end of a one (1) year period.

1.2 Professional Services Term: Amounts pre-paid for professional services as outlined in the Quote and the Professional Service Appendix must be used within 6 months of the Effective Date.

2 Definitions.

"Business Day" means Monday through Friday, excluding holidays.

"Confidential Information" means all nonpublic information disclosed by TASER, TASER affiliates, business partners of TASER or their respective employees, contractors or agents that is designated as confidential or that, given the nature of the information or circumstances surrounding its disclosure, reasonably should be understood to be confidential.

"Documentation" means the (i) specifications, explanatory or informational materials, whether in paper or electronic form, that relate to the Services provided under this Agreement, or (ii) user manuals, technical manuals, training manuals, warnings, specification or other explanatory or informational materials, whether in paper or electronic form, that relate to the Products provided under this Agreement.

"Evidence.com Service" means TASER web services for Evidence.com, the Evidence.com site, EVIDENCE Sync software, EVIDENCE Mobile App, Axon® Mobile App, other software, maintenance, storage, and product or service provided by us under this Agreement for use with Evidence.com. This does not include any Third Party Applications, hardware warranties, or the my.evidence.com services.

"Installation Site" means the location(s) where the Products are to be installed.

"Policies" means the Trademark Use Guidelines, all restrictions described on the TASER website, and any other policy or terms referenced in or incorporated into this Agreement. Policies do not include whitepapers or other marketing materials.

"Products" means all TASER equipment, software, cloud based services, Documentation and software maintenance releases and updates provided by TASER under this Agreement.

"Quote" is an offer to sell, is valid only for products and services listed on the quote at prices on the quote. All Quotes referenced in this Agreement or issued and accepted after the Effective Date of this Agreement will be subject to the terms of this Agreement. Any terms and conditions contained within the Agency's purchase order in response to the Quote will be null and void and shall have no force or effect. TASER is not responsible for pricing, typographical, or other errors in any offer by TASER and TASER reserves the right to cancel any orders resulting from such errors. TASER reserves the right to adjust prices or Products unless otherwise specified in the Quote.

"Resolution Time" means the elapsed time between TASER's acknowledgment of an issue until the problem in the Services has been resolved, which does not include time delays caused by the Agency or by third parties outside of TASER's reasonable control.

"Services" means all services provided by TASER pursuant to this Agreement.

"Agency Content" means software, data, text, audio, video, images or other Agency content or any of the Agency's end users (a) run on the Evidence.com Services, (b) caused to interface with the Evidence.com Services, or (c) uploaded to the Evidence.com Services under the Agency account or otherwise transfer, process, use or store in connection with the Agency account.

- 3 **Payment Terms.** Invoices are due to be paid within 30 days of the date of invoice. All orders are subject to prior credit approval. Payment obligations are non-cancelable and fees paid are non-refundable and all amounts payable will be made without setoff, deduction, or withholding.
- 4 **Taxes.** Unless TASER is provided with a valid and correct tax exemption certificate applicable to the purchase and ship-to location, the Agency is responsible for sales and other taxes associated with the order.
- 5 **Shipping; Title; Risk of Loss; Rejection.** TASER reserves the right to make partial shipments and products may ship from multiple locations. All shipments are E.X.W. via common carrier and title and risk of loss pass to the Agency upon delivery to the common carrier by TASER. The Agency is responsible for all freight charges. Any loss or damage that occurs during shipment is the Agency's responsibility. Shipping dates are estimates only. The Agency may reject nonconforming Product by providing TASER written notice of rejection within 10 business days of shipment. Failure to notify TASER within the 10 day rejection period will be deemed as acceptance of Product.
- 6 **Returns.** All sales are final and no refunds or exchanges are allowed, except for warranty returns or as provided by state or federal law.
- 7 **Warranties.**
 - 7.1 **Hardware Limited Warranty.** TASER warrants that its law enforcement hardware products are free from defects in workmanship and materials for a period of ONE (1) YEAR from the date of receipt. Extended warranties run from the date of purchase of the extended warranty through the balance of the 1-year limited warranty term plus the term of the extended warranty measured after the expiration of the 1-year limited warranty. CEW cartridges and Smart cartridges that are expended are deemed to have operated properly. TASER-Manufactured Accessories are covered under a limited 90-DAY warranty from the date of receipt. Non-TASER manufactured accessories are covered under the manufacturer's warranty. If TASER determines that a valid warranty claim is received within the warranty period, TASER agrees to repair or replace the Product. TASER's sole responsibility under this warranty is to either repair or replace

with the same or like Product, at TASER's option.

7.2 Warranty Limitations.

7.2.1 The warranties do not apply and TASER will not be responsible for any loss, data loss, damage, or other liabilities arising from: (a) damage from failure to follow instructions relating to the Product's use; (b) damage caused by use with non-TASER products or from the use of cartridges, batteries or other parts, components or accessories that are not manufactured or recommended by TASER; (c) damage caused by abuse, misuse, intentional or deliberate damage to the product, or force majeure; (d) damage to a Product or part that has been repaired or modified by persons other than TASER authorized personnel or without the written permission of TASER; or (e) if any TASER serial number has been removed or defaced.

7.2.2 To the extent permitted by law, the warranties and the remedies set forth above are exclusive and TASER disclaims all other warranties, remedies, and conditions, whether oral or written, statutory, or implied, as permitted by applicable law. If statutory or implied warranties cannot be lawfully disclaimed, then all such warranties are limited to the duration of the express warranty described above and limited by the other provisions contained in this Agreement.

7.2.3 TASER's cumulative liability to any Party for any loss or damage resulting from any claims, demands, or actions arising out of or relating to any TASER product will not exceed the purchase price paid to TASER for the product or if for services, the amount paid for such services over the prior 12 months preceding the claim. In no event will either Party be liable for any direct, special, indirect, incidental, exemplary, punitive or consequential damages, however caused, whether for breach of warranty, breach of contract, negligence, strict liability, tort or under any other legal theory.

7.3 Warranty Returns. If a valid warranty claim is received by TASER within the warranty period, TASER agrees to repair or replace the Product which TASER determines in its sole discretion to be defective under normal use, as defined in the Product instructions. TASER's sole responsibility under this warranty is to either repair or replace with the same or like Product, at TASER's option.

7.3.1 For warranty return and repair procedures, including troubleshooting guides, please go to TASER's websites www.taser.com/support or www.evidence.com, as indicated in the appropriate product user manual or quick start guide.

7.3.2 Before delivering product for warranty service, it is the Agency's responsibility to upload the data contained in the product to the EVIDENCE.com services or download the product data and keep a separate backup copy of the contents. TASER is not responsible for any loss of software programs, data, or other information contained on the storage media or any other part of the product services.

7.3.3 A replacement product will be new or like new and have the remaining warranty period of the original product or 90 days from the date of replacement or repair, whichever period is longer. When a product or part is exchanged, any replacement item becomes Purchaser's property and the replaced item becomes TASER's property.

8 Product Warnings. See our website at www.TASER.com for the most current product warnings.

9 Design Changes. TASER reserves the right to make changes in the design of any of TASER's products and services without incurring any obligation to notify the Agency or to make the same change to products and services previously purchased.

- 10 Insurance.** TASER will maintain at TASER's own expense and in effect during the Term, Commercial General Liability Insurance, Workers' Compensation Insurance and Commercial Automobile Insurance and will furnish certificates of insurance or self-insurance upon request.
- 11 Indemnification.** TASER will indemnify and defend the Agency Indemnitees (the Agency's officers, governing council, and its municipal employees) from and against all claims, demands, losses, liabilities, reasonable costs and expenses arising out of a claim by a third party against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct of TASER under or related to this Agreement, except in the case of negligent acts, omissions or willful misconduct of the Agency or claims that fall under Workers Compensation coverage.
- 12 IP Rights.** TASER owns and reserves all right, title, and interest in the TASER Products and related software, as well as any suggestions made to TASER.
- 13 IP Indemnification.** TASER will defend, indemnify, and hold the Agency Indemnitees harmless from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any third-party claim alleging that use of TASER Products or Services as permitted under this Agreement infringes or misappropriates the intellectual property rights of a third party. The Agency must provide TASER with prompt written notice of such a claim, tender to us the defense or settlement of such a claim at our expense, and cooperate fully with us in the defense or settlement of such a claim.

TASER has no liability to the Agency or any third party if any alleged infringement or claim of infringement is to any extent based upon: (a) any modification of the Evidence.com Services by the Agency or any third party not approved by TASER; (b) use of the Evidence.com Services in connection or in combination with equipment, devices, or services not approved or recommended by TASER; (c) the use of Evidence.com Services other than as permitted under this Agreement or in a manner for which it was not intended; or (d) the use of other than the most current release or version of any software provided by TASER as part of or in connection with the Evidence.com Services. Nothing in this Section will affect any warranties in favor of the Agency that are otherwise provided in or arise out of this Agreement.

- 14 Agency Responsibilities.** The Agency is responsible for (i) use of TASER Products (including any activities under the Agency Evidence.com account and use by Agency employees and agents), (ii) breach of this Agreement or violation of applicable law by the Agency or any of the Agency's end users, (iii) Agency Content or the combination of Agency Content with other applications, content or processes, including any claim involving alleged infringement or misappropriation of third party rights by Agency Content or by the use of Agency Content, (iv) a dispute between the Agency and any third party over Agency use of TASER products or the collection or use of Agency Content, (v) any hardware or networks that the Agency connects to the Evidence.com Services, and (vi) any security settings the Agency establishes to interact with or on the Evidence.com Services.
- 15 Termination.**
- 15.1 By Either Party.** Either Party may terminate for cause upon 30 days advance notice to the other Party if there is any material default or breach of this Agreement by the other Party, unless the defaulting Party has cured the material default or breach within the 30-day notice period. In the event that the Agency terminates this Agreement under this Section and TASER fails to cure the material breach or default, TASER will issue a refund of any prepaid amounts on a prorated basis.
- 15.2 By Agency.** The Agency is obligated to pay the fees under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during the then current fiscal year.

In the event that sufficient funds will not be appropriated or are not otherwise legally available to pay the fees required under this Agreement, this Agreement may be terminated by the Agency. The Agency agrees to deliver notice of termination under this Section at least 90 days prior to the end of the then current fiscal year.

15.3 Effect of Termination. Upon any termination of this Agreement: (a) all Agency rights under this Agreement immediately terminate; (b) the Agency remains responsible for all fees and charges incurred through the date of termination; and (c) Payment Terms, Warranty, Product Warnings, Indemnification, and Agency Responsibilities Sections, as well as the Evidence.com Terms of Use Appendix Sections on Agency Owns Agency Content, Data Storage, Fees and Payment, Software Services Warranty, IP Rights and License Restrictions will continue to apply in accordance with their terms.

15.4 After Termination. TASER will not delete any Agency Content as a result of a termination during a period of 90 days following termination. During this 90-day period the Agency may retrieve Agency Content only if all amounts due have been paid (there will be no application functionality of the Evidence.com Services during this 90-day period other than the ability to retrieve Agency Content). The Agency will not incur any additional fees if Agency Content is downloaded from Evidence.com during this 90-day period. TASER has no obligation to maintain or provide any Agency Content after this 90-day period and will thereafter, unless legally prohibited, delete all of Agency Content stored in the Evidence.com Services. Upon request, TASER will provide written proof that all Agency Content has been successfully deleted and fully removed from the Evidence.com Services.

15.5 Post-Termination Assistance. TASER will provide Agency with the same post-termination data retrieval assistance that TASER generally makes available to all customers. Requests for TASER to provide additional assistance in downloading or transferring Agency Content will result in additional fees and TASER will not warrant or guarantee data integrity or readability in the external system.

16 General.

16.1 Confidentiality. Both Parties will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of either Party's Confidential Information, except as required by applicable law. Neither Party will disclose either Party's Confidential Information during the Term or at any time during the 5-year period following the end of the Term, except as required by law. The Parties acknowledge and agree that Agency is subject to Chapter 552 of the Texas Government Code, commonly known as the "Texas Public Information Act" or "Texas Open Records Act" ("the Act"). Notwithstanding any other provision, including exemptions or exceptions to the Act, the Parties agree that in the event that any provision of this Agreement, or other documents related to this Agreement, including, but not limited to, any exhibit, attachment, amendment, addendum, or other incorporated document, is determined by a court or the Attorney General of the State of Texas to be in conflict with the Act, such provision shall, insofar as that conflict, be of no force or effect. Unless disclosure is required by law, Agency agrees, to the extent permitted by the Act, to exercise reasonable and prudent measures to safeguard TASER's Confidential Information unless TASER authorizes disclosure, TASER has already made public the information, the Agency obtained the information from another source independent of TASER, or an opinion of the Attorney General requires disclosure.

1) Any information or documents that TASER uses in the performance of the services provided under this Agreement which TASER considers confidential or proprietary or which contain trade secrets must be clearly marked accordingly by TASER. The marking must be explicit as to the designated information.

2) In the event Agency receives a request for information pursuant to the Act that affects TASER's rights, title to, or interest in any software, or a part thereof, or other information, items or data furnished to Agency by TASER under the Agreement, then Agency will comply with the Act's requirements for notice to TASER of such request. TASER shall state in writing to Agency within three (3) business days of receiving Agency's notice whether it intends to approve release of the requested information or assert to the Texas Attorney General statutory exceptions to disclosure. If TASER decides to assert exceptions to the Act in response to the request, then TASER shall, at its own expense, prepare and send the notices, comments, and briefing for its submission to the Attorney General in accordance with the substantive requirements and time periods provided in the Act. TASER shall also prepare at its expense for Agency's use the notices, comments, and briefing for Agency's submission to the Attorney General in accordance with the substantive requirements and time periods provided in the Act.

3) The parties intend for TASER to hold Agency harmless should TASER seek a judicial ruling on its asserted statutory exceptions to withholding information requested under the Act. For any suit pursuant to Sections 552.324 and 552.325 of the Texas Government Code, TASER shall bear all litigation costs, expenses, attorney's fees, and assessments, including the costs, expenses, and attorney's fees incurred by Agency and any adverse assessments against Agency arising out of Agency being a named party to such a suit. As a condition precedent to City's involvement in such a suit, TASER shall deposit with Agency the dollar amount estimated by Agency that will be incurred for costs, expenses, and attorney's fees.

- 16.2 Excusable delays.** TASER will use commercially reasonable efforts to deliver all products and services ordered as soon as reasonably practicable. In the event of interruption of any delivery due to causes beyond TASER's reasonable control TASER has the right to delay or terminate the delivery with reasonable notice.
- 16.3 Force Majeure.** Neither Party will be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results from any cause beyond the Parties' reasonable control, including acts of God, labor disputes or other industrial disturbances, systemic electrical, telecommunications, or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, or war.
- 16.4 Proprietary Information.** The Agency agrees that TASER has and claims various proprietary rights in the hardware, firmware, software, and the integration of ancillary materials, knowledge, and designs that constitute TASER products and services, and that the Agency will not directly or indirectly cause any proprietary rights to be violated. This paragraph 16.4 shall not govern if disclosure of Proprietary Information is required pursuant to paragraph 16.1.
- 16.5 Independent Contractors.** The Parties are independent contractors. Neither Party, nor any of their respective affiliates, has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.
- 16.6 No Third Party Beneficiaries.** This Agreement does not create any third party beneficiary rights in any individual or entity that is not a party to this Agreement.
- 16.7 Non-discrimination and Equal Opportunity.** During the performance of this Agreement, neither the Parties nor the Party's employees will discriminate against any person, whether

- employed by a Party or otherwise, on the basis of basis of race, color, religion, gender, age, national origin, handicap, marital status, or political affiliation or belief. In all solicitations or advertisements for employees, agents, subcontractors or others to be engaged by a Party or placed by or on behalf of a Party, the solicitation or advertisement shall state all qualified applicants shall receive consideration for employment without regard to race, color, religion, gender, age, national origin, handicap, marital status, or political affiliation or belief.
- 16.8 U.S. Government Rights.** Any Evidence.com Services provided to the U.S. Government as "commercial items," "commercial computer software," "commercial computer software documentation," and "technical data" will have the same rights and restrictions generally applicable to the Evidence.com Services. If the Agency is using the Evidence.com Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, the Agency will immediately discontinue use of the Evidence.com Services. The terms "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data" are defined in the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation Supplement.
- 16.9 Import and Export Compliance.** In connection with this Agreement, each Party will comply with all applicable import, re- import, export, and re-export control laws and regulations.
- 16.10 Assignment.** Neither Party may assign or otherwise transfer this Agreement without the prior written approval of the other Party. TASER may assign or otherwise transfer this Agreement or any of our rights or obligations under this Agreement without consent (a) for financing purposes, (b) in connection with a merger, acquisition or sale of all or substantially all of our assets, (c) as part of a corporate reorganization, or (d) to a subsidiary corporation. Subject to the foregoing, this Agreement will be binding upon the Parties and their respective successors and assigns.
- 16.11 No Waivers.** The failure by either Party to enforce any provision of this Agreement will not constitute a present or future waiver of the provision nor limit the Party's right to enforce the provision at a later time.
- 16.12 Severability.** This Agreement is contractual and not a mere recital. If any portion of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect.
- 16.13 Governing Law; Venue.** The laws of the state where the Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute of any sort that might arise between the Parties. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.
- 16.14 Notices.** All communications and notices to be made or given pursuant to this Agreement must be in the English language. Notices provided by posting on the Agency's Evidence.com site will be effective upon posting and notices provided by email will be effective when the email was sent. Notices provided by personal delivery will be effective immediately. Contact information for notices:

TASER: TASER International, Inc.
ATTN: Contracts
17800 N. 85th Street
Scottsdale, Arizona 85255
contracts@taser.com

AGENCY: Texarkana, Texas Police Department
ATTN: Capt. Michael Henry
100 N. State Line Ave.
Texarkana, TX 75501
henry@txkusa.org

16.15 Entire Agreement. This Agreement, including the APPENDICES attached hereto, and the Policies and the quote provided by TASER, represents the entire agreement between the Parties. This Agreement supersedes all prior or contemporaneous representations, understandings, agreements, or communications between the Parties, whether written or verbal, regarding the subject matter of this Agreement. No modification or amendment of any portion of this Agreement will be effective unless in writing and signed by the Parties to this Agreement. If TASER provides a translation of the English language version of this Agreement, the English language version of the Agreement will control if there is any conflict.

16.16 Counterparts. If this Agreement form requires the signatures of the Parties, then this Agreement may be executed by electronic signature in multiple counterparts, each of which is considered an original.

16.17 Governmental Immunity. Nothing in this Agreement shall be deemed to waive, modify, or alter Agency's governmental (sovereign) immunity under the laws of the State of Texas.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed. Each Party warrants and represents that its respective signatories whose signatures appear below have been and are, on the date of signature, duly authorized to execute this Agreement.

TASER International, Inc.

Signature: _____
Name: _____
Title: _____
Date: _____
Address: 17800 N. 85th Street Scottsdale, AZ 85255

Attn: Contracts

Email: contracts@taser.com

Texarkana Police Dept. - TX

Signature: _____
Name: John A. Whitson, ICMA-CM
Title: City Manager
Date: _____
Address: 100 N. State Line Ave., Texarkana, TX, 75501

Evidence.com Terms of Use Appendix

- 1 **Access Rights.** Upon the purchase or granting of a subscription from TASER and the opening of an Evidence.com account the Agency will have access and use of the Evidence.com Services for the storage and management of Agency Content during the subscription term (**Term**). The Evidence.com Service and data storage are subject to usage limits. The Evidence.com Service may not be accessed by more than the number of end users specified in the Quote. If Agency becomes aware of any violation of this Agreement by an end user, the Agency will immediately terminate that end user's access to Agency Content and the Evidence.com Services.
- 2 **Agency Owns Agency Content.** The Agency controls and owns all right, title, and interest in and to Agency Content and TASER obtains no rights to the Agency Content and the Agency Content are not business records of TASER. The Agency is solely responsible for the uploading, sharing, withdrawal, management and deletion of Agency Content. TASER will have limited access to Agency Content solely for the purpose of providing and supporting the Evidence.com Services to the Agency and Agency end users. The Agency represents that the Agency owns Agency Content; and that none of Agency Content or Agency end users' use of Agency Content or the Evidence.com Services will violate this Agreement or applicable laws.
- 3 **Evidence.com Data Security.**
 - 3.1. **Generally.** TASER will implement commercially reasonable and appropriate measures designed to secure Agency Content against accidental or unlawful loss, access or disclosure. TASER will maintain a comprehensive Information Security Program (**ISP**) that includes logical and physical access management, vulnerability management, configuration management, incident monitoring and response, encryption of digital evidence uploaded, security education, risk management, and data protection. The Agency is responsible for maintaining the security of end user names and passwords and taking steps to maintain appropriate security and access by end users to Agency Content. Log-in credentials are for Agency internal use only and Agency may not sell, transfer, or sublicense them to any other entity or person. The Agency agrees to be responsible for all activities undertaken by the Agency, Agency employees, Agency contractors or agents, and Agency end users which result in unauthorized access to the Agency account or Agency Content. Audit log tracking for the video data is an automatic feature of the Services which provides details as to who accesses the video data and may be downloaded by the Agency at any time. The Agency shall contact TASER immediately if an unauthorized third party may be using the Agency account or Agency Content or if account information is lost or stolen.
 - 3.2. **FBI CJIS Security Addendum.** For customers based in the United States, TASER agrees to the terms and requirements set forth in the Federal Bureau of Investigation (**FBI**) Criminal Justice Information Services (**CJIS**) Security Addendum for the Term of this Agreement.
- 4 **Our Support.** TASER will make available updates as released by TASER to the Evidence.com Services. Updates may be provided electronically via the Internet. TASER will use reasonable efforts to continue supporting the previous version of any API or software for 6 months after the change (except if doing so (a) would pose a security or intellectual property issue, (b) is economically or technically burdensome, or (c) is needed to comply with the law or requests of governmental entities. The Agency is responsible for maintaining the computer equipment and Internet connections necessary for use of the Evidence.com Services.
- 5 **Data Privacy.** TASER will not disclose Agency Content or any information about the Agency except as compelled by a court or administrative body or required by any law or regulation. TASER will give notice

if any disclosure request is received for Agency Content so the Agency may file an objection with the court or administrative body. The Agency agrees to allow TASER access to certain information from the Agency in order to: (a) perform troubleshooting services for the account upon request or as part of our regular diagnostic screenings; (b) enforce this agreement or policies governing use of Evidence.com Services; or (c) perform analytic and diagnostic evaluations of the systems.

- 6 **Data Storage.** TASER will determine the locations of the data centers in which Agency Content will be stored and accessible by Agency end users. For United States customers, TASER will ensure that all Agency Content stored in the Evidence.com Services remains within the United States including any backup data, replication sites, and disaster recovery sites. TASER may transfer Agency Content to third parties for the purpose of storage of Agency Content. Third party subcontractors responsible for storage of Agency Content are contracted by TASER for data storage services. Ownership of Agency Content remains with the Agency. For use of an Unlimited Evidence.com License unlimited data may be stored in the Agency's Evidence.com account if the data originates from a TASER device. For use of Totally Unlimited Evidence.com Licenses TASER reserves the right to limit the types of content the Agency can store and share using the Services.
- 7 **Fees and Payment.** Additional end users may be added during the Term at the pricing in effect at the time of purchase of additional end users, prorated for the duration of the Term. Additional end user accounts will terminate on the same date as the pre-existing subscriptions. TASER reserves the right to charge additional fees for exceeding purchased storage amounts or for TASER's assistance in the downloading or exporting of Agency Content.
- 8 **Suspension of Evidence.com Services.** TASER may suspend Agency access or any end user's right to access or use any portion or all of the Evidence.com Services immediately upon notice in accordance with the following:
- 8.1. The Termination provisions of the Master Service Agreement apply;
 - 8.2. The Agency or an end user's use of or registration for the Evidence.com Services (i) poses a security risk to the Evidence.com Services or any third party, (ii) may adversely impact the Evidence.com Services or the systems or content of any other customer, (iii) may subject TASER, TASER's affiliates, or any third party to liability, or (iv) may be fraudulent;
 - 8.3. If TASER suspends the right to access or use any portion or all of the Evidence.com Services, the Agency remains responsible for all fees and charges incurred through the date of suspension without any credits for any period of suspension. TASER will not delete any of Agency Content on Evidence.com as a result of a suspension, except as specified elsewhere in this Agreement.
- 9 **Software Services Warranty.** TASER warrants that the Evidence.com Services will not infringe or misappropriate any patent, copyright, trademark, or trade secret rights of any third party. TASER disclaims any warranties or responsibility for data corruption or errors before the data is uploaded to the Evidence.com Services.
- 10 **License Restrictions.** Neither the Agency nor any Agency end users may, or attempt to: (a) permit any third party to access the Evidence.com Services except as permitted in this Agreement; (b) modify, alter, tamper with, repair, or otherwise create derivative works of any of the Evidence.com Services; (c) reverse engineer, disassemble, or decompile the Evidence.com Services or apply any other process or procedure to derive the source code of any software included in the Evidence.com Services, or allow any others to do the same; (d) access or use the Evidence.com Services in a way intended to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas; (e) copy the Evidence.com Services in whole or part, except as expressly permitted in this Agreement; (f) use trade secret information contained in the Evidence.com Services, except as expressly permitted in this Agreement; (g)

resell, rent, loan, or sublicense the Evidence.com Services; (h) access the Evidence.com Services in order to build a competitive product or service or copy any features, functions, or graphics of the Evidence.com Services; (i) remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of ours or our licensors on or within the Evidence.com Services or any copies of the Evidence.com Services; or (j) use the Evidence.com Services to store or transmit infringing, libelous, or otherwise unlawful or tortious material, to store or transmit material in violation of third party privacy rights, or to store or transmit malicious code. All licenses granted in this Agreement are conditional on continued compliance with this Agreement, and will immediately and automatically terminate if the Agency does not comply with any term or condition of this Agreement. The Agency may only use our trademarks in accordance with the TASER Trademark Use Guidelines (located at www.TASER.com).

Professional Services Appendix

1 Scope of Services. The project scope will consist of the Services identified on the Quote.

1.1. The Package for the Axon and Evidence.com related Services are detailed below:

System set up and configuration Setup Axon® Mobile on smart phones (if applicable). Configure categories & custom roles based on Agency need. Troubleshoot IT issues with Evidence.com and Evidence.com Dock (Dock) access. Work with IT to install EVIDENCE Sync software on locked-down computers (if applicable). Virtual Assistance Included
Dock installation Work with Agency to decide ideal location of Dock setup and set configurations on Dock if necessary. Authenticate Dock with Evidence.com using "admin" credentials from Agency. Work with Agency's IT to configure its network to allow for maximum bandwidth and proper operation within Agency's network environment. Virtual Assistance Included
Dedicated Project Manager Assignment of a specific TASER representative for all aspects of planning the Product rollout (Project Manager). Ideally, the Project Manager will be assigned to the Agency 4–6 weeks prior to rollout.
Weekly project planning meetings Project Manager will develop a Microsoft Project plan for the rollout of Axon camera units, Docks and Evidence.com account training based on size, timing of rollout and Agency's desired level of training. Up to 4 weekly meetings leading up to the Evidence.com Dock installation of not more than 30 minutes in length.
Axon instructor training Prior to general user training on Axon camera systems and Evidence.com services, TASER's on-site professional services team will provide training for instructors who can support the Agency's subsequent Axon camera and Evidence.com training needs.
End user go live training and support sessions Provide individual device set up and configuration assistance; pairing with viewers when applicable; and training on device use, Evidence.com and EVIDENCE Sync.
Implementation document packet Evidence.com administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go live review session

1.2. Additional training days may be added on to any service package for additional fees set forth in the Quote.

2 Out of Scope Services. TASER is responsible to perform only the Services described on the Quote. Any additional services discussed or implied that are not defined explicitly by the Quote will be considered out of the scope.

3 Delivery of Services.

3.1. Hours and Travel. TASER personnel will work within normal business hours, Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays unless otherwise agreed in advance. All tasks on-site will be performed over a consecutive timeframe unless otherwise agreed to by the Parties in

advance. Travel time by TASER personnel to Agency premises will not be charged as work hours performed.

3.2. Changes to Services. Changes to the scope of Services must be documented and agreed upon by the Parties in a change order. Changes may require an equitable adjustment in the charges or schedule.

- 4 Authorization to Access Computer Systems to Perform Services.** The Agency authorizes TASER to access relevant Agency computers and network systems solely for the purpose of performing the Services. TASER will work diligently to identify as soon as reasonably practicable the resources and information TASER expects to use, and will provide an initial itemized list to the Agency. The Agency is responsible for, and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by the Agency.
- 5 Site Preparation and Installation.** Prior to delivering any Services, TASER will provide 1 copy of the then-current user documentation for the Services and related Products in paper or electronic form (**Product User Documentation**). The Product User Documentation will include all environmental specifications that must be met in order for the Services and related Products to operate in accordance with the Product User Documentation. Prior to the installation of Product (whether performed by the Agency or TASER), the Agency must prepare the Installation Site in accordance with the environmental specifications set forth in the Product User Documentation. Following the installation of the Products, the Agency must maintain the Installation Site where the Products have been installed in accordance with the environmental specifications set forth in the Product User Documentation. In the event that there are any updates or modifications to the Product User Documentation for any Products provided by TASER under this Agreement, including the environmental specifications for the Products, TASER will provide the updates or modifications to Agency when they are generally released by TASER to TASER customers.
- 6 Acceptance Checklist.** TASER will present an Acceptance Checklist (**Checklist**) upon completion of the Services that will exactly mirror the description of services within this Section. The Agency will sign the Checklist acknowledging completion of the Services once the on-site service session has been completed. If the Agency reasonably believes that TASER did not complete the Services in substantial conformance with this Agreement, the Agency must notify TASER in writing of the specific reasons for rejection of the Services within 7 calendar days from delivery of the Checklist. TASER will address the issues and then will re-present the Checklist for approval and signature. If TASER does not receive the signed Checklist or a written notification of the reasons for the rejection of the performance of the Services within 7 calendar days of delivery of the Checklist, the absence of the Agency response will constitute affirmative acceptance of the Services, and a waiver of any right of rejection.
- 7 Liability for Loss or Corruption of Data.** The Agency is responsible for: (i) instituting proper and timely backup procedures for Agency software and data; (ii) creating timely backup copies of Agency software or data that may be damaged, lost, or corrupted due to our provision of Services; and (iii) using backup copies to restore any Agency software or data in the event of any loss of, damage to, or corruption of the operational version of Agency software or data, even if such damage, loss, or corruption is due to TASER negligence. However, regardless of any assistance provided by TASER: (i) TASER will in no way be liable for the accuracy, completeness, success, or results of efforts to restore Agency software or data; (ii) any assistance provided by TASER under this Section is without warranty, express or implied; and (iii) in no event will TASER be liable for loss of, damage to, or corruption of Agency data from any cause.

TASER Assurance Plan Appendix

The TASER Assurance Plan or "TAP" has been purchased as part of the Quote attached to this Agreement. TAP provides hardware extended warranty coverage, Spare Products, and Upgrade Models at the end of the TAP Term. TAP only applies to the TASER Product listed in the Quote with the exception of any initial hardware or any software services offered for, by, or through the Evidence.com website. The Agency may not buy more than one TAP for any one covered Product.

- 1 **TAP Warranty Coverage.** TAP includes the extended warranty coverage described in the current hardware warranty. TAP warranty coverage starts at the beginning of the TAP Term and continues as long as the Agency continues to pay the required annual fees for TAP. The Agency may not have both an optional extended warranty and TAP on the Axon camera/Dock product. TAP for the Axon camera products also includes free replacement of the Axon flex controller battery and Axon body battery during the TAP Term for any failure that is not specifically excluded from the Hardware Warranty.
- 2 **TAP Term.** TAP Term start date is based upon the shipment date of the hardware covered under TAP. If the shipment of the hardware occurred in the first half of the month, then the Term starts on the 1st of the following month. If the shipment of the hardware occurred in the second half of the month, then the Term starts on the 15th of the following month.
- 3 **SPARE Product.** TASER will provide a predetermined number of spare Products for those hardware items and accessories listed in the Quote (collectively the "Spare Products") to keep at the Agency location to replace broken or non-functioning units in order to improve the availability of the units to officers in the field. The Agency must return to TASER, through TASER's RMA process, any broken or non-functioning units for which a Spare Product is utilized, and TASER will repair or replace the non-functioning unit with a replacement product. TASER warrants it will repair or replace the unit which fails to function for any reason not excluded by the TAP warranty coverage, during the TAP Term with the same product or a like product, at TASER's sole option. The Agency may not buy a new TAP for the replacement product or the Spare Product.
 - 3.1. Within 30 days of the end of the TAP Term the Agency must return to TASER all Spare Products. The Agency will be invoiced for and are obligated to pay to TASER the MSRP then in effect for all Spare Products not returned to TASER. If all the Spare Products are returned to TASER, then TASER will refresh the allotted number of Spare Products with Upgrade Models if the Agency purchases a new TAP for the Upgrade Models.
- 4 **TAP Upgrade Models.** Upgrade Models are to be provided as follows during and/or after the TAP Term: (i) an upgrade will be provided in year 3 if the Agency purchased 3 years of Evidence.com services with Ultimate Licenses or Unlimited Licenses and all TAP payments are made; or (ii) 2.5 years after the Effective Date and once again 5 years after the Effective Date if the Agency purchased 5 years of Evidence.com services with an Ultimate License or Unlimited Licenses or OSP and made all TAP payments.

Any products replaced within the six months prior to the scheduled upgrade will be deemed the Upgrade Model. Thirty days after the Upgrade Models are received, the Agency must return the products to TASER or TASER will deactivate the serial numbers for the products received unless the Agency purchases additional Evidence.com licenses for the Axon camera products the Agency is keeping. The Agency may buy a new TAP for any Upgraded Model.

4.1. TAP Axon Camera Upgrade Models.

4.1.1. If the Agency purchased TAP for Axon Cameras as a stand-alone service, then TASER will upgrade the Axon camera (and controller if applicable), free of charge, with a new on-officer video camera that is the same product or a like product, at TASER's sole option. TASER makes no guarantee that the Upgrade Model will utilize the same accessories or Dock. If the Agency would like to change product models for the Upgrade Model, then the Agency must pay the price difference in effect at the time of the upgrade between the MSRP for the offered Upgrade Model and the MSRP for the model that will be acquired. No refund will be provided if the MSRP of the new model is less than the MSRP of the offered Upgrade Model.

4.1.2. If the Agency purchased Unlimited License or OSP, then TASER will upgrade the Axon camera (and controller if applicable), free of charge, with a new on-officer video camera of the Agency's choice.

4.2. TAP Dock Upgrade Models. TASER will upgrade the Dock free of charge, with a new Dock with the same number of bays that is the same product or a like product, at TASER's sole option. If the Agency would like to change product models for the Upgrade Model or add additional bays, then the Agency must pay the price difference in effect at the time of the upgrade between the MSRP for the offered Upgrade Model and the MSRP for the model desired. No refund will be provided if the MSRP of the new model is less than the MSRP of the offered Upgrade Model.

5 TAP Termination. If an invoice for TAP is more than 30 days past due or the Agency defaults on its payments for the Evidence.com services then TASER may terminate TAP and all outstanding Product related TAPs. TASER will provide notification that TAP coverage is terminated. Once TAP coverage is terminated for any reason, then:

5.1. TAP coverage will terminate as of the date of termination and no refunds will be given.

5.2. TASER will not and has no obligation to provide the free Upgrade Models.

5.3. The Agency will be invoiced for and is obligated to pay to TASER the MSRP then in effect for all Spare Products provided under TAP. If the Spare Products are returned within 30 days of the Spare Product invoice date, credit will be issued and applied against the Spare Product invoice.

5.4. The Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TAP.

5.5. If the Agency received Axon Products free of charge and TAP is terminated before the end of the term then (a) the Agency will be invoiced for the remainder of the MSRP for the Products received and not already paid as part of the TAP before the termination date; or (b) only in the case of termination for non-appropriations, return the Products to TASER within 30 days of the date of termination.



MASTER SERVICES AND PURCHASING AGREEMENT

between

TASER INTERNATIONAL, INC.

and

The City of Texarkana, Texas / Texarkana, Texas Police Dept.

CITY Agreement Number:

MASTER SERVICES AND PURCHASING AGREEMENT

This Master Agreement (the **Agreement**) by and between TASER International, Inc., (**TASER or Party**) a Delaware corporation having its principal place of business at 17800 N 85th Street, Scottsdale, Arizona, 85255, and The City of Texarkana, Texas / Texarkana, Texas Police Dept., (**Agency or Party**) having its principal place of business at 100 N. State Line Ave., Texarkana, TX, 75501, is entered into as of March, 31, 2017 (**the Effective Date**). TASER and AGENCY are collectively referred to as **Parties**.

This Agreement sets forth the terms and conditions for the purchase, delivery, use, and support of TASER products and services as detailed in Quote # Q-91174 (the **Quote**), which is hereby incorporated by reference. It is the intent of the Parties that this Agreement shall act as a master agreement governing all subsequent purchases by Agency of TASER Products and all subsequent quotes accepted by Agency shall be also incorporated by reference as a Quote. In consideration of this Agreement the Parties agree as follows:

1 Term. This Agreement will commence on the Effective Date and will remain in full force and effect until terminated by either Party. TASER services will not be authorized until a signed Quote or Purchase Order is received, whichever is first.

1.1 Evidence.com Subscription Term: The Initial Term of the Subscription services will begin after shipment of the Product. If shipped in the first half of the month, the start date is on the 1st of the following month. If shipped in the last half of the month, the start date is on the 15th of the following month. Subscription Services will automatically renew for additional successive Terms of one (1) year after completion of the initial Term at the list price detailed in the Quote, unless the Agency gives TASER written notice of termination within sixty (60) days prior to the end of a one (1) year period.

1.2 Professional Services Term: Amounts pre-paid for professional services as outlined in the Quote and the Professional Service Appendix must be used within 6 months of the Effective Date.

2 Definitions.

"Business Day" means Monday through Friday, excluding holidays.

"Confidential Information" means all nonpublic information disclosed by TASER, TASER affiliates, business partners of TASER or their respective employees, contractors or agents that is designated as confidential or that, given the nature of the information or circumstances surrounding its disclosure, reasonably should be understood to be confidential.

"Documentation" means the (i) specifications, explanatory or informational materials, whether in paper or electronic form, that relate to the Services provided under this Agreement, or (ii) user manuals, technical manuals, training manuals, warnings, specification or other explanatory or informational materials, whether in paper or electronic form, that relate to the Products provided under this Agreement.

"Evidence.com Service" means TASER web services for Evidence.com, the Evidence.com site, EVIDENCE Sync software, EVIDENCE Mobile App, Axon® Mobile App, other software, maintenance, storage, and product or service provided by us under this Agreement for use with Evidence.com. This does not include any Third Party Applications, hardware warranties, or the my.evidence.com services.

"Installation Site" means the location(s) where the Products are to be installed.

"Policies" means the Trademark Use Guidelines, all restrictions described on the TASER website, and any other policy or terms referenced in or incorporated into this Agreement. Policies do not include whitepapers or other marketing materials.

"Products" means all TASER equipment, software, cloud based services, Documentation and software maintenance releases and updates provided by TASER under this Agreement.

"Quote" is an offer to sell, is valid only for products and services listed on the quote at prices on the quote. All Quotes referenced in this Agreement or issued and accepted after the Effective Date of this Agreement will be subject to the terms of this Agreement. Any terms and conditions contained within the Agency's purchase order in response to the Quote will be null and void and shall have no force or effect. TASER is not responsible for pricing, typographical, or other errors in any offer by TASER and TASER reserves the right to cancel any orders resulting from such errors. TASER reserves the right to adjust prices or Products unless otherwise specified in the Quote.

"Resolution Time" means the elapsed time between TASER's acknowledgment of an issue until the problem in the Services has been resolved, which does not include time delays caused by the Agency or by third parties outside of TASER's reasonable control.

"Services" means all services provided by TASER pursuant to this Agreement.

"Agency Content" means software, data, text, audio, video, images or other Agency content or any of the Agency's end users (a) run on the Evidence.com Services, (b) caused to interface with the Evidence.com Services, or (c) uploaded to the Evidence.com Services under the Agency account or otherwise transfer, process, use or store in connection with the Agency account.

- 3 **Payment Terms.** Invoices are due to be paid within 30 days of the date of invoice. All orders are subject to prior credit approval. Payment obligations are non-cancelable and fees paid are non-refundable and all amounts payable will be made without setoff, deduction, or withholding.
- 4 **Taxes.** Unless TASER is provided with a valid and correct tax exemption certificate applicable to the purchase and ship-to location, the Agency is responsible for sales and other taxes associated with the order.
- 5 **Shipping; Title; Risk of Loss; Rejection.** TASER reserves the right to make partial shipments and products may ship from multiple locations. All shipments are E.X.W. via common carrier and title and risk of loss pass to the Agency upon delivery to the common carrier by TASER. The Agency is responsible for all freight charges. Any loss or damage that occurs during shipment is the Agency's responsibility. Shipping dates are estimates only. The Agency may reject nonconforming Product by providing TASER written notice of rejection within 10 business days of shipment. Failure to notify TASER within the 10 day rejection period will be deemed as acceptance of Product.
- 6 **Returns.** All sales are final and no refunds or exchanges are allowed, except for warranty returns or as provided by state or federal law.
- 7 **Warranties.**
 - 7.1 **Hardware Limited Warranty.** TASER warrants that its law enforcement hardware products are free from defects in workmanship and materials for a period of ONE (1) YEAR from the date of receipt. Extended warranties run from the date of purchase of the extended warranty through the balance of the 1-year limited warranty term plus the term of the extended warranty measured after the expiration of the 1-year limited warranty. CEW cartridges and Smart cartridges that are expended are deemed to have operated properly. TASER-Manufactured Accessories are covered under a limited 90-DAY warranty from the date of receipt. Non-TASER manufactured accessories are covered under the manufacturer's warranty. If TASER determines that a valid warranty claim is received within the warranty period, TASER agrees to repair or replace the Product. TASER's sole responsibility under this warranty is to either repair or replace

with the same or like Product, at TASER's option.

7.2 Warranty Limitations.

7.2.1 The warranties do not apply and TASER will not be responsible for any loss, data loss, damage, or other liabilities arising from: (a) damage from failure to follow instructions relating to the Product's use; (b) damage caused by use with non-TASER products or from the use of cartridges, batteries or other parts, components or accessories that are not manufactured or recommended by TASER; (c) damage caused by abuse, misuse, intentional or deliberate damage to the product, or force majeure; (d) damage to a Product or part that has been repaired or modified by persons other than TASER authorized personnel or without the written permission of TASER; or (e) if any TASER serial number has been removed or defaced.

7.2.2 To the extent permitted by law, the warranties and the remedies set forth above are exclusive and TASER disclaims all other warranties, remedies, and conditions, whether oral or written, statutory, or implied, as permitted by applicable law. If statutory or implied warranties cannot be lawfully disclaimed, then all such warranties are limited to the duration of the express warranty described above and limited by the other provisions contained in this Agreement.

7.2.3 TASER's cumulative liability to any Party for any loss or damage resulting from any claims, demands, or actions arising out of or relating to any TASER product will not exceed the purchase price paid to TASER for the product or if for services, the amount paid for such services over the prior 12 months preceding the claim. In no event will either Party be liable for any direct, special, indirect, incidental, exemplary, punitive or consequential damages, however caused, whether for breach of warranty, breach of contract, negligence, strict liability, tort or under any other legal theory.

7.3 Warranty Returns. If a valid warranty claim is received by TASER within the warranty period, TASER agrees to repair or replace the Product which TASER determines in its sole discretion to be defective under normal use, as defined in the Product instructions. TASER's sole responsibility under this warranty is to either repair or replace with the same or like Product, at TASER's option.

7.3.1 For warranty return and repair procedures, including troubleshooting guides, please go to TASER's websites www.taser.com/support or www.evidence.com, as indicated in the appropriate product user manual or quick start guide.

7.3.2 Before delivering product for warranty service, it is the Agency's responsibility to upload the data contained in the product to the EVIDENCE.com services or download the product data and keep a separate backup copy of the contents. TASER is not responsible for any loss of software programs, data, or other information contained on the storage media or any other part of the product services.

7.3.3 A replacement product will be new or like new and have the remaining warranty period of the original product or 90 days from the date of replacement or repair, whichever period is longer. When a product or part is exchanged, any replacement item becomes Purchaser's property and the replaced item becomes TASER's property.

8 Product Warnings. See our website at www.TASER.com for the most current product warnings.

9 Design Changes. TASER reserves the right to make changes in the design of any of TASER's products and services without incurring any obligation to notify the Agency or to make the same change to products and services previously purchased.

- 10 Insurance.** TASER will maintain at TASER's own expense and in effect during the Term, Commercial General Liability Insurance, Workers' Compensation Insurance and Commercial Automobile Insurance and will furnish certificates of insurance or self-insurance upon request.
- 11 Indemnification.** TASER will indemnify and defend the Agency Indemnitees (the Agency's officers, governing council, and its municipal employees) from and against all claims, demands, losses, liabilities, reasonable costs and expenses arising out of a claim by a third party against an Agency Indemnitee resulting from any negligent act, error or omission, or willful misconduct of TASER under or related to this Agreement, except in the case of negligent acts, omissions or willful misconduct of the Agency or claims that fall under Workers Compensation coverage.
- 12 IP Rights.** TASER owns and reserves all right, title, and interest in the TASER Products and related software, as well as any suggestions made to TASER.
- 13 IP Indemnification.** TASER will defend, indemnify, and hold the Agency Indemnitees harmless from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any third-party claim alleging that use of TASER Products or Services as permitted under this Agreement infringes or misappropriates the intellectual property rights of a third party. The Agency must provide TASER with prompt written notice of such a claim, tender to us the defense or settlement of such a claim at our expense, and cooperate fully with us in the defense or settlement of such a claim.

TASER has no liability to the Agency or any third party if any alleged infringement or claim of infringement is to any extent based upon: (a) any modification of the Evidence.com Services by the Agency or any third party not approved by TASER; (b) use of the Evidence.com Services in connection or in combination with equipment, devices, or services not approved or recommended by TASER; (c) the use of Evidence.com Services other than as permitted under this Agreement or in a manner for which it was not intended; or (d) the use of other than the most current release or version of any software provided by TASER as part of or in connection with the Evidence.com Services. Nothing in this Section will affect any warranties in favor of the Agency that are otherwise provided in or arise out of this Agreement.

- 14 Agency Responsibilities.** The Agency is responsible for (i) use of TASER Products (including any activities under the Agency Evidence.com account and use by Agency employees and agents), (ii) breach of this Agreement or violation of applicable law by the Agency or any of the Agency's end users, (iii) Agency Content or the combination of Agency Content with other applications, content or processes, including any claim involving alleged infringement or misappropriation of third party rights by Agency Content or by the use of Agency Content, (iv) a dispute between the Agency and any third party over Agency use of TASER products or the collection or use of Agency Content, (v) any hardware or networks that the Agency connects to the Evidence.com Services, and (vi) any security settings the Agency establishes to interact with or on the Evidence.com Services.
- 15 Termination.**
- 15.1 By Either Party.** Either Party may terminate for cause upon 30 days advance notice to the other Party if there is any material default or breach of this Agreement by the other Party, unless the defaulting Party has cured the material default or breach within the 30-day notice period. In the event that the Agency terminates this Agreement under this Section and TASER fails to cure the material breach or default, TASER will issue a refund of any prepaid amounts on a prorated basis.
- 15.2 By Agency.** The Agency is obligated to pay the fees under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during the then current fiscal year.

In the event that sufficient funds will not be appropriated or are not otherwise legally available to pay the fees required under this Agreement, this Agreement may be terminated by the Agency. The Agency agrees to deliver notice of termination under this Section at least 90 days prior to the end of the then current fiscal year.

15.3 Effect of Termination. Upon any termination of this Agreement: (a) all Agency rights under this Agreement immediately terminate; (b) the Agency remains responsible for all fees and charges incurred through the date of termination; and (c) Payment Terms, Warranty, Product Warnings, Indemnification, and Agency Responsibilities Sections, as well as the Evidence.com Terms of Use Appendix Sections on Agency Owns Agency Content, Data Storage, Fees and Payment, Software Services Warranty, IP Rights and License Restrictions will continue to apply in accordance with their terms.

15.4 After Termination. TASER will not delete any Agency Content as a result of a termination during a period of 90 days following termination. During this 90-day period the Agency may retrieve Agency Content only if all amounts due have been paid (there will be no application functionality of the Evidence.com Services during this 90-day period other than the ability to retrieve Agency Content). The Agency will not incur any additional fees if Agency Content is downloaded from Evidence.com during this 90-day period. TASER has no obligation to maintain or provide any Agency Content after this 90-day period and will thereafter, unless legally prohibited, delete all of Agency Content stored in the Evidence.com Services. Upon request, TASER will provide written proof that all Agency Content has been successfully deleted and fully removed from the Evidence.com Services.

15.5 Post-Termination Assistance. TASER will provide Agency with the same post-termination data retrieval assistance that TASER generally makes available to all customers. Requests for TASER to provide additional assistance in downloading or transferring Agency Content will result in additional fees and TASER will not warrant or guarantee data integrity or readability in the external system.

16 General.

16.1 Confidentiality. Both Parties will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of either Party's Confidential Information, except as required by applicable law. Neither Party will disclose either Party's Confidential Information during the Term or at any time during the 5-year period following the end of the Term, except as required by law. The Parties acknowledge and agree that Agency is subject to Chapter 552 of the Texas Government Code, commonly known as the "Texas Public Information Act" or "Texas Open Records Act" ("the Act"). Notwithstanding any other provision, including exemptions or exceptions to the Act, the Parties agree that in the event that any provision of this Agreement, or other documents related to this Agreement, including, but not limited to, any exhibit, attachment, amendment, addendum, or other incorporated document, is determined by a court or the Attorney General of the State of Texas to be in conflict with the Act, such provision shall, insofar as that conflict, be of no force or effect. Unless disclosure is required by law, Agency agrees, to the extent permitted by the Act, to exercise reasonable and prudent measures to safeguard TASER's Confidential Information unless TASER authorizes disclosure, TASER has already made public the information, the Agency obtained the information from another source independent of TASER, or an opinion of the Attorney General requires disclosure.

1) Any information or documents that TASER uses in the performance of the services provided under this Agreement which TASER considers confidential or proprietary or which contain trade secrets must be clearly marked accordingly by TASER. The marking must be explicit as to the designated information.

2) In the event Agency receives a request for information pursuant to the Act that affects TASER's rights, title to, or interest in any software, or a part thereof, or other information, items or data furnished to Agency by TASER under the Agreement, then Agency will comply with the Act's requirements for notice to TASER of such request. TASER shall state in writing to Agency within three (3) business days of receiving Agency's notice whether it intends to approve release of the requested information or assert to the Texas Attorney General statutory exceptions to disclosure. If TASER decides to assert exceptions to the Act in response to the request, then TASER shall, at its own expense, prepare and send the notices, comments, and briefing for its submission to the Attorney General in accordance with the substantive requirements and time periods provided in the Act. TASER shall also prepare at its expense for Agency's use the notices, comments, and briefing for Agency's submission to the Attorney General in accordance with the substantive requirements and time periods provided in the Act.

3) The parties intend for TASER to hold Agency harmless should TASER seek a judicial ruling on its asserted statutory exceptions to withholding information requested under the Act. For any suit pursuant to Sections 552.324 and 552.325 of the Texas Government Code, TASER shall bear all litigation costs, expenses, attorney's fees, and assessments, including the costs, expenses, and attorney's fees incurred by Agency and any adverse assessments against Agency arising out of Agency being a named party to such a suit. As a condition precedent to City's involvement in such a suit, TASER shall deposit with Agency the dollar amount estimated by Agency that will be incurred for costs, expenses, and attorney's fees.

- 16.2 Excusable delays.** TASER will use commercially reasonable efforts to deliver all products and services ordered as soon as reasonably practicable. In the event of interruption of any delivery due to causes beyond TASER's reasonable control TASER has the right to delay or terminate the delivery with reasonable notice.
- 16.3 Force Majeure.** Neither Party will be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results from any cause beyond the Parties' reasonable control, including acts of God, labor disputes or other industrial disturbances, systemic electrical, telecommunications, or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, or war.
- 16.4 Proprietary Information.** The Agency agrees that TASER has and claims various proprietary rights in the hardware, firmware, software, and the integration of ancillary materials, knowledge, and designs that constitute TASER products and services, and that the Agency will not directly or indirectly cause any proprietary rights to be violated. This paragraph 16.4 shall not govern if disclosure of Proprietary Information is required pursuant to paragraph 16.1.
- 16.5 Independent Contractors.** The Parties are independent contractors. Neither Party, nor any of their respective affiliates, has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.
- 16.6 No Third Party Beneficiaries.** This Agreement does not create any third party beneficiary rights in any individual or entity that is not a party to this Agreement.
- 16.7 Non-discrimination and Equal Opportunity.** During the performance of this Agreement, neither the Parties nor the Party's employees will discriminate against any person, whether

employed by a Party or otherwise, on the basis of race, color, religion, gender, age, national origin, handicap, marital status, or political affiliation or belief. In all solicitations or advertisements for employees, agents, subcontractors or others to be engaged by a Party or placed by or on behalf of a Party, the solicitation or advertisement shall state all qualified applicants shall receive consideration for employment without regard to race, color, religion, gender, age, national origin, handicap, marital status, or political affiliation or belief.

- 16.8 U.S. Government Rights.** Any Evidence.com Services provided to the U.S. Government as "commercial items," "commercial computer software," "commercial computer software documentation," and "technical data" will have the same rights and restrictions generally applicable to the Evidence.com Services. If the Agency is using the Evidence.com Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, the Agency will immediately discontinue use of the Evidence.com Services. The terms "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data" are defined in the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation Supplement.
- 16.9 Import and Export Compliance.** In connection with this Agreement, each Party will comply with all applicable import, re- import, export, and re-export control laws and regulations.
- 16.10 Assignment.** Neither Party may assign or otherwise transfer this Agreement without the prior written approval of the other Party. TASER may assign or otherwise transfer this Agreement or any of our rights or obligations under this Agreement without consent (a) for financing purposes, (b) in connection with a merger, acquisition or sale of all or substantially all of our assets, (c) as part of a corporate reorganization, or (d) to a subsidiary corporation. Subject to the foregoing, this Agreement will be binding upon the Parties and their respective successors and assigns.
- 16.11 No Waivers.** The failure by either Party to enforce any provision of this Agreement will not constitute a present or future waiver of the provision nor limit the Party's right to enforce the provision at a later time.
- 16.12 Severability.** This Agreement is contractual and not a mere recital. If any portion of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect.
- 16.13 Governing Law; Venue.** The laws of the state where the Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute of any sort that might arise between the Parties. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.
- 16.14 Notices.** All communications and notices to be made or given pursuant to this Agreement must be in the English language. Notices provided by posting on the Agency's Evidence.com site will be effective upon posting and notices provided by email will be effective when the email was sent. Notices provided by personal delivery will be effective immediately. Contact information for notices:

TASER: TASER International, Inc.
ATTN: Contracts
17800 N. 85th Street
Scottsdale, Arizona 85255
contracts@taser.com

AGENCY: Texarkana, Texas Police Department
ATTN: Capt. Michael Henry
100 N. State Line Ave. Box 16
Texarkana, TX 75501
henry@txkusa.org

16.15 Entire Agreement. This Agreement, including the APPENDICES attached hereto, and the Policies and the Quote provided by TASER, represents the entire agreement between the Parties. This Agreement supersedes all prior or contemporaneous representations, understandings, agreements, or communications between the Parties, whether written or verbal, regarding the subject matter of this Agreement. No modification or amendment of any portion of this Agreement will be effective unless in writing and signed by the Parties to this Agreement. If TASER provides a translation of the English language version of this Agreement, the English language version of the Agreement will control if there is any conflict.

16.16 Counterparts. If this Agreement form requires the signatures of the Parties, then this Agreement may be executed by electronic signature in multiple counterparts, each of which is considered an original.

16.17 Governmental Immunity. Nothing in this Agreement shall be deemed to waive, modify, or alter Agency's governmental (sovereign) immunity under the laws of the State of Texas.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed. Each Party warrants and represents that its respective signatories whose signatures appear below have been and are, on the date of signature, duly authorized to execute this Agreement.

TASER International, Inc.

Signature: _____
Name: _____
Title: _____
Date: _____
Address: 17800 N. 85th Street Scottsdale, AZ 85255

Attn: Contracts

Email: contracts@taser.com

**The City of Texarkana, Texas / Texarkana,
Texas Police Dept.**

Signature: _____
Name: John A. Whitson, ICMA-CM
Title: City Manager
Date: _____
Address: 100 N. State Line Ave., Texarkana, TX,
75501

Evidence.com Terms of Use Appendix

- 1 **Access Rights.** Upon the purchase or granting of a subscription from TASER and the opening of an Evidence.com account the Agency will have access and use of the Evidence.com Services for the storage and management of Agency Content during the subscription term (**Term**). The Evidence.com Service and data storage are subject to usage limits. The Evidence.com Service may not be accessed by more than the number of end users specified in the Quote. If Agency becomes aware of any violation of this Agreement by an end user, the Agency will immediately terminate that end user's access to Agency Content and the Evidence.com Services.
- 2 **Agency Owns Agency Content.** The Agency controls and owns all right, title, and interest in and to Agency Content and TASER obtains no rights to the Agency Content and the Agency Content are not business records of TASER. The Agency is solely responsible for the uploading, sharing, withdrawal, management and deletion of Agency Content. TASER will have limited access to Agency Content solely for the purpose of providing and supporting the Evidence.com Services to the Agency and Agency end users. The Agency represents that the Agency owns Agency Content; and that none of Agency Content or Agency end users' use of Agency Content or the Evidence.com Services will violate this Agreement or applicable laws.
- 3 **Evidence.com Data Security.**
 - 3.1. **Generally.** TASER will implement commercially reasonable and appropriate measures designed to secure Agency Content against accidental or unlawful loss, access or disclosure. TASER will maintain a comprehensive Information Security Program (**ISP**) that includes logical and physical access management, vulnerability management, configuration management, incident monitoring and response, encryption of digital evidence uploaded, security education, risk management, and data protection. The Agency is responsible for maintaining the security of end user names and passwords and taking steps to maintain appropriate security and access by end users to Agency Content. Log-in credentials are for Agency internal use only and Agency may not sell, transfer, or sublicense them to any other entity or person. The Agency agrees to be responsible for all activities undertaken by the Agency, Agency employees, Agency contractors or agents, and Agency end users which result in unauthorized access to the Agency account or Agency Content. Audit log tracking for the video data is an automatic feature of the Services which provides details as to who accesses the video data and may be downloaded by the Agency at any time. The Agency shall contact TASER immediately if an unauthorized third party may be using the Agency account or Agency Content or if account information is lost or stolen.
 - 3.2. **FBI CJIS Security Addendum.** For customers based in the United States, TASER agrees to the terms and requirements set forth in the Federal Bureau of Investigation (**FBI**) Criminal Justice Information Services (**CJIS**) Security Addendum for the Term of this Agreement.
- 4 **Our Support.** TASER will make available updates as released by TASER to the Evidence.com Services. Updates may be provided electronically via the Internet. TASER will use reasonable efforts to continue supporting the previous version of any API or software for 6 months after the change (except if doing so (a) would pose a security or intellectual property issue, (b) is economically or technically burdensome, or (c) is needed to comply with the law or requests of governmental entities. The Agency is responsible for maintaining the computer equipment and Internet connections necessary for use of the Evidence.com Services.
- 5 **Data Privacy.** TASER will not disclose Agency Content or any information about the Agency except as compelled by a court or administrative body or required by any law or regulation. TASER will give notice

if any disclosure request is received for Agency Content so the Agency may file an objection with the court or administrative body. The Agency agrees to allow TASER access to certain information from the Agency in order to: (a) perform troubleshooting services for the account upon request or as part of our regular diagnostic screenings; (b) enforce this agreement or policies governing use of Evidence.com Services; or (c) perform analytic and diagnostic evaluations of the systems.

- 6 **Data Storage.** TASER will determine the locations of the data centers in which Agency Content will be stored and accessible by Agency end users. For United States customers, TASER will ensure that all Agency Content stored in the Evidence.com Services remains within the United States including any backup data, replication sites, and disaster recovery sites. TASER may transfer Agency Content to third parties for the purpose of storage of Agency Content. Third party subcontractors responsible for storage of Agency Content are contracted by TASER for data storage services. Ownership of Agency Content remains with the Agency. For use of an Unlimited Evidence.com License unlimited data may be stored in the Agency's Evidence.com account if the data originates from a TASER device. For use of Totally Unlimited Evidence.com Licenses TASER reserves the right to limit the types of content the Agency can store and share using the Services.
- 7 **Fees and Payment.** Additional end users may be added during the Term at the pricing in effect at the time of purchase of additional end users, prorated for the duration of the Term. Additional end user accounts will terminate on the same date as the pre-existing subscriptions. TASER reserves the right to charge additional fees for exceeding purchased storage amounts or for TASER's assistance in the downloading or exporting of Agency Content.
- 8 **Suspension of Evidence.com Services.** TASER may suspend Agency access or any end user's right to access or use any portion or all of the Evidence.com Services immediately upon notice in accordance with the following:
- 8.1. The Termination provisions of the Master Service Agreement apply;
 - 8.2. The Agency or an end user's use of or registration for the Evidence.com Services (i) poses a security risk to the Evidence.com Services or any third party, (ii) may adversely impact the Evidence.com Services or the systems or content of any other customer, (iii) may subject TASER, TASER's affiliates, or any third party to liability, or (iv) may be fraudulent;
 - 8.3. If TASER suspends the right to access or use any portion or all of the Evidence.com Services, the Agency remains responsible for all fees and charges incurred through the date of suspension without any credits for any period of suspension. TASER will not delete any of Agency Content on Evidence.com as a result of a suspension, except as specified elsewhere in this Agreement.
- 9 **Software Services Warranty.** TASER warrants that the Evidence.com Services will not infringe or misappropriate any patent, copyright, trademark, or trade secret rights of any third party. TASER disclaims any warranties or responsibility for data corruption or errors before the data is uploaded to the Evidence.com Services.
- 10 **License Restrictions.** Neither the Agency nor any Agency end users may, or attempt to: (a) permit any third party to access the Evidence.com Services except as permitted in this Agreement; (b) modify, alter, tamper with, repair, or otherwise create derivative works of any of the Evidence.com Services; (c) reverse engineer, disassemble, or decompile the Evidence.com Services or apply any other process or procedure to derive the source code of any software included in the Evidence.com Services, or allow any others to do the same; (d) access or use the Evidence.com Services in a way intended to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas; (e) copy the Evidence.com Services in whole or part, except as expressly permitted in this Agreement; (f) use trade secret information contained in the Evidence.com Services, except as expressly permitted in this Agreement; (g)

resell, rent, loan, or sublicense the Evidence.com Services; (h) access the Evidence.com Services in order to build a competitive product or service or copy any features, functions, or graphics of the Evidence.com Services; (i) remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of ours or our licensors on or within the Evidence.com Services or any copies of the Evidence.com Services; or (j) use the Evidence.com Services to store or transmit infringing, libelous, or otherwise unlawful or tortious material, to store or transmit material in violation of third party privacy rights, or to store or transmit malicious code. All licenses granted in this Agreement are conditional on continued compliance with this Agreement, and will immediately and automatically terminate if the Agency does not comply with any term or condition of this Agreement. The Agency may only use our trademarks in accordance with the TASER Trademark Use Guidelines (located at www.TASER.com).

Professional Services Appendix

1 Scope of Services. The project scope will consist of the Services identified on the Quote.

1.1. The Package for the Axon and Evidence.com related Services are detailed below:

System set up and configuration Setup Axon® Mobile on smart phones (if applicable). Configure categories & custom roles based on Agency need. Troubleshoot IT issues with Evidence.com and Evidence.com Dock (Dock) access. Work with IT to install EVIDENCE Sync software on locked-down computers (if applicable). Virtual Assistance Included
Dock installation Work with Agency to decide ideal location of Dock setup and set configurations on Dock if necessary. Authenticate Dock with Evidence.com using "admin" credentials from Agency. Work with Agency's IT to configure its network to allow for maximum bandwidth and proper operation within Agency's network environment. Virtual Assistance Included
Dedicated Project Manager Assignment of a specific TASER representative for all aspects of planning the Product rollout (Project Manager). Ideally, the Project Manager will be assigned to the Agency 4–6 weeks prior to rollout.
Weekly project planning meetings Project Manager will develop a Microsoft Project plan for the rollout of Axon camera units, Docks and Evidence.com account training based on size, timing of rollout and Agency's desired level of training. Up to 4 weekly meetings leading up to the Evidence.com Dock installation of not more than 30 minutes in length.
Axon instructor training Prior to general user training on Axon camera systems and Evidence.com services, TASER's on-site professional services team will provide training for instructors who can support the Agency's subsequent Axon camera and Evidence.com training needs.
End user go live training and support sessions Provide individual device set up and configuration assistance; pairing with viewers when applicable; and training on device use, Evidence.com and EVIDENCE Sync.
Implementation document packet Evidence.com administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go live review session

1.2. Additional training days may be added on to any service package for additional fees set forth in the Quote.

2 Out of Scope Services. TASER is responsible to perform only the Services described on the Quote. Any additional services discussed or implied that are not defined explicitly by the Quote will be considered out of the scope.

3 Delivery of Services.

3.1. Hours and Travel. TASER personnel will work within normal business hours, Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays unless otherwise agreed in advance. All tasks on-site will be performed over a consecutive timeframe unless otherwise agreed to by the Parties in

advance. Travel time by TASER personnel to Agency premises will not be charged as work hours performed.

3.2. Changes to Services. Changes to the scope of Services must be documented and agreed upon by the Parties in a change order. Changes may require an equitable adjustment in the charges or schedule.

- 4 Authorization to Access Computer Systems to Perform Services.** The Agency authorizes TASER to access relevant Agency computers and network systems solely for the purpose of performing the Services. TASER will work diligently to identify as soon as reasonably practicable the resources and information TASER expects to use, and will provide an initial itemized list to the Agency. The Agency is responsible for, and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by the Agency.
- 5 Site Preparation and Installation.** Prior to delivering any Services, TASER will provide 1 copy of the then-current user documentation for the Services and related Products in paper or electronic form (**Product User Documentation**). The Product User Documentation will include all environmental specifications that must be met in order for the Services and related Products to operate in accordance with the Product User Documentation. Prior to the installation of Product (whether performed by the Agency or TASER), the Agency must prepare the Installation Site in accordance with the environmental specifications set forth in the Product User Documentation. Following the installation of the Products, the Agency must maintain the Installation Site where the Products have been installed in accordance with the environmental specifications set forth in the Product User Documentation. In the event that there are any updates or modifications to the Product User Documentation for any Products provided by TASER under this Agreement, including the environmental specifications for the Products, TASER will provide the updates or modifications to Agency when they are generally released by TASER to TASER customers.
- 6 Acceptance Checklist.** TASER will present an Acceptance Checklist (**Checklist**) upon completion of the Services that will exactly mirror the description of services within this Section. The Agency will sign the Checklist acknowledging completion of the Services once the on-site service session has been completed. If the Agency reasonably believes that TASER did not complete the Services in substantial conformance with this Agreement, the Agency must notify TASER in writing of the specific reasons for rejection of the Services within 7 calendar days from delivery of the Checklist. TASER will address the issues and then will re-present the Checklist for approval and signature. If TASER does not receive the signed Checklist or a written notification of the reasons for the rejection of the performance of the Services within 7 calendar days of delivery of the Checklist, the absence of the Agency response will constitute affirmative acceptance of the Services, and a waiver of any right of rejection.
- 7 Liability for Loss or Corruption of Data.** The Agency is responsible for: (i) instituting proper and timely backup procedures for Agency software and data; (ii) creating timely backup copies of Agency software or data that may be damaged, lost, or corrupted due to our provision of Services; and (iii) using backup copies to restore any Agency software or data in the event of any loss of, damage to, or corruption of the operational version of Agency software or data, even if such damage, loss, or corruption is due to TASER negligence. However, regardless of any assistance provided by TASER: (i) TASER will in no way be liable for the accuracy, completeness, success, or results of efforts to restore Agency software or data; (ii) any assistance provided by TASER under this Section is without warranty, express or implied; and (iii) in no event will TASER be liable for loss of, damage to, or corruption of Agency data from any cause.

Axon Fleet Appendix

Axon Fleet has been purchased as part of the Quote attached to this Agreement.

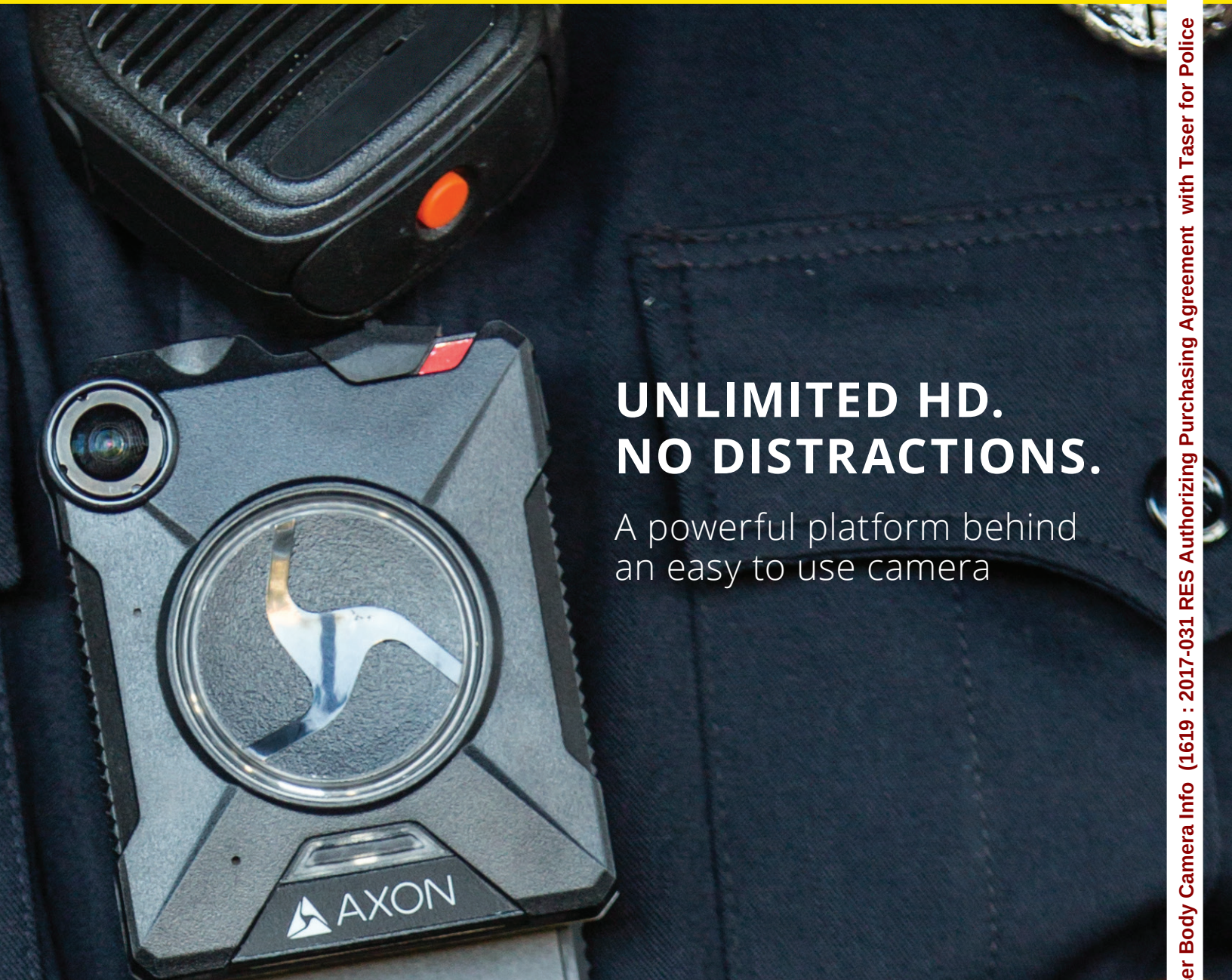
- 1 **Axon Fleet Evidence.com Subscription Term.** The Evidence.com Subscription for Axon Fleet will begin after shipment of the Axon Fleet Room hardware (**Axon Fleet Subscription**) If shipped in the first half of the month, the start date is on the 1st of the following month. If shipped in the last half of the month, the start date is on the 15th of the following month. The **Axon Fleet Subscription** will automatically renew for additional successive Terms of one (1) year after completion of the Initial Term at the list price then in effect, unless the Agency gives TASER written notice of termination within sixty (60) days prior to the end of the Initial Term. For phased deployments, the Initial Term begins upon the shipment of the first phase, and subsequent phases will be co-termed to the end date of the Initial Term.
- 2 **Agency Responsibilities.** The Agency is responsible for ensuring its infrastructure adheres to the minimum requirements needed to effectively operate Axon Fleet as established by TASER during the on-site assessment at the Agency's facility and/or in TASER's technical qualifying questions. The Quote is based upon the Agency's accurate representation of its infrastructure. Any inaccuracies the Agency provides to TASER regarding the Agency's infrastructure may subject the Quote to change.
- 3 **For CradlePoint purchases only.** If the Agency purchases CradlePoint Enterprise Cloud Manager, the Agency is responsible for complying with the CradlePoint end user license agreement. The Agency acknowledges that the term of the CradlePoint license may differ from the term of the Evidence.com license. The Agency further acknowledges that CradlePoint installation services are not within the scope of this Agreement.
- 4 **Statement of Work.** If the Agency has purchased installation services for Axon Fleet, the Statement of Work (SOW) attached to this Appendix will detail TASER's deliverables to the Agency with respect to the installation of Axon Fleet and any related hardware. TASER is responsible to perform only the services described in this SOW. Any additional services discussed or implied that are not defined explicitly by the SOW will be considered out of the scope. TASER may subcontract any part of the SOW to a qualified subcontractor.
- 5 **Warranty Coverage.** TASER's standard Hardware Warranty applies to Axon Fleet.
- 1 **Axon Fleet Unlimited Storage.** For use of an Axon Fleet Unlimited Evidence.com License, unlimited data may be stored as part of the Axon Fleet unlimited storage only if the data originates from Axon Fleet hardware.
- 2 **Axon Fleet Unlimited Upgrade.** If the Agency has purchased Fleet Unlimited, the Axon Fleet camera hardware is covered by a 4-year extended warranty. Axon Fleet Unlimited also provides the Agency with Upgrade Models during the Term. Upgrade Models are to be provided as follows during and/or after the Axon Fleet Unlimited Term: 2.5 years after the Effective Date and once again 5 years after the Effective Date if the Agency purchased 5 years made all Axon Fleet Unlimited payments.

Any products replaced within the six months prior to the scheduled upgrade will be deemed the Upgrade Model. Thirty days after the Upgrade Models are received, the Agency must return the products to TASER or TASER will deactivate the serial numbers for the products received unless the Agency purchases additional Evidence.com licenses for the Axon camera products the Agency is keeping. The

Agency may buy a new TAP for any Upgraded Model.

2.1. TAP Axon Camera Upgrade Models.

2.1.1. If the Agency purchased TAP for Axon Cameras as a stand-alone service, then TASER will upgrade the Axon camera (and controller if applicable), free of charge, with a new on-officer video camera that is the same product or a like product, at TASER's sole option. TASER makes no guarantee that the Upgrade Model will utilize the same accessories or Dock. If the Agency would like to change product models for the Upgrade Model, then the Agency must pay the price difference in effect at the time of the upgrade between the MSRP for the offered Upgrade Model and the MSRP for the model that will be acquired. No refund will be provided if the MSRP of the new model is less than the MSRP of the offered Upgrade Model.



UNLIMITED HD. NO DISTRACTIONS.

A powerful platform behind
an easy to use camera

BEYOND A CAMERA AND BEYOND COMPARE

The #1 Video Platform | Unlimited HD | Constant Upgrades

Axon Body 2 takes powerful simplicity to the next level. The single-unit design is equipped with capabilities like unlimited HD video, advanced audio, Wi-Fi video connectivity and industry-leading security enhancements. It's part of the growing network that lets you act with confidence by connecting devices, apps, and people.

800-978-2737 axon.io/body2

Packet Pg. 445

AXON BODY 2 FEATURES AND BENEFITS

RETINA HD VIDEO: The industry's best low-light video now records in HD.

FULL-SHIFT BATTERY: 12+ hours

PRE-EVENT BUFFER: Configure your pre-event buffer time.

WIRELESS ACTIVATION: Axon Signal reports events, like when you open the car door or activate the light bar, so your camera can detect them and start recording.

OPTIONAL MUTE: Ability to disable audio in the field to support dual party consent.

IN-FIELD TAGGING: Add a marker to important points in your video.

UNMATCHED DURABILITY: Built to withstand extreme weather and brutal conditions.

ADVANCED SECURITY: Evidence is encrypted at rest on the camera to protect data at all times.

RAPIDLOCK MOUNTS: Versatile mounts keep the camera steady during tough situations.

MOBILE APP: Stream, tag, and replay videos right on your phone with Axon View.



APP AVAILABLE FOR
APPLE AND ANDROID

AXON BODY 2 SPECIFICATIONS

VIDEO RESOLUTION Configurable up to 1080p

WEATHER RESISTANCE IP67 (IEC 60529)

CORROSION RESISTANCE MIL-STD-810G METHOD 509.5 (SALT FOG)

FIELD OF VIEW 143 degrees

OPERATING TEMPERATURE -4 °F to 122 °F / -20 °C to 50 °C

DROP TEST 6 Feet

HUMIDITY 95% non-condensing

WARRANTY 1 year from date of receipt with extended full five-year warranty options

RECORDING CAPACITY Up to 70 hours depending on resolution

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HD IN-CAR VIDEO. EPIC PRICE.

The power of the cloud,
now in your car

INNOVATION HITS THE ROAD

Bold Price | Plug & Play Functionality | Cloud-Connected Platform

Axon Fleet is a breakthrough in-car video system that offers advanced functionality at an unheard-of price: 50% less than traditional systems. It incorporates Axon Signal technology that enables your Axon cameras to start recording during critical situations, allowing you to focus on the action. A wide-angle lens and HD video ensure you'll capture every second at top quality. The flexible design allows you to swap cameras in a matter of seconds and keeps your vehicles out of the shop and on the road. Axon Fleet lets you access a platform that connects data and people from capture to courtroom.

800-978-2737 axon.io/fleet

AXON FLEET FEATURES AND BENEFITS

RETINA HD VIDEO: The industry's best low-light video now records in HD.

WIRELESS ACTIVATION: Axon Signal reports vehicle status, such as light bar activation, so your Axon cameras start recording.

REAR-FACING CAMERA: Capture what happens inside the car, too.

WIRELESS OFFLOAD: Evidence uploads to the cloud via Wi-Fi or the Axon Dock.

NO MAINTENANCE DOWNTIME: Trade out units in a few seconds without tearing the car apart.

PRE-EVENT BUFFER: Capture up to 2 minutes before an event.

ADVANCED SECURITY: Evidence is encrypted at rest on the camera to protect data at all times.

MOBILE APP: Stream, tag and replay any camera's videos right on your phone with Axon View.

UNPRECEDENTED PRICE: Costs 50% less than traditional in-car video systems.

CONTINUOUS UPGRADES: Full-featured solution that receives new capabilities via software upgrades every 30 days.



APP AVAILABLE FOR
APPLE AND ANDROID

AXON FLEET SPECIFICATIONS

VIDEO RESOLUTION Configurable up to 1080p

WEATHER RESISTANCE IP67 (IEC 60529)

CORROSION RESISTANCE MIL-STD-810G METHOD 509.5 (SALT FOG)

FIELD OF VIEW 142 degrees

OPERATING TEMPERATURE -40 °F to 122 °F / -40 °C to 50 °C

DROP TEST 6 feet

HUMIDITY 80% non-condensing

WARRANTY 1 year from date of receipt

RECORDING CAPACITY Up to 70 hours depending on resolution

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QUOTE CONFIRMATION



DEAR RYAN DURHAM,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
HSSK745	3/1/2017	0301	4448503	-\$28,845.54

\$26,217.54

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Cradlepoint COR IBR1100 - wireless router - WWAN - 802.11a/b/g/n/ac - desk Mfg. Part#: IBR1100LP6-NA UNSPSC: 43222609 Contract: TIPS/TAPS Computers, Equipment, Components 2062515 (2062515)	30	4121971	\$709.53	\$21,285.90
Cradlepoint Enterprise Cloud Manager Prime - subscription license (1 year) Mfg. Part#: ECM-PRM-CC1YR UNSPSC: 43232804 Electronic distribution - NO MEDIA Contract: TIPS/TAPS Software Agreement 3071615 (3071615)	30	4318696	\$87.60	-\$2,628.00
Cradlepoint antenna Mfg. Part#: 170628-000 UNSPSC: 43221706 Contract: TIPS/TAPS Computers, Equipment, Components 2062515 (2062515)	26	3391028	\$12.29	\$319.54
MOBILE MARK LTM501 OMNI ANTENNA GPS Mfg. Part#: LTM501-3C3C3J3J2C-BLK-180 Contract: TIPS/TAPS Computers, Equipment, Components 2062515	17	3793137	\$271.30	\$4,612.10

PURCHASER BILLING INFO		SUBTOTAL	\$28,845.54
Billing Address: CITY OF TEXARKANA ACCTS PAYABLE PO BOX 1967 TEXARKANA, TX 75504-1967 Phone: (903) 798-3920 Payment Terms: Net 30 Days-Govt State/Local		SHIPPING	\$0.00
		GRAND TOTAL	-\$28,845.54
			\$26,217.54
DELIVER TO		Please remit payments to:	
Shipping Address: CITY OF TEXARKANA 923 ELM ST FLEET SERVICES TEXARKANA, TX 75501-5015 Phone: (903) 798-3920 Shipping Method: FEDEX Ground		CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515	

Need Assistance? CDW•G SALES CONTACT INFORMATION



Dave Edwards

(877) 274-3443

daveedw@cdwg.com

Attachment: 2017-031 ATTH 07 CradlePoint Routers (1619 : 2017-031 RES Authorizing Purchasing Agreement with Taser for Police Cameras)

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdwg.com/content/terms-conditions/product-sales.aspx>
For more information, contact a CDW account manager

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City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☒ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☒ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☐ None Required	☐

Other:

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 3/8/2017 8:51 AM

Lead Department:	<u>Planning and Community Development</u>	Action Officer:	<u>David Orr, Planning & Community Development Director</u>
Subject:	<u>Ordinance No. 2017-032 amending the budget and authorizing the City Manager to enter into a contract for the environmental abatement and demolition of the Kress Building located at 116 W. Broad St.</u>		
Briefing:	Public Hearing:	Second Briefing:	Council Vote:
<u>3/27/2017</u>	<u>3/27/2017</u>	<u>April 10, 2017</u>	<u>4/24/2017</u>

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

Ordinance No. 073-2009
Ordinance No. 2015-038
Ordinance No. 2016-073

Executive Summary and Background Information:

In 2009, the City acquired property located at 116 West Broad Street from the Bi-State Women's Center, Inc as a donation through Ordinance No. 073-2009. The property has deteriorated to the point that it has impacted adjacent property owners and the building's front sidewalk has been compromised since November 2014 due to public safety concerns resulting from falling debris.

A structural engineering report conducted by Raley and Associates in 2012 stated that the building structure appears to be unstable and needs to be demolished as soon as possible. The City received confirmation June 23, 2015 from the Texas Historical Commission stating the building is not eligible for an individual listing in the National Register of Historic Places.

ERI Consulting, Inc conducted asbestos and lead-based paint inspections in 2015 and confirmed positive tests for both hazardous materials. ERI Consulting, Inc consulted with the Texas Department of State Health Services and received an approved contaminated construction debris disposal plan. ERI Consulting, Inc developed design options and a scope of work for the project.

Date Invitation for Bids (IFB) **Posted on our website January 13, 2017**

IFB Bid Number: **17-2001-02**

Dates Published in Texarkana Gazette: **January 15, 2017 and January 22, 2017**

Bids Received from:

Gator Industrial LLC of Joplin, Missouri
Tactical Demolition of Frisco, Texas

Bid Opening Date: **February 21, 2017**

Lowest Responsive Bidder: **Gator Industrial LLC of Joplin, Missouri**

City of Texarkana, Texas

Budget: Funds were not appropriated in FY17 budget. Budget amendment to include accepting the base bid of \$506,500, relocation expenses of \$23,638, professional fees of \$67,500, TDSHS Fee \$2,700, 5% contingency \$28,835 for a total of \$629,173.

Policy Exceptions: None

Scope of Work: Removal of three-story with basement commercial building totaling 18,000 s.f. while salvaging the historic architectural features.

Potential Options:

- Approve budget amendment
- Disapprove budget amendment

Fiscal Implications:

\$629,173

Staff Recommendation:

Staff recommends for approval

Advisory Board/Committee Review:

None

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-032 ORD Budget Amendment for Kress (DOCX)
- b. 2017-032 ATTH 01 116 West Broad (PDF)
- c. 2017-032 ATTH 02 EPA Funding Denial Email 2012 (PDF)
- d. 2017-032 ATTH 03 EPA Funding Denial Email 2015 (PDF)
- e. 2017-032 ATTH 04 Executive Summary Phase 1 Environmental (PDF)
- f. 2017-032 ATTH 05 Jason Horton Letter (PDF)
- g. 2017-032 ATTH 06 Kress Building Tom Morrissey Email (PDF)
- h. 2017-032 ATTH 07 Kress Building October 2012 Report (PDF)
- i. 2017-032 ATTH 08 Kress Pictures 4.13.2015 (PDF)
- j. 2017-032 ATTH 09 Timeline 2015 (PDF)
- k. 2017-032 ATTH 10 Order of Commission (PDF)
- l. 2017-032 ATTH 11 Ordinance 073 09 Authorizing City Manager (PDF)
- m. 2017-032 ATTH 12 Redev & Grants Memo Council Kress Transfer (PDF)
- n. 2017-032 ATTH 13 Warranty Deed (PDF)
- o. 2017-032 ATTH 14 Texas Historic Commission Response Kress (PDF)
- p. 2017-032 ATTH 15 Spring Street Project Tyler, TX (PDF)
- q. 2017-032 ATTH 16 ERI Asbestos Inspection Report (PDF)
- r. 2017-032 ATTH 17 Gator Industrial LLC Bid Document (PDF)

City of Texarkana, Texas

- s. 2017-032 ATTH 18 Kress Temporary Access and Easement Agreements (PDF)
- t. 2017-032 ATTH 19 ERI Contract for Professional Services (PDF)
- u. 2017-032 ATTH 20 ERI Recommendation Letter (PDF)
- v. 2017-032 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development Completed	David Orr	Department Head Review	
	03/06/2017 11:56 AM		
Finance Department Kristin Peebles	Finance Review	Completed	03/06/2017
2:54 PM			
Purchasing and Contracting Completed	Sharon Moore	Purchasing Review	
	03/06/2017 3:00 PM		
Deputy City Manager - Shirley Jaster Review	Shirley Jaster	Deputy City Manager	
Completed	03/06/2017 4:51 PM		
Deputy City Manager - Kyle Dooley Review	Kyle Dooley	Deputy City Manager	
Completed	03/07/2017 8:16 AM		
City Attorney Jeffery C. Lewis	Review	Completed	03/07/2017
9:43 AM			
Public Information Officer	Lisa Thompson	PIO Review	Completed
	03/07/2017 9:48 AM		
City Manager John Whitson	City Manager Review	Completed	03/09/2017
3:38 PM			
City Council Jennifer Evans	Meeting	Completed	03/13/2017
6:00 PM			

Meeting History

03/13/17	City Council	MOVED FORWARD	Next: 03/27/17
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ORDINANCE NO. 2017-032

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING BUDGET EXPENDITURES IN AN AMOUNT NOT TO EXCEED SIX HUNDRED TWENTY NINE THOUSAND ONE HUNDRED SEVENTY THREE DOLLARS (\$629,173) RELATED TO ENVIRONMENTAL ABATEMENT AND DEMOLITION FOR THE KRESS BUILDING FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith TO THE EXTENT OF SUCH CONFLICT; CONTAINING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in 2009, the City acquired property located at 116 West Broad Street from the Bi-State Women's Center, Inc. as a donation through Ordinance No. 073-2009; and

WHEREAS, the property has deteriorated to the point that it has impacted adjacent property owners and the building's front sidewalk has been compromised since November 2014 due to public safety concerns resulting from falling debris; and

WHEREAS, a structural engineering report conducted by Raley and Associates in 2012 stated that the building structure appears to be unstable; and

WHEREAS, the City received confirmation June 23, 2015 from the Texas Historical Commission stating the building is not eligible for an individual listing in the National Register of Historic Places; and

WHEREAS, ERI Consulting, Inc. conducted asbestos and lead-based paint inspections in 2015 and confirmed positive tests for both hazardous materials; and

WHEREAS, ERI Consulting, Inc. consulted with the Texas Department of State Health Services and received an approved contaminated construction debris disposal plan; and

WHEREAS, temporary access and easement agreements were obtained from all adjacent property owners; and

WHEREAS, the bids were opened on February 21, 2017 for the demolition of the Kress Building; and

WHEREAS, the bidder with the lowest and best bid was Gator Industrial, LLC. of Joplin, Missouri, in an amount of **Five Hundred Six Thousand Five Hundred Dollars (\$506,500)**; and

WHEREAS, the City Council finds and determines that it would be in the City's best interest to amend the budget estimate of the City's expenditures for the fiscal year beginning October 1, 2016, and ending September 30, 2017, to reflect additional expenditures appropriated in an amount not to exceed **Six Hundred Twenty Nine Thousand One Hundred Seventy Three Dollars (\$629,173)** related to cleanup for the Kress Building located at 116 West Broad Street.

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

SECTION 1: That the City Manager be and is hereby authorized to enter into a contract with Gator Industrial LLC of Joplin, Missouri, in an amount of **Five Hundred Six Thousand Five Hundred Dollars (\$506,500)** for the environmental abatement and demolition of the Kress Building located at 116 West Broad Street.

SECTION 2: That the budget estimate of the expenditures of the City of Texarkana, Texas, as prepared by the City Manager and appropriated by the City Council for the fiscal year beginning October 1, 2016 and ending September 30, 2017 be amended to reflect additional expenditures appropriated in an amount not to exceed **Six Hundred Twenty Nine Thousand One Hundred Seventy Three Dollars (\$629,173)** related to cleanup for the Kress Building located at 116 West Broad Street.

SECTION 3: That a copy of said amended final adopted budget shall be placed on the City's website.

SECTION 4: It is further provided that in case a section, clause, sentence, or part of this Ordinance shall be deemed or adjudged by a Court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this Ordinance.

SECTION 5: All ordinances or parts of ordinances in conflict herewith are specifically repealed to the extent of such conflict.

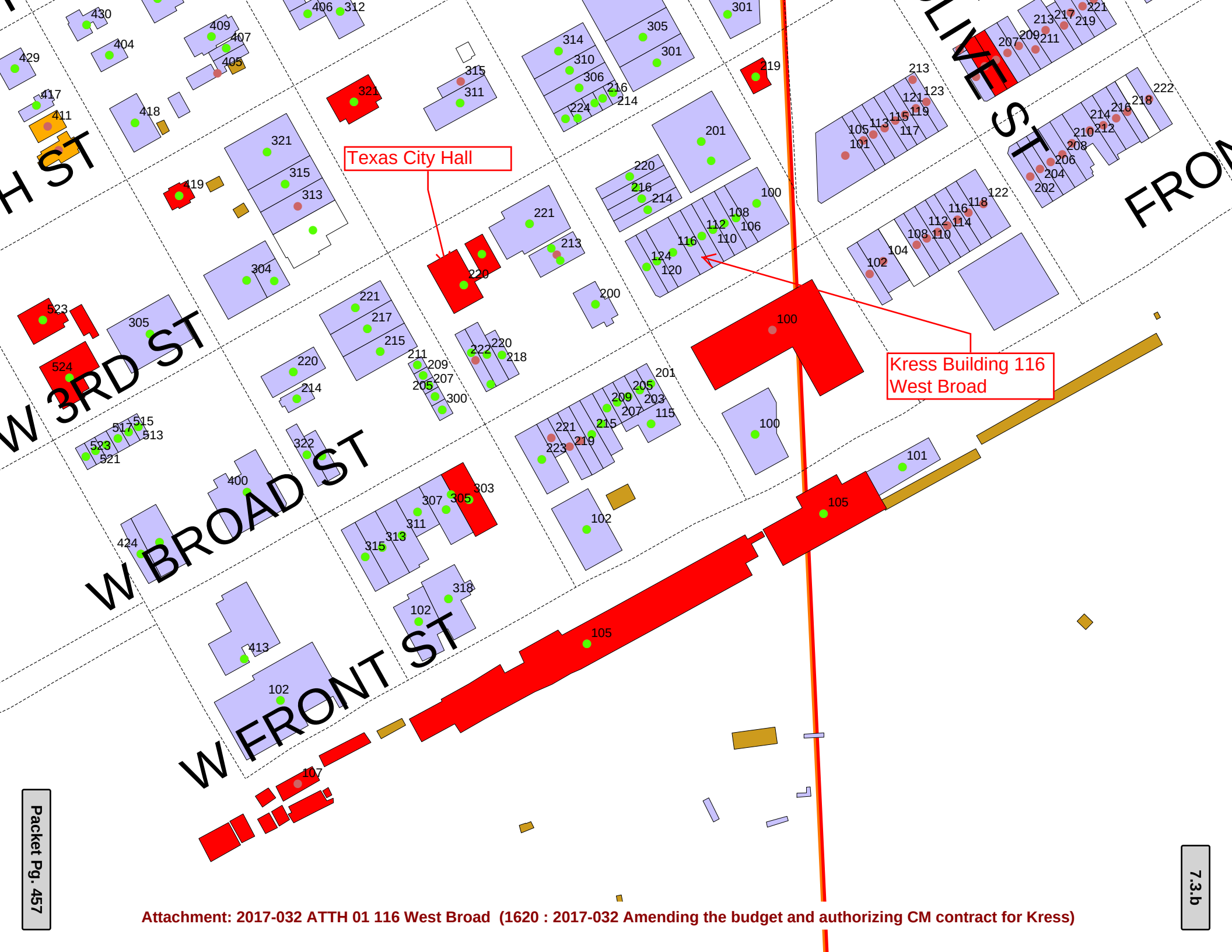
SECTION 6: This Ordinance shall be in full force and effect from and after its passage and approval and after the adoption of this budget or budget amendment, budget officer shall provide for the filing of a true copy of the approved budget or amendment on the City's website.

PASSED AND APPROVED in Regular Council Session on this the **24th** day of **April, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR



From: Amber Perry [<mailto:Perry.Amber@epamail.epa.gov>]
Sent: Wednesday, January 18, 2012 3:27 PM
To: TEX-Ryan, Daphnea
Cc: TEX-Hallford, Adra; TEX-Lindholm, Craig; Taylor, Jodi A.; TEX-Sartor, Joy; Janet Brooks
Subject: Re: Request for Approval - Phase I 116 West Broad Street

Hi everyone,
 I have heard back from our EPA counsel, and unfortunately the site is not eligible for an assessment with your grant. Also, the site will not be eligible for the multi-purpose grant (with the City of Texarkana as the applicant).

From my counsel:

"Unless the City previously took ownership of the property through some sort of involuntary acquisition (CERCLA sec 101 (20)) eminent domain, or condemnation (CERCLA sec 101(35)) (and I don't believe from the facts that was the case), the City's original failure to perform All Appropriate Inquiries via a Phase I within 6 months prior to purchase creates CERCLA sec 107 liability as a past owner. Another transaction won't get rid of that designation."

If you'd still like to pursue this site, perhaps ATCOG could do the assessment for a different owner PRIOR to taking title of the property. I wish I had better news. Sorry folks.

Thanks,
 Amber

From: "TEX-Ryan, Daphnea" <dryan@txkusa.org>
 To: Amber Perry/R6/USEPA/US@EPA
 Cc: "TEX-Lindholm, Craig" <clindholm@txkusa.org>, "TEX-Sartor, Joy" <joy.sartor@txkusa.org>, "TEX-Hallford, Adra" <adra.hallford@txkusa.org>, "Taylor, Jodi A." <jataylor@terracon.com>
 Date: 01/11/2012 12:30 PM
 Subject: Request for Approval - Phase I 116 West Broad Street

Good Morning,

Attached please find the Consent to Enter, Application For Brownfields Assessment Funding and Property Approval Form for 116 West Broad Street owned by the Housing Finance

Corporation. If you have any questions regarding this property, please let me know.

Thank you for your consideration.

Daphnea Ryan

Manager, Environmental Services Unit

P.O. Box 1967

Texarkana, Texas 75504

dryan@txkusa.org

903-798-3977

903-748-5031 Cell

903-798-5066 Fax

[attachment "116 Broad HFC Consent and Application.pdf" deleted by Amber

Perry/R6/USEPA/US] [attachment "Property Approval Form 116 Broad Street Housing Finance Corporation.doc" deleted by Amber Perry/R6/USEPA/US]

From: Scott, Camisha [<mailto:Scott.Camisha@epa.gov>]

Sent: Friday, April 17, 2015 8:57 AM

To: TEX-Ryan, Daphnea

Cc: Tex-Orr, David

Subject: Re: Kress Building

Hey Daphne and David,

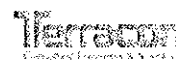
The Brownfields Law establishes that site characterizations or assessments conducted with the use of brownfields grants awarded under CERCLA Section 104(k)(2)(B)(ii) must be conducted in accordance with the federal "all appropriate inquiries" standards established under CERCLA and addressed in EPA's final rule setting standards and practices for all appropriate inquiries (70 FR 66070).

All appropriate inquiries also refers to the requirements for assessing the environmental conditions of a property prior to its acquisition, for purposes of establishing certain landowner liability protection under subtitle B of Title II of the Brownfields Law. These landowner liability protections require that a person perform "all appropriate inquiries" into the previous ownership and uses of a property before acquiring title to the property.

So unfortunately, the Kress is not a candidate for our funding. Looking forward to new and exciting projects. Should you need anything else, please feel free to contact me.

Thanks

Camisha



EXECUTIVE SUMMARY

This Phase I ESA was performed in accordance with our proposal dated October 24, 2006, and was conducted consistent with the procedures included in ASTM E 1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The ESA was conducted under the supervision or responsible charge of Rachel A. Smith, Environmental Professional. Jodi Taylor and Rachel Smith performed the site reconnaissance on November 22, 2006.

This property was approved by EPA for assessment under the referenced Brownfields Grant. The Phase I ESA was conducted to address Brownfields Cooperative Agreement requirements for all appropriate inquiries under 40 Code of Federal Regulations, Part 312 *Standards and Practices for All Appropriate Inquiries* (November 2006). If warranted, the Phase I ESA will provide baseline information to develop an EPA-approved work plan for Phase II assessment of eligible recognized environmental conditions (RECs) regarding hazardous substances. The Phase I ESA will be used to complete or update the Property Profile Form specific to this property.

A cursory summary of findings is provided below. It should be recognized that details were not included or fully developed in this section, and the report must be read in its entirety for a comprehensive understanding of the items contained herein. Consistent with conducting current and future services under the EPA Brownfields Hazardous Substance Assessment grant, the following are identified when significant to Brownfields restoration.

- The site is located at 116 West Broad Street, Texarkana, Bowie County, Texas. The site is a 0.15-acre tract of land that has been improved with a 26,000 square feet (ft²) four-story brick structure. The rectangular building has a masonry facade, a flat tar roof, and a single rear entrance. There is a large metal awning above the storefront entrance. The site is currently unoccupied.
- Site reconnaissance revealed a vacant building in downtown Texarkana, heretofore referenced as the Kress building, which once operated as a S.H. Kress & Co. department store. The Kress building is structurally connected on both sides to other downtown building structures in a manner typical of historical downtown architecture. It was noted that the Kress building has not been maintained since store operations ceased and is in severe disrepair. Masonry siding on the exterior of the building is damaged, and several pieces appear to have fallen from the building. Portions of the interior walls, ceilings and floors have collapsed due to water damage, and several windows are either broken or missing. Plywood is nailed to the storefront to prevent access or trespassing. The awning above the storefront is rotting and a large segment is missing. No other building features (e.g., elevators, office/storage space, restrooms, etc.) were visually apparent at the time of site reconnaissance due to severe structural damage and dilapidation. In addition, severe water damage due to frequent flooding prevented full access to the basement. However, considering the

Terracon

EXECUTIVE SUMMARY (cont.)

nature of department store operations, it is not expected that these limitations are significant.

- Based on a review of historical information and interviews conducted during this assessment, the Kress building was constructed in an "Art Deco" architectural style after a fire destroyed an earlier Kress store in 1933. Fire-destroyed on-site structures are considered historical RECs, potentially producing hazardous substances and other organic compounds in fire residue. However, the structure was reconstructed circa 1935, and fire debris and rubble were reportedly removed. The reconstructed building encompasses approximately 100% of the property. Therefore, fire residues from on-site activity at the time of the 1933 fire do not appear to be a current REC.

The current structure is comprised of three full floors and a basement. S.H. Kress & Co. operated a department store in the Kress building from the time of its construction until the early 1970s. The exact date of store closure is uncertain. City directories and building records indicate that after a period of vacancy, the State First National Bank and Belk-Jones Department Store may have simultaneously used the Kress building for storage space from at least 1976 until mid-1980.

- Inspection records obtained from the City of Texarkana Building Permit/Inspection Department indicated that in 1979, site repairs were requested in order for the building to meet minimum code requirements. Actions requested included the removal of batteries used for auxiliary power. Based on the previous use of batteries of unknown disposition, this finding constitutes a REC at the site.
- Properties adjacent to the site include vacant and occupied commercial office space, government offices, and law offices. The south-adjointing properties consist of the Bi-State Justice Building, Bi-State Bail Bonds (201 W. Broad St.), and Main Street. The east-adjointing properties consist of Four States Magazine (114 W. Broad St.), AR & TX Bail Bonds (112 W. Broad St.), T-Town Camo (110 W. Broad St.), A-1 Bonding (108 W. Broad St.), Advanced Business Equipment (106-A W. Broad St.), and Capital One (100 W. Broad St.), followed by State Line Avenue. An alleyway adjoins the site to the north, followed by two finance companies, a parking lot, and then E. 3rd Street. The west-adjointing properties consist of a vacant commercial structure (120 W. Broad St.), the Mabel Bryan Morriss Center (124 W. Broad St.), and Main Street.
- The environmental regulatory database review identified the subject site as a TX Brownfields. In addition, the regulatory review identified one (1) National Priorities List (NPL) site, one (1) Texas Brownfields (TX Brownfields) site, one (1) Record of Decision (ROD) site, one (1) Arkansas leaking underground storage tank (LUST) site, one (1) Arkansas underground storage tank (UST) site, eight (8) Texas underground storage tank (TX UST) sites, eight (8) Texas leaking underground

EXECUTIVE SUMMARY (cont.)

storage tank sites (TX LTANKS), one (1) Texas above-ground storage tank (TX AST) site, one (1) Texas drycleaner (TX DRYCLEANER) site, and one (1) Manufactured Gas Plant site within the ASTM-specified search radii of the site.

- According to the Texas Commission of Environmental Quality's (TCEQ's) environmental database, the former Twin City Cab Company at 317 Main Street is listed as a TX UST site. Records indicate that in approximately 1957, three gasoline USTs were removed from the location. An additional 2,000-gallon gasoline UST was removed on October 1, 1990. The 1990 tank removal was a result of a soil vapor survey that indicated a potential release had occurred. The Texarkana Fire Department determined that hydrocarbon vapors had accumulated in an elevator shaft being drilled in the Texarkana Regional Arts and Humanities Council (TRAHC) building located down-gradient. Therefore, the former UST at 317 Main Street is more appropriately identified as a former LTANK.

The TCEQ performed many subsurface investigations at the former Twin City Cab Company. These investigations revealed that soil and groundwater were contaminated with dissolved-phase benzene, toluene, ethylbenzene, and xylene (BTEX), as well as methyl tertiary-butyl ether (MTBE) and Total Petroleum Hydrocarbons (TPH). According to TCEQ records, the dissolved-phase hydrocarbon plume commingled with a plume from one or more adjacent LTANKs. Information describing additional releases or identifying the exact location of any adjacent LTANKs is not provided in the records reviewed.

Although the TCEQ has issued final concurrence regarding the former LTANK at 317 Main Street and closed the investigation, their records still indicate that a designated major or minor aquifer is impacted. Based on the tank's reported regulatory status and distance from the site, the former LTANK constitutes a REC to the site.

- A review of historical Texarkana city directories indicated that during the 1930s, two clothes-cleaning facilities were operated on properties in the vicinity of the site (on W. Broad Street and Main Street). During the 1940-1960 periods Sears Roebuck & Company operated a gasoline/service station on an adjoining property north of the site (on the corner of Main Street and W. 3rd Street). The addresses provided in the city directories for the clothes-cleaning facilities and the gasoline/service station indicate that they once operated within 500 feet of the site. Due to the type of operations performed at these former facilities and their proximity to the site, these findings constitute potential RECs.

Hazardous Substance and Co-mingled RECs

- Pigeon feces observed within the site structure indicate that pigeons have been roosting in the vacant structure for a significant period of time. Although not an ASTM-recognized environmental condition, this has been identified as a Brownfields

Terracon

EXECUTIVE SUMMARY (cont.)

issue related to the protection of public health and the environment as part of restoration projects. Pigeon and bat guano accumulation in quantity is a public and stakeholder concern regarding health, both biological and chemical. In addition to harboring fungi and viruses, guano can act as bio-accumulators for chemical compounds as heavy metals and organic compounds (e.g., polychlorinated biphenyls, pesticides). Assessment of conditions related to pigeon guano has been identified by EPA as a Brownfields-eligible issue. Pigeon carcasses are typically the result of normal lifecycle deaths through multiple on-site generations of breeding rather than mortality caused by chemicals. However, the public may perceive mortality to be due to chemical poisoning. The public stigma is typically abated with proper removal and cleaning, most often using a guano abatement plan for safety.

- A review of historical Sanborn maps revealed that a Sears Roebuck & Co. auto repair shop and filling station were operated on an adjoining property north of the site during the 1940s-1960s. These types of automotive-related facilities commonly used solvents and chemical compounds in repair operations in addition to petroleum. Based on these past land uses adjacent to the site and their potential for historical releases, in combination with the 1933 fire that destroyed the original Kress store, these findings appear to constitute potential multiple point source releases of hazardous substances co-mingled with residual levels of petroleum/petroleum lubricants as a REC from a contiguous property.
- Due to the age of the building, it is possible that building materials such as drywall, floor tiles, ceiling tiles, surfacing material, mastic, and thermal system insulation could contain asbestos. In addition, painted surfaces were observed to be in poor condition. Based on the date of construction, it is possible that the original layers of paint are considered lead-based paint. Although future renovation of the structure would likely include removal of potential asbestos- or lead-containing materials, it is important to consider potential current exposures by transients or adolescent trespassers.
- Evidence of water infiltration (e.g. water stains) was noted during the site reconnaissance that may have contributed to mold growth and proliferation.

114 WEST BROAD STREET, TEXARKANA, TEXAS 75501

Mail To:

P.O. BOX 1596, TEXARKANA, TEXAS 75504

PHONE: [903] 792-2000 FAX: [903] 792-2100

JASONHORTONLAW.COM LICENSED IN TEXAS & ARKANSAS

JASON HORTON

LAW FIRM

March 2, 2015

Via email to david.orr@txkusa.org

City of Texarkana, Texas
ATTN: David Orr
P.O. Box 1967
Texarkana, Texas 75504

RE: *Kress Building*

Dear David:

Going on four months ago, the City barricaded the front of the Kress building after I informed a City representative that large amounts of concrete fell from the top of the Kress and smashed through the metal awning. Debris was scattered up against my building, and large pieces of metal remain barely attached to the awning, waiting for a strong wind to cause more damage. The sidewalk in front of my building is impassible, and has been for months.

I have noticed a strong odor (akin to mold) in the back of my building after heavy rains. You can almost feel the moisture in the back of my building, and I hope it is not from water in the Kress basement seeping into my basement.

At the back of my building you will see a large smoke stack that travels from my building all the way to the top of the Kress. The stack is part of my building, but it is attached by metal brackets to the Kress. If you look closely, you can see major cracks in the Kress building where the metal brackets enter into the building. It looks like my brick smoke stack is providing support for the Kress. If and when the Kress finally gives way, this stack will come falling down and cause major damage to property and potential injury to anyone around.

I am afraid that my investment in downtown is deteriorating because of a lack of attention given to the Kress. It is becoming dangerous to walk in front of or behind the Kress. I would like to be contacted prior to any work being performed on the Kress because any work performed on that building is likely to cause significant damage to my building, constructively evicting my law firm in the process.

Thanks for your time and consideration.

Sincerely,



Jason Horton

/tmc

Enclosure

Attachment: 2017-032 ATTH 05 Jason Horton Letter (1620 : 2017-032 Amending the budget and authorizing CM contract for Kress)

TEX-Burns, Pam

From: TEX-Sparks, Jerry
Sent: Tuesday, March 10, 2015 7:36 AM
To: Tex-Orr, David
Subject: FW: Kress Building

Jerry Sparks
 Economic Developer
 City of Texarkana
 P O Box 1967
 Texarkana TX 75504-1967
 Cell: 903.278.0102
 Alternate email: jvsparks@cableone.net

Email communications through this office may be subject to Texas Public Records laws and may be shared with others.

-----Original Message-----

From: Tom [mailto:tomartist2004@yahoo.com]
Sent: Tuesday, March 10, 2015 6:36 AM
To: TEX-Sparks, Jerry
Subject: Kress Building

Hello Jerry,

I was asked to provide my opinion on the condition and future of the Kress Building located in the 100 block of W. broad St, Texarkana, TX. While it saddens me, I tend to agree that it has been allowed to fall into extreme disrepair and that moves to secure that property from further uncontrolled deterioration and, perhaps, adverse consequences to neighboring properties occurring as a result need to be considered.

I understand it has a basement which has a tendency to have standing water due to an underground stream. As well, I believe that the roof has caved in. Once, this building had beautiful interior features that made it a gem on Broad Street. This is no longer the case it seems.

I hope that the facades can be salvaged and perhaps a roof placed over the space to secure this piece of downtown history. But, one thing seems to be clear and that is; as it stands now, it seems to be a health and safety issue. Standing water in a basement space between two functional properties is not a situation that should remain. Not to mention the continual caving in of the interior that I understand is occurring.

While I hate the idea of yet another property on the main historic strip of Downtown Texarkana falling to waste, I guess it has already occurred. My aunt, while working her way through her education in that once thriving store met my uncle there. I myself, as an eight-year old child, recall buying most of my Christmas gifts for family there. Let's hope that this deterioration of this historic area can be brought under control.

I would support the city in whatever move is decided to be taken with respect to this property.

Tom Morrissey

Sent from my iPad

October 16, 2012

Mr. Craig Lindholm
City of Texarkana, TX
West Third St. & Texas Blvd.
P.O. Box 1967
Texarkana, TX 75504

Re: Kress Department Store
Texarkana, TX

Dear Mr. Lindholm,

Per your request, this office made a visual observation of the subject building on Thursday, October 4, 2012. The purpose of this visit was to observe the building for any type of structural deficiencies and determine if the building could be salvaged or needed to be demolished. For the record, Jeff Raley, P.E., Craig Lindholm and Jason Cram, Architect, were present during this visit.

1. This building was a multi story department store.
2. We were not able to enter the interior of the building due to the dilapidated nature of the flooring system. We viewed the interior from the rear landing at the alley entrance door.
3. It appears the roof has had numerous leaks over the years leading to the collapse of the roof system and subsequent floor system.
4. From our vantage point we were able to see into the basement due to the collapse of the flooring (see photos).
5. From what we could observe, the steel framing was in poor condition due to rust.
6. We noted several masonry cracks on the exterior masonry which appeared to be indicative of structural problems.

As of this date, the building structure appears to be unstable and needs to be demolished as soon as possible.

This building by its location and size will be expensive to demolish. However, this firm does not believe it can be salvaged at a reasonable expense. The adjacent buildings will need to be

Professional Engineers Licensed in:

Alabama, Arizona, Arkansas, Colorado, Connecticut, District of Columbia, Florida, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin

protected during demolition. The building to the east appeared to be occupied. The buildings to the west may be vacant.

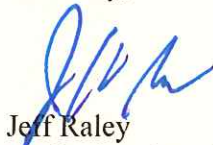
This report is based upon our experience, readily accessible visible defects and certain assumptions that conventional methods of construction were used to build the building. We cannot normally see irregularities inside structures. Nature through excessive rain, droughts and differing soil characteristics cause extremes we cannot anticipate. Also, remodeling and changes in the building alter conditions that affect the building. Because of all these unknowns, this firm offers no warranty or guaranty with this report.

This report is intended to generally educate the client about the structural condition of the building and does not apply to the condition of any mechanical, electrical or plumbing items that may exist in the building. This report does not apply to the possible presence and/or danger from harmful substances such as toxic chemicals, lead paint, carbon monoxide, airborne hazards, mold, etc.

This report has been written for your sole use and only you have the authority to distribute this report to others. Raley and Associates, Inc. and its agents and employees do not have and do disclaim any contractual relationship with, or duty or obligation to, any party other than the addressee of this report. Only the engineer(s) who signed this document has the authority to change its contents and then only in writing to you. This report addresses the results of work completed to date. Should any additional information become available, we reserve the right to amend, as warranted, any of our conclusions or recommendations.

If you have any questions or need additional information, please call.

Sincerely,



Jeff Raley
Professional Engineer





KRESS BUILDING





Kress Building Photos – April 13th, 2015 City Council Meeting



























Kress Property Timeline

February 1979- Building was initially cited by the City Building Official and Fire Captain for not meeting code requirements.

August 2002- Demolition ordered by the Texarkana, Texas Building and Standards Commission.

November 2006- Ark-Tex Council of Governments, completed a Phase I EPA Assessment.
Note: In order to use federal clean up funds, this EPA Assessment would have had to have been updated within six months prior to the the City accepting ownership.

April 2009- Texas Historical Commission reviewed the property and found it eligible for historic register listing. No further action was taken.

May 2009- City of Texarkana, Texas accepted ownership of the building from Bi-State Women's Center, Inc. for the purpose of demolition to "remove an eyesore and potential public health and safety risk." Ord. No. 073-2009

November 2009- Texas Commission on Environmental Quality(TCEQ), completed a Phase I EPA Assessment.

Note: In order to use federal clean up funds, this EPA Assessment would have had to have been updated within six months prior to the the City accepting ownership.

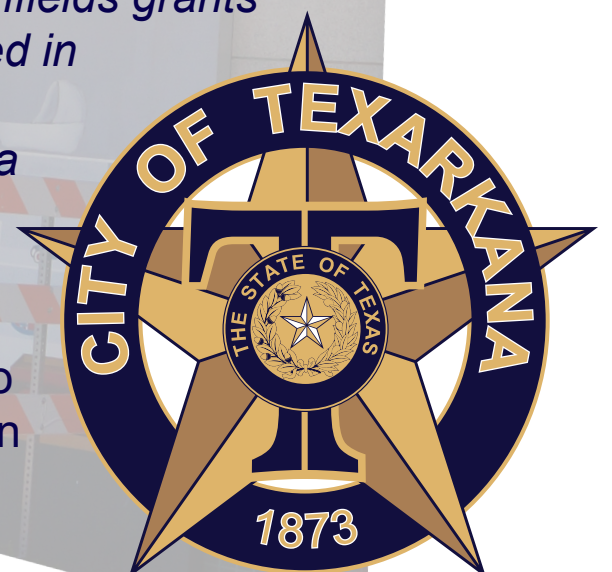
October 2012- City hired structural engineering firm, Raley and Associates, to determine options for next steps related to the building. After inspection, the firm reported "the structure appears to be unstable and needs to be demolished as soon as possible. The building by its location and size will be expensive to demolish. However, this firm does not believe it can be salvaged at a reasonable expense."

January 2012 – EPA denies City's request to use EPA Brownfields Program Funding
From EPA legal counsel: "Unless the City previously took ownership of the property through some sort of involuntary acquisition (CERCLA sec 101 (20)) eminent domain, or condemnation (CERCLA sec 101(35)) (and I don't believe from the facts that was the case), the City's original failure to perform All Appropriate Inquiries via a Phase I within 6 months prior to purchase creates CERCLA sec 107 liability as a past owner. Another transaction won't get rid of that designation."

November 2014- City was contacted regarding falling debris from the building facade and the public sidewalk was barricaded for safety. Patterson Engineering contacted to evaluate the building's structural integrity.

April 2015- City requests a re-review of the property to use EPA Brownfields Program Funding. *From EPA Program Officer: The Brownfields Law establishes that site characterizations or assessments conducted with the use of brownfields grants awarded under CERCLA Section 104(k)(2)(B)(ii) must be conducted in accordance with the federal "all appropriate inquiries" standards... the Kress is not a candidate for our funding." Council will consider a resolution regarding next steps for the building, including demolition.*

May 2015- City Council will discuss a resolution allocating funds to issue a Request for Proposals to discover the best course of action regarding the Kress Property.



**PUBLIC HEARING
FOR UNSAFE STRUCTURE**

Property: 116 West Broad Street

Owner of Record:

Bi-State Women's Shelter

§
§
§
§
§
§

**BUILDING AND STANDARDS
COMMISSION**

CITY OF TEXARKANA, TEXAS

ORDER OF THE COMMISSION

Pursuant to *Chapter 5, Article III. Unsafe Buildings and Structures of the Code of Ordinances of the City of Texarkana, Texas*, a Public Hearing was held before the Building and Standards Commission of the City of Texarkana, Texas on the 15th day of July, 2002, regarding the condition of the structure located on the above referenced property.

The Building Official of the City of Texarkana, Texas, having determined that an unsafe structure exists on the above referenced property, appeared by and through designee, Nina Walker, and presented evidence of unsafe building conditions. The Owner of Record, Bi-State Women's Shelter, did not appear.

The Building and Standards Commission of the City of Texarkana, Texas, after hearing the evidence and arguments regarding the condition of the structure located on property more specifically described as: Lots 12 & 13, Block 21, City/Triggs Addition, located at 116 West Broad Street in the City of Texarkana, Bowie County, Texas, made a determination that the structure is unsafe. It was further determined that the structure should be demolished within thirty (30) days.

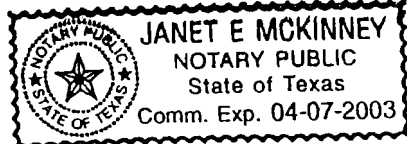
IT IS THEREFORE ORDERED that the Owner of Record shall demolish the structure on the above referenced property within thirty (30) days from the date this Order is signed. The Owner of Record shall obtain the appropriate permits from the Inspection Department of the City of Texarkana, Texas in order to demolish the structure.

SIGNED this the 6 day of August, 2002.

Eddie Hackleman

Eddie Hackleman, Chairman
Building and Standards Commission

Sworn to and subscribed before me, this the 6 day of August, 2002.



Janet E. McKinney
Notary Public, Bowie County, Texas

Attachment: 2017-032 ATTH 10 Order of Commission (1620 : 2017-032 Amending the budget and authorizing CM contract for Kress)

ORDINANCE NO. 073-09

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AUTHORIZING THE CEO/CITY MANAGER TO EXECUTE ALL DOCUMENTS TO ACCEPT PROPERTY LOCATED ON LOTS 12 AND 13, BLOCK 21 OF CITY/TRIGGS ADDITION IN TEXARKANA, BOWIE COUNTY, TEXAS DONATED TO THE CITY OF TEXARKANA, TEXAS BY THE BI-STATE WOMEN'S CENTER, INC.; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Bi-State Women's Center, Inc. has offered to donate the property located on Lots 12 and 13, Block 21 of City/Triggs Addition in Texarkana, Bowie County, Texas, to the City of Texarkana, Texas; and

WHEREAS, the City Council desires to designate the CEO/City Manager to execute all documents on behalf of the City in the acceptance of the above-described property and finds it in the best interest of the citizens of the City of Texarkana, Texas to accept such property;

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

SECTION 1: That the CEO/City Manager be and is hereby authorized to execute all documents on behalf of the City to accept the donation of property from the Bi-State Women's Center, Inc. located on Lots 12 and 13, Block 21 of City/Trigg Addition in Texarkana, Bowie County, Texas.

SECTION 2: That this Ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED in Special Council Session on this the 18th day of May, 2009.


STEPHEN A. MAYO, MAYOR

ATTEST:


KERRY MEREDITH, CITY SECRETARY

APPROVED AS TO FORM:


DEBORAH JONES, STAFF LEGAL COUNSEL



City of Texarkana, Texas

Department of Community Redevelopment and Grants
P.O. 1967, Texarkana, Texas 75504-1967

Telephone: 903-798-3902

FAX: 903-793-3913

Memo

To: F. Larry Sullivan, Ed.D., CEO/City Manager

From: Craig Lindholm, Executive Director CR&G

Date: May 14, 2009

Re: Council Approval Granting Authority to City Manager to execute transfer or property (116 West Broad Street Kress Building) to the City of Texarkana, TX

Recommend City Council grant authority to the City Manager to execute all documents necessary to accept the transfer of the property located at 116 West Broad Street, Texarkana, Texas (Kress Building) from the Bi-State Women's Center, Inc. Property is being donated to the City of Texarkana, Texas by the Bi-State Women's Center, Inc. Acceptance of the donation will give the City the authority as owner to take all action necessary and approved by State and Federal law and guidelines to demolish the structure removing the building as an eyesore and potential public health and safety risk.

COPY

Filed For Record In:
Bowie County, Texas
Denise Thornburg
County Clerk
On: Jan 10, 2012 at 03:31P

DEED WITHOUT WARRANTY

STATE OF TEXAS
COUNTY OF BOWIE

§
§ KNOW ALL MEN BY THESE PRESENTS
§

That the CITY OF TEXARKANA, TEXAS, a Texas home-rule municipality ("Grantor"), for and in consideration of TEN AND NO/100 DOLLARS (\$10.00), and other good and valuable consideration to Grantor, the receipt of which is hereby acknowledged, paid in hand by the HOUSING FINANCE CORPORATION, ("Grantee"), has GRANTED, SOLD AND CONVEYED and by these presents does GRANT, SELL AND CONVEY unto the Grantee, all that certain real property ("Property") located in Texarkana, Bowie County, Texas, being more particularly described as follows:

Lots Numbered TWELVE (12) and THIRTEEN (13) in Block Numbered TWENTY-ONE (21) in Trigs Addition to the Original City of Texarkana, Bowie County, Texas being that property more particularly described in Volume 5640, Page 43, Deed Records, Bowie County, Texas,

together with all improvements located thereon and all rights and appurtenances thereto in anywise belonging to Grantor, except validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing restrictions, reservations, covenants, conditions, oil and gas leases, mineral interests, and water interests outstanding in persons other than Grantor, and other instruments, other than conveyances of the surface fee estate, that affect the Property; validly existing rights of adjoining owners in any walls and fences situated on a common boundary; and discrepancies, conflicts, or shortages in area or boundary lines; and any encroachments or overlapping of improvements.

TO HAVE AND TO HOLD the above-described Property together with any and all the rights and appurtenances thereto in anywise belonging to Grantor, is conveyed unto the said Grantee. Excluded and excepted from this deed are any and all warranties, express or implied, regarding the property, including, without limitation, any warranties arising at common law or implied as a result of V.T.C.A. Property Code Section 5.023 or its successor.

EXECUTED and EFFECTIVE as of the 10th day of Jan., 2012.

CITY OF TEXARKANA, TEXAS

BY: *F. Larry Sullivan*
F. LARRY SULLIVAN
CITY MANAGER

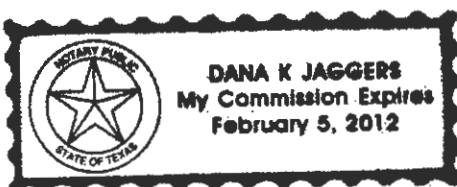
ACKNOWLEDGMENT

THE STATE OF TEXAS §
COUNTY OF BOWIE §

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared F. LARRY SULLIVAN, City Manager for the City of Texarkana, Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of The City of Texarkana, Texas, and that he executed the same as the act of said City for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10th day of January, 2012.

Dana K. Jaggers
Notary Public, State of Texas



330

Vol 6164 Page 279

City of Texarkana, Texas
West 3rd Street & Texas Blvd
P.O. Box 1467

TEXAS HISTORICAL COMMISSION
real places telling real stories

June 23, 2015

David W. Orr
 Planning and Community Development Director
 City of Texarkana, Texas
 PO Box 1967
 Texarkana, TX 75504

RE: Kress Building, 116 West Broad Street, Texarkana, Bowie County, Texas

Dear Mr. Orr:

Thank you for submitting additional documentation of the Kress Building in Texarkana, Texas. The building is not eligible for individual listing in the National Register of Historic Places due to a lack of integrity, as the storefront has been lost, and the building no longer retains a roof or any floors. We have also determined that the block upon which the building is located is not eligible for listing in whole or in part as a historic district, also due to diminished integrity.

If you have any questions, don't hesitate to contact me at (512) 463-6013 or by email at greg.smith@thc.state.tx.us.

Sincerely,



Gregory W. Smith
 National Register Coordinator

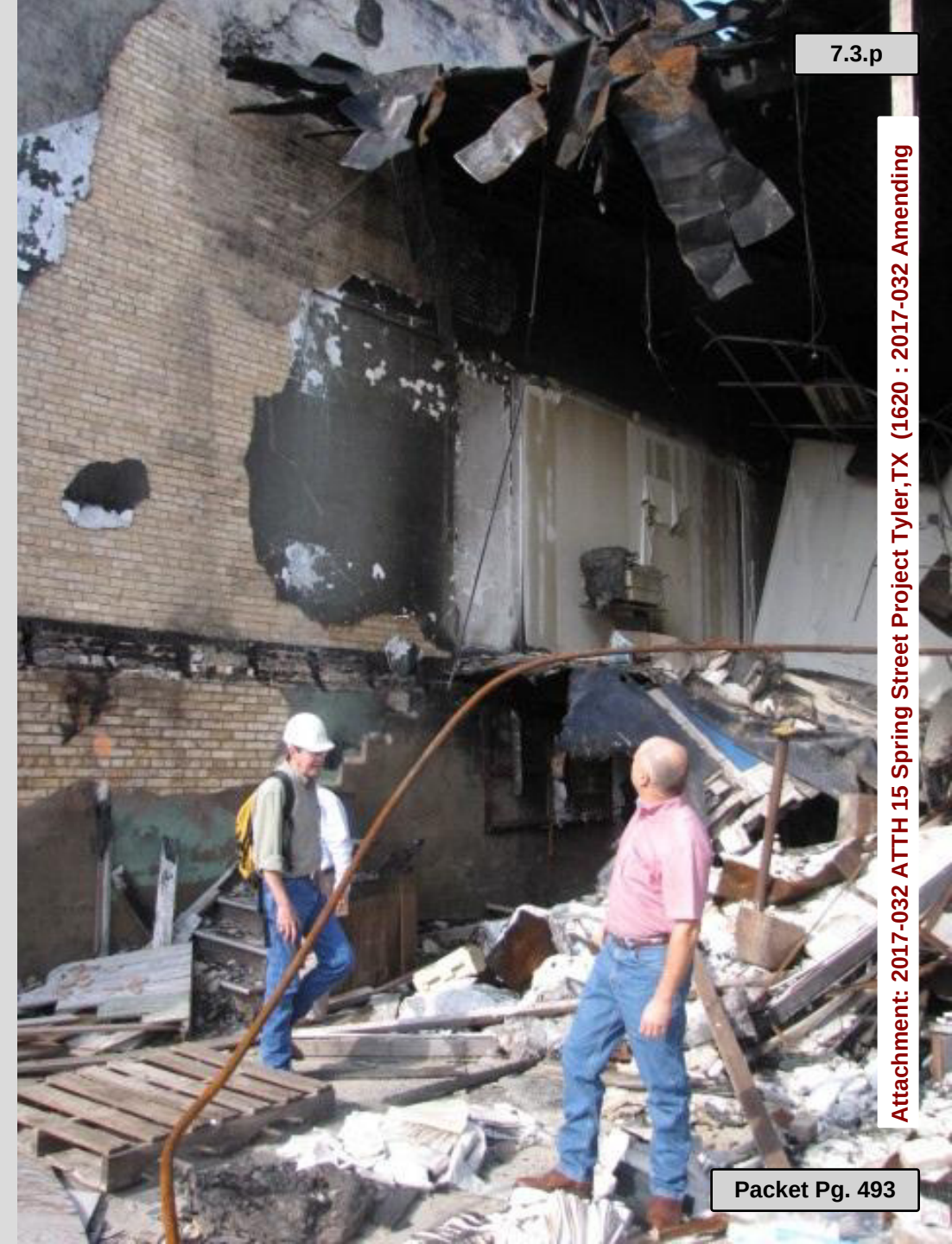


Fire Restoration Project by Smith County
Spring Avenue Plaza































Attachment: 2017-032 ATTH 15 Spring Street Project Tyler, TX (1620 : 2017-032 Amending

































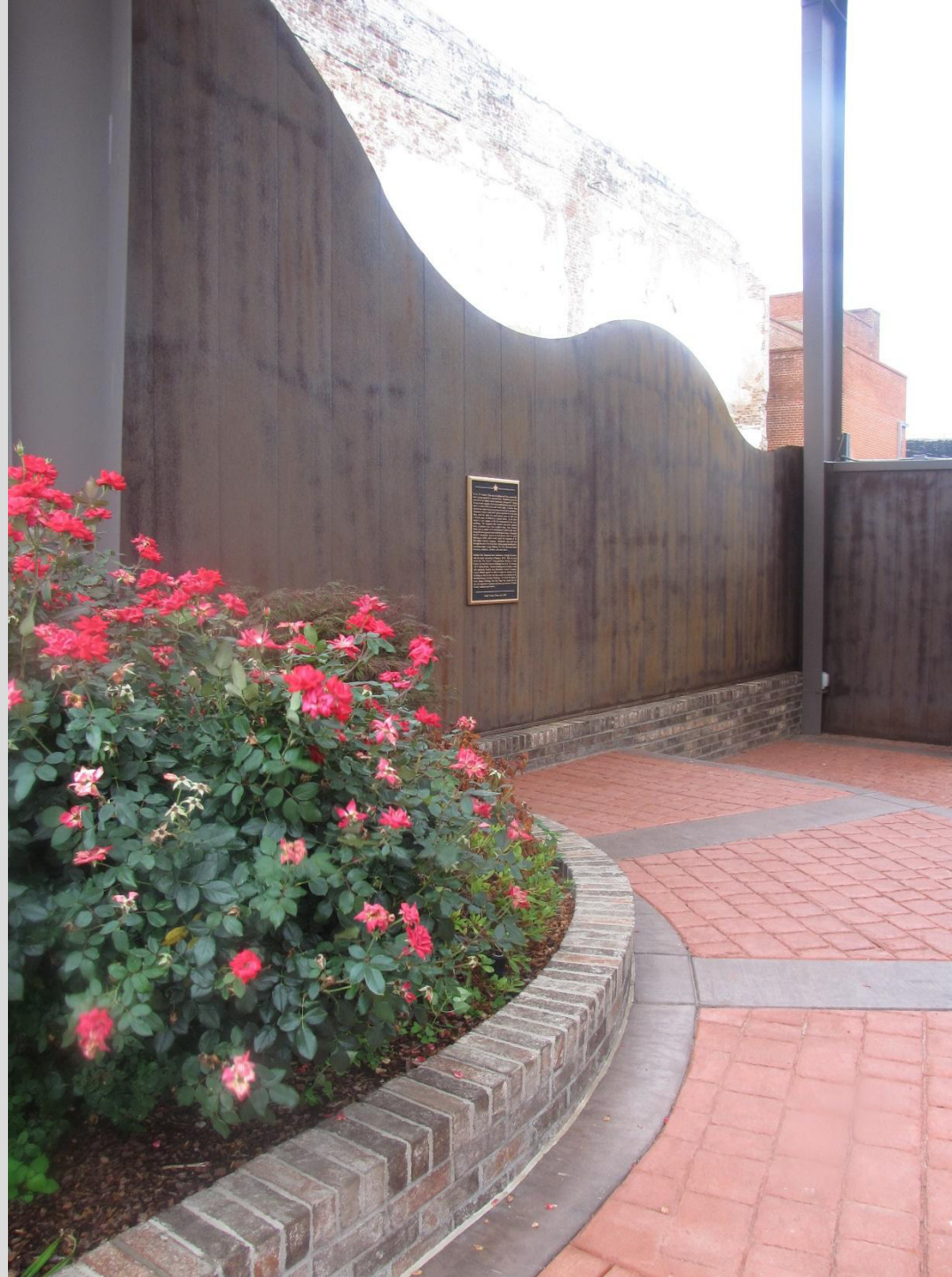


The Spirit of Progress

Smith County's *Spirit of Progress* is a cherished symbol of the rich tradition of a time of classical and more formal architecture. Known as a "relief sculpture" because of its raised design, this panel was prominently displayed over the front door of the original Montgomery Ward & Co. building in 1930 on S. College Street in Tyler until the company moved to a new location in the Bergfeld Shopping Center area in 1959. In 1960, the Alex Golenternek family moved the family business, Golenternek Tyler House Furnishings, into the empty Montgomery Ward building and became resident caretakers of this beautiful art piece. The *Spirit of Progress* lovingly guarded the front doors of Golenternek's until the building was demolished in 1980. She was saved from demolition and was stored for years by the Smith County Historical Society who graciously donated the piece to Smith County citizens and visitors for their enjoyment. Because of their generosity, the *Spirit of Progress* once again takes her rightful place as the elegant guardian of downtown Tyler.

Smith County, Texas, est. 1846



















ERI CONSULTING, INC.

P. O. Box 2024, Tyler, Texas 75710
 2026 Republic Drive, Suite A, Tyler, Texas 75701
 Ph: (903) 534-5001 Fax: (903) 534-8701
 TBPE Firm # F-1787
 www.ericonsulting.com

July 23, 2015

City of Texarkana
 Ms. Shawna Watkins, City Planner
 P.O. Box 1967
 Texarkana, TX 75504
 Phone: 903-798-3934 / Fax: 903-798-3913
 Cell: 903-559-5730 / shawna.watkins@txkusa.org

RE: ES#15-532 - Asbestos Inspection, Kress Building, 116 West Broad Street, Texarkana, Texas

Dear Ms. Watkins:

On July 15, 2015, I along with Mr. Michael Taylor, of ERI Consulting, Inc., licensed through the Texas Department of State Health Services for inspections, TDSHS License No. 10-5566 and 60-2358, performed an asbestos inspection at the above referenced building. The inspection involved the sampling of the suspect asbestos-containing materials that could be disturbed during future renovation/demolition work. The building is constructed of steel, brick, and wood, with a concrete foundation. The building is a three-story building, with an additional basement floor.

The initial phase of the inspection involved the identification of the homogeneous areas which (1) could be disturbed during future renovation/demolition activities and (2) are suspected of containing asbestos fibers. Each homogeneous area was quantified to determine the approximate amount of suspect material present. These areas were then divided into sectors and samples collected in a statistically random manner. A sufficient number of samples were collected in each homogeneous area based on the amount of suspect material present. The inspection was performed in accordance with applicable TDSHS, OSHA and EPA Standards.

A total of 57 samples were collected. All samples were delivered to the TDSHS licensed laboratory of ERI Analytical (TDSHS License No. 30-0007) immediately following the field inspection, and analyzed by Polarized Light Microscopy (PLM) in accordance with 40 CFR 763 Subpart E, Appendix E. This asbestos inspection report documents the field inspection and laboratory findings for the following homogeneous areas:

1. Homogeneous Area A - Plaster material (walls)
2. Homogeneous Area B - Plaster material (ceilings)
3. Homogeneous Area C - Plaster material (skin-coat)
4. Homogeneous Area D - Plaster material (texture)
5. Homogeneous Area E - Terrazzo flooring with mastic
6. Homogeneous Area F - 6" x 6" green floor tile with mastic
7. Homogeneous Area G - 6" x 6" red floor tile with mastic
8. Homogeneous Area H - 6" x 6" brown floor tile with mastic
9. Homogeneous Area I - Ceiling tile (white with brown)
10. Homogeneous Area J - Wall mastic (black vapor barrier)
11. Homogeneous Area K - TSI - piping insulation (air-cell)
12. Homogeneous Area L - TSI - fittings (hard-mudded)
13. Homogeneous Area M - Roofing material "A" (built-up)
14. Homogeneous Area N - Roofing material "B" (felt)
15. Homogeneous Area O - Window caulk
16. Homogeneous Area P - Brick (red)
17. Homogeneous Area Q - Brick (mortar)
18. Homogeneous Area R - Stone / rock
19. Homogeneous Area S - Roofing material "C" (tar / felt)

ERI Consulting, Inc.

Page 2 of 2
Ms. Watkins
July 23, 2015

By definition, an asbestos-containing building material is a material that contains greater than one percent (>1%) asbestos fibers. **Of the samples collected, the following Homogeneous Areas were confirmed to be asbestos-containing.**

- Homogeneous Area F - 6" x 6" green floor tile with mastic
- Homogeneous Area G - 6" x 6" red floor tile with mastic
- Homogeneous Area H - 6" x 6" brown floor tile with mastic
- Homogeneous Area J - Wall mastic (black vapor barrier)
- Homogeneous Area K - TSI - piping insulation (air-cell)
- Homogeneous Area L - TSI - fittings (hard-mudded)
- Homogeneous Area M - Roofing material "A" (built-up)
- Homogeneous Area O - Window caulk (exterior)

To facilitate renovation/demolition activities which would disturb these materials, they must be removed and disposed of in the regulated manner by a TDSHS licensed asbestos abatement contractor, under the supervision of a TDSHS licensed consultant.

Current EPA and TDSHS regulations require that an asbestos survey be performed prior to disturbing building materials (demolition or renovation) in a public building. TDSHS regulations require that a notification be filed only if structural members are removed (demolition), and/or regulated asbestos-containing materials are disturbed. TDSHS does not require nor desire copies of the survey report to be filed with them. **TDSHS regulations also require that a copy of the asbestos survey be kept on the job site at all times during renovation/demolition activities.** Local building inspectors may also require an asbestos inspection to be performed prior to issuing permits. This report should meet those requirements.

Limitations: Due to the extremely dilapidated condition of the structure, sampling was limited to accessible materials only. We were able to collect enough samples to determine that asbestos abatement/cleanup will be necessary to facilitate demolition or renovation. However, there may be other materials located throughout the building, which contain asbestos but were not sampled. Such materials, if present, could be located within wall cavities, under floor coverings, within pipe chases, or other inaccessible areas. Such materials would only be encountered during extensive renovation/demolition activities. **If additional materials, not identified within this report, are uncovered, renovation/demolition activities should cease, until sampling can be conducted to confirm or deny the presence of asbestos or the materials must be assumed to be asbestos-containing and handled accordingly.**

We enjoyed serving you on this matter. Please find enclosed the following documentation which should be kept as part of your permanent records: (1) General Photographs, (2) Bulk Sample Log/Chain of Custody, (3) Laboratory Analysis Report, (4) Asbestos-Containing Materials Diagram, and (5) ERI Licensing and Accreditation. An invoice for our services is also enclosed. If you have any questions concerning the inspection, or if we can assist you in handling the removal of the confirmed asbestos-containing materials, please contact our office at 903-534-5001.

Sincerely,



Christopher L. Power
Vice President
TDSHS License No. 10-5566
Expires 02/15/2017

ERI Consulting, Inc.

*General Photographs of the
Kress Building, 116 West Broad Street, Texarkana, Texas*



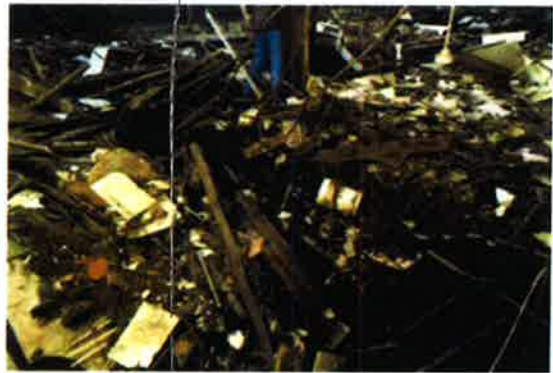
ERI Consulting, Inc.

*General Photographs of the
Kress Building, 116 West Broad Street, Texarkana, Texas*



ERI Consulting, Inc.

*General Photographs of the
Kress Building, 116 West Broad Street, Texarkana, Texas*



ERI Consulting, Inc.

*General Photographs of the
Kress Building, 116 West Broad Street, Texarkana, Texas*



ERI Consulting, Inc.

*General Photographs of the
Kress Building, 116 West Broad Street, Texarkana, Texas*



ERI CONSULTING, INC. - BULK SAMPLE LOG / CHAIN OF CUSTODY ES#: 15-532 AS# 1507223										
Customer: City of Texarkana c/o Shawna Watkins Building: Kress Building, 116 West Broad Street, Texarkana, Texas										
Inspector Name: Christopher L. Power / Michael Taylor			Inspector Signature: 		Inspection Date: 7/15/15					
Homogeneous Area	Material	Location	Sample #	% Asbestos	Location	Sample #	% Asbestos	Location	Sample #	% Asbestos
A	Plaster material (walls)	1st - 3rd Floors (debris)	1	ND	1st - 3rd Floors (debris)	2	ND	1st - 3rd Floors (debris)	3	ND
B	Plaster material (ceilings)	1st - 3rd Floors (debris)	4	ND	1st - 3rd Floors (debris)	5	ND	1st - 3rd Floors (debris)	6	ND
C	Plaster material (skin-coat)	1st - 3rd Floors (debris)	7	ND	1st - 3rd Floors (debris)	8	ND	1st - 3rd Floors (debris)	9	ND
D	Plaster material (texture)	1st - 3rd Floors (debris)	10	ND	1st - 3rd Floors (debris)	11	ND	1st - 3rd Floors (debris)	12	ND
E	Terrazzo flooring with mastic	1st - 3rd Floors (debris)	13	ND	1st - 3rd Floors (debris)	14	ND	1st - 3rd Floors (debris)	15	ND
F	6" x 6" green floor tile with mastic	1st - 3rd Floors (debris)	16	ND 7-10%	1st - 3rd Floors (debris)	17	ND 7-10%	1st - 3rd Floors (debris)	18	ND 7-10%
G	6" x 6" red floor tile with mastic	1st - 3rd Floors (debris)	19	5-7% 7-10%	1st - 3rd Floors (debris)	20	5-7% 7-10%	1st - 3rd Floors (debris)	21	5-7% 7-10%
H	6" x 6" brown floor tile with mastic	1st - 3rd Floors (debris)	22	5-7% 7-10%	1st - 3rd Floors (debris)	23	5-7% 7-10%	1st - 3rd Floors (debris)	24	5-7% 7-10%
I	Ceiling tile (white with brown)	1st - 3rd Floors (debris)	25	ND	1st - 3rd Floors (debris)	26	ND	1st - 3rd Floors (debris)	27	ND
J	Wall mastic (black vapor barrier)	1st - 3rd Floors (debris)	28	5-7%	1st - 3rd Floors (debris)	29	5-7%	1st - 3rd Floors (debris)	30	5-7%
K	TSI - piping insulation (air-cell)	1st - 3rd Floors (debris)	31	55-60%	1st - 3rd Floors (debris)	32	55-60%	1st - 3rd Floors (debris)	33	55-60%
L	TSI - fittings (hard-mudded)	1st - 3rd Floors (debris)	34	35-40%	1st - 3rd Floors (debris)	35	35-40%	1st - 3rd Floors (debris)	36	35-40%
M	Roofing material "A" (built-up)	1st - 3rd Floors (debris)	37	3-5%	1st - 3rd Floors (debris)	38	3-5%	1st - 3rd Floors (debris)	39	3-5%
N	Roofing material "B" (felt)	1st - 3rd Floors (debris)	40	ND	1st - 3rd Floors (debris)	41	ND	1st - 3rd Floors (debris)	42	ND
O	Window caulk	Exterior - back	43	3-5%	Exterior - back	44	3-5%	Exterior - back	45	3-5%

ERI CONSULTING, INC. - BULK SAMPLE LOG / CHAIN OF CUSTODY ES#: 15-532 AS# 1507223 Customer: City of Texarkana c/o Shawna Watkins Building: Kress Building, 116 West Broad Street, Texarkana, Texas									
Inspector Name: Christopher L. Power / Michael Taylor			Inspector Signature: 		Inspection Date: 7/15/15				
Homogeneous Area	Material	Location	Sample #	% Asbestos	Location	Sample #	% Asbestos	Location	Sample #
P	Brick (red)	Exterior	46	ND	Exterior	47	ND	Exterior	48
Q	Brick (mortar)	Exterior	49	ND	Exterior	50	ND	Exterior	51
R	Stone / rock	Front fascia	52	ND	Front fascia	53	ND	Front fascia	54
S	Roofing material "C" (tar / felt)	Front awning	55	ND	Front awning	56	ND	Front awning	57

 Confirmed Asbestos-Containing Materials



ERI ANALYTICAL



NVLAP LAB CODE 101232-0

LABORATORY ANALYSIS REPORT

NIST NVLAP Bulk Asbestos Analysis Lab Accreditation Code No. 101232-0
TEXAS ASBESTOS LABORATORY LICENSE NO. 30-0007

P. O. Box 2024, Tyler, Texas 75710
2026 Republic Drive, Suite A, Tyler, Texas 75701
Ph: (903) 534-5001 Fax: (903) 534-8701
www.ericconsulting.com

TO: Engineering Services Division
ERI Consulting, Inc.
Attn: Mr. Christopher L. Power

Report Date: 7/16/15
Sample Rec'd: 7/16/15
Page 1 of 5
ERIAS No.: 15-532

LOCATION: Kress Building, 116 West Broad Street, Texarkana, Texas for City of Texarkana c/o Shawna Watkins.

COLLECTED BY: Christopher L. Power Michael Taylor

DATE: 7/15/15

METHOD: Polarized Light Microscopy (PLM) analysis for asbestos in building materials by EPA 600/R-93/116, July 1993, Improved Method for the Determination of Asbestos in Bulk Building materials. 40 CFR Part 763, Subpart E, Appendix E. Interim method varies slightly from this method. Quantification is by visual estimation. In accordance with the EPA revisions 40 CFR Part 61, pertaining to friable materials, if the asbestos content is estimated to be less than 10 percent by visual estimation, the determination may be repeated upon request, using the point counting technique. **NOTE: Asbestos fibers may occur in particle size below the resolution limit of this analysis technique; TEM analysis is recommended on samples of floor tile determined to be <1% or none detected by this method.** The percentage of asbestos reported refers to the overall percentage for the material provided, unless otherwise indicated. Samples determined to be <1% by visual estimation are automatically repeated using the point count technique. Samples are analyzed by layer but results may be combined if no regulated fibers were observed.

RESTRICTIONS: This report relates only to the items actually tested, and must not be used to claim product endorsement by NVLAP, or any agency of the United States government. Reproductions must include the entire report.

RESULTS: The percentage of asbestos reported is by visual estimation. Point Counting results, when appropriate, are reported in parenthesis after these results in the Sample Description.

POLARIZED LIGHT MICROSCOPY

Customer ID	ERIAS 1507223	% Asbestos	Results (ND: None Detected) (PC: Point Counting) Sample description
1	1	ND	Homogeneous, off white plaster material containing <1% cellulose fibers, quartz in a cement matrix.
2	2	ND	Homogeneous, off white plaster material containing <1% cellulose fibers, quartz in a cement matrix.
3	3	ND	Homogeneous, off white plaster material containing <1% cellulose fibers, quartz in a cement matrix.
4	4	ND	Homogeneous, off white plaster material containing <1% cellulose fibers, quartz in a cement matrix.
5	5	ND	Homogeneous, off white plaster material containing <1% cellulose fibers, quartz in a cement matrix.
6	6	ND	Homogeneous, off white plaster material containing <1% cellulose fibers, quartz in a cement matrix.

Tracy Foster

ERI Analytical

ERI AS #1507223, Kress Building, 116 West Broad Street, Texarkana, Texas.

Page 2 of 5

POLARIZED LIGHT MICROSCOPY

Customer I.D.	ERI AS# 1507223	Results (ND=None Detected) (PC=Point Counting)	
		% Asbestos	Sample description
7	7	ND	Homogeneous, white plaster material containing <1% cellulose fibers, calcite, particulate and binder.
8	8	ND	Homogeneous, white plaster material containing <1% cellulose fibers, calcite, particulate and binder.
9	9	ND	Homogeneous, white plaster material containing <1% cellulose fibers, calcite, particulate and binder.
10	10	ND	Homogeneous, white texture material containing paint, particulate and binder. No fibers were detected.
11	11	ND	Homogeneous, white texture material containing paint, particulate and binder. No fibers were detected.
12	12	ND	Homogeneous, white texture material containing paint, particulate and binder. No fibers were detected.
13	13a	ND	Beige terrazzo material containing gravel in a cement matrix. No fibers were detected.
	13b	ND	Black mastic containing 2-4% cellulose fibers in a tar binder.
14	14a	ND	Beige terrazzo material containing gravel in a cement matrix. No fibers were detected.
	14b	ND	Black mastic containing 2-4% cellulose fibers in a tar binder.
15	15a	ND	Beige terrazzo material containing gravel in a cement matrix. No fibers were detected.
	15b	ND	Black mastic containing 2-4% cellulose fibers in a tar binder.
16	16a	ND	Green floor tile containing rubber. No fibers were detected.
	16b	7-10%	Black mastic containing 7-10% chrysotile asbestos, <1% cellulose fibers in a tar binder.
17	17a	ND	Green floor tile containing rubber. No fibers were detected.
	17b	7-10%	Black mastic containing 7-10% chrysotile asbestos, <1% cellulose fibers in a tar binder.
18	18a	ND	Green floor tile containing rubber. No fibers were detected.
	18b	7-10%	Black mastic containing 7-10% chrysotile asbestos, <1% cellulose fibers in a tar binder.
19	19a	5-7%	Red floor tile containing 5-7% chrysotile asbestos, vinyl, calcite, particulate and binder.
	19b	7-10%	Black mastic containing 7-10% chrysotile asbestos in a tar binder.
20	20a	5-7%	Red floor tile containing 5-7% chrysotile asbestos, vinyl, calcite, particulate and binder.
	20b	7-10%	Black mastic containing 7-10% chrysotile asbestos in a tar binder.

Tracy Foster

Attachment: 2017-032 ATTH 16 ERI Asbestos Inspection Report (1620 : 2017-032 Amending the budget and authorizing CM contract for Kress)

ERI Analytical

ERI AS #1507223, Kress Building, 116 West Broad Street, Texarkana, Texas.

Page 3 of 5

POLARIZED LIGHT MICROSCOPY

Customer I.D.	ERI AS# 1507223	Results (ND=None Detected) (PC=Point Counting)	
		% Asbestos	Sample description
21	21a	5-7%	Red floor tile containing 5-7% chrysotile asbestos, vinyl, calcite, particulate and binder.
	21b	7-10%	Black mastic containing 7-10% chrysotile asbestos in a tar binder.
22	22a	5-7%	Brown floor tile containing 5-7% chrysotile asbestos, vinyl, calcite, particulate and binder.
	22b	7-10%	Black mastic containing 7-10% chrysotile asbestos in a tar binder.
23	23a	5-7%	Brown floor tile containing 5-7% chrysotile asbestos, vinyl, calcite, particulate and binder.
	23b	7-10%	Black mastic containing 7-10% chrysotile asbestos in a tar binder.
24	24a	5-7%	Brown floor tile containing 5-7% chrysotile asbestos, vinyl, calcite, particulate and binder.
	24b	7-10%	Black mastic containing 7-10% chrysotile asbestos in a tar binder.
25	25	ND	Homogeneous, brown fibrous ceiling tile with white paint containing 92-95% cellulose fibers, particulate and binder.
26	26	ND	Homogeneous, brown fibrous ceiling tile with white paint containing 92-95% cellulose fibers, particulate and binder.
27	27	ND	Homogeneous, brown fibrous ceiling tile with white paint containing 92-95% cellulose fibers, particulate and binder.
28	28	5-7%	Homogeneous, black wall material containing 5-7% chrysotile asbestos, 10-15% cellulose fibers in a tar binder.
29	29	5-7%	Homogeneous, black wall material containing 5-7% chrysotile asbestos, 10-15% cellulose fibers in a tar binder.
30	30	5-7%	Homogeneous, black wall material containing 5-7% chrysotile asbestos, 10-15% cellulose fibers in a tar binder.
31	31	55-60%	Homogeneous, gray-tan fibrous insulation containing 55-60% chrysotile asbestos, 35-40% cellulose fibers, particulate and binder.
32	32	55-60%	Homogeneous, gray-tan fibrous insulation containing 55-60% chrysotile asbestos, 35-40% cellulose fibers, particulate and binder.
33	33	55-60%	Homogeneous, gray-tan fibrous insulation containing 55-60% chrysotile asbestos, 35-40% cellulose fibers, particulate and binder.
34	34	35-40%	Homogeneous, white friable insulation containing 35-40% chrysotile asbestos in a carbonate rich matrix.
35	35	35-40%	Homogeneous, white friable insulation containing 35-40% chrysotile asbestos in a carbonate rich matrix.
36	36	35-40%	Homogeneous, white friable insulation containing 35-40% chrysotile asbestos in a carbonate rich matrix.

Tracy Foster

Attachment: 2017-032 ATTH 16 ERI Asbestos Inspection Report (1620 : 2017-032 Amending the budget and authorizing CM contract for Kress)

ERI Analytical

ERI AS #1507223, Kress Building, 116 West Broad Street, Texarkana, Texas.

Page 4 of 5

POLARIZED LIGHT MICROSCOPY

Customer I.D.	ERI AS#	Results (ND - None Detected) (PC - Point Counting)	
		% Asbestos	Sample description
37	37	3-5%	Homogeneous, black roof material containing 3-5% chrysotile asbestos, 15-20% cellulose fibers, gravel in a tar binder.
38	38	3-5%	Homogeneous, black roof material containing 3-5% chrysotile asbestos, 15-20% cellulose fibers, gravel in a tar binder.
39	39	3-5%	Homogeneous, black roof material containing 3-5% chrysotile asbestos, 15-20% cellulose fibers, gravel in a tar binder.
40	40	ND	Homogeneous, black felt material containing 25-30% cellulose fibers in a tar binder.
41	41	ND	Homogeneous, black felt material containing 25-30% cellulose fibers in a tar binder.
42	42	ND	Homogeneous, black felt material containing 25-30% cellulose fibers in a tar binder.
43	43	3-5%	Homogeneous, off white window caulk containing 3-5% chrysotile asbestos in a binder.
44	44	3-5%	Homogeneous, off white window caulk containing 3-5% chrysotile asbestos in a binder.
45	45	3-5%	Homogeneous, off white window caulk containing 3-5% chrysotile asbestos in a binder.
46	46	ND	Homogeneous, red brick material containing a cement matrix. No fibers were detected.
47	47	ND	Homogeneous, red brick material containing a cement matrix. No fibers were detected.
48	48	ND	Homogeneous, red brick material containing a cement matrix. No fibers were detected.
49	49	ND	Homogeneous, off white mortar containing particulate in a cement matrix. No fibers were detected.
50	50	ND	Homogeneous, off white mortar containing particulate in a cement matrix. No fibers were detected.
51	51	ND	Homogeneous, off white mortar containing particulate in a cement matrix. No fibers were detected.
52	52	ND	Homogeneous, off white "rock" material containing a cement matrix. No fibers were detected.
53	53	ND	Homogeneous, off white "rock" material containing a cement matrix. No fibers were detected.

Tracy Foster

Attachment: 2017-032 ATTH 16 ERI Asbestos Inspection Report (1620 : 2017-032 Amending the budget and authorizing CM contract for Kress)

ERI Analytical

ERI AS #1507223, Kress Building, 116 West Broad Street, Texarkana, Texas.

Page 5 of 5

POLARIZED LIGHT MICROSCOPY

Customer I.D.	ERI AS#	Results (ND- None Detected) (PC- Point Counting)	
		% Asbestos	Sample description
54	54	ND	Homogeneous, off white "rock" material containing a cement matrix. No fibers were detected.
55	55	ND	Homogeneous, black roof material containing 40-45% fiberglass in a tar binder.
56	56	ND	Homogeneous, black roof material containing 40-45% fiberglass in a tar binder.
57	57	ND	Homogeneous, black roof material containing 40-45% fiberglass in a tar binder.

Analyst

Respectfully submitted,

Tracy E. Foster

Laboratory Technical Director

Attachment: 2017-032 ATTH 16 ERI Asbestos Inspection Report (1620 : 2017-032 Amending the budget and authorizing CM contract for Kress)



TEXAS DEPARTMENT OF STATE HEALTH SERVICES

ERI CONSULTING INC

is certified to perform as a

Asbestos Consultant Agency

in the State of Texas within the purview of Texas Occupations Code, chapter 1954, so long as this license is not suspended or revoked and is renewed according to the rules adopted by the Texas Board of Health.

DAVID LAKEY, M.D.
COMMISSIONER OF HEALTH

License Number: 100020

Expiration Date: 3/12/2016

Control Number: 96687

(Void After Expiration Date)

VOID IF ALTERED NON-TRANSFERABLE



TEXAS DEPARTMENT OF STATE HEALTH SERVICES

ERI CONSULTING INC

is certified to perform as a

Asbestos Laboratory PCM, PLM

In the State of Texas within the purview of Texas Occupations Code, chapter 1954, so long as this license is not suspended or revoked and is renewed according to the rules adopted by the Texas Board of Health.

DAVID LAKEY, M.D.
COMMISSIONER OF HEALTH

License Number: 300007

Expiration Date: 12/12/2015

Control Number: 95929

(Void After Expiration Date)

VOID IF ALTERED NON-TRANSFERABLE



**NVLAP® National Voluntary
Laboratory Accreditation Program**

SCOPE OF ACCREDITATION TO ISO/IEC 17025:2005

ERI Consulting, Inc.
2026A Republic Drive
P.O. Box 2024

Tyler, TX 75701-2024

Mr. Tracy Foster

Phone: 903-534-5001 Fax: 903-534-8701

Email: tracy@ericonsulting.com

<http://www.ericonsulting.com>

ASBESTOS FIBER ANALYSIS

NVLAP LAB CODE 101232-0

Bulk Asbestos Analysis

Code
18/A01

Description

EPA 600/4-92-020: Interim Method for the Determination of Asbestos in Bulk Insulation Samples

18/A03

EPA 600/R-93/116: Method for the Determination of Asbestos in Bulk Building Materials

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For the National Voluntary Laboratory Accreditation Program

Effective 2015-06-26 through 2016-06-30

Page 1 of 1

United States Department of Commerce
National Institute of Standards and Technology



Certificate of Accreditation to ISO/IEC 17025:2005

NVLAP LAB CODE: 101232-0

ERI Consulting, Inc.
Tyler, TX

is accredited by the National Voluntary Laboratory Accreditation Program for specific services,
listed on the Scope of Accreditation, for:

Asbestos Fiber Analysis

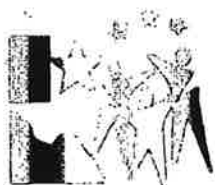
This laboratory is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005.
This accreditation demonstrates technical competence for a defined scope and the operation of a laboratory quality
management system (refer to joint ISO-ILAC-IAF Communiqué dated January 2009).

2015-06-26 through 2016-06-30
Effective Dates



Handwritten signature

For the National Voluntary Laboratory Accreditation Program



Texas Department of State Health Services

Asbestos Individual Consultant

CHRISTOPHER L POWER

License No. 105566

Control No. 96773

Expiration Date: 2/15/2017





M·E·T·A
 Mayhew Environmental Training Associates
 INCORPORATED

Certificate # ME99D43E6682C049B

Christopher L Power

has on 10/22/2014 in Tyler, TX
 completed the requirements for asbestos accreditation under Section 206 of TSCA Title II, 15 USC 2646

4-hr. Asbestos Building Inspector Refresher

as approved by TX and the US EPA under 40 CFR 763 (AHERA)
 from 10/22/2014 to 10/22/2014 and passed the associated exam on 10/22/2014
 with a score of at least 70%



Robert W. Brooks

Robert Brooks
 Instructor

Thomas Mayhew

Thomas Mayhew
 President

SSN: XXX-XX-0436

Expiration: 10/22/2015

P.O. Box 4693 - Lawrence, KS. 66047 - 800.444.6382

www.metaenvironmental.net

M·E·T·A
 Environmental



Christopher L Powers
 TX Asbestos Inspector Refresher

Exp. 10.22.16

SS# xxx-xx-0436



Texas Department of State Health Services

Asbestos Inspector

MICHAEL A TAYLOR

License No. 602358

Control No. 97436

Expiration Date: 12/2/2015



Professional Environmental Training
Inspector Re-Accreditation
Expires 1-7-2016



MICHAEL A. TAYLOR
Cert # IR-2535

Professional Environmental Training
713-921-8921
www.proenvtraining.com

Certifies that on **January 7, 2015**

Student completed training course requirements and is
reaccredited as a Building Inspector for Asbestos.
Fredy Polanco, MS, CSP President
Fredy Polanco, MS, CSP Instructor

Professional Environmental Training

In cooperation with

AMARILLO COLLEGE

Awards this Certificate to

MICHAEL A. TAYLOR

Cert # IR-2535

DL# TX 11532284

For the completion of the

**4-HOUR TRAINING COURSE AND IS REACCREDITED
AS BUILDING INSPECTOR FOR ASBESTOS**

In accordance with the EPA Model Accreditation Plan, 40 CFR 763 App. C to Subpart E,
Interim Final Rule, under TSCA Title II.

January 7, 2015
Date of Class

January 7, 2016
Expiration Date

January 7, 2015
Date of Examination

C.E.U. Awarded: 4 Credits

316 Pennsylvania St.
South Houston, Texas 77587

713-921-8921
www.proenvtraining.com

President, Fredy Polanco, MS, CSP

Instructor, Fredy Polanco, MS, CSP



Contractor Checklist

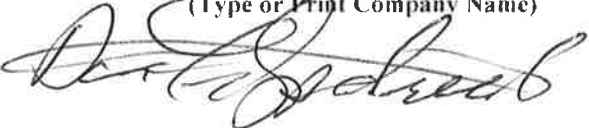
Before submitting your bid, please ensure you have completed and included the following documents in the order they are listed. The contractor is only to submit (1) one original copy of every item listed.

1. XOF Carefully read and understand the plans and specifications and properly complete the BID SUBMITTAL FORM. Bid submittal form **MUST** be completed in blue or black ink or by typewriter. Signatures must be original, in blue or black ink, and by hand. Enter unit price, and extended cost in the columns provided. In the event of discrepancies in extension, the unit price shall govern. Include corporate seal and Secretary's signature. Identify addenda received (if any).
2. DF Include BID BOND or CASHIER'S OR CERTIFIED CHECK as your bid surety for all contracts **exceeding \$100,000**. Failure to provide a bid surety **WILL** result in automatic rejection of your bid.
3. DF Clearly mark the bid number, title, due date and time and your company name and address on the outside of the envelope or container.
4. DF Ensure your bid is **RECEIVED** by the City of Texarkana Purchasing and Contracts Department prior to the deadline. Late bids will not be accepted.
5. DF Complete and sign the SAFETY RECORD QUESTIONNAIRE. All "YES" responses must be explained in detail and submitted with Bid.
6. DF Complete and sign the SUSPENSION AND DEBARMENT CERTIFICATION. **Include firm's FEDERAL TAX ID number or Owner's SOCIAL SECURITY number.**
7. DF Complete and submit the LIST OF SUB-CONTRACTORS.

DOCUMENTS REQUIRED WITHIN SEVEN BUSINESS DAYS AFTER CLOSING:

8. DF If changes are made to your SUB-CONTRACTORS LIST after bid closing, YOU MUST complete and submit the **FINAL** LIST OF SUB-CONTRACTORS.

FAILURE TO PROVIDE ANY OF THE ABOVE MAY RESULT IN YOUR BID BEING DEEMED NON-RESPONSIVE AND, THEREFORE, NOT FURTHER EVALUATED. PLEASE INCLUDE THIS COMPLETED PAGE AS THE FIRST PAGE OF YOUR BID SUBMITTAL.

Gator Industrial LLC
(Type or Print Company Name)


3. BID SUBMITTAL FORM

3.1 BID SUBMITTAL FORM UNIT PRICE BID CONTRACT

DATE: 2/20/2017

PROJECT NUMBER: IFB #17-2001-02
KRESS BUILDING DEMOLITION PROJECT

Bid of Gator Industrial LLC (hereinafter called Bidder)

To the Honorable Mayor and City Council City of Texarkana, Texas (hereinafter called Owner)

Ladies and Gentlemen:

The Bidder, in compliance with your Invitation to Bid, having carefully examined the plans, specifications, instructions to bidders, notice to bidders and all other related contract documents and the site of the intended work, and being familiar with all of the conditions surrounding the construction of the intended project including the availability of materials and labor, hereby intends to furnish all labor, materials, and supplies; and to construct the project in accordance with the plans, specifications and contract documents, within the time set forth therein and at the price stated below.

The bidder binds himself on acceptance of his bid to execute a contract and any required bonds, according to the accompanying forms, for performing and completing the said work within the time stated and for the prices stated below.

The bidder binds himself on acceptance of his bid to execute a contract and any required bonds, according to the accompanying forms, for performing and completing the said work within the time stated and for the prices stated below.

1. The undersigned bidder proposes to furnish all labor, material and other items for the project, "Demolition Project - Kress Building" in accordance with the Specifications.
2. BASE BID: Our Lump Sum Price for the Removal and disposal of all materials, in accordance with Specifications, is as follows: Five Hundred and Six Thousand and Five Hundred and 00/100 dolla
_____ Dollars (\$ 506,500.00). Total Bid
- 2a. Alternate 1: Our Alternate Bid Lump Sum Price for providing a concrete slab and parking improvements in lieu of the base bid concrete cap, in accordance with Specifications, is as follows: _____
Five Hundred Twenty One Thousand Five Hundred and 00/100 Dollars (\$ 521,500.00). Total Bid
3. The undersigned bidder acknowledges receipt of addenda as follows (If none received, write none):
No. 1 2/6/17

DF Bidder's Initials

Bidder hereby agrees to commence the work on the above project on a date to be specified in a written "Notice to Proceed" of the Owner and to substantially complete the project by **140 CALENDAR DAYS**, thereafter as stipulated in the specifications and other contract documents. Bidder hereby further agrees to pay to Owner as liquidated damages the sum of **\$200 per day for 1st 10 calendar days and \$500 per day for anything after the 1st 10 calendar days** in excess of the time set forth herein above for completion of this project, all as more fully set forth in the general conditions of the contract documents.

Bidder understands that the Owner reserves the right to reject any or all bids and to waive any formality in the bidding.

The Bidder agrees that this bid shall be good and may not be withdrawn for a period of **SIXTY (60)** calendar days after the scheduled closing time for receiving bids.

The undersigned Bidder hereby declares that he has visited the site of the work and has carefully examined the plans, specifications and contract documents pertaining to the work covered by this bid, and he further agrees to commence work on or before the date specified in the written notice to proceed, and to substantially complete the work on which he has bid; as provided in the contract documents.

Bidders are required, whether or not a payment or performance bond is required, to submit a cashier's check or certified check issued by a bank satisfactory to the City of Texarkana, or a bid bond from a reliable surety company, payable without recourse to the order of the City of Texarkana in an amount not less than five percent (5%) of the total amount of the bid submitted as a guarantee that bidder will enter into a contract, obtain all required insurance policies, and execute all necessary bonds (if required) within ten (10) business days after notice of award of the contract to him

DF Bidder's Initials

Enclosed with this bid is a Cashier's Check or Certified Check for _____ Dollars (\$ _____) or a Bid Bond in the sum of Twenty Five Thousand Three Hundred and Twenty Five Dollars (\$ 25,325.00), which it is agreed shall be collected and retained by the Owner as liquidated damages in the event the bid is accepted by the Owner and the undersigned fails to execute the necessary contract documents, insurance certificates, and the required bond (if any) with the Owner within ten (10) business days after the date of receipt of written notification of acceptance of said bid; otherwise, said check or bond shall be returned to the undersigned upon demand.

Bidder understands and agrees that the contract to be executed by Bidder shall be bound and include all contract documents made available to him for his inspection in accordance with the Notice to Bidders.

Pursuant to Texas Local Government Code 252.043(a), a competitive sealed bid that has been opened may not be changed for the purpose of correcting an error in the bid price. **THEREFORE, ANY CORRECTIONS TO THE BID PRICE MUST BE MADE ON THE BID SUBMITTAL FORM PRIOR TO BID OPENING.**

(Seal if Bidder is a Corporation)

ATTEST:

Secretary

Bidder acknowledges receipt of the following addenda:

Addenda No. 1 Date 2/6/2017

Addenda No. _____ Date _____

Addenda No. _____ Date _____

Addenda No. _____ Date _____

Date: 2/20/2017

Dan Fitzpatrick
Authorized Signature

Dan Fitzpatrick
(Printed or Typed Name)

Gator Industrial LLC
Company

300 N Blackcat Rd
Address

Joplin, Jasper
City, County

Missouri, 64801
State Zip Code

Telephone: 417 - 624-4444

Fax: 417 - 627-9343

FEDERAL TAX ID or SOCIAL SECURITY No.

20-8116651

EMAIL: dan@gatorindus.com

BID #17-2001-02 BID KRESS BUILDING DEMOLITION PROJECT

3.2 SAFETY RECORD QUESTIONNAIRE

The City of Texarkana City Council desires to avail itself of the benefits of Section 252.0435 of the Local Government Code, and consider the safety records of potential contractors prior to awarding bids on City contracts. Pursuant to Section 252.0435 of the Local Government Code, City of Texarkana has adopted the following written definition and criteria for accurately determining the safety record of a bidder prior to awarding bids on City contracts.

The definition and criteria for determining the safety record of a bidder for this consideration shall be:

The City of Texarkana shall consider the safety record of the bidders in determining the responsibility thereof. The City may consider any incidents involving worker safety or safety of the citizens of the City of Texarkana, be it related or caused by environmental, mechanical, operational, supervision or any other cause or factor. Specifically, the City may consider, among other things:

- a. Complaints to, or final orders entered by, the Occupational Safety and Health Review Commission (OSHRC), against the bidder for violations of OSHA regulations within the past three (3) years.
- b. Citations (as defined below) from an Environmental Protection Agency (as defined below) for violations within the past five (5) years. Environmental Protection Agencies include, but are not necessarily limited to, the U.S. Army Corps of Engineers (USACOE), the U.S. Fish and Wildlife Service (USFWS), the Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), the Texas Natural Resource Conservation Commission (TNRCC) (predecessor to the TCEQ), the Texas Department of State Health Services (DSHS), the Texas Parks and Wildlife Department (TPWD), the Structural Pest Control Board (SPCB), agencies of local governments responsible for enforcing environmental protection or worker safety related laws or regulations, and similar regulatory agencies of other states of the United States. Citations include notices of violation, notices of enforcement, suspension/revocations of state or federal licenses or registrations, fines assessed, pending criminal complaints, indictments, or convictions, administrative orders, draft orders, final orders, and judicial final judgments.
- c. Convictions of a criminal offense within the past ten (10) years, which resulted from bodily harm or death.
- d. Any other safety related matter deemed by the City Council to be material in determining the responsibility of the bidder and his or her ability to perform the services or goods required by the bid documents in a safe environment, both for the workers and other employees of bidder and the citizens of the City of Texarkana.

In order to obtain proper information from bidders so that City of Texarkana may consider the safety records of potential contractors prior to awarding bids on City contracts, City of Texarkana requires that bidders answer the following three (3) questions and submit them with their bids:

QUESTION ONE

Has the bidder, or the firm, corporation, partnership, or institution represented by the bidder, or anyone acting for such firm, corporation, partnership or institution, received citations for violations of OSHA within the past three (3) years?

YES _____ NO X

If the bidder has indicated YES for question number one above, the bidder must provide to City of Texarkana, with its bid submission, the following information with respect to each such citation:

Date of offense, location of establishment inspected, category of offense, final disposition of offense, if any, and penalty assessed.

QUESTION TWO

Has the bidder, or the firm, corporation, partnership, or institution represented by the bidder, or anyone acting for such firm, corporation, partnership or institution, received citations for violations of environmental protection laws or regulations, of any kind or type, within the past five years? Citations include notice of violation, notice of enforcement, suspension/revocations of state or federal licenses, or registrations, fines assessed, pending criminal complaints, indictments, or convictions, administrative orders, draft orders, final orders, and judicial final judgments.

YES _____ NO X _____

If the bidder has indicated YES for question number two above, the bidder must provide to City of Texarkana, with its bid submission, the following information with respect to each such conviction:

Date of offense or occurrence, location where offense occurred, type of offense, final disposition of offense, if any, and penalty assessed.

QUESTION THREE

Has the bidder, or the firm, corporation, partnership, or institution represented by bidder, or anyone acting for such firm, corporation, partnership, or institution, ever been convicted, within the past ten (10) years, of a criminal offense which resulted from serious bodily injury or death?

YES _____ NO X _____

If the bidder has indicated YES for question number three above, the bidder must provide to City of Texarkana, with its bid submission, the following information with respect to each such conviction:

Date of offense, location where offense occurred, type of offense, final disposition of offense, in any, and penalty assessed.

ACKNOWLEDGEMENT

THE STATE OF TEXAS

COUNTY OF BOWIE

I certify that I have made no willful misrepresentations in this Questionnaire nor have I withheld information in my statements and answers to questions. I am aware that the information given by me in this questionnaire shall be investigated, with my full permission, and that any misrepresentations or omissions may cause my bid to be rejected.


Signature Dan Fitzpatrick

Title General Manager

3.3 SUSPENSION AND DEBARMENT CERTIFICATION

Federal Law (A-102 Common Rule, and OMB Circular A-110) prohibits non-Federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$50,000 and all non-procurement transactions (e.g., sub-awards to sub-recipients).

Contractors receiving individual awards of \$50,000 or more and all sub-recipients must certify that their organization and its principals are not suspended or debarred by a Federal agency.

Before an award of \$50,000 or more can be made to your firm, you must certify that your organization and its principals are not suspended or debarred by a Federal agency.

I, the undersigned agent for the firm named below, certify that neither this firm nor its principals are suspended or debarred by a Federal agency.

COMPANY NAME: Gator Industrial LLC

FEDERAL TAX ID or SOCIAL SECURITY No. 20-8116651

Signature of Company Official: *Dan Fitzpatrick*, GENERAL MANAGER

Printed name of company official signing above: Dan Fitzpatrick

Date Signed: 2/20/2017

4. LIST OF SUB CONTRACTORS

	Company Name	Location	Services Provided	Minority Owned	
				Yes	No
1.	TBD		Concrete Paving	☐	☐
2.	TBD		Plumber	☐	☐
3.				☐	☐
4.				☐	☐
5.				☐	☐
6.				☐	☐
7.				☐	☐
8.				☐	☐
9.				☐	☐
10.				☐	☐
11.				☐	☐
12.				☐	☐


 Contractor Signature **DAN FITZPATRICK**
 GENERAL MANAGER

THIS FORM SHALL BE COMPLETED AND RETURNED ALONG WITH YOUR PROPOSAL IF NO SUB-CONTRACTORS WILL BE USED PLEASE INDICATE SO



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
02/20/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Resources & Consultants, LLC 101 N Osage Blvd P.O. Box 356 Nevada, MO 64772	CONTACT NAME: Bradley Erwin PHONE (A/C, No, Ext): (417)667-9477 FAX (A/C, No): (417)667-2399 E-MAIL ADDRESS: bradley@insurancerc.net														
INSURED Gator Industrial LLC, Blackcat Trucking LLC, US Assets Recovery LLC, Jordan Disposal LLC 720 S Main St Galena, KS 66739	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A : Hamilton Specialty Insurance Company</td> <td></td> </tr> <tr> <td>INSURER B : Praetorian Insurance Company</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Hamilton Specialty Insurance Company		INSURER B : Praetorian Insurance Company		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
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INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															

COVERAGES	CERTIFICATE NUMBER:	REVISION NUMBER:
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☐ LOC OTHER:			AHSECC1018800	04/01/2016	04/01/2017	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
B	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			PICCO0004506	04/01/2016	04/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
A	UMBRELLA LIAB ☒ OCCUR ☒ EXCESS GL & AUTO ☐ CLAIMS-MADE DED RETENTION \$			Excess over Workers Compensation AHSEXS1018900 Excess over General Liability & Auto Liability	04/01/2016	04/01/2017	EACH OCCURRENCE \$ 5,000,000
							AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	PICCO0004506	04/01/2016	04/01/2017	PER STATUTE OTH-ER
							E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
B	CARGO			PICCO0004506	04/01/2016	04/01/2017	LIMIT \$100,000
							DEDUCTIBLE \$1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

ADDITIONAL INSURED (BLANKET AS REQUIRED BY WRITTEN CONTRACT WITH RESPECTS TO THE GL, EXCESS LIABILITY & AUTO LIABILITY).

GENERAL LIABILITY IS PRIMARY & NON-CONTRIBUTORY AS REQUIRED BY WRITTEN CONTRACT.

WAIVER OF SUBROGATION (BLANKET AS REQUIRED BY WRITTEN CONTRACT WITH RESPECTS TO THE GL, EXCESS LIABILITY & AUTO LIABILITY).

POLLUTION LIABILITY IS INCLUDED UNDER THE COMMERCIAL GENERAL LIABILITY AND THE EXCESS GENERAL LIABILITY.

TRANSPORTATION POLLUTION LIABILITY INCLUDED: \$1,000,000 PER ACCURANCE / \$2,000,000 AGGREGATE / \$5,000,000 EXCESS

CERTIFICATE HOLDER	CANCELLATION
JENNIFER@GATORINDUS.COM CITY OF TEXARKANA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

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300 N BLACKCAT RD, JOPLIN MO 64801 TEL: 417-624-4444 FAX: 417-627-9343

Projects of Interest and Reference Contact Info

Project: Multiple simultaneous contracts at various locations. All work performed concurrently at all locations

Locations: Parsons KS, Colwich KS, Tecumseh KS, Hutchinson KS, Wichita KS, Abilene KS

Owner: Westar Energy, Topeka KS

Contact: Marty Magby – 316-291-8623

Timeline: 7-6-2012 – 1-31-2014

Total value: \$3.45 million

Project Info:

- **Westar Energy** – Parsons KS., Complete demolition of power plant facility. Cleaning and removal of Multiple AST's (6.3 million gallon), water tower, cooling tower, boilers, steam turbine generators, oil pipeline, pump houses, main plant building, water treatment facility, mechanical and explosives demolition of structures over 10 story tall, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Tecumseh KS., cleaning and removal of 2 AST's (3.5 million gal), oil pipeline, pump houses, gas turbine generators, high voltage transformers, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Hutchinson KS., cleaning and removal of 3 AST's (9.6 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Colwich KS., cleaning and removal of 3 AST's (15.4 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Wichita KS., cleaning and removal of 3 AST's (12.7 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Abilene KS., Demolition and removal of Westinghouse 70 MW Gas Turbine, generator, exciter, starting package, mechanical package, electrical package, control cab, inlet air filter houses with cooler, air-to-air cooler, exhaust stack and starting transformer, etc.

Project: Asbestos Abatement & Demolition of K&M Grain Elevators and Silos

Location: 4208 Gardner Ave., Kansas City, Missouri

Owner: Union Pacific Railroad, Omaha NE

Contact: Eric Galley – 402-659-1400 / Thomas Steven – 402-297-8014

Timeline: 12-1-2013 – 11-5-2014

Project Value: \$4.6 million

Project Info:

This project consisted of the abatement and demolition of 360 concrete grain silos and conveyor building. These structures encompassed a total project area of 352,000 sq. ft., and reached heights of over 220 ft. These structures were located in the middle of one Union

Pacific's largest and busiest rail yards with vital tracks completely encompassing all structures. All demolition on this project had to be performed without any track closers. This project consisted of extensive asbestos abatement and special waste disposal. This project included the use of explosives demolition of a large 220 concrete conveyor building. Special protection practices used to protect rail line, railcars, and adjacent buildings. This project was completed on time and within budget.

Project: Utilities Stoker Boiler Replacement Ames, IA Demolition Phase 2 CP002237

Location: Ames, Iowa

Owner: Iowa State University

Contact: Lindsey Wandersheid – 515-291-0129

Timeline: 4-2016 – 11-2016

Total Value: \$1.2 million

Project Info:

This project was a complete demolition of a 220' tall smoke stack, all duct work, ID fans, dust collectors, boiler equipment, equipment buildings, extensive roof penetration removals and repairs associated with 5 boilers. All work was performed within a live operating power plant.

Project: Cement Plant Demolition and Abatement

Location: Independence, Kansas

Owner: Buzzi Unicem USA

Contact: Wally Snodgrass – 620-331-0200

Timeline: 1-20-2011 – 4-15-2012

Total Value: \$4.1 million

Project Info:

This project was a complete demolition of the largest cement plant in Kansas. This site consisted of multiple buildings and structures. This project included extensive asbestos abatement, demolition of structures of up to 300 ft. in height, using both explosive demolition and mechanical. This project also included extensive site cleanup, remediation, and restoration efforts.

Project: Bunge Grain Elevator Abatement and Demolition

Location: Council Bluffs, Iowa

Owner: City of Council Bluffs

Contact: Don Seymour – 515-418-7244

Timeline: 7-6-2013 – 5-1-2014

Total Value: \$1.25 million

Project Info:

This project was the abatement and demolition of two grain elevators and silos complexes. These were two separate sites located in downtown Council Bluffs. Both sites were located in very heavy commercial and residential areas. Extensive dust and noise suppression measures were implemented as well as community outreach programs to minimize impacts to surrounding community.

Project: Phase 1 Demolition, Toro Facility

Location: Joplin, Missouri

Owner: Owens Corning

Contact: Claudio Crestale – 740-641-9641

Timeline: 9-2015 – 1-2016

Total Value: \$1.1 million

Project Info:

This project consisted of extensive demolition of old dog food plant as part of facility conversion into state-of-the-art insulation manufacturing plant. Demolition included the following structures and components; 3-100' metal Silo, 1-140' concrete Silo, 2-Railroad Unloading Buildings, multiple Interior Silos and associated Penthouses, Exterior Building Complex, Interior Office, East Office Complex, Interior Tanks, Interior Piping and Conduit, Truck Scales, and Manufacturing Equipment.

JORDAN DISPOSAL SERVICE, LLC



STATEMENT OF QUALIFICATIONS

300 N. Blackcat Rd
Joplin, Missouri 64801
417-624-4444

Company Overview

Our Experience

Jordan Disposal (JDS), Gator Industrial (GI) is a unique provider of large-scale commercial and industrial demolition, facilities decommissioning, site development and environmental site remediation services. Our highly skilled staff and specialized equipment deliver safe and cost-effective solutions for all structural demolition, site development and remediation needs. Our management team's background has over 40 years' experience in commercial demolition, construction, site development and remediation, waste management, regulatory compliance, transportation and disposal, asset recovery, and recycling. This unique combination allows JDS/GI to provide true One-Stop, Turnkey solutions to any type of Environmental or Demolition Project.

Our People

Jordan Disposal (JDS), Gator Industrial (GI) believes that the backbone of our success is our experienced professional staff. With a workforce of over 60 comprised of Environmental Engineers, 2 full time chemists, 2 full time safety professionals, 3 project managers experienced in civil, structural and environmental engineering, 8 site supervisors, over 20 specialized and heavy equipment operators, 12 OTR and 3 heavy/oversized load truck drivers, and highly skilled and trained labor force, all of which have long-term and diverse experience in demolition, site development, and environmental remediation projects of all size. Our management and supervisory professionals have an average of over 20 years in the Environmental Industry. You can be assured that your project will be managed in the field by an individual who understands the unique nature of Demolition and Environmental projects. Our field personnel will be highly trained not only the technical aspects of their jobs, but more importantly the Health and Safety objectives and ramifications of their activities.

Our Equipment

Jordan Disposal (JDS), Gator Industrial (GI) boasts one of the largest fully owned inventories of specialized and heavy equipment including: cranes (4), a tremendous fleet of excavators (28) equipped with grapples (20), shears (15), magnets (8), hammers (4), pulverizers (2), dozers (8) of all sizes, compactors (2), graders (2), skid steers (6), mobile shear/bailer (1), rock crusher (1), 30-ton haul trucks (8), dump trucks (4), end dumps (8), belly dumps (2), low boy trailers (8), 13 axel 100 ton low-boy trailer (1), heavy haul trucks (8), roll-off trucks (10), 30 yard roll-off containers (300), and many more. All equipment is expertly maintained by 4 full time heavy equipment mechanics, 2 full time truck mechanics, and 4 full time welder/fabricators. At JDS/GI we believe that we possess the quality tools and equipment to perform all jobs big or small, from specialized industrial demolition to large scale environmental remediation and site excavations,

Our Safety

Jordan Disposal (JDS), Gator Industrial (GI) is an industry leader in our commitment to safety. Our Experience Modification rating of .79 (most recent 3-year average) is unprecedented in our industry and a true testament to our commitment. JDS/GI employs 2 full time, fully degreed and certified safety professionals with over 60 years combined experience. ALL 60+ employees of JDS/GI have received 40-hour HAZWOPER training and annual refreshers, 10-hour OSHA construction safety, OSHA confined space and fall prevention training. Aside from those listed most employees have received multiple additional trainings and certifications in diverse fields and applications. JDS/GI is an MSHA registered and certified contractor with over 15 trained and certified employees. We have successfully performed over 12 projects falling under MSHA jurisdiction without citation. JDS/GI is a certified drug-free employer. At JDS/GI, the health and safety of our workforce, our clients, the public and the environment is priority #1.

Our Quality

Jordan Disposal (JDS), Gator Industrial (GI) is committed to the philosophy that quality starts with senior management and requires the involvement of every employee. Our program is based on the principle that quality is jointly defined by our customers and ourselves. JDS/GI requires the commitment of all employees to constantly strive for improvement. As part of this program, JDS/GI has in-house QA/QC professionals that provide technical input, project evaluations, assist in work plan development, site inspections, contract adherence, and project closeout reports. At JDS/GI, no project is complete without 100% customer satisfaction.

Our Commitment

Jordan Disposal (JDS), Gator Industrial (GI) has grown rapidly by continuously providing superior professional services to our clients while always maximizing efficiency, safety on the job and minimizing cost. We have in-depth experience and the financial stability to equip and staff any size project with the proper mix of professional grade equipment and qualified personnel to complete a project on time, on budget and to your satisfaction. Our services are provided by the most efficient, best trained, knowledgeable and safety conscious personnel in the industry. Any requests / invitations for bid will be handled promptly and in a professional manner. We will ensure our quotation will meet your desires according to the best possible timeline, price and professional workmanship.

We will strive to exceed your every expectation and it's our past success that is best measured by the opinions of our clients. We invite you to contact any of our current or past references, and we look forward to working with your company.

Services Provided

Environmental Remediation Services

- Soil Excavation, Hauling & Disposal
- Land Clearing
- Remediation System Installation
- Pit/Pond Closures
- Industrial Cleaning
- AST Cleaning & Demolition
- UST Removal and Closure
- Pipeline Cleaning & Removal
- Demolition & Decommissioning
- Soil Stabilization
- Pressure Washing
- Emergency Response

Demolition/General Construction Services

- Residential, Commercial & Industrial Demolition
- Bridge and road demolition
- Demolition by explosives and mechanical means
- Building/Plant Decommissioning
- Asset Recovery
- Site Preparation & Restoration
- Landfill Construction & Closures
- Containment/Dam Construction
- Pond Construction
- Low Water Crossing/Bridge Construction

Waste Management & Transportation Services

- On-Site Waste Management, Profiling, Manifesting & Disposal
- Hazardous, Non-Hazardous, Universal & Special Waste
- Construction, Demolition & Solid Waste
- Recycling of All Waste Streams
- Field Sampling, Lab Analysis and Unknown Waste Identification
- Roll-Off Containers
- Box Vans
- End Dump Trailers
- Bobtail Dump Trucks
- Solid Waste Trucks
- Compactors

Sample Customers & Clients

Jordan Disposal (JDS), Gator Industrial (GI) is proud to provide services to the following companies.

3M
 U.S. Army Corps of Engineers, USACE
 Federal Emergency Management Agency, FEMA
 Environmental Protection Agency, EPA
 Kansas Department of Health & Environment, KDHE
 ADM
 Ash Grove Cement Company
 BASF
 British Aerospace
 Buzzi Unicem USA
 Cahaba Disaster Recovery
 CF Industries
 City of Council Bluffs, Iowa
 City of Joplin, Missouri
 City of Galena, Kansas
 City of Kansas City, Missouri and Kansas
 Day & Zimmerman
 Deta Corp.
 DRC Group
 Dyno Nobel Explosives
 Eagle Picher
 Empire District Electric
 Expert Management
 General Dynamics
 Georgia Pacific
 ICI Explosives
 Iowa State University
 Joplin Missouri School District
 Kansas City Missouri School District
 Kansas City Southern Railroad
 La-z-boy
 Leggett and Platt
 Mission Clay
 Missouri Northern Arkansas Railroad
 Owens Corning
 Orica Explosives
 Phillips & Jordan
 Proctor and Gamble
 Terra Nitrogen
 Tri-State Motor Transit
 Union Pacific Railroad
 Westar Energy
 Weston Solutions
 and many more

Company Highlights

May 22, 2011, Joplin Missouri was struck by a catastrophic tornado that left an unprecedented amount of debris and rubble in its wake. The cleanup efforts in the wake of this disaster, led by the Federal Emergency Management Agency (FEMA) and the US Army Corps of Engineers (USACE), required swift and innovative solutions. With estimates of 3 to 5 million cubic yards of debris to be disposed, local landfills were neither capable nor equipped to take on such massive quantities. The City of Galena Kansas offered the use of their small 14 acre landfill but the Army Corps of Engineers quickly rejected the site, stating multiple deficiencies. Not taking no for an answer the City of Galena contracted with Jordan Disposal to address the landfills shortcomings, what happened next was a transformation unlike any seen before. In 10 short days Jordan Disposal/Gator Industrial transformed this 14 acre landfill, operated by one man and bulldozer, into what the Army Corps of Engineers described as "the best landfill the Army Corps of Engineers had ever seen or been associated with". In those 10 days Jordan Disposal/Gator Industrial expanded the 14 acre site to 70 acres, excavated tens of thousands cubic yards of dirt, created a four lane road going into and out of the landfill, built a bridge spanning a creek, installed two computerized scales and scale house, erected a lookout tower for Army Corps of Engineers and FEMA, built an in-ground storm shelter, developed and installed all implements (BMP's) of a sophisticated Storm Water Pollution Prevention Plan (SWPPP), and installed security fencing and gates. Upon Army Corps of Engineer approval, Jordan Disposal/Gator Industrial equipped the landfill with over 20 pieces of self-owned heavy equipment (dozers, compactors, excavators, graders, haul trucks, water trucks and more) and over 22 full time operators. Jordan Disposal/Gator Industrial operated the landfill 7 days a week, 12 hours a day, staffed with over 30 fulltime employees daily.

Within the first 60 days of operation the landfill had receive over 1.5 million cubic yards of debris. At its peak the landfill was receiving nearly 6,000 tons of debris, brought in by over 500 trucks per day. To date the Galena landfill has received over 3 million cubic yards and an estimated 875,000 tons of debris related to the Joplin tornado. Never before has a landfill received such massive volumes in such a short amount of time. For their extraordinary efforts and unprecedented results, Jordan Disposal/Gator Industrial has received the highest accolades from state and local officials, Kansas Department of Health and Environment, Federal Emergency Management Agency, and the U.S. Army Corps of Engineers. The USACE and FEMA have stated that they will use the Galena Landfill as a model for future disaster cleanup efforts.

Jordan Disposal/Gator Industrial is truly honored to have played such a vital role during the most critical time in our community's history. This level of expertise, experience, and dedication is a true testament of what Jordan Disposal/Gator Industrial delivers to all projects both big and small.

Related Work & Experience

Jordan Disposal (JDS), Gator Industrial (GI) have performed numerous large scale and specialty demolition projects for Fortune 500 companies across the US. Below is a sample list from our most recent projects, additional sample projects and information available upon request.

Project: Asbestos Abatement & Demolition of K&M Grain Elevators and Silos

Location: 4208 Gardner Ave., Kansas City, Missouri

Owner: Union Pacific Railroad, Omaha NE

Contact: Eric Galley – 402-659-1400

Timeline: 12-6-2013 – 10-24-2014

Project Value: \$4.6 million

Project Info:

This project consisted of the abatement and demolition of 360 concrete grain silos and conveyor building. These structures encompassed a total project area of 352,000 sq. ft., and reached heights of over 220 ft. These structures were located in the middle of one Union Pacific's largest and busiest rail yards with vital tracks completely encompassing all structures. All demolition on this project had to be performed without any track closers. This project consisted of extensive asbestos abatement and special waste disposal. This project included the use of explosives demolition of a large 220 concrete conveyor building. Special protection practices used to protect rail line, railcars, and adjacent buildings. This project was completed on time and within budget. **This project include the processing and recycling of more than 2,000 tons of scrap metal.**

Project: Multiple simultaneous contracts at various locations. All work performed concurrently at all locations

Locations: Parsons KS, Colwich KS, Tecumseh KS, Hutchinson KS, Wichita KS

Owner: Westar Energy, Topeka KS

Contact: Marly Magby – 316-291-8623

Timeline: 7-6-2012 – 1-31-2014

Total value: \$3.45 million

Project Info:

- **Westar Energy** – Parsons KS., Complete demolition of power plant facility. Cleaning and removal of Multiple AST's (6.3 million gallon), water tower, cooling tower, boilers, steam turbine generators, oil pipeline, pump houses, main plant building, water treatment facility, mechanical and explosives demolition of structures over 10 story tall, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Tecumseh KS., cleaning and removal of 2 AST's (3.5 million gal), oil pipeline, pump houses, gas turbine generators, high voltage transformers, asbestos abatement, soil remediation, site restoration, etc.

- **Westar Energy** – Hutchinson KS., cleaning and removal of 3 AST's (9.6 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Colwich KS., cleaning and removal of 3 AST's (15.4 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Wichita KS., cleaning and removal of 3 AST's (12.7 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **This project include the processing and recycling of more than 3,500 tons of scrap metal.**

Project: Cement Plant Demolition and Abatement

Location: Independence, Kansas

Owner: Buzzi Unicem USA

Contact: Wally Snodgrass – 620-331-0200

Timeline: 1-20-2011 – 4-15-2012

Total Value: \$4.1 million

Project Info:

This project was a complete demolition of the largest cement plant in Kansas. This site consisted of multiple buildings and structures. This project included extensive asbestos abatement, demolition of structures of up to 300 ft. in height, using both explosive demolition and mechanical. This project also included extensive site cleanup, remediation, and restoration efforts. **This project include the processing and recycling of more than 8,500 tons of scrap metal.**

Project: Bunge Grain Elevator Abatement and Demolition

Location: Council Bluffs, Iowa

Owner: City of Council Bluffs

Contact: Don Seymour – 515-418-7244

Timeline: 9-6-2013 – 5-1-2014

Total Value: \$1.25 million

Project Info:

This project was the abatement and demolition of two grain elevators and silos. These were two separate sites located in downtown Council Bluffs. Both sites were located in very heavy commercial and residential areas. Extensive dust and noise suppression measures were implemented as well as community outreach programs to minimize impacts to surrounding community. **This project include the processing and recycling of more than 1,200 tons of scrap metal.**

Related Work & Experience cont.

The following is just a partial list of the most recent demolition projects performed by Jordan Disposal/Gator Industrial

- **ADM**- Hutchinson, KS –Demolition of 1.9 million bushel grain elevator.
- **ADM**-Guymon, OK- Demolition of grain bins and elevator.
- **ADM**-Monument, KS- Demolition of grain bins and elevator.
- **ADM**-Plains, KS- Demolition of grain bins.
- **ADM**-Hough, OK- Demolition of grain storage facility.
- **ADM**-Truesdale, KS- Demolition of grain bins.
- **ADM**-Goodman, KS- Demolition of grain dryer and leg.
- **ADM**-Oakley, KS- Demolition of grain dryer.
- **ADM**-Brewster, KS- Demolition of grain Dryer.
- **Alternate Fuels** - Arcadia, KS - Demolition of 1000-ton dragline crane.
- **Buzzi Unicem** – Independence, KS – Complete demolition of decommissioned cement plant
- **Buzzi Unicem** – Orange, TX – Complete demolition of decommissioned cement plant
- **Buzzi Unicem** _ Bonner Springs, KS – Complete demolition of decommissioned cement plant
- **Buzzi Unicem** – Chattanooga, TN – Complete demolition of decommissioned cement plant
- **Buzzi Unicem** – Pryor, OK – Demolition of old concrete milling facility
- **City of Hays, KS**- Recycling of 5000 tons of concrete.
- **City of Joplin** - Joplin, MO - Demolition & removal of 122- residential structures within city.
- **City of Joplin** – Joplin, MO – Demolition, removal & disposal of large metal structure. Separate smaller building into 2-parts and relocate.
- **City of Miami** – Miami, OK – Removal of furnace from transfer station.
- **CRI Feeders**-Hough, OK- Demolition of large feed mill and storage facility
- **Crop Production Services**-Oakley, KS- Demolition of grain elevator.
- **Crossland Construction**-Columbus, KS- Interior demolition of North Middle School in Joplin, MO
- **Day & Zimmerman**-Parsons, KS – Army Munitions Plant
- **Diversified Foods & Seasonings** – McAlester, OK – Demolition, removal & disposal of plant after fire.
- **Dyno Nobel** - Carthage, MO - Removal of nitro glycerin mix tanks.
- **Dyno Nobel** - Carthage, MO - Demolition & removal of acid neutralizing complex.
- **Eagle Picher Industries** – Joplin, MO – Demolition, removal & disposal of 5-structures.
- **EBV/EEC** - Joplin, MO – Dismantle munitions kiln building.
- **Empire District Electric Company** - Joplin, MO - Removal & recycling of used oil tanks.

- **Empire District Electric Plant** - Riverton, KS - Removal of several buildings & concrete foundations in cooperation with Laforge and Budd Construction.
- **Empire District Electric** - Riverton, KS - Complete demolition of old coal burning Power Plant.
- **Expert Management** - Carthage, MO - Demolition of the ammonia nitrate facility including all warehouses & the 242-foot prill tower.
- **Expert Management** - Joplin, MO - Removal of 4-story compressor deck.
- **Gavilon Group**- Demolition of Grain facilities in Carrington, ND, Bushnell NE., Dubuque, Iowa
- **General Dynamics** - Marion, IL - Removal of explosive propellant grinding plant.
- **Holstrum Army Ammunition** - Kingsport, TN - Demolition of Acid Plant for British Aerospace.
- **ICI** - Joplin, MO - Decontamination & demolition of explosive emulsion plant.
- **ICI** - Joplin, MO - Ongoing involvement in the planning & daily operations of composting at explosive plant to reduce nitrate concentration in the soil at the facility.
- **ICI** - Joplin, MO - Demolition, removal & disposal of ammonia section cooling tower.
- **ICI** - Joplin, MO - Dismantle & relocation of explosive manufacturing operation kinepak to Slurry Explosives Company, Hallowell, KS.
- **ICI** - Joplin, MO - Reclamation of pool ditch area.
- **ICI** - Joplin, MO - Outfall 2-tree planting (approx. 25,000 trees).
- **ICI** - Joplin, MO - Closure of burning ground.
- **ICI** - Joplin, MO - Demolition, removal & disposal of sulphuric acid plant.
- **ICI** - Joplin, MO - Demolition, removal & disposal of mixed acid tank farm and scale.
- **ICI** - Joplin, MO - Demolition, removal & disposal of AN solution tank (2-million gallon).
- **ICI** - Joplin, MO - Demolition, removal & disposal of ingredient dry explosives storage.
- **ICI** - Joplin, MO - Demolition, removal & disposal of fuel oil tank (1-million gallon).
- **ICI** - Joplin, MO - Steam Cleaning, removal of sludge & other hazardous materials from various holding tanks and pipelines.
- **ICI** - Joplin, MO - Demolition, removal & disposal of nitro cotton explosive plant.
- **ICI** - Joplin, MO - Demolition, removal & disposal of mix acid battery tank farm.
- **ICI** - Joplin, MO - Treece, KS - Demolition & excavation of explosives powder magazines.
- **ICI** - Joplin, MO - Demolition, removal & disposal of Horton sphere.
- **ICI** - Joplin, MO - Demolition, removal & disposal of sulphuric & waste acid tank farm.

- **Imperial Redevelopment District**- Phase II demolition of former Imperial Sugar site in Sugar Land TX.
- **Iowa State University** – Stoker boiler demolition, including 220' stack removal
- **JMI**– Joplin, MO - Manage the liquidation of rolling stock, machinery, & spare parts used in the manufacturing of commercial explosives.
- **Joplin School District** – Complete demolition, removal, and site restoration of East Middle School, Joplin High School, Franklin Technical Center, Emerson Elementary
- **Kansas City Missouri Public Schools** – Abatement and Demolition of Thatcher School
- **Kansas City Southern Railroad**- Demolition of former diesel shop in Pittsburg, KS
- **Kansas City Southern Railroad**-4 year preferred contractor status resulting in over 30 specialty demolition projects throughout 7 states.
- **Laforge & Budd Construction** – Parsons, KS – Demolition, removal & disposal of a bridge in Chanute, KS.
- **La-Z-Boy** – Neosho, MO – Demolition and abatement of 8 kilns, boiler plant, and two 90' tall concrete stacks
- **Louisiana Chemical** - Joplin, MO - Demolition of the nitric acid plant.
- **Mission Clay Facility** - Pittsburg, KS - Remove all scrap material from lay down yard, demolition & removal of multiple tank farms.
- **Missouri Steel Castings** - Joplin, MO - Dismantle, demolish, and clean up of facility.
- **Missouri Steel Castings** - Joplin, MO - Removal & recycling of large production presses & miscellaneous equipment.
- **MMK** - Hallowell, KS - Packaging of explosive material for disposal following ATF raid on Hallowell Explosive Manufacturing Plant.
- **Osborne Trust** – Joplin, MO – Demolition, removal, disposal and clean up of the vacated Kenworth Building in Joplin, MO.
- **Ottawa Power Company** –Ottawa, KS- Removal & recycling of oil tanks, steam turbines, generators and heat exchangers.
- **Pointe Royale Development**- Complete demolition, removal and disposal of former Tindle Mills facility in Springfield MO.
- **Proctor & Gamble** - Dallas, TX - Demolition, removal & disposal of 7-acre tank farm.
- **Union Pacific** – Kansas City, MO – Demolition and abatement of old K&M Elevators and Silos. 360 concrete grain silos and 220 foot tall conveyor building.
- **Union Pacific** – Kansas City, KS – Demolition and abatement of old rail yard office.
- **Union Pacific** – Topeka, KS – Demolition and abatement of 2 Storage buildings
- **Union Pacific** – Prior, OK – Demolition and abatement of old rail yard office.
- **Union Pacific** – Mason City, Iowa – Demolition and abatement of old rail yard office.

- **Union Pacific** – Kansas City, MO – Abatement and Demolition of multiple buildings at Intermodal Facility
- **Union Pacific** – Denver, CO – Abatement and Demolition of old Yard Office
- **Westar Energy** – Parsons KS., Complete demolition of power plant facility. Cleaning and removal of Multiple AST's (6.3 million gallon), water tower, cooling tower, boilers, steam turbine generators, oil pipeline, pump houses, main plant building, water treatment facility, mechanical and explosives demolition, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Tecumseh KS., cleaning and removal of 2 AST's (3.5 million gal), oil pipeline, pump houses, gas turbine generators, high voltage transformers, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Hutchinson KS., cleaning and removal of 3 AST's (9.6 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Colwich KS., cleaning and removal of 3 AST's (15.4 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Westar Energy** – Wichita KS., cleaning and removal of 3 AST's (12.7 million gal), oil pipeline, pump houses, unloading stations, boilers, heaters, asbestos abatement, soil remediation, site restoration, etc.
- **Whiting Oil and Gas**- Guymon, OK Demolition, removal and disposal of large oil storage tank

Jordan Disposal/Gator Demolition have also completed the following construction projects:

- **ICI Explosives**– Joplin, MO - Civil work of wetland construction & fabrication of anoxic reactor to reduce nitrate levels in ground water.
- **R&R Trucking Company** – Joplin, MO - Design, blueprint & construction of safe haven (explosive vehicle storage facility) at the ICI facility (this project was first non-military safe haven approved by the Department of Defense (DOD) in the United States).
- **Slurry Explosives Company (formerly Deta Corp)** - Hallowell, KS - Fence the entire facility.
- **Slurry Explosives Company (formerly Deta Corp)** - Hallowell, KS - Construct run-off dam.
- **Tri-State Motor Transit** – Duenweg, MO - Design, blueprint & construction of safe haven (only Two (2) commercial Safe havens have been approved by the DOD & both were designed & built by JDS and our affiliates).
- **Jasper County Sheriff's Sub Station** – Joplin, MO – Installed communications tower.
- **McFarland Cascade** – Joplin, MO – Built utility pole storage yard.
- **Dyno Nobel**- Carthage, MO –Liquidation of explosive contaminated Equipment.

Jordan Disposal/Gator Industrial as operators of the Galena C&D Landfill, received over 90% of all Joplin storm related debris totaling over 3 million cubic yards of debris. Working side-by-side with the Army Corp of Engineers, FEMA, and KDHE. JDS/GI possessed extensive contracts with Weston Solutions, Phillips & Jordan Disaster Relief, Disaster Relief Corporation (DRC), Cahaba Disaster Relief, and the City of Joplin.

Addition project examples and experience available upon request.

What They Are Saying

Jordan Disposal (JDS), Gator Industrial (GI) believes there is no better ways to tell our story than to let the words of our satisfied customers speak for themselves. The following is a small sampling of clients that we routinely exceeded all expectations.



3600 NW 74th Street Columbus Kansas 66725 Phone (620) 597 2552 Fax (620) 597 2905

May 9, 2005

To Whom It May Concern:

Reference: Brian Jordan; US Assets Recovery; Jordan Disposal Services

In my capacity as Plant Manager, later President, ICI Explosives USA at their Joplin, MO facility and more recently as President, DetaCorp Inc, LLC (Hallowell, KS) I have used and continue to use Brian Jordan and his companies as preferred contractors for a variety of construction, demolition and general contracting services. My personal experience of using his services dates back over 10 years, and at no stage in that time has he disappointed me or failed to deliver what he promised.

In my experience, Mr. Jordan's ability to innovatively overcome the day-to-day obstacles routinely encountered in plant construction and demolition have enabled him to offer, and then achieve, outstanding value for the prices he has charged. His approach is characterized by the importance he places on personal integrity and his consequent determination to fully satisfy his customer's expectations.

Most importantly, given the nature of business in which my company is engaged (manufacture of commercial explosives) his excellent corporate safety record has been a critical factor in continuing to use his services. Similarly, he and his companies have developed considerable expertise in responsible disposal of waste and surplus items, and have been instrumental in developing novel approaches to a number of difficult environmental problems.

Mr. Jordan's companies are operated in hands-on fashion by Mr. Jordan, keeping overheads (and hence costs) low, and are staffed by quality, hand-picked employees who are highly motivated and exceptionally loyal. This combination of low overhead and motivated workforce is, in my experience, tough to beat. To find this combination with an outstanding commitment to safety and an ability to develop innovative low-cost approaches in the construction and demolition field is extremely rare.

I highly recommend Mr. Jordan and his companies. There is no business acquaintance I would trust more.

A handwritten signature in dark ink, appearing to read "Clive Whiteside".

Clive Whiteside
President



ICI Group Services
Legal

Donald J. Pawlowski
Director, Legacy Management
50 Water Road
Sinking Spring, Pennsylvania 19608 USA
Telephone 610.670.6442
Fax 610.670.5698
Mobile 610.766.2849
don_pawlowski@ici.com

October 14, 2005

Mr. Brian Jordan
Jordan Disposal Service LLC
300 North Black Cat Road
Joplin, Missouri 64801

Re: Letter of Reference

Mr. Jordan:

As recognition of the strong and long lasting working relationship Jordan Disposal Service LLC has provided to Expert Management Inc. and its predecessors ICI Explosives USA Inc. and Atlas Powder Company I would like to acknowledge your many contributions to our facilities progress over the last seventeen plus years you have been working with us.

Over this period of time Jordan Disposal Service LLC has provided a wide range of services and equipment to facilitate our projects to include, heavy equipment, various types of labor including trained HAZWOPPER crews, demolition and environmental abatement services. We have worked well together in construction and demolition projects with an emphasis on safety and environmental protection. In this time period your crews have worked over a half million man hours without any notable incidents.

Jordan Disposal Service LLC has proven to be a reliable, flexible, and motivated environmental and general services firm which provides exceptional service and support to its clients. Your professionals have been proficient in planning, implementing, and completing a wide variety of project services on time and within budget.

If you would like to share my contact information with any potential clients for a verbal reference, please feel free to provide this letter.

Sincerely,

Donald J. Pawlowski
Director, Legacy Management

10/17/2005

13:30

UNIQEMA - 64176279343

NO. 487 0001

Expert Management Inc.

Uniqema Corporate Center
1000 Uniqema Blvd
New Castle, DE 19720

Telephone (302) 574-8559
Fax (302) 574-1818

October 17, 2005

To Whom It May Concern,

Over the past fifteen years, Expert Management has contracted with two of Brian Jordan's companies, Jordan Disposal Services and U.S. Asset Recovery, at our Joplin, Missouri facility. Both of Mr. Jordan's companies have completed a large number of demolition, salvage, and environmental remediation projects on this 1,800-acre site. The largest project by far was the 2003/04 demolition of over seventy buildings and structures, including a site power plant, an ammonium nitrate plant, an ammonia plant, and numerous specialized manufacturing plants, including the underground infrastructure. Many of these structures and buildings contained highly hazardous materials that required innovative approaches, not only to protect the workforce, but also to complete the demolition in an environmentally-sound manner. This major project was completed on time, under budget, and without any deleterious environmental impact or injuries to the workforce. I am happy to personally recommend Brian Jordan's companies to anyone planning a major salvage and demolition project requiring sophisticated, innovative, and cost effective solutions. Please do not hesitate to call me at (302) 574-5106 for additional details or questions that you may have about our experience.

Sincerely,



Clifford M. Erickson
Vice President

CME:hab



To Whom it may concern:

Evonik Jayhawk Fine
Chemicals
Corporation
PO Box 247, Galena
Kansas 66739-0247, USA

T +1 (620) 783 1321
F +1 (620) 783 6255

www.evonik.com

Re: Jordan Disposal Services / Gator Industrial

September 24, 2009

This letter of reference is based on my personal experience of working with the aforementioned contractors and in particular with owner Brian Jordan, over many years.

Clive Whiteside
President

Without exception, I have found the service provided to be first rate and very competitively priced. I do not recall a single instance of a significant accident or unacceptable safety or environmental practice over an association going back nearly 15 years and I continue to be impressed by the innovative approach that is brought to bear to cost-effectively deal with challenging construction and demolition problems, especially where environmental management issues are critical.

T +1 620/783-0126
F +1 620/783-0107

Clive.whiteside@evonik.com

Evonik Jayhawk is pleased to have JDS as a current supplier of services and continues to regard Brian Jordan's various companies as preferred contractors.

Sincerely,

Clive Whiteside
President

2009 reference letter 090209



HALLOWELL MANUFACTURING LLC 3400 NW 74TH STREET, COLUMBUS, AL 36721 - PHONE (320) 397-2312 - FAX (320) 397-2931

September 8, 2009

Re: Letter of Reference

To Whom It May Concern:

I am the Plant Manager of Hallowell Manufacturing LLC, a wholly owned subsidiary of Orica USA, Incorporated. I have had the opportunity to work closely with Mr. Brian Jordan for the past 4 months. Although I have known him for a short time, his services provided to the company dates back over 15 years. During this period he has demonstrated levels of urgency, technical ability, leadership and professionalism. I have been extremely pleased with the quality of workmanship that has been displayed.

His leadership, detailed knowledge, and initiative have been especially evident in his coordination with all aspects of providing prompt service during plant maintenance, emergency breakdowns, hazardous material removal, decontamination processes and confined space work. He has never failed to deliver on time no matter what the situation is.

As a company, we are highly focused on the areas of safety, health and environmental. Mr. Jordan and his employees routinely exceed requirements and expectations set forth by Orica in those areas and also with each task put before them. Brian and all of his employees understand and implement all of our policies and procedures and puts service to others above themselves. Brian's record of performance and documented professional excellence prove he is the contractor of choice. I enthusiastically recommend Mr. Brian Jordan and his companies, Jordan Disposal Service, LLC and Gator Industrial, LLC.

Michael T. Williams
Plant Manager



MUNITIONS & GOVERNMENT
KANSAS OPERATIONS

September 9, 2009

To Whom It May Concern:

RE: Jordan Disposal, LLC/Gator Industrial, LLC
 300 N. Black Cat Road
 Joplin, MO 64801

Day & Zimmermann (D&Z) is the Operating Contractor/Caretaker of the Kansas Army Ammunition Plant, a secure U.S. Army facility owned by the U.S. Government. D&Z has had the pleasure of working with Jordan Disposal/Gator Industrial on several projects and has been extremely satisfied with their performance and with regard to

- Performance within D&Z's safety and security policies
- Demonstration of sound environmental practices
- Their responsiveness to our requests and project changes
- and, in our estimation at fair and reasonable pricing

Day & Zimmermann would not hesitate to use Jordan Disposal/Gator Industrial in the future and would highly recommend their services.

Respectfully,


 SALLY L. BOULANGER
 Vice President & General Manager

Phone: 620-421-7400

23018 Rooks Road, Parsons, KS 67357-8403

Fax: 620-421-7440

Attachment: 2017-032 ATTH 17 Gator Industrial LLC Bid Document (1620 : 2017-032 Amending the budget and authorizing CM contract for



1505 S. Main St. - Laramie
 Post Office Box 1210
 Jordan, Missouri 64502-0120
 417.781.0200
 417.781.0135 Fax
 Web: www.labarge.com

LaBarge - Laramie

Larry Cantrell
 Manufacturing Manager
 larry.cantrell@labarge.com

05/09

LP000012

TO Whom It May Concern

RE: Jordan Disposal Services

This letter of recommendation is based on my personal experience and the experience of many other managers and employees of LaBarge in reference to our work history with Jordan Disposal Services. LaBarge has done continuous business with Jordan Disposal Service for at least 29 years - some think it may go back as far as almost 50 years but those records are gone. The longevity of their continuous business relationship with LaBarge in itself speaks highly of Jordan's impeccable business ethics and high level of service. Throughout our business relationship, Jordan Disposal Services has always worked closely with LaBarge to provide whatever level of service was required including commercial refuse hauling, asbestos recycling and other hauling services. Most recently, we have contracted with Jordan to move the production equipment and fixtures for an entire 35,000 square foot facility to another facility. This move was also accomplished with the same high degree of professionalism that we have come to expect from Jordan.

LaBarge is pleased to have Jordan Disposal Services as a current and long term supplier.


 Larry Cantrell
 Manufacturing Manager



Tri-State Motor Transit Co.
Post Office Box 113
Joplin, Missouri 64802
800-234-8768

September 8, 2009

To Whom It May Concern

Dear Sir or Madam

Please allow this letter to serve as a recommendation and verification of work performed by Jordan Disposal Service and Gator Industrial on behalf of Tri-State Motor Transit Co

Tri-State Motor Transit Co.'s corporate office is located in Joplin, Missouri (TSMT). We have been transported Hazardous Materials, Arms, Ammunition, Explosives, Radioactive Material and other Sensitive Materials for the Department of Defense (DOD), Department of Energy (DOE) and the Civilian Sector for more than 75 years. TSMT is one of the largest government approved carriers in the United States.

Tri-State had collaborated with JDS/GI to help meet specific operational goals. This required working closely with JDS/GI on numerous projects including the design, blueprint & construction of a safehaven. There are only three commercial safehavens approved by the DOD, all were designed and built by JDS and their affiliates.

Please feel free to call if you should require any additional information.

Sincerely,

Glen Garrett
President

Joplin Schools

3901 E. 32nd Street • PO. Box 1200 Joplin, MO 64804
(417) 625-5200

January 2, 2013

To Whom It May Concern:

On May 22, 2011, Joplin Schools had five educational facilities completely destroyed by an EF-5 tornado. With the help of FEMA and SEMA, and following stringent federal bidding guidelines, we were able to let and accept bids for the demolition of these five facilities. Of the five projects, Gator Demolition (Jordan Disposal) was the lowest qualified bidder for two of the five bids, Franklin Technical School and East Middle School. Due to unfortunate circumstances requiring Joplin Schools to rebid the demolition of Joplin High School, Gator Demolition was then awarded a third bid.

Gator Demolition completed the Franklin Technical School and East Middle School demolitions well within the contract time line and did a great job. For this reason alone, we would highly recommend Gator Demolition for any demolition project. It is the job that was done at Joplin High School that put Gator Demolition head and shoulders above the rest. The Joplin High School project was more difficult than the others due to the incomplete efforts of the previous contractor. Once Gator Demolition was awarded the contract, they made extraordinary strides in completing the project in a matter of weeks, bringing to a close months of devastation.

Throughout the demolition projects, Gator Demolition's General Manager, Dan Fitzpatrick, was in constant contact with Joplin Schools reporting project status, submitting load sheets and daily logs as required. Pay applications were submitted in a timely manner and certified payroll was complete and correct. A routine inspection of certified payroll by the Missouri Department of Labor was returned with no violations or reported findings. In addition, Gator Demolition worked successfully with MoDNR while they closely monitored these high profile projects.

Gator Demolition has exhibited an amazing professional and personal work ethic that can be compared second to none. Gator Demolition became a partner with Joplin Schools during these projects, and as such, part of our team. For these reasons, we have no reservations recommending Gator Demolition for any similar project.

Sincerely,



Dr. C.J. Huff
Superintendent of Schools
Joplin Schools
3901 E. 32nd St.
Joplin, MO 64804
(417) 625-5200 ext. 2020



Mike Johnson
Director of Construction
Joplin Schools
3901 E. 32nd St.
Joplin, MO 64804
(417) 625-5200 ext. 2004

Visit us online at www.JoplinSchools.org



AMERICAN FIBREX*Solving Your High Temperature Insulation Needs*

August 3, 2009

To whom it may concern:

We have used Jordan Disposal Service/Gator Industrial LLC on numerous projects from major facility demolition to painting and are currently in the planning stage with them for a warehouse upgrade program. We have found Jordan Disposal to be a very thorough, innovative, cost conscious and reliable contactor.

We would recommend JDS/GI for any project for which their organization is qualified.

Please feel free to contact me if you have any questions concerning our experiences with Jordan Disposal.

Sincerely,



Daniel J Barrett
Managing Partner
Mount Etna Partners LLC dba American Fibrex

American Fibrex
1220 W. Murphy Blvd.
Joplin, Missouri 64801

www.fibrexhightemp.com

Tel: 417-623-0933
Toll Free: 888-834-2739
Fax: 417-624-4251

AGREEMENT

THIS AGREEMENT (this "Agreement") is made by and between **Jason Horton and Amanda Horton** ("Horton") and the **City of Texarkana, Texas** ("City"), collectively referred to as the "Parties."

BACKGROUND AND DEFINITIONS:

- A. The City owns property located at 116 West Broad Street, Texarkana, Bowie County, Texas, commonly known as the Kress Building (the "Kress"). The City is in the process of scheduling and performing construction, renovation, remediation, and other related activities to the Kress, including the placement of equipment and supplies necessary for such activities ("the Work").
- B. Horton owns certain property located at 114 Broad Street, Texarkana, Bowie County, Texas ("the Horton Property"), which is adjacent to or near the Kress.
- C. During certain portions of the Work, it will be necessary for Horton to vacate the Horton Property and relocate their business activities to a temporary site. City has agreed to pay Horton for certain costs and expenses for their relocation as set forth in this Agreement ("the Relocation Expenses").
- C. To enable City performance of the Work, it will be necessary for Horton to convey to City certain easement, permissions, and consent, namely: a temporary easement upon and across the Horton Property for the specific purpose of performing the Work; express permission for City to access on and around the Horton Property for the Work; and express consent for City to perform any stabilizing or other work on, upon, or to the Horton Property which the City deems necessary for the protection of either the Horton Property, the Kress, or both properties (collectively, the "Easement").

NOW, THEREFORE, the Parties agree as follows:

Term

- 1. The term of this Agreement shall commence upon the Parties' acceptance of this Agreement, evidenced by their signatures below, and shall terminate upon City's final acceptance of the Work. The City shall provide written notice to Horton upon final acceptance of the Work.

Relocation Expenses

- 2. City agrees to reimburse Horton for certain expenses incurred in relocating Horton's office during the performance of certain portions of the Work, which costs and expenses include those costs set forth in this Agreement (collectively the "Reimbursable Expenses").
- 3. Horton shall be entitled to reimbursement for the costs and expenses associated with relocating its business incurred by Horton upon the following conditions:
 - a. Horton shall be entitled to an initial reimbursement fee for the actual costs associated with the following initial moving expense (the "Initial Moving Expense"), subject to the cap set forth therein:

<u>Expense</u>	<u>Reimburseable Cap</u>
Take down and installation of fixtures:	\$ 435.00
Phone system and installation at temporary location:	\$3,289.00
Mover's expense:	\$4,100.00
Signage Expense:	\$2,712.52
Copier relocation and set up expense:	\$ 200.00

- b. City shall pay Horton for the Initial Moving Expense actually incurred for the above items. City agrees to pay Horton the above estimated costs on or before April 1, 2017. Horton agrees they shall provide receipts reflecting actual payment of the above expenses to City within thirty (30) days of Horton making said payments. In the event, receipts for the above expenses reflect a lower amount than estimated, the difference between the payment made by the City to Horton and the receipt shall be deducted from future payments. Nothing herein shall require City to make payment for an amount more than the payment caps set forth above.
- c. After Horton has relocated, City shall pay Horton a monthly lease expense fee equivalent to \$.60 per square foot multiplied by 2,500 square feet (\$1,500.00) for each month that Horton is unable to occupy the Horton Property. City agrees to make an initial payment equivalent to five (5) month's rent within thirty (30) days after Horton has relocated in the amount of \$7,500.00. Said lease expense shall terminate on the date all demolition work has been completed and the City's Environmental Consultant has approved the Horton Property for reoccupation. In the event Horton's relocation extends beyond a five month period before the Environmental Consultant has approved for reoccupation, City shall pay Horton the monthly lease amount set forth above for any period of time beyond the initial five month period on a monthly basis. The monthly lease expense shall be prorated for any partial month of non-use.
- d. City shall reimburse Horton for any utilities at the Horton property that are required or necessary to prevent damage during the relocation period, subject to a cap of \$165.00 per month (the "Utility Cap"). City shall reimburse Horton for the utilities on a monthly basis upon receipt of a copy of the utility bill reflecting the amount of said utility. Nothing herein shall require City to reimburse an amount greater than the invoice amount for the utility or an aggregate amount greater than the monthly Utility Cap.
- e. Horton shall be entitled to reimbursement for the actual costs associated with the moving expenses set forth below to move back in the Horton Property (the "Reoccupation Expense"), subject to the reimbursement caps set forth and any required deductions.

<u>Expense</u>	<u>Reimburseable Cap</u>
Mover's expense:	\$4,100.00
Copier relocation and set up expense:	\$ 200.00
Cleaning Fee	\$ 500.00

- f. City shall reimburse Horton for the Reoccupation Expense incurred for the above items within thirty (30) days of Horton providing invoices that substantiate and verifies all costs, subject to the payment caps and any required deductions set forth above.
4. Horton agrees that with respect to the work entailed or contemplated in their relocating to a temporary site, the City shall have no responsibility for (i) any work performed, (ii) the manner in which any work is performed, (iii) storage of any equipment, furniture or fixtures, (iv) providing any labor or materials, (v) contracting for any work performed, and (vi) any other service or work to be performed either on the Horton Property or the temporary location they choose.

The Easement

5. Horton acknowledges that City must have access to properties adjacent to the Kress to perform the Work; therefore, Horton, for themselves, their heirs, legal representatives, successors and assigns, hereby grant, bargain, rent, assign and convey the Easement.
6. Due to the nature of the Work being performed and to be performed, Horton, for themselves, their heirs, legal representatives, successors and assigns, further agree not to access any Work areas (for example, construction areas or areas partitioned off as construction areas from the Horton Property) until such time as this Agreement terminates.
7. City shall use reasonable care in, and repair any damage resulting from, the intentional exercise of such Easement, or damage directly caused by City's Work. Nothing herein shall be construed to make City or any other person or entity liable for damage resulting from any act of God or from a condition already existing on the Horton Property.
8. The Easement and any and all rights, title, and interest granted to City hereunder shall terminate and be considered null and void and of no further force and effect at such time when this Agreement terminates.
9. Horton acknowledges that City or City's representative has consulted with them, explained the proposed Work on the Kress, and the possible effects on adjacent and surrounding properties; and Horton has had both the opportunity and sufficient time to make further inquiries of the City, inquiries which have been addressed or otherwise answered to Horton's satisfaction.
10. City does not anticipate any work will be necessary to the Horton Property specifically caused by City's work on the Kress that would require entry into the Horton Property. In the event it is necessary for City or City's representative or contractor to access the interior of the Horton Property, Horton shall be notified of the need for such access, and Horton agrees that they or their agent shall provide access and accompany City, City's agent or contractor while in Horton's building, save and except if there is an emergency or safety issue requiring immediate action, City shall only be required to give such notice as expediently as possible under the circumstances to Horton.
11. City has notified Horton, and Horton acknowledges, that it is necessary to remove the chimney stack on the roof of the Kress and Horton Properties. Horton hereby gives consent to City to access Horton's roof and remove the chimney stack. City agrees it is responsible for the expense of such removal, which is estimated to be approximately \$7,000 - \$8,000.

Vacating the Horton Property

12. Based upon the proposed construction schedule, it is estimated that Horton will need to vacate the Horton Property on Friday, April 21, 2017, with the estimated date for reoccupation initially scheduled for Friday, September 15, 2017. The Parties understand and agree that these dates may change; and Horton agrees that they will vacate the Horton Property on the date specified in this Section 11 or an adjusted date upon receipt of reasonable notice from the City.

Title

13. Title to any improvements made to the Horton Property, if any, required for the performance of the Work shall be and remain with Horton. Title to any improvements made to the Kress shall be and remain the property of the City. Except as otherwise provided in this Agreement, nothing herein shall be interpreted to require the City to perform any work to or make improvements to the Horton Property.

No Liability

14. Nothing herein shall be deemed to waive the governmental immunity of the City. Except as otherwise provided in this Agreement, the City, its agents, officers, employees or contractors, shall not be responsible for damage, if any, resulting from vandalism or unauthorized use of the Horton Property by those not subject to the direction or control of the City.

Miscellaneous Provisions

15. Both Horton and City agree and acknowledge that remediation of the Kress benefits both Horton and City and, together with the Reimbursable Expenses pursuant to this Agreement, constitutes sufficient and valid consideration for this Agreement.
16. Horton hereby binds their heirs, legal representatives, successors and assigns to warrant and forever defend the above-described Easement and right unto City, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.
17. This Agreement shall be governed by and construed under the laws of the State of Texas, and venue shall be in Bowie County, Texas.
18. This Agreement is intended to be binding upon and inure to the benefit of the Parties hereto, their heirs, legal representative, successors, and assigns.
19. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and oral representations between the Parties with respect to the subject matter of this Agreement. No change, alteration or amendment will be binding on either party unless set forth in writing and signed by the parties hereto.
20. This Agreement may be executed simultaneously in multiple counterparts, each of which, taken together, shall be deemed an original.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have duly executed this Agreement on the dates as set forth below.

[SIGNATURES ON FOLLOWING PAGES]

GRANTOR:


 Jason Horton


 Amanda Horton

STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged on this the 2nd day of February, 2017 by Jason Horton.


 Notary Public, State of Texas

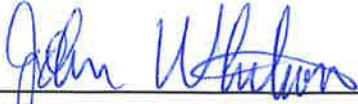

STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged on this the 2nd day of February, 2017 by Amanda Horton.


 Notary Public, State of Texas


GRANTEE: THE CITY OF TEXARKANA, TEXAS



By: John Whitson, City Manager

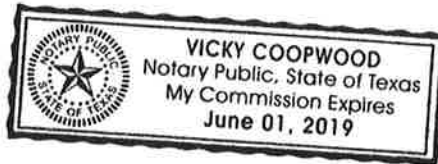
STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged on this the 7th day of FEBRUARY, 2017 by John Whitson, as the City Manager of the City of Texarkana, Texas.



Notary Public, State of Texas



TEMPORARY ACCESS AND ACTIVITIES EASEMENT AGREEMENT

THIS TEMPORARY ACCESS AND ACTIVITIES EASEMENT AGREEMENT (this "Agreement"), is made this 7th day of January 2017, by and between **Elnoria Ruth** ("Grantor") and the **City of Texarkana, Texas**, a home-rule municipality ("City" or "Grantee").

BACKGROUND AND DEFINITIONS:

- A. The City owns property located at 116 West Broad Street, Texarkana, Bowie County, Texas, commonly known as the Kress Building (the "Benefited Property"). The City is in the process of scheduling and performing construction, renovation, remediation, and other related activities to the Benefited Property, including the placement of equipment and supplies necessary for such activities ("the Work").
- B. Grantor owns certain property located at **120 Broad Street, Texarkana, Bowie County, Texas** (the "Burdened Property"), which is adjacent to or near the Benefited Property.
- C. The City has requested that Grantor convey to it a "Temporary Access and Activities Easement" defined as follows: a temporary easement upon and across the Burdened Property for the specific purpose of performing the Work; express permission for City to access into, on and around the Burdened Property for the Work; and express consent for City to perform any stabilizing or other work on, upon, or to the Burdened Property which the City deems necessary for the protection of either the Benefited Property, the Burdened Property, or both properties.
- D. Grantor recognizes the need for the Work and agrees to grant and convey the requested "Temporary Access and Activities Easement".

NOW, THEREFORE, Grantor and Grantee agree as follows:

- 1. Grantor, for itself, its heirs, legal representatives, successors and assigns, hereby grants, bargains, rents, assigns and conveys unto Grantee a Temporary Access and Activities Easement, as defined above, upon and across the Burdened Property.
- 2. Grantor, for itself, its heirs, legal representatives, successors and assigns hereby agrees further, due to the nature of the Work being performed and to be performed, not to access any Work areas (for example, construction areas or areas partitioned off as construction areas from the Burdened Property) until this Agreement shall have terminated.
- 3. Grantee shall use reasonable care in, and repair any damage resulting from, the intentional exercise of such easement. Nothing herein shall be construed to make Grantee or any other person or entity liable for damage resulting from any act of God or from a condition already existing on the Burdened Property.
- 4. The Temporary Access and Activities Easement and any and all rights, title, and interest granted to Grantee hereunder shall terminate and be considered null and void and of no further force and effect at such time as the City confirms in writing to Grantor that the Work within the Temporary Access and Activities Easement is completed.

5. Both Grantor and Grantee expressly agree and acknowledge that remediation of the Benefited Property, which inures to the benefit of both Grantor and Grantee, constitutes sufficient and valid consideration for this Agreement.
6. Grantor hereby binds its heirs, legal representatives, successors and assigns to warrant and forever defend the above-described easement and right unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.
7. The easement, rights and privileges granted herein by Grantor to Grantee are exclusive and the Grantor covenants that it will not convey any other conflicting easement or conflicting rights within the Temporary Access and Activities Easement area covered by this Agreement.
8. This Agreement is intended to be governed by and construed under the laws of the State of Texas, and venue shall be in Bowie County, Texas.
9. This Agreement is intended to be binding upon and inure to the benefit of the parties hereto, their heirs, legal representative, successors, and assigns.
10. This Agreement constitutes the entire agreement between the parties and may not be modified or amended unless in writing signed by the parties hereto.
11. This Agreement may be executed simultaneously in multiple counterparts, each of which, taken together, shall be deemed an original.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have duly executed this Agreement on the day and year first written above.

[SIGNATURES ON FOLLOWING PAGE]

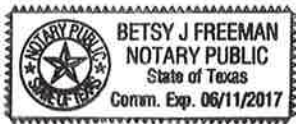
GRANTOR:

Elnoria J. Ruth
 Elnoria Ruth

STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged on this the 9th day of January, 2017 by Elnoria Ruth.



Betsy J. Freeman
 Notary Public, State of Texas

GRANTEE: THE CITY OF TEXARKANA, TEXAS

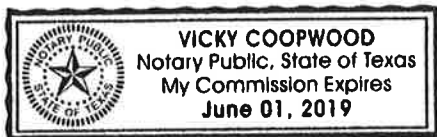
John Whitson
 By: John Whitson, City Manager

STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged on this the 7th day of FEBRUARY, 2017 by John Whitson, as the City Manager of the City of Texarkana, Texas.

Vicky Coopwood



TEMPORARY ACCESS AND ACTIVITIES EASEMENT AGREEMENT

THIS TEMPORARY ACCESS AND ACTIVITIES EASEMENT AGREEMENT (this "Agreement"), is made this _____ day of _____, 2016, by and between **Brian Goesl and Patty Goesl** ("Grantor") and the **City of Texarkana, Texas**, a home-rule municipality ("City" or "Grantee").

BACKGROUND AND DEFINITIONS:

- A. The City owns property located at 116 West Broad Street, Texarkana, Bowie County, Texas, commonly known as the Kress Building (the "Benefited Property"). The City is in the process of scheduling and performing construction, renovation, remediation, and other related activities to the Benefited Property, including the placement of equipment and supplies necessary for such activities ("the Work").
- B. Grantor owns certain property located at **214 Main Street, Texarkana, Bowie County, Texas** (the "Burdened Property"), which is adjacent to or near the Benefited Property.
- C. The City has requested that Grantor convey to it a "Temporary Access and Activities Easement" defined as follows: a temporary easement upon and across the Burdened Property for the specific purpose of performing the Work; express permission for City to access into, on and around the Burdened Property for the Work; and express consent for City to perform any stabilizing or other work on, upon, or to the Burdened Property which the City deems necessary for the protection of either the Benefited Property, the Burdened Property, or both properties.
- D. Grantor recognizes the need for the Work and agrees to grant and convey the requested "Temporary Access and Activities Easement".

NOW, THEREFORE, Grantor and Grantee agree as follows:

- 1. Grantor, for itself, its heirs, legal representatives, successors and assigns, hereby grants, bargains, rents, assigns and conveys unto Grantee a Temporary Access and Activities Easement, as defined above, upon and across the Burdened Property.
- 2. Grantor, for itself, its heirs, legal representatives, successors and assigns hereby agrees further, due to the nature of the Work being performed and to be performed, not to access any Work areas (for example, construction areas or areas partitioned off as construction areas from the Burdened Property) until this Agreement shall have terminated.
- 3. Grantee shall use reasonable care in, and repair any damage resulting from, the intentional exercise of such easement. Nothing herein shall be construed to make Grantee or any other person or entity liable for damage resulting from any act of God or from a condition already existing on the Burdened Property.
- 4. The Temporary Access and Activities Easement and any and all rights, title, and interest granted to Grantee hereunder shall terminate and be considered null and void and of no further force and effect at such time as the City confirms in writing to Grantor that the Work within the Temporary Access and Activities Easement is completed.

5. Both Grantor and Grantee expressly agree and acknowledge that remediation of the Benefited Property, which inures to the benefit of both Grantor and Grantee, constitutes sufficient and valid consideration for this Agreement.
6. Grantor hereby binds its heirs, legal representatives, successors and assigns to warrant and forever defend the above-described easement and right unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.
7. The easement, rights and privileges granted herein by Grantor to Grantee are exclusive and the Grantor covenants that it will not convey any other conflicting easement or conflicting rights within the Temporary Access and Activities Easement area covered by this Agreement.
8. This Agreement is intended to be governed by and construed under the laws of the State of Texas, and venue shall be in Bowie County, Texas.
9. This Agreement is intended to be binding upon and inure to the benefit of the parties hereto, their heirs, legal representative, successors, and assigns.
10. This Agreement constitutes the entire agreement between the parties and may not be modified or amended unless in writing signed by the parties hereto.
11. This Agreement may be executed simultaneously in multiple counterparts, each of which, taken together, shall be deemed an original.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have duly executed this Agreement on the day and year first written above.

[SIGNATURES ON FOLLOWING PAGES]

GRANTOR:



Brian Goesl

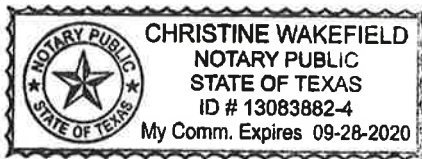

~~Patty Goesl~~

PATTI

STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged on this the 1st day of February, 201~~6~~⁷ by Brian Goesl.

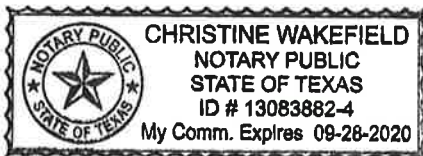



Notary Public, State of Texas

STATE OF TEXAS

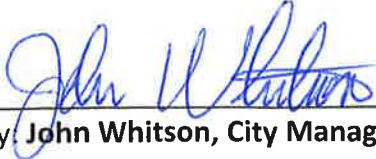
COUNTY OF BOWIE

This instrument was acknowledged on this the 1st day of February, 201~~6~~⁷ by Patty Goesl.




Notary Public, State of Texas

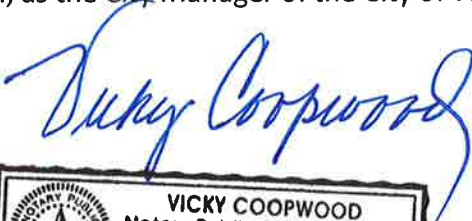
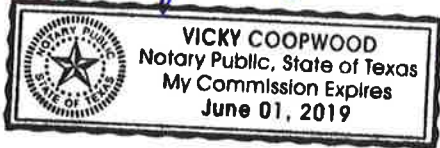
GRANTEE: THE CITY OF TEXARKANA, TEXAS


By: John Whitson, City Manager

STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged on this the 7th day of FEBRUARY, 2017 by John Whitson, as the City Manager of the City of Texarkana, Texas.



ERI CONSULTING, INC.

P. O. Box 2024, Tyler, Texas 75710
 2026 Republic Drive, Suite A, Tyler, Texas 75701
 Ph: (903) 534-5001 Fax: (903) 534-8701
 TBPE Firm # F-1787
 www.ericonsulting.com

June 7, 2016

Mr. David W. Orr,
 Director of Planning & Community Development
 P.O. Box 1967, 220 Texas Blvd., 4th Floor
 Texarkana, Texas 75504
 Office: (903) 798-3902 / Cell: (903) 278-7735
 Fax: (903) 798-3913 / david.orr@txkusa.org
 cc: Ms. Daphnea Ryan dryan@txkusa.org

RE: Contract - Design/Project Management - Demolition/Environmental Hazards Removal Project, 116 W. Broad Street, Texarkana, Texas

Dear Mr. Orr:

Based upon the Professional Services Procurement Act (PSPA) selection process, ERI Consulting, Inc. (ERI) appreciates being selected by City of Texarkana to provide our engineering services on the above referenced project. Our services on the demolition will include:

1. Project design and preparation of Plans and Specifications for all demolition and disposal activities.
2. Meet with utility companies and assist City of Texarkana in utility relocation
3. Conduct a pre-bid conference with prospective contractors prior to submission of bids.
4. Assist City of Texarkana in awarding the contract, review the executed contract, insurance certificates, and bonds and submit the contract to City of Texarkana for execution .
5. Prepare a contract between City of Texarkana and the demolition contractor
6. Review the required pre-job submittals from the demolition contractor.
7. Prepare the 10-day Texas Department of State Health Services (TDSHS) notification of demolition for compliance with the TAHPA and NESHAPS requirements.
8. Conduct an on-site pre-construction conference with the demolition contractor, maintenance department and other concerned parties.
9. Prepare an erosion control plan. Prepare plan to comply with the EPA's Storm Water Pollution Prevention regulations.

ERI Consulting, Inc.

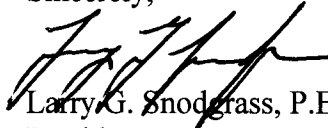
Mr. Orr
June 7, 2016
page 2 of 2

9. Perform periodic site visits during demolition activities.
10. Assist City of Texarkana with final site work and final acceptance of the project.
11. Prepare a final post-job submittal documentation including trip tickets, manifests, and letters from private property owners.
12. Provide a full-time TDSHS licensed project manager to collect ambient air samples while debris is disturbed or removed from the site.
13. Analyze air samples by Phase Contrast Microscopy in our TDSHS licensed laboratory.

All work is covered by our general and professional liability insurances. Our fees are outlined on the attached page. Professional service fees from Mark Thacker AIA and Mike Bugh, P.E., are also attached.

Please sign the statement below and authorize us to begin design and to file the notification on behalf of City of Texarkana at the appropriate time. If you should have any questions please contact our office at (903)534-5001.

Sincerely,


Larry G. Snodgrass, P.E.
President

lgs/ma

NOTIFICATION STATEMENT:

RE: Contract - Design/Project Management - Demolition/Environmental Hazards Removal Project, 116 W. Broad Street, Texarkana, Texas

We hereby authorize ERI Consulting, Inc. to sign and file the appropriate TDSHS/NESHAPS notification in accordance with 295.61 of the Texas Asbestos Health Protection Act, and to begin design activities.

Signature

Printed Name/Title

Date

ERI Consulting, Inc.

**PROFESSIONAL FEE OUTLINE
116 W. Broad, Texarkana, Texas
ES#15-825**

ERI Consulting, Inc.

Design, bid, and administer demolition/environmental hazards removal	\$26,500.00
Full-time air & compliance monitoring during asbestos removal activities (30 days @ \$650/day)	\$19,500.00
Total	\$46,000.00

Mark Thacker AIA

Architectural evaluation, developing recommendations & cost estimates for Option I	\$25,000.00
OR	
Architectural evaluation, developing recommendations & cost estimates for Options II or III	\$15,000.00
AND	
Design, bid, and administer restoration improvements for Option I (estimated)	\$156,000.00
OR	
Design, bid, and administer facade improvements and final demolition for Option II	\$30,000.00
OR	
Design, bid, and administer construction of new facade	\$30,000.00

Michael Bugh, P.E.

Assist ERI with demolition specifications	\$3,000.00
Initial structural evaluation	\$10,000.00
Design and oversee construction of temporary structural bracing	\$5,000.00
Design and oversee construction of enhanced temporary structural bracing	\$5,000.00
Assist Mark Thacker with restoration/facade improvement/final demolition specifications	\$3,000.00
Total	\$21,000.00 - \$26,000.00



ERI CONSULTING, INC.

P. O. Box 2024, Tyler, Texas 75710
 2026 Republic Drive, Suite A, Tyler, Texas 75701
 Ph: (903) 534-5001 Fax: (903) 534-8701
 TBPE Firm # F-1787
www.ericonsulting.com

March 6, 2017

Mr. David W. Orr,
 Director of Planning & Community Development
 P.O. Box 1967, 220 Texas Blvd., 4th Floor
 Texarkana, Texas 75504
 Office: (903) 798-3902 / Cell: (903) 278-7735
 Fax: (903) 798-3913 / david.orr@txkusa.org
 cc: Ms. Daphnea Ryan dryan@txkusa.org

RE: ES#16-612 - Demolition/Environmental Hazards Removal Project, 116 W. Broad Street, Texarkana, Texas

Dear Mr. Orr:

Gator Industrial of Joplin, Missouri was the low bidder on the above referenced project. We recommend they be awarded the project, in the contract amount of \$506,500.00.00

We have reviewed their submittals and checked references, and we are confident in their ability to complete the work as scheduled. As soon as you notify us of the City's decision on the contractor, we will prepare contracts and proceed with the project. A revised project cost estimate is attached.

We look forward to working with you on this. If you should have any questions, please call me at 903-534-5001.

Sincerely,

Larry G. Snodgrass, P.E.
 President

lgs/ma
 cc: Gator Industrial

Attachment: 2017-032 ATTH 20 ERI Recommendation Letter (1620 : 2017-032 Amending the budget and authorizing CM contract for Kress)



ERI CONSULTING, INC.

P. O. Box 2024, Tyler, Texas 75710
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 Ph: (903) 534-5001 Fax: (903) 534-8701
 TBPE Firm # F-1787
 www.ericonsulting.com

OPINION OF PROBABLE COST
Kress Building Demolition & Removal of Environmental Hazards
116 W. Broad, Texarkana, Texas
 ES#16-612
 Revised 3/3/2017

Contractor's Costs (Gator Industrial) ⁽¹⁾

Base bid \$506,500.00

Design & Oversight ⁽²⁾

ERI Consulting, Inc. \$46,000.00
 March Thacker AIA \$15,000.00
 Michael Bugh, P.E. \$6,500.00
 Total \$67,500.00

TDSHS Notification Fee ⁽³⁾ \$2,700.00

Project total \$576,700.00

5% Contingency \$28,835.00

GRAND TOTAL \$605,535.00

NOTES:

- (1) Original contract amount does not include Alternate 1 (+\$15,000.00) for construction of parking improvements.
 - (2) Total consulting fees unchanged.
 - (3) Sent directly to client from the State of Texas.
- Relocation fees for adjacent property owners not included.
- Removal and relocation of utilities not included.
- Disposal fees paid for by City under separate agreement.

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☒ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☒ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

(Insert Text Here/or say "NONE")

Resource Impact:

Staff time required if item is approved: [Select One By Clicking Here](#)

Other Potential Impacts:

List or say "NONE APPLICABLE"

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☒ Press Release
☐ E-News Distribution	☒ Website Notice
☒ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☐ None Required	☐

Other:

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 2/22/2017 10:29 AM

Lead Department: City Manager **Action Officer:** John Whitson, City Manager
Resolution No. 2017-017 authorizing the City Manager to enter into an
agreement with Service Line Partners Private Label, Inc. d/b/a Service Line
Warranties of America to provide City of Texarkana, Texas, utility customers
Subject: the opportunity to purchase a sewer and water line warranty.

Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

The National League of Cities has established the NLC Service Line Warranty Program (SLWP). The program is a “no cost to the city” program and provides subscribing customers with a warranty safety net against costly repairs related to lateral (lines on private property between the public main line and the residential structure) water and sewer line failures.

NLC makes the service available through Utility Service Partners, Inc. as can be thoroughly reviewed at this internet link <http://www.utilitysp.net/>. By entering into an agreement with Utility Service Partners, Inc. the city will grant the company a non-exclusive license to use City’s name and logo on letterhead, bills and marketing materials to be sent to residential property owners from time to time, and to be used in advertising (including on the Company’s website), all at Company’s sole cost and expense and subject to City’s prior review and approval. The agreement is for an initial term of three years with automatic one year renewals with a 90-day prior to end of a term notice of intent to not renew.

The Company will be offering three products by subscription:

1. External sewer line warranty at \$7.75/month or \$88/annual (94%)
2. External water line warranty at \$5.75/month or \$64/annual (93%)
3. In-home plumbing warranty at \$6.99/month or \$78.99/annual (94%)

As a royalty payment the city shall receive 50¢ per month per product per subscribed customer.

Potential Options:

- Approve resolution as presented
- Deny the resolution as presented

Fiscal Implications:

City of Texarkana, Texas

No cost to the city

Potential revenue at 50¢ per month per product per subscriber is unknown at this time. However, for example only purposes the following is presented:

200 subscribers

2 products each

Total annual revenue = \$2,400

Staff Recommendation:

Approve the resolution as presented

Advisory Board/Committee Review:

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-017 RES Auth CM to enter Marketing Agreement (DOC)
- b. 2017 017 ATTH 01 NLC SLW Why Offer Program (small)(PDF)
- c. 2017-017 ATTH 02 Program Highlights (PDF)
- d. 2017-017 ATTH 03 Program Overview Brochure (PDF)
- e. 2017-017 ATTH 04 TX Partners (PDF)
- f. 2017-017 ATTH 05 TX Presentation (PDF)
- g. 2017-017 ATTH 06 Royalty Agreement (Texarkana, TX) (PDF)

Staff Coordination

City Manager	John Whitson	Department Head Review	Completed
	02/17/2017 4:58 PM		
Water Utilities	JD Phillips	Review	Completed 02/21/2017
	9:56 AM		
Finance Department	Kristin Peeples	Finance Review	Completed 02/21/2017
	10:15 AM		
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager	
Review	Completed	02/21/2017 10:22 AM	
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager	
Review	Completed	02/21/2017 10:34 AM	
City Attorney	Jeffery C. Lewis	Review	Completed 02/21/2017
	3:19 PM		
Public Information Officer	Lisa Thompson	PIO Review	Completed
	02/21/2017 3:20 PM		
City Manager	John Whitson	City Manager Review	Completed 02/22/2017
	11:08 AM		

City of Texarkana, Texas

City Council
6:00 PM

Vicky Coopwood

Meeting

Completed

02/27/2017

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

RESOLUTION NO. 2017 - 017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT TO MARKET THE NATIONAL LEAGUE OF CITIES' UTILITY SERVICE LINE WARRANTY PROGRAM; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, there are over 11,000 residential customer accounts served by the Texarkana Water Utility; and

WHEREAS, each utility customer is responsible for maintaining the water and sewer lines located on their property; and

WHEREAS, many of these customers are located in sections of the city where the utility main lines and the service lines are decades old and therefore at a high risk of failure; and

WHEREAS, repairs for service lines located on private property can easily cost as much as \$3,500 to repair; and

WHEREAS, repairs of service lines are the responsibility of the property owner or TWU customer; and

WHEREAS, the NLC Service Line Warranty program allows homeowners to purchase affordable protection for their water and sewer lines that will cover the cost of repairing leaks, breaks, and clogs.

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

SECTION 1: That the City Manager is authorized to enter into a marketing agreement with Utility Service Partners Private Label, Inc., doing business as Service Line Warranties of America, that will provide residential utility customers to purchase a service line warranty and other similar products.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Attachment: 2017-017 RES Auth CM to enter Marketing Agreement (1604 : 2017-017 RES NLC Utility Service Line Program)

NLC Service Line Warranty

WHY SHOULD MY CITY offer this program?

Aging infrastructure can be a hassle for homeowners.



- In 2013, the American Society of Civil Engineers (ASCE) rated America's water and wastewater infrastructure with a D, with an estimate of more than \$3 trillion investments needed across the nation.
- Your homeowners' private lines are subjected to the same elements - root invasion, ground shifting, fluctuating temperatures and more.
- There are 650 water main breaks per day in the U.S., resulting in a daily loss of 7 billion gallons of water.¹
- Household leaks can waste more than 1 trillion gallons annually nationwide. That's equal to the annual household water use of more than 11 million homes.²



Most homeowners don't have enough savings to cover emergency expenses.

- When water and sewer lines break, many homeowners believe the responsibility to repair them lies with the city.
- When water or sewer lines fail, it can cost a homeowner \$1,300 to \$3,500 or more to repair.
- Studies³ show that most Americans don't have enough savings to cover this type of unexpected and expensive repair bill.

¹ According to a report sponsored by the National Association of Water Companies and the U.S. Chamber of Commerce. waterisyourbusiness.org

² epa.gov/WaterSense/pubs/fixleak.html

³ Bankrate.com

WHY CHOOSE TO PARTNER WITH THE NLC Service Line Warranty Program?



- At no cost to the city, the NLC Service Line Warranty allows homeowners to purchase affordable protection for their water and sewer lines that will cover the cost of repairing leaks, breaks and clogs.
- The program features generous coverage amounts, and there is never a service fee or deductible. There are no annual or lifetime limits - just peace of mind for the homeowner.
- We are the only warranty program endorsed by the NLC.
- Plumbers dispatched to the homeowner's residence undergo a rigorous background check conducted by a third-party compliance management firm before being accepted into the network.
- Contractors are local to the community into which the program has been introduced to help keep money in the local economy.

RECOGNITION & ACKNOWLEDGEMENTS



- We have maintained a customer satisfaction rating of greater than **95%** for more than a decade.
- **9 of 10** surveyed customers have recommended the program to friends, family and neighbors .
- Over **97%** of submitted claims are approved.
- 2014 Pennsylvania Municipal League 2014 Business/Community Partnership Award recipient
- 2013 winner of the Western Pennsylvania Better Business Bureau Torch Award for Marketplace Ethics



BBB Torch Award for Marketplace Ethics
Trust • Performance • Integrity
2013 Winner
Western Pennsylvania Better Business Bureau®



Program Administrator

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NLC Service Line Warranty Program Highlights

- Over 200 cities participating nationwide
- No cost to or liability for the city to participate
- Healthy, ongoing annual revenue stream for city
- Educates homeowners about their lateral line responsibilities
- The only utility line warranty program endorsed by the National League of Cities
- Utility Service Partners handles all marketing and management of the program
- 24/7/365 bilingual customer service
- All repairs performed to city code by local, licensed contractors
- Reduces calls from residents to City Hall for lateral water and sewer line issues
- Homeowner billed by NLC Service Line Warranty Program
- USP is a North Central Texas Council of Governments (NCTCG) Shared Services Program Partner
- City provides residents an affordable solution that covers cost of repairs to water and sewer lines for which the homeowner is responsible
- Saved more than 60,000 homeowners across the country over \$45 million in utility line repair costs
- Public funds are not used in the marketing, distribution or administration of the NLC Service Line Warranty Program
- The NLC Service Line Warranty Program must be supported by the city into which it is being introduced before any warranty offer letters are mailed to homeowners in the community.

PARTICIPATING CITIES (SAMPLE OF OVER 200)

LARGE

Atlanta, GA
 Madison, WI
 Phoenix, AZ
 San Diego, CA

SMALL

Dayton, OH
 Edgewood, CO
 Franklin Park, IL
 Overland Park, KS

NLC SERVICE LINE WARRANTY PROGRAM BENEFITS

CITY

Provides non-tax revenue stream without any investment

Reduces calls to City/Public Works when a homeowner's line fails

Contractors undergo rigorous vetting process to ensure repairs meet city code

Reduces costs associated with sending public works to residents' homes to assess lateral line issues

Keeps money in the local economy by using contractors in the metro area

Contractors must be current with insurance and required licenses

RESIDENTS

Affordable utility line repair solution for families on a budget

Educates homeowners about their service line responsibilities

Prevents aggravation of having to find a reliable, reputable plumber

Peace of mind – with one toll-free call a plumber is dispatched

Keeps money in the homeowner's pocket; without warranty, repairs cost \$1,300 to \$4,000 or more

No service fees or deductibles, paperwork or forms to complete

ACCOLADES & ACCOMPLISHMENTS



- **Accredited Better Business Bureau member with A+ rating for nearly a decade**
- **2013 Western Pennsylvania Better Business Bureau Torch Award winner for Marketplace Ethics**

- **More than 97%** of all submitted claims are approved
- **A customer satisfaction** rating that has **exceeded 95%** for more than a decade
- **9 of 10 customers surveyed** have recommended the program to friends, family and neighbors
- The **only** utility line warranty program endorsed by the National League of Cities

Quick Facts

The program is offered at no cost to municipalities and utilities. Join us and enjoy these program features:

- The only utility line warranty program endorsed by National League of Cities
- Educates homeowners about their service line responsibilities
- Service from licensed, local contractors keeps dollars in the local economy
- Low claim denial rates – more than 97% of all claims are typically approved
- Customer satisfaction rates over 95%
- More than 97% of our customers felt better prepared for a service line emergency
- Timely repairs that help conserve water and reduce ground contamination



USP's consumer brand, Service Line Warranties of America, was the 2013 Winner of the Western Pennsylvania BBB Torch Award for Marketplace Ethics.

About

Utility Service Partners, Inc.



USP's family of companies has been providing utility service line warranty products since 2003. USP has an A+ Better Business Bureau Rating and enjoys a customer satisfaction rating of over 95%.

National League of Cities



The National League of Cities is dedicated to helping city leaders build better communities, and serves as a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

Make a Difference in Your Community

To learn more about the NLC Service Line Warranty Program, visit NLC's website at www.nlc.org or contact 1-866-974-4801.



National League of Cities Service Line Warranty Program

Building Peace of Mind, One Community at a Time

*Educating
homeowners
about their service
line responsibilities
while providing an
affordable solution
for repairs.*





Overview

Residential property owners are responsible for the maintenance of the buried water and sewer lines that run from the public (main) connection to the exterior of the home. When these lines break, leak or clog, the homeowner is often surprised to learn that homeowner's insurance does not cover the cost of an often expensive repair.

A homeowner's private lines are subjected to the same elements as the lines that comprise the public infrastructure – ground shifting, tree-root invasion, extreme weather, age and more. While municipalities are responsible for repairs to the public infrastructure, what solution is available to homeowners when the lines on their property fail?

The NLC-endorsed Water and Sewer Line Warranty and In-Home Plumbing Repair Programs educate homeowners about their service line responsibilities while providing affordable and optional repair coverage.

Serving your local community

In partnership with NLC



270+
Cities
participating
across North
America



97%
Claims
approval
rating



95%+
Customer
satisfaction
rating



100,000+
North American
homeowners
served



\$64+
Million in water
and sewer line
repair costs

Frequently Asked Questions



■ What will the warranty program cost the city and homeowners?

There is absolutely no cost to the city for this warranty program and homeowner participation is completely voluntary. For a small monthly fee, homeowners can protect the buried utility service lines on their property. The NLC Service Line Warranty Program provides generous coverage with no deductibles, service fees or annual/lifetime limits.

■ How does the program work?

The NLC Service Line Warranty Program handles all aspects of the program including marketing, billing, customer service, contractor management and completion of all repairs to local code.



■ What happens when a homeowner experiences a service line break or leak on their property?

One call to the NLC Service Line Warranty Program's toll-free number and a local, licensed contractor will be dispatched to quickly make repairs. There is no paper-work to complete; just one call for claims processing – available 24/7, 365 days a year. All contractors are local to the community served, which keeps dollars in your local economy.



■ Why is the warranty program important?

The American Society of Civil Engineers labeled the nation's infrastructure a D+ in 2013 and it's no surprise! Many people believe that water and sewer lines will last hundreds of years without failing, but the truth is, there are many reasons other than life expectancy of the pipes that can contribute to infrastructure failure – such as tree-root intrusion, rust and weather.

With the NLC Service Line Warranty Program, normal wear and tear, ground shifting, root-intrusion, and much more are covered.



Service Line Warranty Program



State of Texas Participating Municipalities

City of Penitas	City of Sanger	City of Waxahachie
City of Midland	City of DeSoto	City of Rowlett
City of Navasota	City of Bryan	City of Gonzales
City of Arlington	City of Brazoria	City of San Angelo
City of Lancaster	City of Denison	City of Odessa
City of Mercedes	City of Kyle	City of Wilmer
City of Rockport	City of Forney	City of Hurst
Town of Little Elm	City of Abilene	City of Crandall City
of Marshall	City of Kennedale	City of Forest Hill
City of Roanoke	City of San Antonio	City of Lewisville
City of Uvalde	City of La Marque	City of Diboll
City of Ferris	City of Wilmer	
Denton County Fresh Water Supply District		

For more information contact:

Emilie Zalfini
724-749-1060 (office)
412-527-2511 (cell)
ezalfini@utilitysp.net



Service Line Warranty Program



City of Texarkana, TX

we promise



Emilie Zalfini

724-749-1060

EZalfini@utilitysp.net



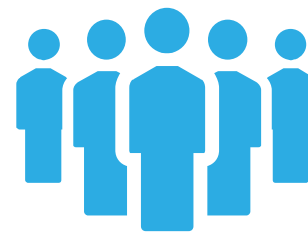
WHY CHOOSE UTILITY SERVICE PARTNERS?



EXPERIENCE



REPUTATION



PARTNERSHIP



**BBB Torch Award for
Marketplace Ethics**

Trust • Performance • Integrity

2013 Winner
Western Pennsylvania Better Business Bureau®



This award underscores one of the primary reasons the National League of Cities selected USP as a partner and extended our agreement for another five years. The organization's exemplary record of customer service and transparency is what has driven the success of this partnership over the years.

— Clarence Anthony, Executive Director
National League of Cities

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PROGRAM BENEFITS

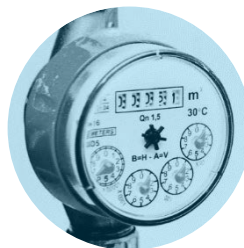
- Only Service Line Program Endorsed by the National League of Cities
- Helps address the public policy issue of aging infrastructure
- No cost for the Municipality to participate
- Ongoing Revenue Stream for the Municipality
- Educates homeowners about their lateral line responsibilities
- Free Public Awareness Campaign
- Peace of Mind - with one toll-free call a reputable plumber is dispatched
- All repairs performed to code by local licensed contractors
- Contractors undergo rigorous vetting process to ensure quality service



OUR SERVICE AND WHAT IT COVERS



SEWER LATERAL
COVERAGE



WATER LINE
COVERAGE

Homeowner repair protection for leaking, clogged or broken water and sewer lines from the point of utility connection to the home exterior.

Coverage includes:

- Educating homeowners about their service line responsibilities
- Up to \$4,000 coverage per repair incident.
- Additional allowance for public street (\$4,000) and public sidewalk (\$500) repair
- No annual or lifetime limits, deductibles, service fees, forms, or paperwork
- 24/7/365 availability
- Repairs made only by licensed, local contractors
- Affordable rates and multiple payment methods

OUR SERVICE AND WHAT IT COVERS



INTERIOR PLUMBING AND DRAINAGE

Homeowner repair protection for in-home water supply lines and in-home sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry.

Coverage includes:

- Up to \$3,000 coverage per repair incident
- Repair of clogged toilets
- Includes coverage for broken or leaking water, sewer, or drain lines under the slab or basement floor
- No annual or lifetime limits, deductibles, service fees, forms, or paperwork
- 24/7/365 availability
- Repairs made only by licensed, local contractors
- Affordable rates and multiple payment methods

MARKETING APPROACH

- No Public Funds are used in marketing, distribution, or administration of the program.
 - Only market by direct mail, no telemarketing
 - Would never mail without your review and approval of marketing material before each and every campaign
 - Limited mailing campaigns per year
 - Consumer friendly marketing
 - Always voluntary for the homeowner
- 
- Consumers can enroll one of three ways:
 - Calling into our toll free number that is provided on the mailing
 - Returning the bottom of the letter to us in the self addressed stamped envelope provided
 - Visiting our consumer website www.slwofa.com at any time

OVER 400 MUNICIPAL PARTNERS IN 34 STATES

...INCLUDING 35 IN THE STATE OF TEXAS

Alabama
Arkansas
Arizona
California
Colorado
Connecticut
Florida
Georgia
Iowa
Illinois
Indiana
Kansas



Kentucky
Maryland
Michigan
Minnesota
Missouri
North Carolina
Nebraska
New Jersey
New Mexico
Nevada
Ohio

Oklahoma
Oregon
Pennsylvania
South Carolina
South Dakota
Texas
Utah
Virginia
West Virginia
Wisconsin
Wyoming

Current Texas Partners

Penitas	Bryan	San Angelo
Midland	San Antonio	Kyle
Navasota	Denison	Hurst
Arlington	Wilmer	Crandall
Lancaster	Forney	Forrest Hill
Mercedes	Abilene	Lewisville
Rockport	Kennedale	Uvalde
Little Elm	Waxahachie	La Marque
Marshall	Rowlett	Diboll
Roanoke	Gonzales	Ferris
Sanger	Odessa	
DeSoto	=	

PROGRAM SUCCESS

- Invested more than \$90 million in private infrastructure repairs
- Returned over \$4 million to cities through revenue sharing component
- Over 15 years of experience
- 97% claim approval rating
- 95% customer satisfaction rating

Q & A

MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of [_____, 20__] ("**Effective Date**"), by and between the City of Texarkana, Texas ("**City**"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("**Company**"), herein collectively referred to singularly as "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("**Residential Property Owner**"); and

WHEREAS, City desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

WHEREAS, Company is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Residential Property Owners subject to the terms and conditions contained herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** City hereby grants to Company the right to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.

2. **Grant of License.** City hereby grants to Company a non-exclusive license ("**License**") to use City's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. City agrees that it will not extend a similar license to any competitor of Company during the Term and any Renewal Term of this Agreement.

3. **Term.** The term of this Agreement ("**Term**") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("**Renewal Term**") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement. In the event that Company is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach

is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4.Consideration.

A. As consideration for such license, Company will pay to City a License Fee of as set forth in Exhibit A ("**License Fee**") during the term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. City will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of Company's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5.**Indemnification.** Company hereby agrees to protect, indemnify, and hold the City, its elected officials, officers, employees and agents (collectively or individually, "**Indemnatee**") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, "**Claim**"), which an Indemnatee may suffer or which may be sought against or are recovered or obtainable from an Indemnatee, as a result of or arising out of any breach of this Agreement by the Company, or any negligent or fraudulent act or omission of the Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under the Products; provided that the applicable Indemnatee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Any Indemnatee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

6.**Notice.** Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: City:
 ATTN: John Whitson
 City of Texarkana
 West 3rd Street and Texas Boulevard
 Texarkana, TX 75504
 Phone: (903) 798-3900

To: Company:
 ATTN: Chief Sales Officer
 Utility Service Partners Private Label, Inc.
 11 Grandview Circle, Suite 100
 Canonsburg, PA 15317
 Phone: (866) 974-4801

7. Modifications or Amendments/Entire Agreement. Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.

8. Assignment. This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City, such consent not to be unreasonably withheld.

9. Counterparts/Electronic Delivery; No Third Party Beneficiary. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third- party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

10. Choice of Law/Attorney Fees. The governing law shall be the laws of the State of Texas. In the event that at any time during the Term or any Renewal Term either Party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful Party.

11. Incorporation of Recitals and Exhibits. The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

CITY OF TEXARKANA

Name:

Title:

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

Name:

Title:

Name:

Title:

Exhibit A
NLC Service Line Warranty Program
City of Texarkana
Term Sheet
January 20, 2017

I. Initial Term. Three years

II. License Fee. \$0.50 per Product for each month that a Product is in force for a Residential Property Owner (and for which payment is received by Company), aggregated and paid annually, for:

- a. City logo on letterhead, advertising, billing, and marketing materials
- b. Signature by City official

III. Products.

- a. External sewer line warranty (initially, \$7.75 per month; \$88.00 annually)
- b. External water line warranty (initially, \$5.75 per month; \$64.00 annually)
- c. In-home plumbing warranty (initially, \$6.99 per month; \$78.99 annually)

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$1.00 per year unless otherwise agreed by the parties in writing.

IV. Scope of Coverage.

- a. External sewer line warranty: Scope is from the city main tap until line daylights inside home, which includes the service line under the concrete floor.
- b. External water line warranty: Scope is from the meter and/or curb box until it daylights inside home, which includes the service line under the concrete floor.
- c. In-home plumbing warranty: Scope covers residential in-home water supply lines and in-home sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry. Coverage includes broken or leaking water, sewer, or drain lines that may be embedded under the slab or basement floor. Coverage also includes repair of clogged toilets.

V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the In-home plumbing warranty Product via in-bound channels only.

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 3/8/2017 9:11 AM

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk
Subject: Ordinance No. 2017-018 amending PD-07-4(GR) for site plan approval to allow an office building on a portion of Lot 1A, Block 6, Replat No. 1 of Richmond Development 5th Addition, located at the northeast intersection of Arista Boulevard and McKnight Road. Cheney Pruett, owner. Kayla Wood, MTG Engineering and Surveying, agent.
Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE.

Executive Summary and Background Information:

Amendment to PD-07-4(GR): This is a request for site plan approval by Cheney Pruitt, owner, and MTG Engineering and Surveying, agent on a portion of Lot 1A, Block 6, Replat No. 1 of Richmond Development 5th Addition, located at the northeast corner of Arista Boulevard and McKnight Road. Twin City Title Company is currently under contract to purchase this property for use as an office building. The current use is vacant property.

The adjacent zoning is PD-GR to the north, south and west and Office and PD-MF-1 to the east. The adjacent land use is vacant land and a hair salon to the north, vacant land to the south, offices and apartments to the east and vacant land and an office strip center to the west.

A new subdivision plat will be submitted at a future date.

The attached site plan consists of the following:

- An 8,635-square foot office building with a brick, stucco and stone façade.
- 52 current parking spaces with 2 handicapped spaces. Future parking is proposed for an overall total of 79 spaces.
- A 5' x 8' monument style sign. Sign will match building façade.
- A drive-way off Arista Boulevard.
- A screened dumpster at the southeast corner of the property.

The applicant and developer needs to be aware of the following:

- The 9' x 18' parking spaces as shown on the site plan cannot overhang and extend into the sidewalk. The 9' x 18' parking spaces would be fine on the future parking spaces on the perimeter.
- The size and location of existing water and sanitary sewer mains have not been field verified. The developer's representative shall field verify the size and location of the existing utilities before designing or constructing extensions of the system.
- A fire lane is required and possibly a fire hydrant depending on the distance the building is from existing fire hydrants.

The applicant should be aware that if this site plan is approved as submitted, there may be additional applicable city code/ordinance requirements in addition to those listed including but not limited to building, subdivision, fire, drainage, water and sewer prior to the issuance of building permits.

City of Texarkana, Texas

All notification and application requirements have been met to consider this request.

Potential Options:

None.

Fiscal Implications:

None.

Staff Recommendation:

Based on recent planned development site plans in the area, staff would suggest adding that no CEVMS (Changeable electronic variable messaging) signage be allowed. Staff recommends for approval of the proposed site plan.

Advisory Board/Committee Review:

Planning and Zoning Commission.

Board/Committee Recommendation:

The Planning and Zoning Commission unanimously recommended for approval with staff stipulations and the additional stipulation that no CEVMS be allowed at this location. The following are hereby imposed to be made a part of the Ordinance:

- An 8,635-square foot office building with a brick, stucco and stone façade.
- 52 current parking spaces with 2 handicapped spaces. Future parking is proposed for an overall total of 79 spaces.
- A 5'x 8' monument style sign. Sign will match building façade. No CEVMS.
- A drive-way off Arista Boulevard.
- A screened dumpster at the southeast corner of the property.
- A replat is required before building permits can be issued.

Advisory Board/Committee Meeting Date and Minutes:

January 20, 2017.

Attachments

- a. 2017-018 ORD amending PD-07-4(GR) for site plan approval (DOCX)
- b. 2017-018 ATTH 01 Maps. (PDF)
- c. 2017-018 ATTH 02 Floor plan (PDF)
- d. 2017-018 ATTH 03 Elevations (PDF)
- e. 2017-018 ATTH 04 Plat of property (PDF)
- f. 2017-018 EXH 'A' Site Plan (PDF)
- g. 2017-018 Goals & Perspectives (DOCX)

City of Texarkana, Texas

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	02/20/2017 4:10 PM	
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager
Review	Completed	02/20/2017 4:28 PM
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager
Review	Completed	02/20/2017 5:01 PM
Public Information Officer	Lisa Thompson	PIO Review
02/20/2017 5:02 PM		Completed
City Manager	John Whitson	City Manager Review
11:09 AM		Completed
City Council	Vicky Coopwood	Meeting
6:00 PM		Completed

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

Amendment to
PD-07-4(GR)

ORDINANCE NO. 2017-018

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING PD-07-4(GR) FOR SITE PLAN APPROVAL TO ALLOW THE LOCATION OF AN OFFICE BUILDING ON A PORTION OF LOT 1A, BLOCK 6, REPLAT NO. 1 OF RICHMOND DEVELOPMENT 5TH SUBDIVISION, LOCATED AT THE NORTHEAST INTERSECTION OF ARISTA BOULEVARD AND MCKNIGHT ROAD, IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS, CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed requesting the approval of a site plan (**Exhibit ‘A’**) to allow the location of an office building on a portion of Lot 1A, Block 6, Replat No. 1 of Richmond Development 5th Addition, located at the northeast corner of Arista Boulevard and McKnight Road in the City of Texarkana, Bowie County, Texas; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and after holding hearings and affording a full and fair hearing to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, voted **unanimously by a vote of five (5) to zero (0) to recommend approval** of the petition for a site plan to allow the location of an office building (**Exhibit ‘A’**) to the City Council of Texarkana, Texas; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that the approval of the site plan for the above described property is in the best interest of the public health, safety, morals and general welfare of the City.

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

SECTION 1: That the site plan (**Exhibit ‘A’**) submitted to allow an office building on a portion of Lot 1A, Block 6, Replat No. 1 of Richmond Development 5th Subdivision, located at the northeast intersection of Arista Boulevard and McKnight Road in the City of Texarkana, Bowie County, Texas, be and is hereby approved and hereby amends PD-07-4(GR).

Attachment: 2017-018 ORD amending PD-07-4(GR) for site plan approval (1606 : 2017-018 ORD site plan approval at NE corner of Arista &

SECTION 2: That the following are hereby imposed and made a part of this Ordinance:

1. An 8,635-square foot office building with a brick, stucco and stone façade.
2. 52 current parking spaces with two handicapped spaces. Future parking is proposed for an overall total of 79 spaces.
3. A 5'x 8' monument style sign matching the building façade. No CEVMS allowed.
4. A drive-way off Arista Boulevard.
5. A screened dumpster at the southeast corner of the property.
6. A replat is required before building permits can be issued.

SECTION 3: It is further provided that in case a section, clause, sentence or part of this Ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this Ordinance.

SECTION 4: All Ordinances or parts of Ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 5: That this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017.**

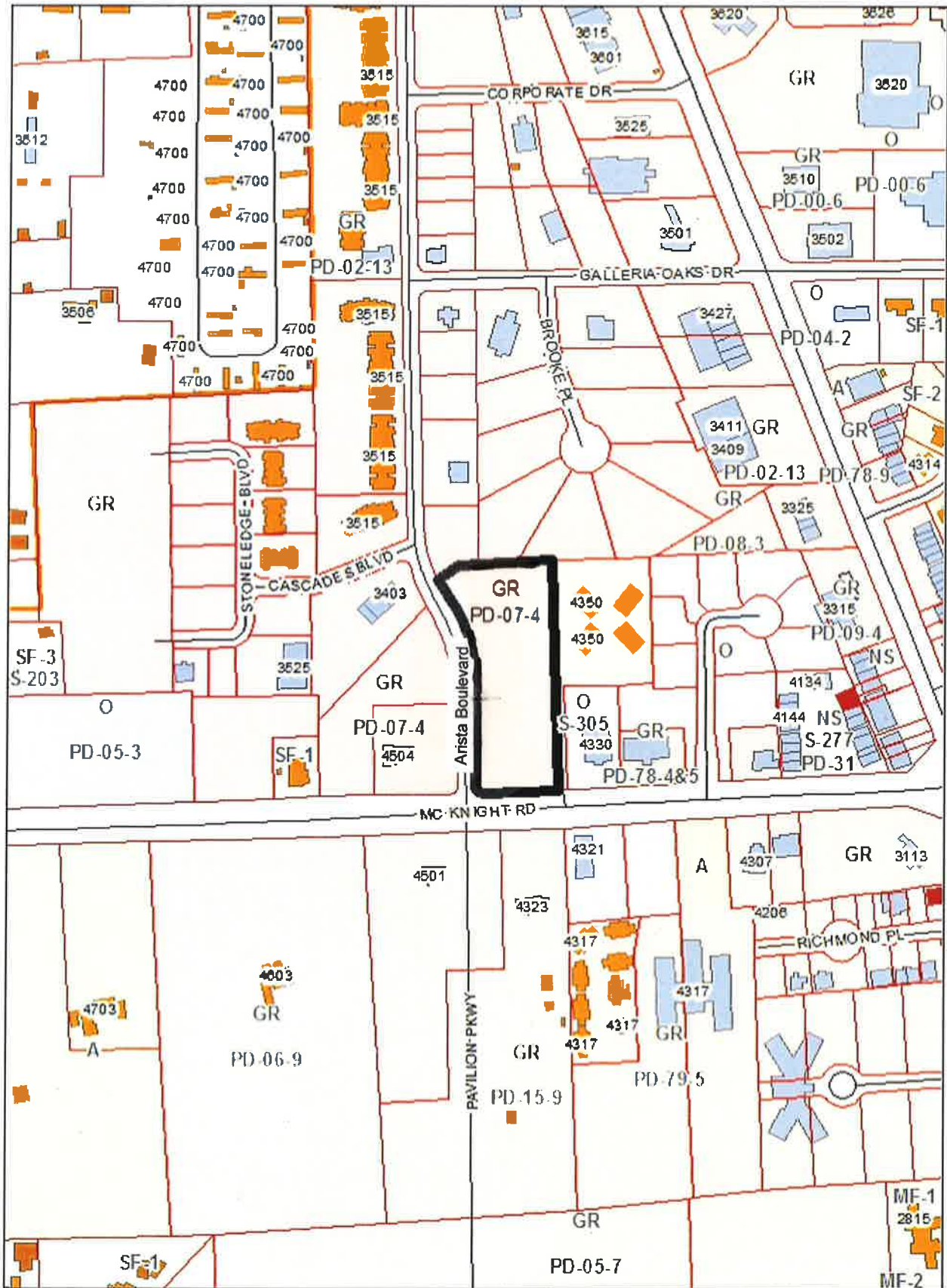
ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

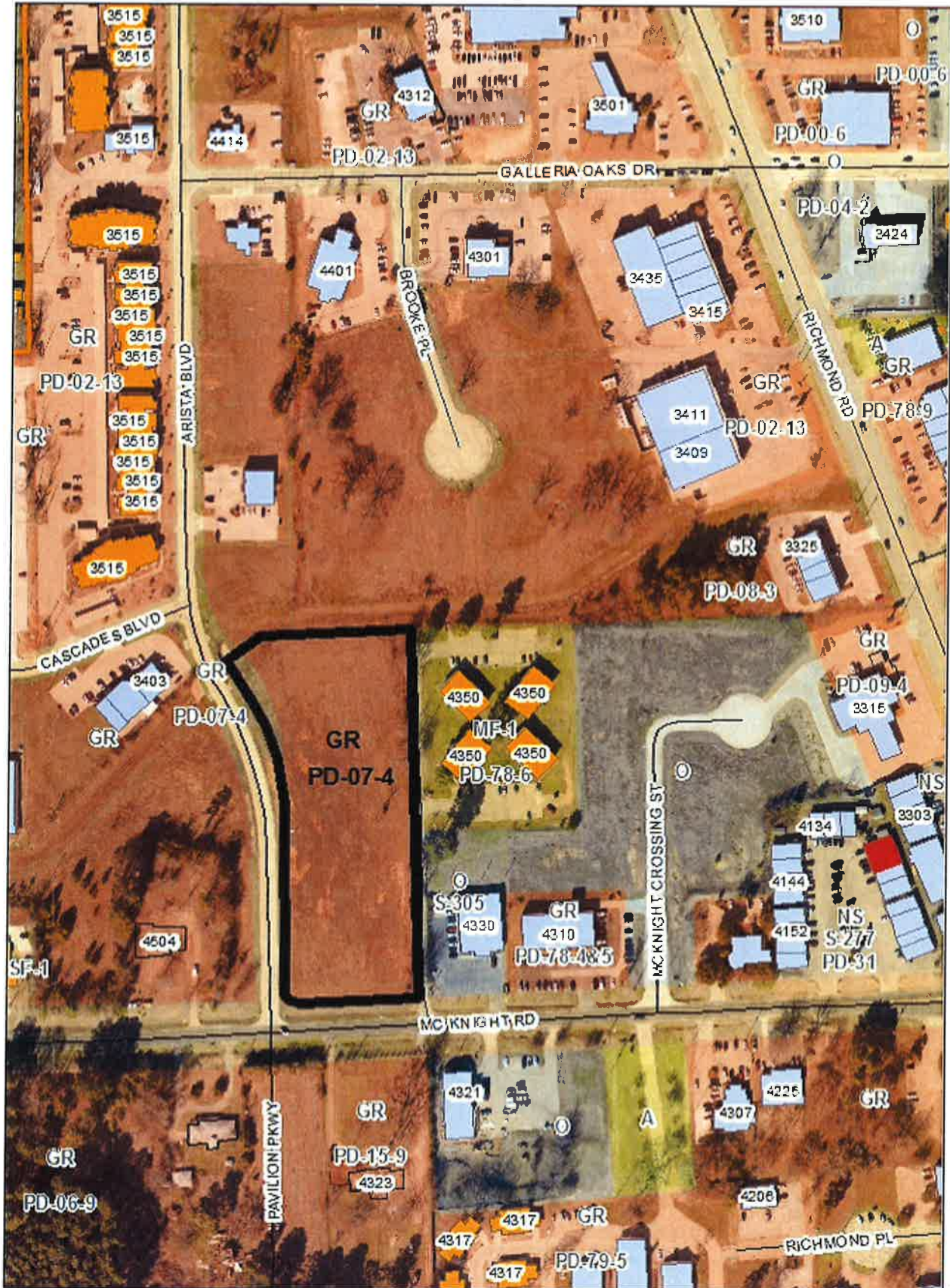
Northeast Corner of Arista and McKnight (Lot 1A)

Department of Planning and Community Development



1:4,800





Attachment: 2017-018 ATTH 01 Maps. (1606 : 2017-018 ORD slte plan approval at NE corner of Arista & McKnight)



1:3,000





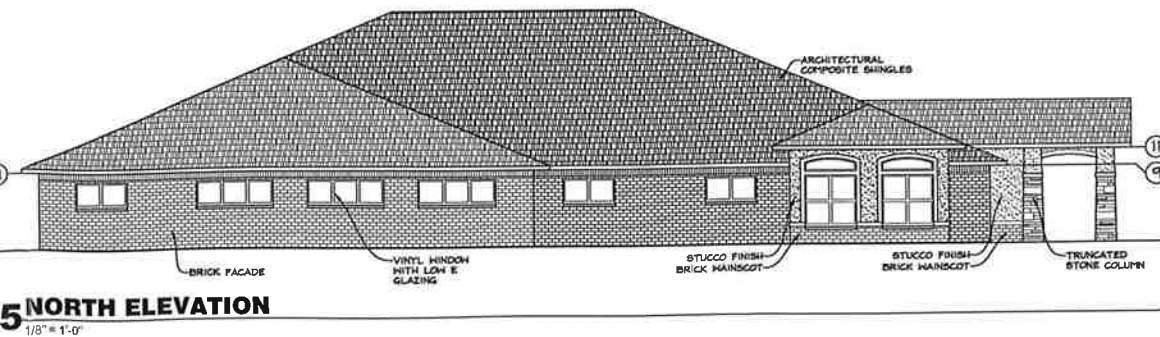
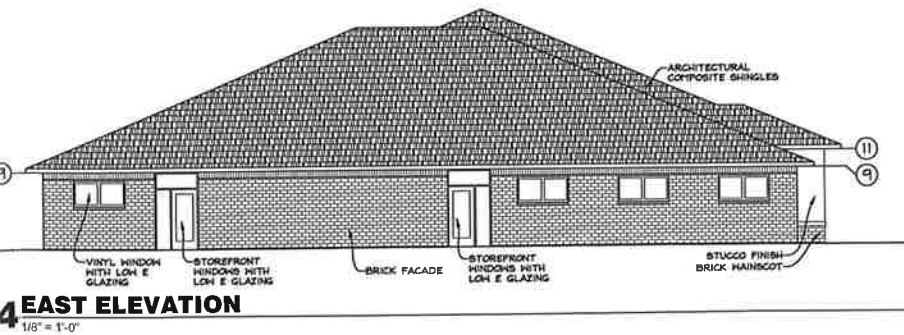
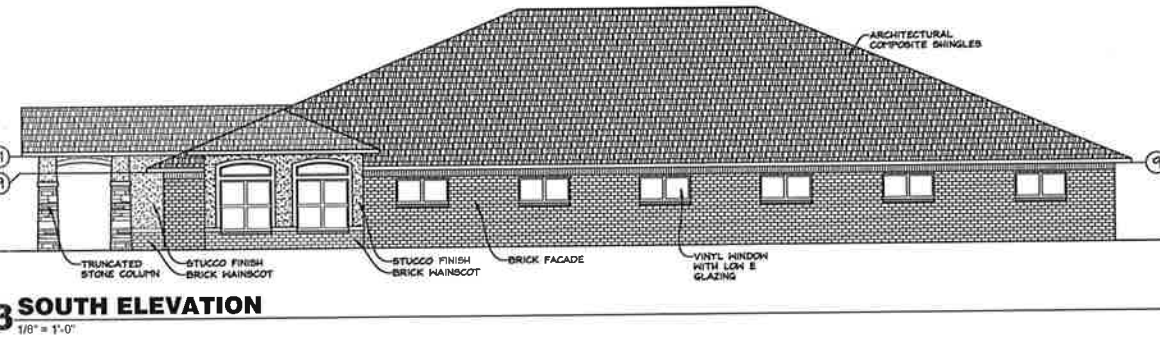
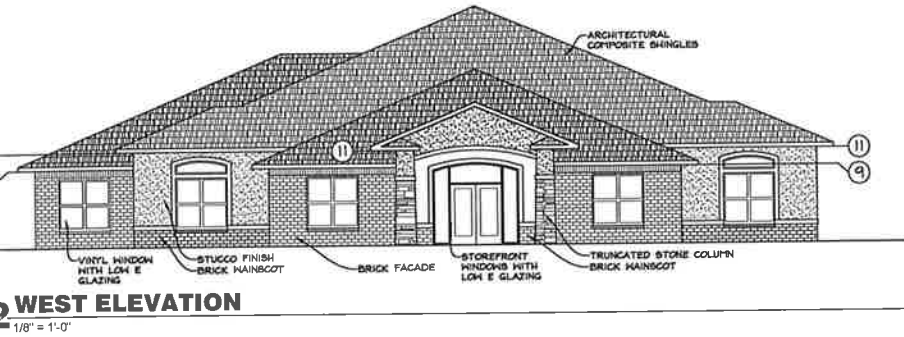
Attachment: 2017-018 ATTH 02 Floor plan (1606 : 2017-018 ORD site plan approval at NE corner of Arista & McKnight)

GENERAL NOTES

- A ALL WORK SHALL BE DONE IN COMPLIANCE WITH THE 2012 INTERNATIONAL BUILDING CODE AS WELL AS ANY LOCAL, STATE, OR FEDERAL AUTHORITIES HAVING JURISDICTION.
- B ALL INTERIOR WALLS ARE DIMENSIONED TO CENTERLINE UNLESS NOTED OTHERWISE
- C ALL EXTERIOR WALLS ARE DIMENSIONED TO OUTSIDE FACE OF STUD UNLESS NOTED OTHERWISE
- D ALL INTERIOR WALLS ARE 2 X 4 STUDS @ 16" O.C. UNLESS NOTED BY A DIAGONAL HATCH INDICATING THAT IT IS A 2X6 STUD WALL @ 16" O.C.

DIMENSION
FLOOR PLAN AND
ELEVATIONS

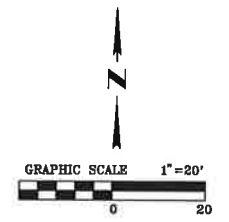
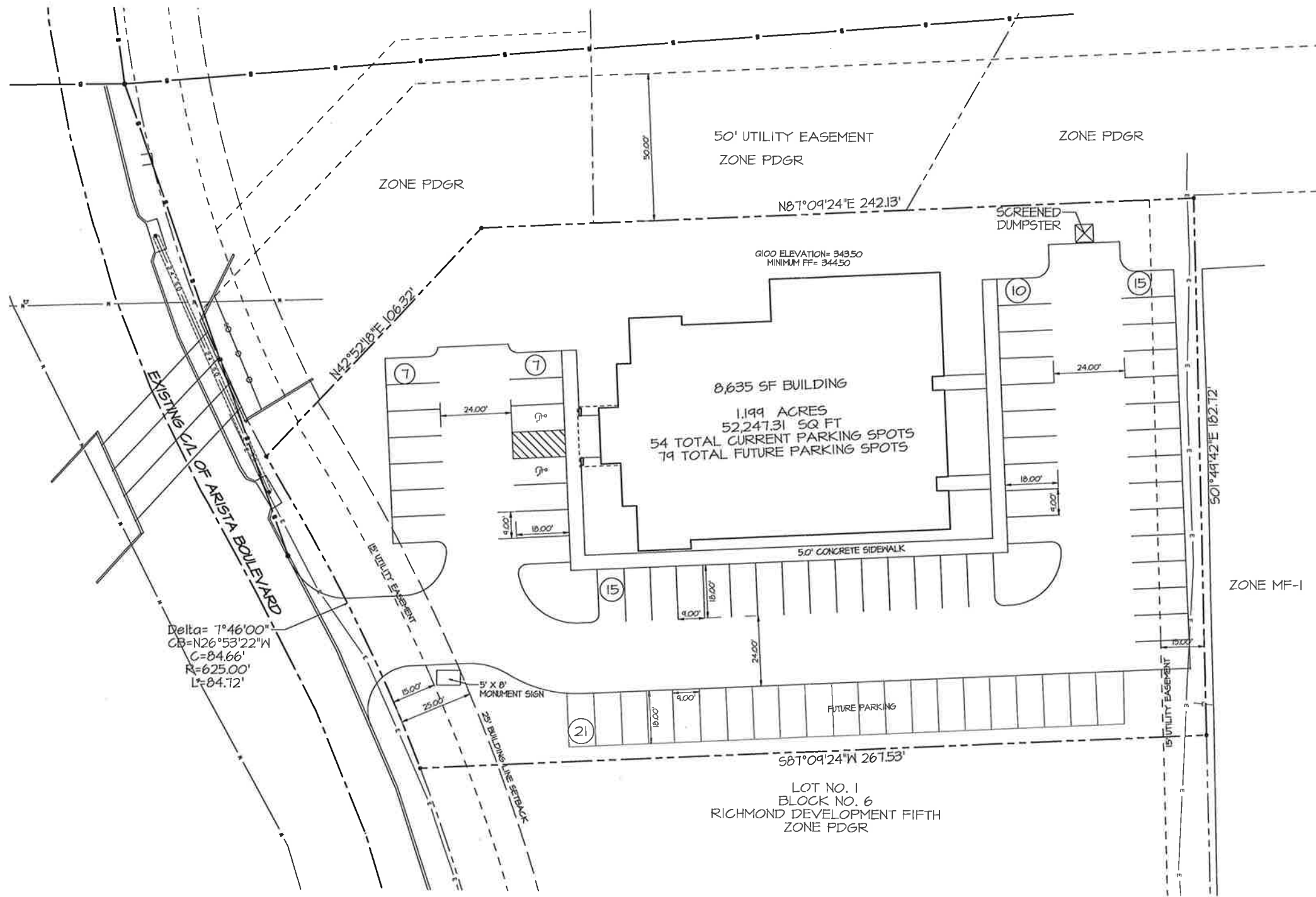
TWIN CITY TITLE PROPOSED OFFICE BUILDING



DATE:
1-19-2017
SHEET 14 OF 18

A1





LEGEND	
	PROPERTY LINE
	CURB AND GUTTER
	BUILDING EDGE
	EDGE OF PAVEMENT
	EASEMENT
	BUILDING LINE OFFSET
	TOE OF DITCH/SLOPE
	TOP OF BANK
	OVERHEAD POWER LINE
	WATER MAIN
	SANITARY SEWER MAIN
	TELEPHONE LINE
	PROPOSED CONTOUR INT.
	EXISTING CONTOUR INT.
	SILT FENCE
	STORM DRAIN
	FIRE LANE
	SPOT ELEVATION
	POWER POLE
	WATER METER
	WATER VALVE
	CLEAN OUT
	SANITARY SEWER MANHOLE
	STORM DRAIN MANHOLE
	SIGN (TYPICAL)
	HANDICAP PARKING SYMBOL (PAINTED)
	FIRE HYDRANT
	LIGHT POLE
	GAS REGULATOR
	IRRIGATION CONTROL VALVE
	SPRINKLER HEAD
	ROOF DRAIN
	TELEPHONE JUNCTION BOX
	ELECTRIC JUNCTION BOX
	GUY WIRE
	TREE

PRELIMINARY ~ FOR REVIEW ONLY
NOT INTENDED FOR BIDDING,
CONSTRUCTION OR PERMIT
PURPOSES ~ 1-19-17
KAYLA R. WOOD P.E. #104859

SITE PLAN

TWIN CITY TITLE BUILDING
WILLIAMSON CONSTRUCTION

Date	Revision/Description

Drawn By XXX	Checked By XXX	Project No. XXXXXXX	Dwg. Date XX/XX/XX	File No.	Sheet No. 3
-----------------	-------------------	------------------------	-----------------------	----------	----------------

MTG

engineers

& surveyors

5830 SUMMERHILL RD. | P.O. BOX 3106
TEXARKANA, TEXAS 75501
P 903.838.2533 | F 903.832.4100
www.mtgengineers.com
TBP# FIRM NO. F-354 | ASBL NO. 125
© MTG 2017

Z:\2016 Projects\160607 Twin City Title Building\05 Engineering Design\Design_01.pro
Thu Jan 19, 2017 6:59PM

Attachment: 2017-018 EXH 'A' Site Plan (1606 : 2017-018 ORD site plan approval at NE corner of Arista & McKnight)

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 2/20/2017 1:50 PM

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk,
Ordinance No. 2017-019 requesting renewal of Specific Use Permit No. S-155
to allow the continued location of a non-conforming single wide mobile home
on Lots 4 and 5, Block 3, Greenwood Sunnyslope Addition, located at 3207
Subject: Austin Street. Rumaldo Arredondo, owner.

Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE.

Executive Summary and Background Information:

Renewal of S-155: This is a request by Rumaldo Arredondo, owner, requesting renewal of a Specific Use Permit to allow the continued location of non-conforming single wide mobile/manufactured home on Lots 4 & 5, Block 3, Greenwood Sunnyslope Addition, located at 3207 Austin Street. This older non-conforming mobile home is currently used as rental property.

The adjacent zoning is SF-2 to the north, east, south and west. The adjacent land usage is residences to the south, east and west and a vacant lot to the north.

Following is a brief history of this property. The current owner, Mr. Arredondo, has previously indicated that when he purchased this property to be used for rental purposes in 2004, he was not made aware of the City's Specific Use Permit and renewal process and procedures. The previous owner did not disclose this information to him when he purchased the property. This is the fourth time Mr. Arredondo has requested renewal of the Specific Use Permit.

This single wide non-conforming manufactured home appears to be in fair condition for an older home. Staff obtained an inspection report that the structure meets all current building codes.

All notification and application requirements have been met to consider this request.

Potential Options:

None.

Fiscal Implications:

None.

Staff Recommendation:

Staff would recommend the following stipulations be added if this Specific Use Permit is renewed:

1. The existing single wide mobile home must remain in fair condition and continue to be maintained.
2. The existing single wide mobile home must remain tied down and skirted/underpinned. The skirting must remain in good condition.

City of Texarkana, Texas

3. The existing single wide mobile/manufactured home must be used for dwelling purposes only, human occupancy only.
4. The renewal of the Specific Use Permit be in effect for a period of three (3) years beginning at the date of this Ordinance so the condition of the home can be monitored. It is the owner's responsibility to renew this permit on or before March 13, 2020.
5. If this mobile home is removed from the property, the Specific Use Permit is automatically become void and will be revoked.
6. All driveways, parking, building codes and flood plain requirements remain in accordance with the City of Texarkana, Texas codes.

Advisory Board/Committee Review:

Planning and Zoning Commission.

Board/Committee Recommendation:

The Planning and Zoning Commission unanimously recommended for approval with staff stipulations.

Advisory Board/Committee Meeting Date and Minutes:

January 20, 2017.

Attachments

- a. 2017-019 ORD renewing S-155 (DOCX)
- b. 2017-019 ATTH 01 Maps (PDF)
- c. 2017-019 ATTH 02 Photos (PDF)
- d. 2017-019 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	02/20/2017 4:10 PM	
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager
Review	Completed	02/20/2017 4:31 PM
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager
Review	Completed	02/20/2017 4:56 PM
Public Information Officer	Lisa Thompson	PIO Review
	02/20/2017 4:57 PM	Completed
City Manager	John Whitson	City Manager Review
11:10 AM		Completed
		02/22/2017
City Council	Vicky Coopwood	Meeting
6:00 PM		Completed
		02/27/2017

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

ORDINANCE NO. 2017-019

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE ZONING MAP SHOWING THE LOCATION, BOUNDARY AND USE OF CERTAIN PROPERTY BY GRANTING THE RENEWAL OF SPECIFIC USE PERMIT NO. S-155 FOR THE CONTINUED LOCATION OF A NON-CONFORMING SINGLE WIDE MOBILE HOME ON LOTS 4 AND 5, BLOCK 3, GREENWOOD SUNNYSLOPE ADDITION, LOCATED AT 3207 AUSTIN STREET IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed with the City of Texarkana, Texas, requesting an amendment to the zoning ordinance to grant renewal of a **Specific Use Permit** for a non-conforming single wide mobile home on Lots 4 and 5, Block 3, Greenwood Sunnyslope Addition, located at 3207 Austin Street in the City of Texarkana, Bowie County, Texas; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and after holding hearings and affording a full and fair hearing to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, voted **unanimously (5-0) to recommend** to the City Council of Texarkana, Texas, that renewal of **Specific Use Permit S-155 with stipulations be granted for a non-conforming single wide mobile home** on said property; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that granting renewal of the **Specific Use Permit** is in the best interest of the public health, safety, morals and general welfare of the City.

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

SECTION 1: That the zoning ordinance of the City of Texarkana, Texas, Ordinance No. 127-70, passed and approved on September 14, 1970, be further amended to grant **renewal of Specific Use Permit S-155 for a non-conforming single wide mobile home** on the following described property, to-wit: Lots 4 and 5, Block 3, Greenwood Sunnyslope Addition, located at 3207 Austin Street in the City of Texarkana, Bowie County, Texas.

SECTION 2: That the following special terms and conditions are hereby imposed and made a part of this Ordinance:

1. The existing single wide mobile home must remain in fair condition and continue to be maintained.
2. The existing single wide mobile home must remain tied down and skirted/underpinned. The skirting must remain in good condition.
3. The existing single wide mobile/manufactured home must be used for dwelling purposes only, human occupancy only.
4. The renewal of the Specific Use Permit be in effect for a period of three (3) years beginning at the date of this Ordinance so the condition of the home can be monitored. It is the owner's responsibility to renew this permit on or before March 13, 2020.
5. If this mobile home is removed from the property, the Specific Use Permit will be revoked.
6. All driveways, parking, building codes and flood plain requirements must remain in accordance with the City of Texarkana, Texas, codes.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 4: It is further provided that in case a section, clause, sentence or part of this Ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this Ordinance.

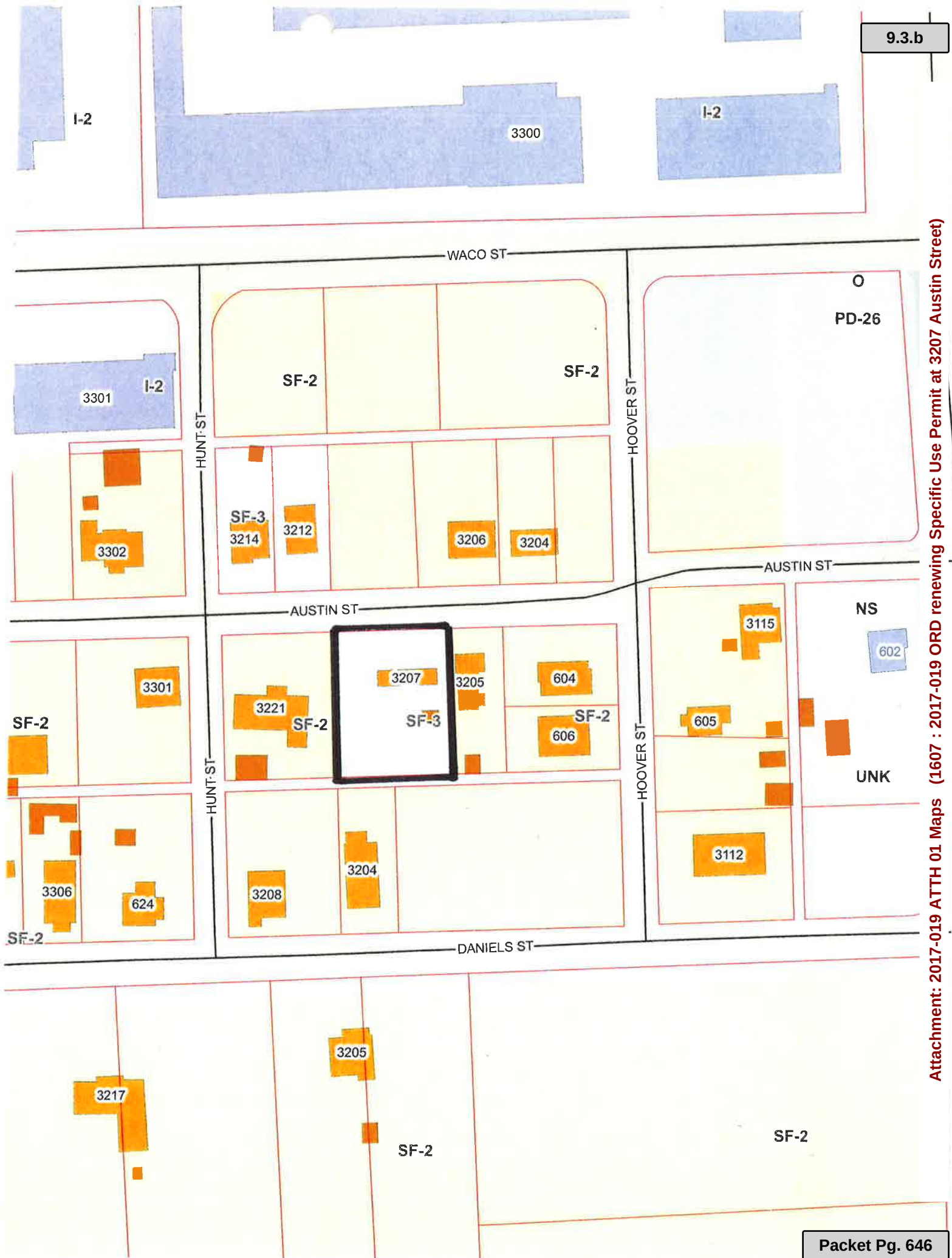
SECTION 5: That this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017.**

ATTEST

JENNIVER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR



Attachment: 2017-019 ATTH 01 Maps (1607 : 2017-019 ORD renewing Specific Use Permit at 3207 Austin Street)









City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 2/22/2017 11:11 AM

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk,
Ordinance No. 2017-020 rezoning Lot 12, Block 22, City Improvement Co.
Westside Addition, located at 514 North Lake Drive. Multiple Family-1 to
Subject: Commercial. Charles E. Paul, Jr., owner.

Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE.

Executive Summary and Background Information:

Z-17-2: This is a request by Charles E. Paul, Jr. owner, requesting to rezone Lot 12, Block 22, City Improvement Co. Westside Addition, located at 514 North Lake Drive from Multiple Family-1 (MF-1) to Commercial(C).

The adjacent zoning is MF-1 to north, east and west and commercial to the south. The adjacent land usage is residences to the north and west, vacant lots to the south and a church building to the east.

The Comprehensive Plan has designated this property as high density residential. However, this designation is being reviewed in the Comprehensive Plan update.

This property was used many years as a non-conforming commercial type business. When the business closed, it remained a vacant business for more than 6 months and therefore lost its non-conforming status. The owner is now wanting to lease the business for commercial type use. For this business to become a conforming use, the property must be rezoned.

All notification and application requirements have been met to consider this request.

Potential Options:

None.

Fiscal Implications:

None.

Staff Recommendation:

Since a business has operated at this location for many years, Commercial zoning is adjacent to this property and Commercial zoning is located along North Lake Drive, staff recommends that the property be rezoned to Commercial.

Advisory Board/Committee Review:

Planning and Zoning Commission.

Board/Committee Recommendation:

The Planning and Zoning Commission unanimously recommended for approval.

City of Texarkana, Texas

Advisory Board/Committee Meeting Date and Minutes:

February 20, 2017.

Attachments

- a. 2017-020 ORD rezoning 514 N. Lake Dr. (DOCX)
- b. 2017-020 ATTH 01 Maps (PDF)
- c. 2017-020 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	02/20/2017 4:10 PM	
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager
Review	Completed	02/20/2017 4:41 PM
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager
Review	Completed	02/20/2017 4:52 PM
Public Information Officer	Lisa Thompson	PIO Review
	02/20/2017 4:56 PM	Completed
City Manager	John Whitson	City Manager Review
11:11 AM		Completed
City Council	Vicky Coopwood	Meeting
6:00 PM		Completed
		02/22/2017
		02/27/2017

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

Z-17-2

ORDINANCE NO. 2017-020

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE ZONING ORDINANCE OF THE CITY OF TEXARKANA, TEXAS, BY REZONING LOT 12, BLOCK 22, CITY IMPROVEMENT COMPANY WESTSIDE ADDITION, LOCATED AT 514 NORTH LAKE DRIVE IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS, FROM MULTIPLE FAMILY-1 TO COMMERCIAL; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an application has been filed requesting an amendment to the zoning ordinance of the City of Texarkana, Texas, to rezone Lot 12, Block 22, City Improvement Co. Westside Addition, located at 514 North Lake Drive in the City of Texarkana, Bowie County, Texas, from **Multiple Family-1 to Commercial**; and

WHEREAS, the Planning and Zoning Commission of the City of Texarkana, Texas, and the City Council of the City of Texarkana, Texas, in compliance with the laws of the State of Texas with reference to the granting of zoning classifications and changes, have given the requisite notices by publication and otherwise, and after holding hearings and affording a full and fair hearing to all property owners generally and to all persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, after consideration of said application, the Planning and Zoning Commission of the City of Texarkana, Texas, **voted five (5) to zero (0) to recommend the application for rezoning from Multiple Family-1 to Commercial** to the City Council of Texarkana, Texas; and

WHEREAS, after consideration of said application and the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that rezoning the property from **Multiple Family-1 to Commercial** is in the best interest of the public health, safety, morals and general welfare of the City.

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

SECTION 1: That the Zoning Ordinance of the City of Texarkana, Texas, Ordinance No. 127-70, passed and approved on September 14, 1970, be and is hereby further amended to rezone Lot 12, Block 22, City Improvement Co. Westside Addition, located at 514 North Lake Drive in the City of Texarkana, Bowie County, Texas, from **Multiple Family-1 to Commercial**.

Attachment: 2017-020 ORD rezoning 514 N. Lake Dr. (1608 : 2017-020 ORD rezoning 514 North lake Drive from MF-1 to Commercial)

SECTION 2: It is further provided that in case a section, clause, sentence or part of this Ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this Ordinance.

SECTION 3: All Ordinances or parts of Ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 4: That this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Department of Planning and Community Development



1:800

Attachment: 2017-020 ATTH 01 Maps (1608 : 2017-020 ORD rezoning 514 North lake Drive from MF-1 to Commercial)



514 North Lake Drive

Department of Planning and Community Development



1:800



City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 3/8/2017 8:54 AM

Lead Department: Planning and Community Development **Action Officer:** Debbie Burk
Subject: Ordinance No. 2017-021 amending the Code of Ordinances, Chapter 140 "Zoning" to add new uses of microbrewery, microdistillery, winery, brewery and distillery in Section 140-80 "Use Regulations Districts" and to amend Section 140-179 "Definitions" to add definitions for these new uses.
Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE.

Executive Summary and Background Information:

As the state Legislature continues to enact legislation and communities respond favorably to the brewing industry (<http://www.dallasobserver.com/news/city-inches-forward-with-beer-friendly-zoning-rules-7120731>), and as breweries, distilleries, and wineries continue to expand throughout Texas (<http://www.tylerpaper.com/TP-Business/236899/new-craft-brewery-proposed-for-downtown-tyler-but-must-first-get-zoning-variance-to-sell-alcohol>), there is a clear and present need to address deficiencies and gaps in zoning regulations that would help define, regulate, and encourage growth in this expanding industry locally. Specifically, these definitions and updates to zoning ordinances would allow for the correct placement of these establishments within the most appropriate zoning districts.

Potential Options:

None

Fiscal Implications:

None

Staff Recommendation:

Staff recommends to amend Sections 140-80 and 140-179 of the Code of Ordinances to add new definitions to allow a microbrewery, micro distillery, or winery in the Central Business District, Commercial, Industrial 1 and Industrial 2 zoning districts, while allowing a brewery or distillery in the Industrial 1 and Industrial 2 zoning districts. Those proposed new definitions are as follows:

- MICROBREWERY, MICRO DISTILLERY, OR WINERY means an establishment for the manufacture, blending, fermentation, processing, packaging and sale of

City of Texarkana, Texas

alcoholic beverages such as beer, ale, wine or spirits; with a floor area of 15,000 square feet or less that takes place wholly inside a building. (Allowed in CB, C, I-1, I-2)

- **BREWERY, DISTILLERY OR WINERY** means an establishment for the manufacture, blending, fermentation, processing, packaging and sale of alcoholic beverages such as beer, ale, or spirits; with a floor area of more than 15,000 square feet that takes place wholly inside a building. (Allowed in I-1 and I-2).

Advisory Board/Committee Review:

Planning and Zoning Commission

Board/Committee Recommendation:

The Planning and Zoning Commission unanimously recommended for approval of this request as recommended by staff.

Advisory Board/Committee Meeting Date and Minutes:

February 20, 2017

Attachments

- a. 2017-021 ORD Amending Chapter 140 Zoning pertaining to breweries (DOCX)
- b. 2017-021 ATTH 01 TBC Permit Info. (PDF)
- c. 2017-021 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review
Completed	02/20/2017 4:10 PM	
Municipal Prosecutor Vicky Coopwood	Asst. City Attorney Review	Skipped
02/21/2017 1:06 PM		
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager
Review	Completed	02/22/2017 2:00 PM
City Attorney Vicky Coopwood	City Attorney Review	Skipped 02/23/2017
11:08 AM		
Deputy City Manager - Shirley Jaster	Vicky Coopwood	Deputy City Manager
Review	Skipped	02/22/2017 3:29 PM
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager
Review	Completed	02/23/2017 11:17 AM
Public Information Officer	Vicky Coopwood	PIO Review Skipped
02/23/2017 9:00 AM		
City Manager John Whitson	City Manager Review	Completed 02/23/2017
2:44 PM		
City Council Vicky Coopwood	Meeting	Completed 02/27/2017
6:00 PM		

Meeting History

City of Texarkana, Texas

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

ORDINANCE NO. 2017-021

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AMENDING THE CODE OF ORDINANCES, CHAPTER 140 “ZONING”, TO AMEND REGULATIONS RELATING TO “USE REGULATION DISTRICTS” AND “DEFINITIONS” FOR MICROBREWERY, MICRODISTILLERY, WINERY, BREWERY AND DISTILLERY, IN THE CITY OF TEXARKANA, BOWIE COUNTY, TEXAS; CONTAINING A REPEALER CLAUSE; CONTAINING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Texarkana, Texas finds that within the City, there is an increased interest and demand for access to a microbrewery, microdistillery, winery, brewery and distillery;

WHEREAS, the City desires to increase access to these type uses, support local small businesses, and foster economic development;

WHEREAS, after consideration of the recommendation of the Planning and Zoning Commission, the City Council of the City of Texarkana, Texas, does hereby find that amending regulations relating to “use regulation districts” and “definitions” related to microbrewery, microdistillery, winery, brewery and distillery are in the best interest of citizens and the City’s future growth.

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

SECTION 1. Section 140 “Zoning” of the Code of Ordinances, Section 140-80 “Use regulation districts” shall be amended to add the following new uses:

Microbrewery, microdistillery, or winery – to be allowed in the Central Business, Commercial, Industrial-1 and Industrial-2 zoning districts.

Brewery, distillery or winery – to be allowed in the Industrial-1 and Industrial-2 zoning districts.

SECTION 2. Section 140 “Zoning” of the Code of Ordinances, Section 140-113 “Definitions” to add the following new definitions:

Microbrewery, microdistillery, or winery - an establishment with a floor area of 15,000 square feet or less for the manufacture, blending, fermentation, processing, packaging and sale of alcoholic beverages (such as beer, ale, wine or spirits) that takes place wholly inside a building.

Publish

Brewery, distillery or winery - an establishment with a floor area of more than 15,000 square for the manufacture, blending, fermentation, processing, packaging and sale of alcoholic beverages (such as beer, ale, wine or spirits) that takes place wholly inside a building.

SECTION 3: All Ordinances or parts of Ordinances in conflict herewith are specifically repealed to the extent of such conflict.

SECTION 4: The City Secretary shall give notice of the passage of this ordinance as provided in Article XI, Section 3 of the Charter of the City of Texarkana, Texas.

SECTION 5: It is further provided that in case a section, clause, sentence or part of this Ordinance shall be deemed or adjudged by a court of competent jurisdiction to be invalid, then such invalidity shall not affect, impair, or invalidate the remainder of this Ordinance.

SECTION 6: That this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017.**

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR



City of Texarkana, Texas

Office of Planning and Community Development
P.O. 1967, Texarkana, Texas 75504-1967

Telephone: 903-798-3901

FAX: 903-798-3913

Relevant Texas Alcohol Beverage Commission (TABC) Permit:

BREWER'S PERMIT (B)

Permit authorizes holder to manufacture ale and malt liquor and sell the ale and malt liquor only to wholesale permit holders in this state or to qualified persons outside the state. If annual production of ale together with annual production of beer by the holder of a manufacturer's license at the same premises does not exceed a total of 225,000 barrels, the holder may sell ale produced on the brewer's premise under the permit to ultimate consumers on the brewer's premises. Combined sales of ale together with sales of beer to the ultimate consumer may not exceed 5,000 barrels annually.

BREWER'S SELF-DISTRIBUTION PERMIT (DA)

Permit authorizes the holders of Brewer's Permits in this state and Nonresident Brewer's Permits whose annual production of ale under the brewer's or non-resident brewers permit together with the annual production of beer by the holder of a manufacturer's or non-resident manufacturer's license at the same premise does not exceed 125,000 barrels to sell ale produced under the Brewer's or Nonresident Brewer's Permit to retailers and wholesalers authorized to sell ale in this state. Combined sales of ale and of beer by the holder of the self-distribution permit and/or license at the same premise may not exceed 40,000 barrels annually.

WINERY PERMIT (G)

Permit authorizes holder to manufacture, bottle, label and package wine containing not more than 24% alcohol by volume; sell or buy wine from permit holders authorized to purchase and sell wine, including wholesalers, winery and wine bottler's permittees; sell wine to ultimate consumers for consumption on the winery premises or in unbroken packages for off-premise consumption; and dispense free wine for consumption on the winery premises.

Applicable State Legislation:

Senate Bills 516 and 517 by Eltife (Enacted Sep. 1, 2013) apply to brewers and manufacturers who produce less than 125,000 barrels of malt beverages annually. Under SB 516 and SB 517, a brewer or manufacturer who produces less than 125,000 barrels annually can obtain a self-distribution license and/or permit and sell up to 40,000 barrels direct to retailers.

TABC Permits

BREWER'S PERMIT (B)

Permit authorizes holder to manufacture ale and malt liquor and sell the ale and malt liquor only to wholesale permit holders in this state or to qualified persons outside the state. If annual production of ale together with annual production of beer by the holder of a manufacturer's license at the same premises does not exceed a total of 225,000 barrels, the holder may sell ale produced on the brewer's premise under the permit to ultimate consumers on the brewer's premises. Combined sales of ale together with sales of beer to the ultimate consumer may not exceed 5,000 barrels annually.

BREWER'S SELF-DISTRIBUTION PERMIT (DA)

Permit authorizes the holders of Brewer's Permits in this state and Nonresident Brewer's Permits whose annual production of ale under the brewer's or non-resident brewers permit together with the annual production of beer by the holder of a manufacturer's or non-resident manufacturer's license at the same premise does not exceed 125,000 barrels to sell ale produced under the Brewer's or Nonresident Brewer's Permit to retailers and wholesalers authorized to sell ale in this state. Combined sales of ale and of beer by the holder of the self-distribution permit and/or license at the same premise may not exceed 40,000 barrels annually.

San Antonio

Definition Alcohol beverage manufacture or brewery. This use may include the production of wines, spirits or a brewing facility for the production of malt liquors such as beer and ale, using grains such as oats, hops, rice, wheat and barley, designed and managed to brew more than seventy-five thousand (75,000) barrels of beer per year. The following uses may be accessory to an alcoholic beverage manufacturer or brewery in conformance with section 35-370:

1. Sampling for on-site consumption and the sale for off-site consumption of the products;
2. Meeting/reception facilities; and
3. Retail sales of items primarily associated with the use (such as glassware, souvenirs, promotional items) and conducted within the premises or a permitted accessory structure.

Neither a microbrewery nor a brewpub, as defined, shall be considered a beverage manufacture or alcohol brewery facility.

Microbrewery. A small-scale brewing facility designed for the production of malt liquors such as beer and ale, using grains such as oats, hops, rice, wheat and barley, designed and managed to brew no more than seventy-five thousand (75,000) barrels of beer per year. The following uses may be accessory to a Microbrewery in conformance with section 35-370:

1. Sampling for on-site consumption and the sale for off-site consumption of the Microbrewery's products;

2. Meeting/reception facilities; and
3. Retail sales of items primarily associated with the brewery (such as glassware, souvenirs, promotional items) and conducted within the Microbrewery or a permitted accessory structure.

A brewpub is not considered a *microbrewery* and has a separate definition in this chapter.

Accessory Uses.

(1)

An accessory use shall not be larger than twenty-five (25) percent of the gross floor area of the principal use.

(2)

Notwithstanding specific limitations in Table 311-2, an accessory use shall only be allowed in a zoning district where it is permitted as a principal/primary use, and in a district of lesser intensity (as further depicted in Table 311-2), pursuant to the following table:

Allowed in: C2 and Down by right, and in Economic Redevelopment Zoning District (ERZD) by Permit

Also allowed in Arts and Entertainment District by Permit

Parking

ALCOHOL	ALCOHOL - beverage manufacture or brewery - alcohol	1 per 1,500 sf GFA	1 per 300 sf GFA
ALCOHOL	ALCOHOL - distillation, storage	1 per 600 sf GFA	1 per 350 sf GFA
ALCOHOL	ALCOHOL - Microbrewery	1 per 2	1 per 1.5

		seats	seats
ALCOHOL	ALCOHOL - beverage retail sales (Exclusive of bars, lounges, taverns, nightclubs, dance halls or sexually oriented businesses.)	1 per 300 sf GFA	1 per 200 sf GFA
ALCOHOL	ALCOHOL - winery with bottling	1 per 1,500 sf GFA	1 per 300 sf GFA

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☐ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☒ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

NA

No Additional

Other Potential Impacts:

NA

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☒	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☒	Sign Posted

Other:

City of Texarkana, Texas

Briefing Sheet

Version:

Update Date: 3/13/2017 7:11 AM

Lead Department: Fire Department **Action Officer:** Eric Schlotter, Fire Chief
Subject: Resolution No. 2017-022 hearing an appeal for a burning permit and making a final determination.
Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

The resolution before the council is to hear an appeal by Mr. Greg Latham regarding a burning permit denial by the Fire Department. The appeal is in proper order and in accordance with the provisions for appeal spelled out in Section 18-14(r) of the Code of Ordinances for the City of Texarkana.

Mr. Latham and his father Mr. Ronnie Latham contacted the Fire Department in January and requested a burning permit for a parcel of land in the 3200 blk of Buchanan Rd. The parcel in question is in the northwest corner of the intersection of Buchanan Rd. and Jarvis Pkwy. The land is approximately 38 acres and is undeveloped at this time. During the initial request the reason given for the burning was land clearing. During a later meeting the Latham's stated the reason for clearing the property was to create a hay pasture since the property had limited value due to its flood plain status.

Assistant Chief Chris Black discussed the proposed burning with the Latham's and determined the request did not meet the requirements set forth in Section 18-14 of the Code of Ordinances for the City of Texarkana. Specifically, the permit was denied because the Latham's were not developing the property. Section 18-14(n) of the Code of Ordinances for the City of Texarkana states "....Outdoor burning shall only be permitted for the purpose of land development...". The Fire Department has defined and maintained that land development involves construction of a building for commercial business or the creation of a housing subdivision. To this end, we have requested to see a site plan or similar materials to prove the purpose for the burning permit.

The Latham's further discussed the issue with Deputy City Manager Kyle Dooley and myself prior to filing the appeal.

In January of 2016, Section 18-14 of the Code of Ordinances for the City of Texarkana was revised and since that time we have only issued 4 burning permits. Of the 4 permits issued, two were for commercial developments, one was for a housing development and the fourth was for an existing commercial building expansion.

City of Texarkana, Texas

The primary issue to be determined in hearing the appeal is whether or not Mr. Latham's plans for the property rise to the level of land development.

One factor to consider in regard to this request in particular is the proximity of this land to the South Stateline Waste Water Treatment Plant, where the material to be burned could be disposed of free of charge.

Potential Options:

- List or "None"
-

Fiscal Implications:

None

Staff Recommendation:

Staff recommends denial of the appeal.

Advisory Board/Committee Review:

"NONE"

Board/Committee Recommendation:

"NOT APPLICABLE"

Advisory Board/Committee Meeting Date and Minutes:

"NOT APPLICABLE"

Attachments

- a. 2017-022 RES Burning Permit Appeal (DOC)
- b. 2017-022 ATTH 01 Section 18-14 Code of Ordinances (DOCX)
- c. 2017-022 ATTH 02 Section 111.219 of the Texas Administrative Code (DOCX)
- d. 2017-022 ATTH 03 Burning Permits issued in 2016 (PDF)
- e. 2017-022 ATTH 04 Letter to Mr. Latham (PDF)
- f. 2017-022 ATTH 05 Letter of Denial of Burning Permit (PDF)
- g. 2017-022 ATTH 06 Letter of Appeal from Mr. Greg Latham (PDF)
- h. 2017-022 ATTH 07 Area Map (PDF)
- i. 2017-022 ATTH 08 Site Map (PNG)
- j. 2017-022 EXH 'A' For Sale sign posted to the property (JPG)
- k. 2017-022 EXH 'B' Clearing of the property (JPG)
- l. 2017-022 EXH 'C' Proximity to neighbors (JPG)
- m. 2017-022 Goals and Perspectives (DOCX)

Staff Coordination

Fire Department	Eric Schlotter	Department Head Review	Completed
	02/21/2017 11:12 AM		
City Attorney	Jeffery C. Lewis	City Attorney Review Completed	02/21/2017
3:09 PM			

City of Texarkana, Texas

Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager
Review Completed	02/22/2017 2:01 PM	
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager
Review Completed	02/22/2017 4:14 PM	
Public Information Officer	Vicky Coopwood	PIO Review Skipped
	02/23/2017 9:00 AM	
City Manager	John Whitson	City Manager Review Completed
10:51 AM		02/23/2017
City Council	Vicky Coopwood	Meeting Completed
6:00 PM		02/27/2017

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

RESOLUTION NO. 2017 – 022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, MAKING A FINAL DETERMINATION ON A BURNING PERMIT APPEAL IN ACCORDANCE WITH SECTION 18-14(r) OF THE CODE OF ORDINANCES OF THE CITY OF TEXARKANA, TEXAS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Section 18-14(n) of the Code of Ordinances of the City of Texarkana, Texas, allows for a citizen to request a permit for outdoor burning; and

WHEREAS, Mr. Greg Latham requested issuance of a burning permit for his property located in the 3200 block of Buchanan Rd.; and

WHEREAS, the Texarkana, Texas Fire Department denied the requested permit, finding that the proposed burning did not meet the requirements in the Section 18-14(n) of the Code (“... shall only be permitted for the purpose of land development...”); and

WHEREAS, pursuant to Section 18-14(r) of the Code, an appeal of the department's denial has been filed with the City Secretary; and

WHEREAS, the City Council has the authority to make the final determination regarding the issuance of the burning permit.

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

SECTION 1: That the City Council makes the final determination to _____ the appeal for a burning permit by Mr. Greg Latham.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th** day of **April, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

Attachment: 2017-022 RES Burning Permit Appeal (1610 : 2017-022 RES burning permit appeal determination)

Sec. 18-14. - Outdoor burning.

- (a) *Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Bonfire means a large outdoor fire utilized for recreational or ceremonial purposes.

Chimney means a single opening, moveable, outdoor fireplace design with a stack or chimney to draft air into a fire and smoke to be drawn out the top of the stack.

Extinguished means the absence of any visible flames, glowing coals, heat or smoke.

Fire pit means a place or structure designed and approved for the burning of combustible material that does not have a flue, chimney or duct and the combustion gases are emitted directly into the atmosphere.

Open burning means a fire or smoldering combustible material which is not contained completely within an approved container, but shall not include charcoal, gas or electric grills and smokers.

Outdoor fireplace means an enclosed and permanently affixed outdoor fire receptacle which incorporates a permanently affixed chimney or flue and is constructed of brick, rock or other masonry material.

Portable outdoor fireplace means a movable container that is commercially manufactured and designed with a chamber to hold an outdoor fire, used for heat or light, but not for cooking. A portable outdoor fireplace must be equipped with a screen capable of preventing burning embers from escaping.

Recreational fire means a fire for the purpose of cooking, obtaining warmth, or viewing for pleasure.

Responsible party means the property owner or occupant that causes or allows a recreational fire to be ignited or maintained on their property.

- (b) *Prohibition of open burning.* No person may cause, suffer, or allow any open burning within the city limits, except as allowed by permit, recreational fires and firefighter training as specified in this chapter.
- (c) *Exception for recreational fires; generally.* Recreational fires in an approved container are allowed. Any person may burn acceptable fuels in an approved container for the purpose of cooking, viewing for pleasure, or obtaining warmth, on property owned or occupied by such person. Fires must meet the requirements as listed in this section. No permit is required for such fires. Recreational fires are not allowed at any time a burn ban is in effect in accordance with section 18-93. Recreational fires are not allowed within the fire limits of the city.
- (d) *Recreational fires; approved containers.*
- (1) Approved containers for recreational fires are chimneys, fire pits, outdoor fireplaces, and portable outdoor fireplaces.
 - (2) Chimneys and portable outdoor fireplaces must be commercially manufactured for that specific purpose. Outdoor fireplaces and fire pits may be commercially manufactured or site built.
 - (3) Approved containers must have enclosed sides made from bricks, concrete blocks, heavy gauge metal or other suitable noncombustible material.
 - (4) Approved containers must have a spark arrestor mesh screen to contain sparks. Screens shall be of expanded metal (or equivalent noncombustible material) with openings no larger than one-half inch.
 - (5) Width of approved containers must not exceed three feet at its widest point.
 - (6) Walls of approved containers cannot exceed two feet in height measured from the floor of the fire area to the top of the wall, excluding any chimney.
 - (7) Approved containers must be set upon or built into the bare ground or a noncombustible material such as brick, stone or concrete.

- (e) *Recreational fires; fuels.* Acceptable fuels are clean, dry, seasoned firewood; charcoal; or commercially manufactured compressed fire logs. The following listed items are not acceptable fuels and shall not be burned:
- (1) Commercial or domestic waste, trash or garbage.
 - (2) Leaves, pine needles or grass clippings.
 - (3) Lumber (treated or untreated), construction debris.
 - (4) Yard debris, unless it meets the definition of firewood or kindling.
 - (5) Flammable or combustible liquids.
 - (6) Electrical insulation, plastics, asphaltic materials, potentially explosive materials, chemical wastes, and items containing natural or synthetic rubber must not be burned.
- (f) *Recreational fires; responsible party responsibilities.* The responsible party shall:
- (1) Remain in charge of the fire or keep a competent adult in charge of the fire.
 - (2) Ensure flame height is maintained at three feet or less.
 - (3) Ensure that the fire does not create a risk of fire or damage to persons or property.
 - (4) Extinguish all burning material immediately upon receipt of a complaint regarding the permitted burning, subject to the discretion and direction of the fire chief or designee.
 - (5) Have a means of extinguishing the fire on hand at all times while the fire is burning.
 - (6) Ensure the fire is extinguished, leaving only cold ashes, before supervision of the fire ends.
- (g) *Recreational fires; acceptable locations.*
- (1) For approved containers other than fire pits, a minimum clearance of at least ten feet shall be maintained from buildings, property lines, trees, overhead power lines, combustible fences, combustible decks, or any combustible material.
 - (2) Fire pits shall have a minimum clearance of at least 25 feet from buildings, property lines, trees, overhead power lines, combustible fences, combustible decks or any combustible material.
 - (3) Recreational fires shall not be located over a natural gas line or under overhead utility lines.
- (h) *Recreational fires; fire department authority.* The fire chief or designated representative, shall have authority to enter private property where a recreational fire is burning to ensure the safety of said fire, to investigate a reported nuisance, or to ensure compliance with this section. The fire department representative shall have authority to extinguish or to have extinguished said fire if the fire is creating a danger, is creating a nuisance, or is in violation of this section.
- (i) *Exception for bonfires; generally.* At the discretion of the fire chief or designated representative, bonfires may be allowed. Bonfires must meet the "General Requirements for Allowable Outdoor Burning" as specified in Texas Commission on Environmental Quality (TCEQ) regulations in the Tex. Admin. Code ch. 30, section 111.219, except that burning shall be allowed outside the time limits specified therein. Bonfires are not allowed within the fire limits of the city.
- (j) *Bonfires; permit required.*
- (1) A permit shall be required prior to allowing a bonfire.
 - (2) Before issuing a permit, the fire chief or designee shall inspect the proposed bonfire site and ensure compliance with applicable rules.
 - (3) Any permit issued under this section shall specify the approved location, the acceptable fuels, the date and time approved, and any special conditions applicable to this bonfire.
 - (4) The responsible party receiving the permit shall ensure the permit is available on the scene of the bonfire for the duration of the event.

- (5) The fire chief or designee, at their discretion, may require standby fire services prior to issuing a bonfire permit.
- (k) *Bonfires; responsible party responsibilities.* The responsible party shall:
 - (1) Remain in charge of the fire or keep a competent adult in charge of the fire.
 - (2) Ensure that the fire does not create a risk of fire or damage to persons or property.
 - (3) Extinguish all burning material immediately upon receipt of a complaint regarding the permitted burning, subject to the discretion and direction of the fire chief or designee.
 - (4) Have a means of extinguishing the fire on hand at all times while the fire is burning.
 - (5) Ensure the fire is extinguished, leaving only cold ashes, before supervision of the fire ends.
- (l) *Bonfires; fuels.* Acceptable fuels are clean, dry, seasoned firewood; logs, limbs, pallets, lumber (not treated lumber), or other wood products. Small quantities of flammable or combustible liquids approved by the fire chief or designee, may be used for igniting the fire. The following listed items are not acceptable fuels and shall not be burned:
 - (1) Commercial or domestic waste, trash or garbage.
 - (2) Treated lumber, construction debris.
 - (3) Flammable or combustible liquids (except as specified for ignition).
 - (4) Electrical insulation, plastics, asphaltic materials, potentially explosive materials, chemical wastes, and items containing natural or synthetic rubber.
- (m) *Exception for firefighter training; generally.* Open burning may be conducted for firefighter training. Burning for firefighter training must be conducted in accordance with Texas Commission on Environmental Quality (TCEQ) regulations in the Tex. Admin. Code ch. 30, section 111.205 "Exception for Fire Training".
- (n) *Exception for permitted burning; generally .* At the discretion of the fire chief or designated representative, outdoor burning may be allowed. All permitted outdoor burning must meet the "General Requirements for Allowable Outdoor Burning" as specified in Texas Commission on Environmental Quality (TCEQ) regulations in the Tex. Admin. Code ch. 30, section 111.219. Outdoor burning shall only be permitted for the purpose of land development. Outdoor burning is not allowed within the fire limits of the city.
- (o) *Outdoor burning; permit required .*
 - (1) A permit shall be required prior to allowing outdoor burning.
 - (2) Before issuing a permit, the fire chief or designee shall inspect the proposed outdoor burning site and ensure compliance with applicable rules.
 - (3) Any permit issued under this section shall specify the approved location, the acceptable fuels, the date and time approved, and any special conditions applicable to this outdoor burning.
 - (4) The responsible party receiving the permit shall ensure the permit is available on the scene of the fire for the duration of the event.
 - (5) The fire chief or designee, at their discretion, may require standby fire services prior to issuing an outdoor burning permit.
- (p) *Outdoor burning; responsible party responsibilities .* The responsible party shall:
 - (1) Remain on site and in charge of the fire or keep a competent adult on site and in charge of the fire.
 - (2) Ensure the fire does not create a risk of damage to person or property.

- (3) Immediately upon receipt of a complaint regarding the permitted burning, all burning material shall be extinguished.
- (4) Have equipment on site to control and extinguish the fire.
- (5) Not commence burning when wind speed is predicted to be less than six mph or greater than 23 mph.
- (6) Ensure piles will be not less than 300 feet from any residential, recreational, commercial, or industrial area except those located on the property where burning is taking place.
- (7) Ensure burning will start no earlier than one hour after sunrise, and be completed no later than one hour before sunset.
- (8) Ensure the fire will be extinguished if the fire escapes control.
- (9) Be responsible and liable for any damages.
- (q) *Outdoor burning; fuels* . Only trees, brush, and other plant materials may be burned. The following listed items are not acceptable fuels and shall not be burned.
 - (1) Electrical insulation, plastic, heavy oil, asphaltic material, chemical waste, construction or demolition material, or items that contain rubber.
 - (2) Old tires shall not be used to start fires.
- (r) *Outdoor burning; appeals* . Persons who are denied burning permits may appeal by filing a written notice of appeal with the city secretary. The appeal must be filed within ten days after receipt of the notice of denial. The city council shall hear and determine the appeal, and the decision of the council shall be final.
- (s) Penalty for violation. Any person violating any provision of this section shall be deemed guilty of a misdemeanor and, upon conviction, in the municipal court of the city, shall be fined not more than \$2,000.00. Each day of any such violation shall be deemed to be a separate offense.

(Code 1961, § 9-13; Ord. No. 226-08, § 1, 10-27-2008; Ord. No. [2015-135](#), §§ 1—3, 1-25-2016)

Sec. 111.219. General Requirements for Allowable Outdoor Burning
Outdoor burning which is otherwise authorized shall also be subject to the following requirements when specified in any section of this subchapter.

- (1) Prior to prescribed or controlled burning for forest management purposes, the Texas Forest Service shall be notified.
- (2) Burning must be outside the corporate limits of a city or town except where the incorporated city or town has enacted ordinances which permit burning consistent with the Texas Clean Air Act, Subchapter E, Authority of Local Governments.
- (3) Burning shall be commenced and conducted only when wind direction and other meteorological conditions are such that smoke and other pollutants will not cause adverse effects to any public road, landing strip, navigable water, or off-site structure containing sensitive receptor(s).
- (4) If at any time the burning causes or may tend to cause smoke to blow onto or across a road or highway, it is the responsibility of the person initiating the burn to post flag-persons on affected roads.
- (5) Burning must be conducted downwind of or at least 300 feet (90 meters) from any structure containing sensitive receptors located on adjacent properties unless prior written approval is obtained from the adjacent occupant with possessory control.
- (6) Burning shall be conducted in compliance with the following meteorological and timing considerations:
 - (A) The initiation of burning shall commence no earlier than one hour after sunrise. Burning shall be completed on the same day not later than one hour before sunset, and shall be attended by a responsible party at all times during the active burn phase when the fire is progressing. In cases where residual fires and/or smoldering objects continue to emit smoke after this time, such areas shall be extinguished if the smoke from these areas has the potential to create a nuisance or traffic hazard condition. In no case shall the extent of the burn area be allowed to increase after this time.
 - (B) Burning shall not be commenced when surface wind speed is predicted to be less than six miles per hour (mph) (five knots) or greater than 23 mph (20 knots) during the burn period.
 - (C) Burning shall not be conducted during periods of actual or predicted persistent low-level atmospheric temperature inversions.
- (7) Electrical insulation, treated lumber, plastics, non-wood construction/demolition materials, heavy oils, asphaltic materials, potentially explosive materials, chemical wastes, and items containing natural or synthetic rubber must not be burned.

Cash Receipts

Receipt Listing

User: kristin.peoples
 Printed: 02/21/2017 - 10:18 AM
 Batch: 00000.00.0000



Rept No	Void	Cust No	Date	Name	Description	Amount	Cash	Check	Other	Change	Net Cash	Total
Cust No	Account No		Type									
00082862		009100	10/28/2015	SBM Earthmoving			0.00	1,000.00	0.00	0.00	0.00	1,000.00
009100			FireOpenBur	Fire Open Burning Non Rec		1,000.00	CR: 101-0000-46094 Fire Fees					
00083458		000383	11/05/2015	Northridge Country Club			0.00	1,000.00	0.00	0.00	0.00	1,000.00
000383			FireOpenBur	Fire Open Burning Non Rec		1,000.00	CR: 101-0000-46094 Fire Fees					
00087608		007443	02/02/2016	Mayo Mfg Corporation			0.00	1,000.00	0.00	0.00	0.00	1,000.00
007443			FireOpenBur	Fire Open Burning Non Rec		1,000.00	CR: 101-0000-46094 Fire Fees					
00094691		005257	05/27/2016	Francis Excavating			0.00	1,000.00	0.00	0.00	0.00	1,000.00
005257			FireOpenBur	Fire Open Burning Non Rec		1,000.00	CR: 101-0000-46094 Fire Fees					
00094898		005626	05/31/2016	Tatum Excavating Co (TEC)			0.00	1,000.00	0.00	0.00	0.00	1,000.00
005626			FireOpenBur	Fire Open Burning Non Rec		1,000.00	CR: 101-0000-46094 Fire Fees					
00097236		009517	07/11/2016	Stan Excavating			0.00	1,000.00	0.00	0.00	0.00	1,000.00
009517			FireOpenBur	Fire Open Burning Non Rec		1,000.00	CR: 101-0000-46094 Fire Fees					
Receipt Totals:						6,000.00	0.00	6,000.00	0.00	0.00	0.00	6,000.00
Void Totals:						0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Totals:						6,000.00	0.00	6,000.00	0.00	0.00	0.00	6,000.00

School

Eagle Distribution



Texarkana, Texas Fire Department

3124 Texas Boulevard, Texarkana, Texas 75503

(903) 798-3994 • fax (903) 793-4731

Mr. Greg Latham
3510 Buchanan Rd.
Texarkana, TX 75501

Mr. Latham,

We have received your notice of appeal concerning the denial of a burn permit for the property located in the Bender Road and Buchanan Road area.

Your appeal is scheduled to go before the Texarkana, Texas City Council on Monday February 27, 2017. The City Council meeting begins at 6:00 pm in the Council chambers on the 2nd floor of City Hall located at 220 Texas Blvd.

Sincerely,

Chris Black
Asst. Fire Chief/ Fire Marshal
cblack@txkusa.org



Texarkana, Texas Fire Department

220 Texas Boulevard, Texarkana, Texas 75501

(903) 798-3994 • fax (903) 793-4731

RECEIVED
FEB 10 2017
BY: _____

January 31, 2107

Ronald G. Latham
3618 Buchanan Rd.
Texarkana, TX 75501

Mr. Latham:

This letter is to inform you that your request for a burn permit for your property in the approximate area of the 3200 block of Buchanan Rd. was not approved. The information we have concerning this request does not meet the requirements listed in the City of Texarkana, Texas Code of Ordinances for outdoor burning.

You have the right to appeal this decision as outlined below in the excerpt from the Code of Ordinances.

Sec. 18-14. - Outdoor burning.

(r)

Outdoor burning; appeals . Persons who are denied burning permits may appeal by filing a written notice of appeal with the city secretary. The appeal must be filed within ten days after receipt of the notice of denial. The city council shall hear and determine the appeal, and the decision of the council shall be final.

Respectfully

Eric Schlotter
Fire Chief

Greg Latham
903-278-3368

To Whom it May Concern -

IN October 2016 the City of Texarkana, Texas included my property into the Emergency Management Agency (Fema) flood zone. Property was originally purchased for investment with possibility of future developing.

Since it is now in said flood zone it basically has no purpose. So therefore I decided to improve appearance and to try and stop illegal dumping I would clean up said property. I have hay cut and baled on other properties in this area.

Eventually was hoping to use this property for hay field as well. As stated before it not would only help me with utilization of property / property tax's it would help with the appearance of our Community. Thanks

2-8-2017
Greg Latham

9.6 h

Packet Pg. 683







Attachment: 2017-022 EXH 'A' For Sale sign posted to the property (1610 :





City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☒ Promote an Environmentally Sensitive & Livable Community ☒ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☐ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☒ None Required	☐

Other:

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 2/22/2017 11:17 AM

Lead Department: Water Utilities **Action Officer:** Pam White,
Resolution No. 2017-023 authorizing the City Manager to enter into a contract
with Continental Utility Solutions, Inc. (CUSI) for utility billing computer
Subject: software, installation, conversion and training in an amount with the Texas
portion not to exceed \$249,524.18 and total amount not to exceed \$398,410.00.

Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

NOT APPLICABLE

Executive Summary and Background Information:

Texarkana Water Utilities (TWU) advertised for proposals on May 8 and May 15, 2016 in the Texarkana Gazette and Dallas Morning News for utility billing software, installation, conversion and training with proposal submission deadline of 5pm June 17, 2016.

Pursuant to said advertisement, five (5) proposals were received and evaluated by the Utility Billing (UB) Software Committee. From the five (5) proposals, the committee selected the top three (3) to further evaluate. Onsite software demonstrations were scheduled and performed by each of the three (3) finalists. Based upon the demonstrations, the committee unanimously selected the top finalist to return for a mini-demo.

Committee members contacted some of CUSI's current customers that are similar in complexity or type of services provided to our utility to verify their satisfaction, and all feedback indicated high client satisfaction. A team of committee members traveled to Seguin, TX and Brushy Creek, TX to meet clients face-to-face to observe the software in person, and the team found the software to be well-functioning and well supported.

The top finalist, CUSI, then performed an onsite GAP analysis study to determine if TWU was a good fit for its software and to determine how the utility could best leverage their software to garner any potential cost savings and efficiency while utilizing best practices.

Potential Options:

- None

Fiscal Implications:

Funds are available in the FY 2016-17 budget in an amount not to exceed \$398,410 with the Texas portion being \$249,524.18.

Staff Recommendation:

Based upon the evaluation and recommendation of the UB Software Committee, TWU staff recommends acceptance.

Advisory Board/Committee Review:

City of Texarkana, Texas

NONE

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-023 RES Utility Billing Software (DOC)
- b. 2017-023 ATTH 01 Problems with Current Software (DOC)
- c. 2017-023 ATTH 02 Benefits with CUSI Software (DOC)
- d. 2017-023 ATTH 03 Cost Comparison (DOC)
- e. 2017 023 ATTH 04 List of AR and TX Customers (PDF)
- f. 2017-023 Goals & Perspectives (DOCX)

Staff Coordination

Water Utilities	Jim Cornelius	Department Head Review	Completed	
	02/16/2017 4:36 PM			
Water Utilities	JD Phillips	Review	Completed	02/16/2017
	4:38 PM			
Public Information Officer		Lisa Thompson	PIO Review	Completed
	02/16/2017 5:15 PM			
City Manager	John Whitson	City Manager Review	Completed	02/17/2017
	4:08 PM			
City Council	Vicky Coopwood	Meeting	Completed	02/27/2017
	6:00 PM			

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

RESOLUTION NO. 2017 – 023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH CONTINENTAL UTILITY SOLUTIONS, INC. (CUSI) OF JONESBORO, ARKANSAS, FOR THE PURCHASE OF UTILITY BILLING SOFTWARE, INSTALLATION, DATA CONVERSION AND TRAINING IN AN AMOUNT WITH THE TEXAS PORTION NOT TO EXCEED TWO HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED TWENTY FOUR AND 18/100 DOLLARS (\$249,524.18) AND THE TOTAL AMOUNT NOT TO EXCEED THREE HUNDRED NINETY EIGHT THOUSAND FOUR HUNDRED AND NO/100 DOLLARS (\$398,410.00); AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Texarkana Water Utilities (TWU) advertised for proposals on May 8 and May 15, 2016 in the Texarkana Gazette and the Dallas Morning News for utility billing software, installation, data conversion and training with proposal submission deadline of 5PM June 17, 2016; and

WHEREAS, pursuant to said advertisement, five (5) proposals were received and evaluated by the Utility Billing Software Committee of the utility. From the five (5) proposals, the committee selected the top three (3) to further evaluate. Onsite software demonstrations were scheduled and performed by each of the three (3) finalists. Based upon the demonstrations, the committee unanimously selected the top finalist to return for an additional mini-demo; and

WHEREAS, the committee contacted some of CUSI's current customers that were similar in complexity or type of services provided by the utility to verify their satisfaction, and all feedback indicated high client satisfaction. A team of committee members traveled to Seguin, Texas and Brushy Creek, Texas to meet face-to-face to observe the software in person, and the team found the software to be well-functioning and well supported. The top finalist, CUSI, then performed an onsite GAP analysis study to determine if TWU was a good fit for its software and to determine how the utility could best leverage their software to garner any potential cost savings and efficiency while utilizing best practices; and

WHEREAS, funds for this purchase are available in the water utilities FY17 Technology account.

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

SECTION 1: That the responsible offeror, whose proposal for the utility billing software, installation, data conversion and training for the Texarkana Water Utilities has been determined to be the most advantageous to the Utility was received from Continental Utility Solutions, Inc. (CUSI).

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR

RES 2017-023 ATTH 01

Problems with Current Software

- Repetitious manual entry of customer data (name, SSN, etc.)
- Poor reporting capability
 - Time-intensive process to get reliable water usage data
 - Compilation of annual top ten users is a long, manual process – takes about 1.5 weeks
 - Lacks capabilities to provide data needed for state reporting
 - Must use ad-hoc third-party report writers to get information needed for accounting and reporting purposes
 - Report changes bases upon when it is ran
 - Reports must be ran immediately at end of month – cannot be done later
- Old legacy system – stuck in approx. 2006.
- Crashes during some billing processes
- Malfunctions occasionally when printing customer receipts in cashiering – shows a bogus credit on receipt when account balance is zero

Benefits with CUSI Software

- Smoother, faster navigation
- Benefits of relative database – data entered once – system populates whenever needed throughout software
- Improved speed and accuracy
- Enhanced reporting capabilities
 - Reports can be generated in minutes instead of days or weeks
 - Can add user defined fields as needed and easily report on them
- Modern, intuitive software
- Robust customer service web portal
 - Accessible 24/7 from personal computer or smartphone
 - Can securely, conveniently access and update their personal information on their account
 - Can view usage and other history
 - Can pay their bill
- Built-in process to capture, consolidate and process the automated ACH payment files from online bill payers
- Customer alerts and notifications
 - Text, phone, email, web portal
- Constantly updated
- Lower merchant fees for customers
 - Savings of 25¢ per payment
 - Online/IVR (phone) savings of \$1.50 per payment
- Add a 15” touch screen payment kiosk on cashier counter to accept DR/CR cards and electronic check payments.
- Net savings over current software of over \$68,000/year.

RES 2017-023 ATTH 03

Cost Comparison

	CUSI	Harris	Annual Cost/ (Savings)
Annual Maintenance Cost	\$42,850	\$69,263	(\$26,413)
Bill/Second notice printing/mailling	\$15,707/mo	\$18,150/mo	
x 12 =	\$188,484	\$217,800	(\$29,316)
-using software generated notifications by phone for accounts up for non-pay disconnect \$.07/min x 5,100 = \$357 + \$100/mo fee 2,900 – 457 = 2,443 18,150 - 2443			
E-bills if only 5% of customers chose to receive bills electronically 30,000 x 10% - 3,000 15,250/30,000 = \$.51 x 3,000 = 1,530 x 12			(\$18,360)
			(\$74,089)
Bank Check Elimination Services			
\$40 mo x 12 = \$480			
3,010 monthly trans x \$.15 x 12 = \$5,418			\$5,898
			(\$68,191)
Hardware/software	388,410		
Travel for training/conversion	<u>10,000</u>		
	398,410		

Payback = 5.85 years

Attachment: 2017-023 ATTH 03 Cost Comparison (1611 : 2017-023 RES utility billing software)

TEXAS CUSTOMERS

RES 2017-023 ATTH 04

CBSW Customers

Eagle Pass	Texas
Orangefield	Texas
Port O'Connor	Texas
Victoria	Texas
Quinlan	Texas
Azle	Texas
Taft	Texas
Roby	Texas
Ross	Texas
Santa Rosa	Texas
Lucas	Texas
Conroe	Texas
Forney	Texas
Trinity	Texas
Spurger	Texas
Jasper	Texas
Hunt	Texas
Wilmer	Texas
Winfield	Texas
Woodsboro	Texas
Wylie	Texas
New Bruanfels	Texas
Irving	Texas
Lakehills	Texas
Kaufman	Texas
Lytle	Texas
Windcrest	Texas
Blooming Grove	Texas
Chandler	Texas
Mt. Vernon	Texas
Fabens	Texas

Elmendorf	Texas
Florence	Texas
Scurry	Texas
Glen Rose	Texas
Houston	Texas
Angleton	Texas
Pinehurst	Texas
Hughes Springs	Texas
Kempner	Texas
Kingsland	Texas
Lavon	Texas
Liverpool	Texas
Lone Star	Texas
Martindale	Texas
McCoy	Texas
Merkel	Texas
Colorado City	Texas
Munday	Texas
Wills Point	Texas
Ozona	Texas

UMS Customers

Round Rock	Texas
San Marcos	Texas
Porter	Texas
Princeton	Texas
Galveston	Texas
St. Seguin	Texas
Lubbock	Texas
New Summerfield	Texas
Silsbee	Texas
Lakeway	Texas
Van Alstyne	Texas
Seguin	Texas
Austin	Texas
Magnolia	Texas
Westminster	Texas



ARKANSAS CUSTOMERS

CBSW Customers

Altus	Arkansas
Atkins	Arkansas
Augusta	Arkansas
Bald Knob	Arkansas
Bald Knob	Arkansas
Bay	Arkansas
Ben Lomond	Arkansas
Avoca	Arkansas
Blytheville	Arkansas
Rosston	Arkansas
Bono	Arkansas
Cash	Arkansas
Cherokee Village	Arkansas
Lake Village	Arkansas
Morillton	Arkansas
Jonesboro	Arkansas
DeQueen	Arkansas
Des Arc	Arkansas
Diamond	Arkansas
Des Arc	Arkansas
Elkins	Arkansas
Fordyce	Arkansas

Forrest City	Arkansas
Gosnell	Arkansas
Cave City	Arkansas
Haskell	Arkansas
Evening Shade	Arkansas
Hardy	Arkansas
Hoxie	Arkansas
Malvern	Arkansas
Osceola	Arkansas
Magnolia	Arkansas
Maumelle	Arkansas
McCrory	Arkansas
McRae	Arkansas
Mena	Arkansas
Jacksonville	Arkansas
Mountain Pine	Arkansas
Plumerville	Arkansas
Pocahontas	Arkansas
Prescott	Arkansas
Rosston	Arkansas
DeQueen	Arkansas
Searcy	Arkansas
Trumann	Arkansas
Walnut Ridge	Arkansas
Warren	Arkansas
Walcott	Arkansas

UMS Customers

El Dorado	Arkansas
Paragould	Arkansas
Russellville	Arkansas

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☐ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☒ Provide Courteous & Responsive Customer Service ☐ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☐ Maintain Fiscal Strength ☐ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☐	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☒	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☐	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☐	None Required	☐	

Other:

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 2/22/2017 10:05 AM

Lead Department: Planning and Community Development **Action Officer:** Daphnea Ryan,
Subject: Resolution No. 2017-024 approving the amendment of the CDBG 2013-2017 Consolidated Plan and 2016 Annual Action Plan.
Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

Executive Summary and Background Information:

The City of Texarkana, Texas is amending the 2013-2017 Consolidated Plan, the 2016 Annual Action Plan for the period of October 1, 2016 to September 30, 2017.

The City plans to amend the budget as follows:

- Re-allocating \$30,000 from Revolving Loan Fund activity to Housing Rehabilitation activity.
- Re-allocating \$30,000 from Revolving Loan Fund activity, \$20,000 from Home Buyer Assistance activity, \$74,064 from 203/205 Renovations activity and \$388,201 from prior year funds to Section 108 Loan Fund Program activity for total of \$512,265.
- Adding recently approved Section 108 Loan Funds from U.S. Department of Housing and Urban Development in the amount of \$1,429,000 for the Hotel Grim Lofts Project.

As stated in the City's Citizen Participation Plan, a change in CDBG budget allocations of 25% or more in allocated funding constitutes the need for a substantial amendment and requires City Council approval and Public Notice for citizen input.

Potential Options:

- None
-

Fiscal Implications:

None

Staff Recommendation:

Staff recommends approval.

Advisory Board/Committee Review:

City of Texarkana, Texas

None

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-024 RES Amending the CDBG 2013-2017 Consolidated Plan and 2016 Annual Action Plan (DOCX)
- b. 2017-024 ATTH 01 Amended 2013-2017 Con Plan 2.16.17 (DOCX)
- c. 2017-024 ATTH 02 Action Plan revision 1.31.17 (DOCX)
- d. 2017-024 ATTH 03 Presentation Revised 2016 CDBG Action Plan (PPTX)
- e. 2017-024 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review	
Completed	02/20/2017 11:28 AM		
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager	
Review	Completed	02/20/2017 1:54 PM	
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager	
Review	Completed	02/20/2017 4:50 PM	
Public Information Officer	Lisa Thompson	PIO Review	Completed
	02/20/2017 4:56 PM		
City Manager	John Whitson	City Manager Review	Completed 02/22/2017
11:12 AM			
City Council	Vicky Coopwood	Meeting	Completed 02/27/2017
6:00 PM			

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

RESOLUTION NO. 2017 – 024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, ADOPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AMENDED 2013-2017 FIVE YEAR CONSOLIDATED PLAN AND AMENDED 2016 ONE YEAR ACTION PLAN SETTING FIVE YEAR PROGRAM PRIORITIES AND PRIORITIES FOR THE USE OF AMENDED 2016 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN AN AMOUNT NOT TO EXCEED \$2,235,364 INCLUDING SECTION 108 LOAN FUNDS OF \$1,429,000 AUTHORIZING THE CITY MANAGER TO SUBMIT SAID ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the U. S. Department of Housing and Urban Development has provided the City of Texarkana, Texas, with Community Development Block Grant (CDBG) funds; and

WHEREAS, public review of the amended draft 2013-2017 Consolidated Plan and amended draft 2016 Action Plan became available February 20, 2017 and will continue through March 22, 2017; legal notice was published in the Texarkana Gazette and city website; and a public hearing was conducted on February 27, 2017 and March 13, 2017 to solicit public comments regarding the Amended 2013-2017 Consolidated Plan and Amended 2016 Action Plan; and

WHEREAS, the City Council has determined it to be appropriate to adopt the Amended 2013-2017 Consolidated Plan and the Amended 2016 Action Plan for the Community Development Block Grant Funds.

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

SECTION 1: That the Amended 2013-2017 Consolidated Plan and the Amended 2016 Action Plan for the Community Development Block Grant program utilizing CDBG funds in an amount not to exceed \$2,235,364 including Section 108 Loan Funds of \$1,429,000 is hereby accepted.

SECTION 2: That the City Manager is hereby authorized to submit said Amended 2013-2017 Consolidated Plan and the Amended 2016 Action Plan to the U. S. Department of Housing and Urban Development and is authorized to act in connection with the submission of the Amended 2013-2017 Consolidated Plan and the Amended 2016 Action Plan and to provide such additional information as may be required.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR



City of Texarkana, Texas 2013-2017 Consolidated Plan

(DRAFT AMENDMENT 2/15/2017)

2013 Action Plan

Citizen Participation Plan

A five-year strategy for the City of Texarkana, Texas, prepared in
accordance with the U.S. Department of Housing and Urban
Development's Consolidated Plan Requirements

Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

This Consolidated Plan is effective October 1, 2013 through September 30, 2017. The Consolidated Plan is required by the U.S. Department of Housing and Urban Development in order for the City of Texarkana, Texas to receive federal housing and community development funds under the Community Development Block Grant (CDBG) program.

The overall goals of the City's program have been created according to HUD's established objectives. They are designed to develop viable urban communities principally for low- and moderate-income persons with household incomes at or below 80% of Median Family Income by

- Providing decent housing;
- Providing a suitable living environment; and
- Expanding economic opportunities.

The statutes for the CDBG grant programs set forth three basic goals against which the plan and the jurisdiction's performance under the plan will be evaluated by HUD. Each jurisdiction's plan must state how it will pursue these goals for all community development programs, as well as all housing programs. These statutory program goals are:

DECENT HOUSING - - which includes:

- assisting homeless persons obtain affordable housing;
- assisting persons at risk of becoming homeless;
- retaining the affordable housing stock;
- increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and
- providing affordable housing that is accessible to job opportunities.

A SUITABLE LIVING ENVIRONMENT - - which includes:

- improving the safety and livability of neighborhoods;
- eliminating blighting influences and the deterioration of property and facilities;
- increasing access to quality public and private facilities and services;
- reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods;
- restoring and preserving properties of special historic, architectural, or aesthetic value; and
- conserving energy resources and use of renewable energy sources.

EXPANDED ECONOMIC OPPORTUNITIES - - which includes:

- job creation and retention;
- establishment, stabilization and expansion of small businesses (including micro-businesses);
- the provision of public services concerned with employment;
- the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan;
- availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices;
- access to capital and credit for development activities that promote the long-term economic and social viability of the community; and
- empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.



CPD Maps

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

Texarkana, Texas is experiencing changes in housing patterns, though many of the issues impacting safe and affordable housing remain. Texarkana's population increased by 4% when comparing the 2000 Census population to the population counts in the 2005-2009 American Community Survey. At the same time, median income rose by 28% from \$29,727 to \$38,037 and the number of households declined by 6% from 15,105 to 14,200. Families in Texarkana seem to be consolidating, relying on income from more individuals per household contributing income.

There are 14,200 households in Texarkana, Texas, a decrease of 6% from the time of the 2000 Census. The most common housing problems in Texarkana are cost burden problems where renters and owners have housing costs that exceed either the greater than 30% of household income or 30% of household income.

Renters characterized as Small Related Renter households with a cost burden exceeding 50% of income are statistically the household type most often affected by at least one housing problem.

Of the 14,200 households in Texarkana, 2,240 households have one or more Housing Problems with 1,735 households at the 0-30% range of Area Median Income having one or more Housing Problems. Of these, the group demonstrating disproportional need were Black/African American with 850 households with one or more of the Four Housing Problems. Fifty percent of households in this income category are Black/African American.

At the 30%-50% AMI range, White households have a disproportionately greater need with 705 households experiencing one or more of the Four Housing Problems. White households account for 54% of the total at this income level, with Black/African Americans representing 38%.

Accessible units, especially for the frail and elderly, are in high demand in the city among current and prospective public housing tenants. At any given time, there are between 50 and 60 accessible units. HATT has a 2% or lower vacancy rate. Units are filled almost immediately. No waiting list information is currently available.

HATT currently has 345 prospective tenants on the Low Rent Public Housing Waiting List. There are 787 households on the Section 8 Waiting List. Taken together, there are 1,132 qualified households on the waiting list for public housing or rental assistance, with little chance of receiving assistance as HATT has a 2% vacancy rate.

Two areas in Texarkana have emerged as priority areas for public improvements, the Beverly Community, and Downtown Texarkana. The Beverly Community is an area of minority concentration, extremely-low and low-income residents, as well as numerous substandard homes and facilities. Downtown and the 7th Street Corridor public improvements include significant Brownfields issues and environmental contamination, slum and blight, food desert status, roadways, adequate lighting, community gardens, storm water run-off, flood management, storm shelters, bike lanes/walking trails,

economic development, and shelter for the farmers' market, all public improvements requested by citizens of Texarkana.

3. Evaluation of past performance

Collaboration between the City and the Housing Authority of Texarkana, Texas (HATT) with funding of the Hope VI grant resulted in the remarkable transformation of the Rosehill Neighborhood and the state of Public Housing in this City. This collaboration between the City, HATT, neighborhood groups, the Homeless Coalition, and other service providers can serve as a model for transformation of other areas of the City. The key to this type of success is in working together to identify needs, solutions, funding, and community-oriented mechanisms for transformational change. The City expects to repeat this level of transformation in two new target areas, Downtown Texarkana and the Beverly Neighborhood, addressing concentrations of poverty and proliferation of Brownfields.

4. Summary of citizen participation process and consultation process

In preparation of the Consolidated plan, the City of Texarkana, Texas held several public meetings and conducted community surveys to solicit citizen and agency comments concerning the housing and community development needs of the community. Citizen comments were incorporated in the development of the City's 2013-2017 Consolidated Plan, Citizens Participation Plan, and 2013 Action Plan, which defines the use of the City's Community Development Block Grant (CDBG) funds.

Citizen participation began in November with several public town hall style meetings, hearings and public meetings before the council, and continued through community meetings, surveys and consultations with area service agencies and the Homeless Coalition.

11/14/2011 Public Hearing on the Amendment to the 2011 CDBG Action Plan

11/28/2011 Presentation of City of Texarkana Housing Authority 2010 Annual Report on HOPE VI Rosehill Neighborhood Revitalization Grant

12/19/2011 Public Hearing on the 2010 CDBG CAPER

1/26/2012 Brownfields Public Meeting

2/27/2012 Housing Reconstruction Program Status

6/25/2012 Public Hearing on Amendments to the CDBG for Fiscal Years 2010 and 2011 Action Plans

8/13/2012 Public Hearing on 2012 CDBG Action Plan. Opportunity for the public to comment on CDBG proposed expenditures for CDBG PY 2012

12/10/2012 Public Comment Hearing on 2012 CDBG Annual CAPER for the Annual Action Plan and accomplishments for the CDBG PY 2012

2/26/2013 TDHCA Home Program Public Meeting, Housing Authority HOPE VI Program and Habitat for Humanity

3/28/2013 Brownfields Public Meeting

6/10/2013 Availability of CDBG Economic Development Revolving Loan Funds

6/25/2013, The Oaks Community Meeting - afternoon

6/25/2013, The Oaks Community Meeting - evening

6/26/2013, The Southwest Center, Community Meeting - evening

6/27/2013, Pecan Ridge Community Meeting - morning

6/27/2013, Pecan Ridge Community Meeting - evening

7/8/2013, City Council Chambers Public Hearing Draft Available

8/12, 2013, City Council Chambers Public Hearing Submission

Public Comment Period: July 10 - August 11, 2013 (30 days)

2/27/2017 Public Hearing on Amendments to the CDBG 2016 Action Plan, 2013-2017 Consolidated Plan and announcement of Section 108 Loan Fund award approval

3/13/2017 Public Hearing on Amendments to the CDBG 2016 Action Plan, 2013-2017 Consolidated Plan and announcement of Section 108 Loan Fund award approval

Public Comment Period: February 20 – March 22, 2017 (30 days)

5. Summary of public comments

Consensus as to Texarkana's most urgent needs centered on assistance to the homeless, addressing economic development, slum and blight eradication, substandard housing, and Brownfields issues, and adoption of Target Areas for concentration of resources focused on the most pressing problems in the city.

6. Summary of comments or views not accepted and the reasons for not accepting them

There were no comments or views not accepted.

7. Summary

It should be noted that HUD has introduced a new database driven system for preparation of the Consolidated Plan and Annual Action Plan. Texarkana is part of the first group of CDBG recipient cities to use the new system. This new system should provide better integration for monitoring recipients' progress in meeting their goals. However, at this time, there are many bugs in the system including in the production of maps, graphs, and tables, as well as in how the final Plan document appears.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	TEXARKANA	

Table 1 – Responsible Agencies

Narrative

The City of Texarkana, Texas Office of Planning and Community Development is the Lead Agency in the preparation an implementation of this 2013-2017 Consolidated Plan which describes the City's five-year strategy for the City of Texarkana, Texas and is prepared in accordance with the U.S. Department of Housing and Urban Development's Consolidated Plan requirements. The City would like to express our appreciation to the individuals, agencies, departments and committees who participated in developing the City of Texarkana 2013-2017 Consolidated Plan.

Consolidated Plan Public Contact Information

David Orr, Director, Planning and Community Development
 City of Texarkana, Texas
 P.O. Box 1967
 Texarkana, Texas 75504-1967
 (903) 798-3902
 david.orr@txkusa.org

Texarkana, Texas City Council

P.O. Box 1967
 Texarkana, Texas 75504-1967
 (903) 798-3900

Mayor Bob Bruggeman
 City Manager John Whitson
 Ward 1 Council Member Jean H. Matlock
 Ward 2 Council Member Willie Ray

Ward 3 Council Member Tina Veal-Gooch
Ward 4 Council Member Brian Matthews
Ward 5 Council Member Christy P. Paddock
Ward 6 Council Member Josh Davis

PR-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of Texarkana, Texas' Consolidated Plan encompasses activities to be undertaken during the period of October 1, 2013 through September 30, 2017 by the City of Texarkana, an entity recognized by the U.S. Department of Housing and Urban Development (HUD) grant funding under the Community Development Block Grant (CDBG) program.

The Planning and Community Development Department works in conjunction with the City's Finance, Inspection, Public Works, Street, and Parks and Recreation Departments to oversee the development of the Consolidated Plan and administer the programs and activities incorporated in the Plan.

In preparation of the Consolidated plan, the City of Texarkana, Texas held several public meetings and conducted community surveys to solicit citizen and agency comments concerning the housing and community development needs of the community. Citizen comments were incorporated in the development of the City's 2013-2017 Consolidated Plan, Citizens Participation Plan, and 2013 Action Plan, which defines the use of the City's Community Development Block Grant (CDBG) funds.

Summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

Entities contacted for participation include, not limited to:

- Housing Authority of Texarkana, Texas (HATT)
- Randy Sams Homeless Shelter
- The Salvation Army, Texarkana, Arkansas
- The Friendship Center
- Texarkana Community College
- The Homeless Coalition of Texarkana (Continuum of Care)
- Domestic Violence Prevention of Texarkana, Inc.
- Texarkana Library
- Texarkana-Bowie County Family Health Center

Public/Community Meetings & Hearings

11/14/2011 Public Hearing on the Amendment to the 2011 CDBG Action Plan

11/28/2011 Presentation of City of Texarkana Housing Authority 2010 Annual Report on HOPE VI Rosehill Neighborhood Revitalization Grant

12/19/2011 Public Hearing on the 2010 CDBG CAPER

1/26/2012 Brownfields Public Meeting

2/27/2012 Housing Reconstruction Program Status

6/25/2012 Public Hearing on Amendments to the CDBG for Fiscal Years 2010 and 2011 Action Plans

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2/26/2013 TDHCA Home Program Public Meeting, Housing Authority HOPE VI Program and Habitat for Humanity

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6/10/2013 Availability of CDBG Economic Development Revolving Loan Funds

6/25/2013, The Oaks Community Meeting - afternoon & evening

6/26/2013, The Southwest Center, Community Meeting - evening

6/27/2013, Pecan Ridge Community Meeting - afternoon & evening

7/8/2013, City Council Chambers Public Hearing Draft Available

8/12, 2013, City Council Chambers Public Hearing Submission

Public Comment Period: July 10, August 11, 2013 (30 days)

2/27/2017 Public Hearing on Amendments to the CDBG 2016 Action Plan, 2013-2017 Consolidated Plan and announcement of Section 108 Loan Fund award approval

3/13/2017 Public Hearing on Amendments to the CDBG 2016 Action Plan, 2013-2017 Consolidated Plan and announcement of Section 108 Loan Fund award approval

Public Comment Period: February 20 – March 22, 2017 (30 days)

Interested parties were encouraged to attend these public meetings and hearings to present their opinions, views, and recommendations so that they could be incorporated into the development of these planning documents. Persons or groups were also advised that they could provide written

comments by sending them to the Department of Planning and Community Development, P.O. Box 1967 Texarkana, Texas 75504-1967.

Surveys were accepted from June 19, 2013 until July 6, 2013. Links to the surveys were posted on the City's website, advertised in flyers emailed to community organizations, the Continuum of Care, local churches, planning organizations, the Chamber of Commerce, and the Housing Authority.

Surveys:

- **Agency:** <https://www.surveymonkey.com/s/communitysurveyproviders>
- **Individuals:** <https://www.surveymonkey.com/s/conplancitizenssurvey>

All other written comments were received by July 6, 2013 for inclusion in the draft plan. Public comments on the draft: accepted from July 10, 2013 to August 11, 2013.

All other written comments were received by March 22, 2017 for inclusion in the amended plan. Public comments on the amended draft: accepted from February 20, 2017 to March 22, 2017.

Public Notices of the community meetings, public hearings, survey, and draft availability were posted at City Hall, on the City's website, and in the Texarkana Gazette. Newspaper notices ran a total of six times, two three consecutive days' cycles.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Texarkana Homeless Coalition serves as the area's Continuum of Care. The group reorganized in November of 2007 and has worked diligently to establish a strong network of service provider for the Texarkana, Texas and Texarkana, Arkansas region. They are trained by the Texas Homeless Network and consist of essential local and regional agencies' representative. Texarkana has been selected as one of three member city coalitions to implement a more coordinated and consolidated approach to Continuum activities. This "Coordinated Access" program will assist the Continuum of Care to provide better access to services through member agencies.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The City of Texarkana is an integral part of the Continuum of Care. The Randy Sams Homeless shelter is currently the only emergency homeless shelter for homeless persons in Texarkana, Texas. Randy Sams is also the only recipient of ESG funds in the city with a 2011 Supplemental Allocation of \$104,515 that will be fully spent by September 30, 2013. The City plans to assist Randy Sam Shelter in their next

application for ESG funds which will be used to improve conditions at the Shelter and assist the Friendship Center in providing services to the homeless population during the day. The Continuum worked with the City and Domestic Violence Prevention to develop the Doorways Home project that assists victims of domestic violence and homeless families and individuals to receive supportive housing through the SHP grant award. HMIS responsibilities are shared among homeless assistance providers in the city. HMIS is administered by the Texas Homeless Network and serves the Texarkana, Texas population. The most significant challenge faced by agencies, outside of funding, is the state line dividing both geography and agency services in the twin cities of Texarkana, Arkansas and Texas.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

1	Agency/Group/Organization	RANDY SAM'S OUTREACH SHELTER, INC.
	Agency/Group/Organization Type	Services-homeless Regional organization Planning organization Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation to the Homeless Coalition and regular interaction of the Homeless Coalition.
2	Agency/Group/Organization	RETIRED AND SENIOR VOLUNTEER CENTER
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homelessness Needs - Veterans Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation to the Homeless Coalition and regular interaction of the Homeless Coalition.

3	Agency/Group/Organization	SALVATION ARMY-TEXARKANA
	Agency/Group/Organization Type	Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation to the Homeless Coalition and regular interaction of the Homeless Coalition.
4	Agency/Group/Organization	Housing Authority of Texarkana, Texas
	Agency/Group/Organization Type	Housing Services-Children Services-homeless Housing Authority Neighborhood Organization

5	What section of the Plan was addressed by Consultation?	Housing Need Assessment Lead-based Paint Strategy Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs HOPWA Strategy Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation to the Homeless Coalition and regular interaction of the Homeless Coalition.
	Agency/Group/Organization	COMMUNITY HEALTHCORE (FORMERLY SABINE VALLEY)
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services-Employment Health Agency Child Welfare Agency Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation to the Homeless Coalition and regular interaction of the Homeless Coalition.

6	Agency/Group/Organization	Domestic Violence Prevention
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation to the Homeless Coalition and regular interaction of the Homeless Coalition.
7	Agency/Group/Organization	Terracon
	Agency/Group/Organization Type	Brownfields
	What section of the Plan was addressed by Consultation?	Brownfields
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation for Brownfields assessment, cleanup and job training.
8	Agency/Group/Organization	Keep Texarkana Beautiful
	Agency/Group/Organization Type	Beautification and Economic Development
	What section of the Plan was addressed by Consultation?	Economic Development Beautification
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation for beautification and economic development.
9	Agency/Group/Organization	Texarkana Texas Historic Committee
	Agency/Group/Organization Type	Historic preservation
	What section of the Plan was addressed by Consultation?	Historic Preservation

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation for historic preservation.
10	Agency/Group/Organization	Main Street Texarkana
	Agency/Group/Organization Type	Regional organization Business Leaders Civic Leaders Main Street Preservation
	What section of the Plan was addressed by Consultation?	Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Main Street Revitalization and Economic Development
11	Agency/Group/Organization	Texas Department of Housing and Community Affairs
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through housing reconstruction and first time home buyer programs.
12	Agency/Group/Organization	Workforce Solutions Northeast Texas
	Agency/Group/Organization Type	Services-Employment
	What section of the Plan was addressed by Consultation?	Employment Needs Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through job training opportunities from Brownfields.
13	Agency/Group/Organization	Texarkana College
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Education Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through area education analysis.
14	Agency/Group/Organization	Texarkana Chamber of Commerce
	Agency/Group/Organization Type	Housing Business Leaders
	What section of the Plan was addressed by Consultation?	Economic Development Market Analysis

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation of market studies and economic development options.
15	Agency/Group/Organization	Running WJ Ranch
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through persons with disabilities.
16	Agency/Group/Organization	ARK TEX COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Lead-based Paint Strategy Public Housing Needs Economic Development Market Analysis Environmental Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
17	Agency/Group/Organization	PINNACLE HOUSING GROUP
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation for housing through affordable apartment homes used as a stepping stone to home ownership.
18	Agency/Group/Organization	ERI CONSULTING
	Agency/Group/Organization Type	Environmental Consulting
	What section of the Plan was addressed by Consultation?	Environmental Consulting
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through environmental consulting.
19	Agency/Group/Organization	TEXARKANA HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing

	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through presentation of affordable housing.
20	Agency/Group/Organization	HALL SURVEYING AND ENGINEERING
	Agency/Group/Organization Type	Housing Surveys and Engineering
	What section of the Plan was addressed by Consultation?	Affordable Housing
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation through surveys and engineering for affordable housing projects.
21	Agency/Group/Organization	MCDONALD TRANSIT ASSOCIATION, INC
	Agency/Group/Organization Type	Transportation
	What section of the Plan was addressed by Consultation?	Transportation
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation for transportation needs assessment.
22	Agency/Group/Organization	TEXAS HISTORICAL COMMISSION
	Agency/Group/Organization Type	Historic Preservation
	What section of the Plan was addressed by Consultation?	Historic Preservation
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation for Historic Preservation
23	Agency/Group/Organization	TEXARKANA MUSUEM SYSTEMS
	Agency/Group/Organization Type	Historic Preservation
	What section of the Plan was addressed by Consultation?	Historic Preservation
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation for historic preservation.

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

No agency types were not consulted.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Homeless Coalition of Texarkana	Both plans analyze homeless needs and solutions.
PHA Consolidated 5 Year Plan	Housing Authority of Texarkana, Texas	Both plans address public housing needs.
MPO Texarkana Regional Transportation Plan	Metropolitan Planning Organization	Transportation planning for the region and city are essential components for creating desirable, livable communities.

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

The City of Texarkana, Texas enjoys a unique position in that it is a twin city to the City of Texarkana, Arkansas. The two cities share many things including infrastructure (roads, bridges, potable water systems, storm water systems, and sewage systems), planning organizations (MPO, Ark-Tex Council of Governments), health care agencies (Wadley Regional Medical System, Christus St. Michael Health System), economic development (Chamber of Commerce) and other non-profit and public welfare agencies (Randy Sams Homeless Shelter, Salvation Army, Harvest Texarkana, Volunteer Center, Literacy Council, unique bi-state Workforce Development efforts). Consequently, collaborative planning is a necessity for the City and common practice. These agencies provide continual collaboration with the City in all aspects of community planning, including this Consolidated Plan. Additionally, the City works closely with all applicable state agencies including, but not limited to, the Texas Homeless Network, Texas Department of Health and Human Services, Texas Department of Housing and Community Affairs, and the Texas commission on Environmental Quality.

Narrative (optional):

The Consolidated Plan was developed in consultation with a wide range of public and private entities, including governmental and non-profit organizations knowledgeable about the needs of the low and moderate-income residents of Texarkana, and private citizens interested in, or affected by, the housing and community development activities discussed in the Plan. These contacts were part of a continuous process conducted in order to involve the broader community in: assessing priority housing and community development needs; developing priorities, goals and objectives for addressing identified needs; and allocating available CDBG and other federal, state and local funding to activities that address priority needs.

The City of Texarkana, Texas seeks to improve coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies. The City participates in community-wide planning in consultation with area stakeholders through town hall meetings, public meetings, public hearings, and participation in the Continuum of Care/Homeless Coalition, the Metropolitan Planning Organization, Chamber of Commerce, and other planning groups.

PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

In preparation of the Consolidated plan, the City of Texarkana, Texas held several public meetings and conducted community surveys to solicit citizen comments concerning the housing and community development needs of the community. Citizen comments were incorporated in the development of the City's 2013-2017 Consolidated Plan, Citizens Participation Plan, and 2013 Action Plan, which defines the use of the City's Community Development Block Grant (CDBG) funds. Support for Target Areas was firmly established, as was the citizens desire to remove slum and blight, redevelop Downtown and Beverly Neighborhood, and pursue Economic Development Strategies.

Public/Community Meetings & Hearings

11/14/2011 Public Hearing on the Amendment to the 2011 CDBG Action Plan

11/28/2011 Presentation of City of Texarkana Housing Authority 2010 Annual Report on HOPE VI Rose Hill Neighborhood Revitalization Grant

12/19/2011 Public Hearing on the 2010 CDBG CAPER

1/26/2012 Brownfields Public Meeting

2/27/2012 Housing Reconstruction Program Status

6/25/2012 Public Hearing on Amendments to the CDBG for Fiscal Years 2010 and 2011 Action Plans

8/13/2012 Public Hearing on 2012 CDBG Action Plan. Opportunity for the public to comment on CDBG proposed expenditures for CDBG PY 2012

12/10/2012 Public Comment Hearing on 2012 CDBG Annual CAPER for the Annual Action Plan and accomplishments for the CDBG PY 2012

2/26/2013 TDHCA Home Program Public Meeting, Housing Authority HOPE VI Program and Habitat for Humanity

3/28/2013 Brownfields Public Meeting

6/10/2013 Availability of CDBG Economic Development Revolving Loan Funds

6/25/2013, The Oaks Community Meeting - afternoon

6/25/2013, The Oaks Community Meeting - evening

6/26/2013, The Southwest Center, Community Meeting - evening

6/27/2013, Pecan Ridge Community Meeting - morning

6/27/2013, Pecan Ridge Community Meeting - evening

7/8/2013, City Council Chambers Public Hearing Draft Available

8/12, 2013, City Council Chambers Public Hearing Submission

Public Comment Period: July 10, August 11, 2013 (30 days)

2/27/2017 Public Hearing on Amendments to the CDBG 2016 Action Plan, 2013-2017 Consolidated Plan and announcement of Section 108 Loan Fund award approval

3/13/2017 Public Hearing on Amendments to the CDBG 2016 Action Plan, 2013-2017 Consolidated Plan and announcement of Section 108 Loan Fund award approval

Public Comment Period: February 20 – March 22, 2017 (30 days)

Interested parties were encouraged to attend these public meetings and hearings to present their opinions, views, and recommendations so that they could be incorporated into the development of these planning documents. Persons or groups were also advised that they could provide written comments by sending them to the Department of Planning and Community Development, P.O. Box 1967 Texarkana, Texas 75504-1967.

Surveys were accepted from June 19, 2013 until July 6, 2013. Links to the surveys were posted on the City's website, advertised in flyers emailed to community organizations, the Continuum of Care, local churches, planning organizations, the Chamber of Commerce, and the Housing Authority.

Surveys: <https://www.surveymonkey.com/s/conplancitizenssurvey>

All other written comments were received by July 6, 2013 for inclusion in the draft plan. Public comments on the draft: accepted from July 10, 2013 to August 11, 2013.

All other written comments were received by March 22, 2017 for inclusion in the amended plan. Public comments on the amended draft: accepted from February 20, 2017 to March 22, 2017.

Public Notices of the community meetings, public hearings, survey, and draft availability were posted at City Hall, on the City's website, and in the Texarkana Gazette. Newspaper notices ran a total of six times, two three consecutive day cycles.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Attendance was significant at City Hall and Silver Moon meetings.	Support for Downtown Redevelopment and Beverly Neighborhood Revitalization firmly voiced.	No comments were rejected.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Attendance was poor at 5 community meetings in low income housing areas.	Comments provided via survey and aggregated with all responses. Expressed desire to see Downtown redeveloped.	No comments were rejected.	https://www.surveymonkey.com/s/conplancitizenssurvey
3	Internet Outreach	Minorities Persons with disabilities Non-targeted/broad community	Survey request emailed by agencies to their constituencies, church leaders, other agencies.	High priority: Neighborhood revitalization, cost of housing and homelessness	No comments were rejected.	https://www.surveymonkey.com/s/conplancitizenssurvey

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Good attendance. City Council approved CDBG Revolving Loan Fund.	No comments received.	No comments were rejected.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Good attendance.	City Council approved CDBG Local/Beverly Target Area. No other comments received.	No comments were rejected.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Good attendance.	City Council approved CDBG Local/Downtown Target Area. No other comments received.	No comments were rejected.	

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

This section of the Consolidated Plan provides information and analysis on:

- Housing Needs Assessment
- Disproportionally Greater Need
- Public Housing
- Homeless Needs Assessment
- Non-Homeless Special Needs Assessment
- Non-Housing Community Development Needs

Texarkana, Texas is experiencing changes in housing patterns, though many of the issues impacting safe and affordable housing remain. Texarkana's population increased by 4% when comparing the 2000 Census population to the population counts in the 2005-2009 American Community Survey. At the same time, median income rose by 28% from \$29,727 to \$38,037 and the number of households declined by 6% from 15,105 to 14,200. Families in Texarkana seem to be consolidating, relying on income from more individuals per household contributing income.

There are 14,200 households in Texarkana, Texas, a decrease of 6% from the time of the 2000 Census. The most common housing problems in Texarkana are cost burden problems where renters and owners have housing costs that exceed either the greater than 30% of household income or 30% of household income.

Renters characterized as Small Related Renter households with a cost burden exceeding 50% of income are statistically the household type most often affected by at least one housing problem.

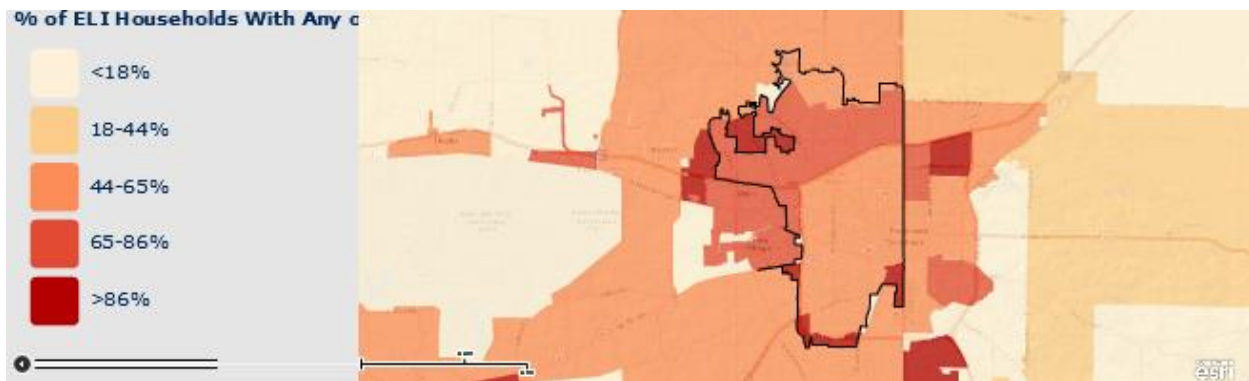
Of the 14,200 households in Texarkana, 2,240 households have one or more Housing Problems with 1,735 households at the 0-30% range of Area Median Income having one or more Housing Problems. Of these, the group demonstrating disproportional need were Black/African American with 850 households with one or more of the Four Housing Problems. Fifty percent of households in this income category are Black/African American.

At the 30%-50% AMI range, White households have a disproportionately greater need with 705 households experiencing one or more of the Four Housing Problems. White households account for 54% of the total at this income level, with Black/African Americans representing 38%.

Accessible units, especially for the frail and elderly, are in high demand in the city among current and prospective public housing tenants. At any given time, there are between 50 and 60 accessible units. HATT has a 2% or lower vacancy rate. Units are filled almost immediately. No waiting list information is currently available.

HATT currently has 345 prospective tenants on the Low Rent Public Housing Waiting List. There are 787 households on the Section 8 Waiting List. Taken together, there are 1,132 qualified households on the waiting list for public housing or rental assistance, with little chance of receiving assistance as HATT has a 2% vacancy rate.

Two areas in Texarkana have emerged as priority areas for public improvements, the Beverly Community, and Downtown Texarkana. The Beverly Community is an area of minority concentration, extremely-low and low-income residents, as well as numerous substandard homes and facilities. Downtown and the 7th Street Corridor necessary public improvements include significant Brownfields issues and environmental contamination, slum and blight, food desert status, roadways, adequate lighting, community gardens, storm water run-off, flood management, storm shelters, bike lanes, economic development, and shelter for the farmers' market, all public improvements requested by citizens of Texarkana, though some of these improvements are outside the scope of this plan. The Beverly Target area is in a CDBG Qualified Census Tract.



CPD Maps

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

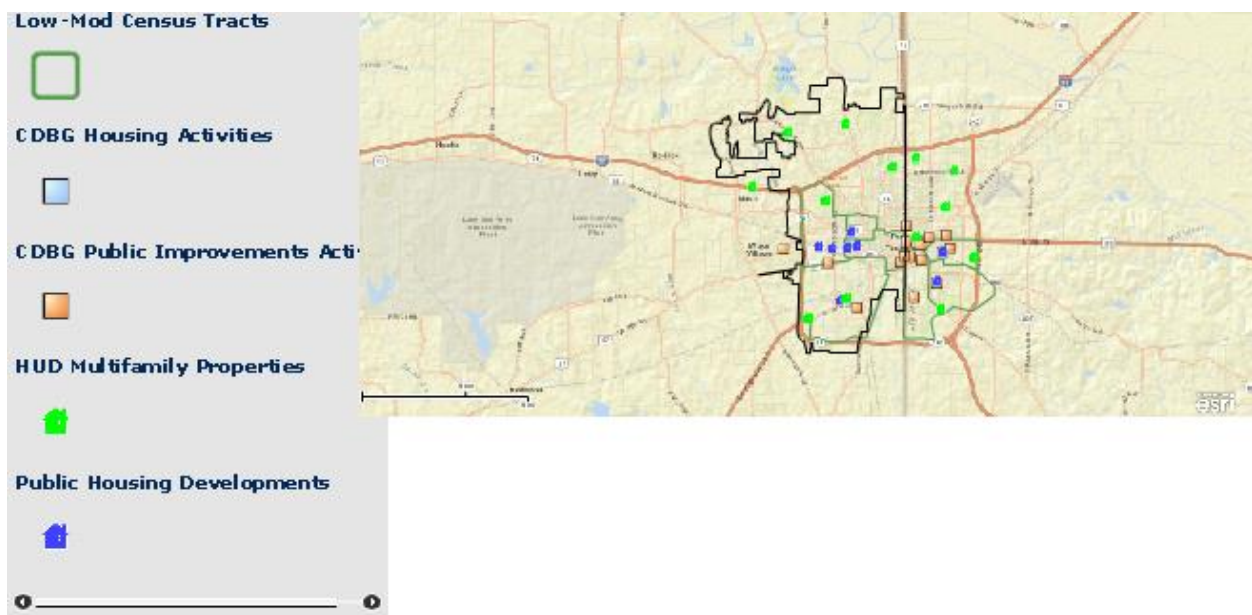
Summary of Housing Needs

Housing patterns in Texarkana, Texas are changing, though many of the issues impacting safe and affordable housing remain. Texarkana's population increased by 4% when comparing the 2000 Census population to the population counts in the 2005-2009 American Community Survey. At the same time, median income rose by 28% from \$29,727 to \$38,037 and the number of households declined by 6% from 15,105 to 14,200. Families in Texarkana seem to be consolidating, relying on income from more individuals per household contributing income.

Demographics	Base Year: 2000	Most Recent Year: 2009	% Change
Population	34,782	36,197	4%
Households	15,105	14,200	-6%
Median Income	\$29,727.00	\$38,037.00	28%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2005-2009 ACS (Most Recent Year)



CPD Maps

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	2,320	1,555	2,435	1,310	
Small Family Households *	770	620	945	3,935	
Large Family Households *	135	120	145	540	
Household contains at least one person 62-74 years of age	245	295	420	175	1,090
Household contains at least one person age 75 or older	235	260	310	200	650
Households with one or more children 6 years old or younger *	509	424	510	1,380	
* the highest income category for these family types is >80% HAMFI					

Table 6 - Total Households Table

Data 2005-2009 CHAS
Source:

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	100	55	10	15	180	0	0	0	0	0
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	0	15	25	85	125	0	0	0	0	0
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	10	30	25	0	65	20	15	0	10	45
Housing cost burden greater than 50% of income (and none of the above problems)	1,050	290	65	0	1,405	330	160	115	0	605

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Housing cost burden greater than 30% of income (and none of the above problems)	150	560	300	15	1,025	75	170	480	195	920
Zero/negative Income (and none of the above problems)	200	0	0	0	200	55	0	0	0	55

Table 7 – Housing Problems Table

Data 2005-2009 CHAS

Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	1,155	390	125	100	1,770	350	175	115	10	650
Having none of four housing problems	420	595	1,055	655	2,725	140	395	1,145	545	2,225
Household has negative income, but none of the other housing problems	200	0	0	0	200	55	0	0	0	55

Table 8 – Housing Problems 2

Data 2005-2009 CHAS

Source:

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	520	490	210	1,220	65	95	280	440
Large Related	115	50	10	175	20	30	45	95
Elderly	85	170	65	320	220	135	155	510
Other	575	215	105	895	115	64	115	294
Total need by income	1,295	925	390	2,610	420	324	595	1,339

Table 9 – Cost Burden > 30%

Data 2005-2009 CHAS
Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	465	155	0	620	65	40	25	130
Large Related	115	30	0	145	20	0	0	20
Elderly	60	115	15	190	165	55	50	270
Other	500	35	50	585	95	60	40	195
Total need by income	1,140	335	65	1,540	345	155	115	615

Table 10 – Cost Burden > 50%

Data 2005-2009 CHAS
Source:

5. Crowding (More than one person per room)

	Renter					Owner				
	0- 30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0- 30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	0	45	40	85	170	20	15	0	0	35

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Multiple, unrelated family households	10	0	10	0	20	0	0	0	10	10
Other, non-family households	0	0	0	0	0	0	0	0	0	0
Total need by income	10	45	50	85	190	20	15	0	10	45

Table 11 – Crowding Information – 1/2

Data 2005-2009 CHAS
Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	0	0	0	0	0	0	0	0

Table 12 – Crowding Information – 2/2

Data Source
Comments:

What are the most common housing problems?

There are 14,200 households in Texarkana, Texas, a decrease of 6% from the time of the 2000 Census. The most common housing problems in Texarkana are cost burden problems where renters and owners have housing costs that exceed either the greater than 30% of household income or 30% of household income.

One thousand four hundred and five renter households have a housing cost burden greater than 50% of income. Of those 1,050 household have income in the range of 0-30% of Area Median Income, with 290 households in the 31-50% of AMI, and 65 in the range of 51-80% of AMI. For home owners, the most common problem is in having a housing cost burden greater than 30% of Area Median Income with 75 in the range of 0-30% of Area Median Income, 170 households in the 31-50% of AMI, and 480 in the range of 51-80% of AMI and 195 in the 81-100% of AMI.

Taken together, the most common housing problem in Texarkana is a cost burden greater than 30% of income with 3,940 of renter and owner households at 80% or less of Area Median Income paying more than 30% of household income on housing.

Are any populations/household types more affected than others by these problems?

Renters characterized as Small Related Renter households, a household of at least one adult where the members of the household are related to one another, with a cost burden exceeding 50% of income are statistically the household type most often affected by at least one housing problem.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Low-income individuals and families with children, especially those who are extremely low-income, most frequently have one or more of the Four Housing Problems, or Four Severe Housing Problems. They are more likely to be elderly, a large family, unemployed, or have significant illness or disability in the household. In Texarkana, these at-risk households are more likely to be Black/African American. Formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance are in great peril of returning to a shelter at the termination of their assistance if they have not achieved long-term improvements in income levels or resolved the issues that originally led to the former homeless state. They are not eligible for additional assistance prior to an eviction as they are considered housed until that time. For the elderly, frail, disabled, and long-term unemployed, the risk of repeat homelessness is substantial.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

For individuals and families who do not meet the definition of "homeless" under any of the categories established in the Homeless Definition final rule, the McKinney-Vento Act was amended to allow homeless prevention assistance to be provided to persons who are "at risk of homelessness." The At Risk of Homelessness definition, and corresponding recordkeeping requirements, was published in the interim Emergency Solutions Grants program rule on December 5, 2011: <https://www.onecpd.info/resource/1975/criteria-for-definition-of-at-risk-of-homelessness/>

The City of Texarkana, Texas elected to not provide an official estimate for at-risk of homelessness. For planning purposes, the City uses the definition referenced below and relies on the estimates used by the Randy Sams Shelter. This figure is approximately

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

the Homeless Coalition, the Housing Authority of Texarkana, and the City of Texarkana, Texas use the standard definition of At-Risk of Homelessness: Under Category I: Individuals and Families published by HUD's One CPD,

https://www.onecpd.info/resources/documents/AtRiskofHomelessnessDefinition_Criteria.pdf:

An individual or family who: (i) Has an annual income below 30% of median family income for the area; AND (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; AND (iii) Meets one of the following conditions: (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR (B) Is living in the home of another because of economic hardship; OR (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR (E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR (F) Is exiting a publicly funded institution or system of care; OR (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipients approved Con Plan.

Discussion

A Homeless Management Information System (HMIS) is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Each Continuum of Care is responsible for selecting an HMIS software solution that complies with HUD's data collection, management, and reporting standards. <https://www.onecpd.info/hmis/> The City and local agencies rely on the HMIS system to identify persons and households in need without duplication of services or benefits. The City is working closely with the Housing Authority of Texarkana, the Continuum of Care/Homeless Coalition, and other agencies to improve coordination, access to the HMIS system, and the quality and quantity of data necessary to address the needs of at-risk populations, the homeless, and those with housing problems. Reliance on real-time and historic data allows the City and agencies to address needs in real time as well. Improvements in economic conditions, neighborhood infrastructure, removal of slum and blight conditions, and expansion of opportunities for suitable housing and livable communities are essential components of the City's approach to the needs identified here.

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The United States Department of Housing and Urban Development developed the Comprehensive Housing Affordability Strategy (CHAS) data and makes this data available to CDBG jurisdictions. The City of Texarkana, Texas relies on this data for analysis of housing needs, housing problems, and disproportional needs. The data provided in this section of the Consolidated Plan looks at how the four housing problems and four severe housing problems impact various strata of the City's demographic profile at various income levels.

The Four Housing Problems are: 1. Lacks complete kitchen facilities; 2. Lacks complete plumbing facilities; 3. More than one person per room; 4. Cost Burden greater than 30%.

The Four Severe Housing Problems are: 1. Lacks complete kitchen facilities; 2. Lacks complete plumbing facilities; 3. More than 1.5 persons per room; 4. Cost Burden greater than 50%.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,735	335	255
White	700	150	135
Black / African American	850	155	120
Asian	0	0	0
American Indian, Alaska Native	40	10	0
Pacific Islander	0	0	0
Hispanic	65	0	0

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data 2005-2009 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,295	265	0
White	705	190	0
Black / African American	490	50	0
Asian	0	0	0
American Indian, Alaska Native	4	0	0
Pacific Islander	0	0	0
Hispanic	75	10	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data 2005-2009 CHAS

Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,020	1,420	0
White	400	625	0
Black / African American	500	640	0
Asian	10	0	0
American Indian, Alaska Native	15	0	0
Pacific Islander	0	0	0
Hispanic	35	75	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data 2005-2009 CHAS

Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	315	995	0
White	175	585	0
Black / African American	45	305	0
Asian	0	0	0
American Indian, Alaska Native	0	15	0
Pacific Islander	0	0	0
Hispanic	0	70	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data 2005-2009 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

Housing Problems and Severe Housing Problems

Housing Problems: 1. Lacks complete kitchen facilities; 2. Lacks complete plumbing facilities; 3. More than one person per room; 4. Cost Burden greater than 30%.

The 2005-2009 CHAS data reported findings from a total of 14,200 households. Among these households, 2,240 households have one or more Housing Problems with 1,735 households at the 0-30% range of Area Median Income having one or more Housing Problems. Of these, the group demonstrating disproportional need were Black/African American with 850 households with one or more of the Four Housing Problems. Fifty percent of households in this income category are Black/African American as compared to 37.5% that are White.

At the 30%-50% AMI range, White households have a disproportionately greater need with 705 households experiencing one or more of the Four Housing Problems. White households account for 54% of the total at this income level, with Black/African Americans representing 38%. At 50%-80% of AMI, no group has a disproportionately greater need as there are less than ten percentage points separating the Black/African American group (49.02%) from the White group (39.2%).

Severe Housing Problems: 1. Lacks complete kitchen facilities; 2. Lacks complete plumbing facilities; 3. More than 1.5 persons per room; 4. Cost Burden greater than 50%.

African Americans experience a disproportionately greater need with 50.2 %, or 755 households out of 1,505 that experience one or more of the severe housing problems, compared to 37.5% of White respondent households. In the 30%-50% income range, only 8.8% separates White and Black/African American households, though White households with Severe Housing Problems in this income category out number Black/African American 285 households to 235 households out of 565 total households.

White households have a disproportionately greater need in the 50%-80% of AMI income range. Of the 240 households in this income range, 120 (50%) are White households and 95 (39.6%) are Black/African American.

Housing Cost Burdens

Housing Cost Burden is one of the Four Housing Problems, and provides an analysis tool to examine the percentage of income spent on housing. The CHAS data table above shows Housing Cost Burden by race/ethnicity and by percentage of income spent on housing. White households demonstrate disproportionately greater need at two Housing Burden ranges, 61.8% at the 30% or below of percentage of income spent on housing and 53.8% at 30%-50%. At the greater than 50% of income range, no group has a disproportional need, though 990 White households (44.5%) and 1,010 (45.4%) Black/African American households spend greater than 50% of their income on housing. Two thousand two hundred and twenty-five household spend greater than 50% of their income on housing.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

A disproportionately greater need exists when the members of racial or ethnic group at an income level experience housing problems at a greater rate (10% or more) than the income level as a whole. For example, at the 0% to 30% of Area Median Income, Black/African Americans at 49% of the total population have a disproportionately greater need than any other group at this income level.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,505	560	255
White	565	285	135
Black / African American	755	245	120
Asian	0	0	0
American Indian, Alaska Native	40	10	0
Pacific Islander	0	0	0
Hispanic	65	0	0

Table 17 – Severe Housing Problems 0 - 30% AMI

Data 2005-2009 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	565	990	0
White	285	615	0
Black / African American	235	305	0

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Asian	0	0	0
American Indian, Alaska Native	0	4	0
Pacific Islander	0	0	0
Hispanic	30	60	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data 2005-2009 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	240	2,200	0
White	120	900	0
Black / African American	95	1,050	0
Asian	0	10	0
American Indian, Alaska Native	15	0	0
Pacific Islander	0	0	0
Hispanic	10	105	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data 2005-2009 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	110	1,200	0
White	45	710	0
Black / African American	10	340	0
Asian	0	0	0
American Indian, Alaska Native	0	15	0
Pacific Islander	0	0	0
Hispanic	0	70	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data 2005-2009 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

At the 0% to 30% of Area Median Income, Black/African Americans have a Disproportionally Greater Need, with greater than a 10% difference between this group at 49% of the total number of households with one or more of the Four Housing Problems, as compared to the nearest group, White households representing 36% with one or more of the Four Housing Problems.

At the 30% to 50% of Area Median Income, there are no groups with greater than a 10% difference between them with one or more of the Four Housing Problems.

In the 50% to 80% of Area Median Income, White household have a Disproportionally Greater Need, with greater than a 10% difference between this group at 50% of the total number of households with one or more of the Four Housing Problems, as compared to the nearest group, Black/African American households representing 39% with one or more of the Four Housing Problems.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

This section examines Disproportionately Greater Need and Housing Cost Burdens. White households have a housing cost burden at less than 30% and at 30% to 50% of household income. African Americans have the housing cost burden at greater than 50%.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	9,435	2,285	2,225	255
White	5,830	1,230	990	135
Black / African American	2,850	865	1,010	120
Asian	75	10	10	0
American Indian, Alaska Native	40	4	40	0
Pacific Islander	0	0	0	0
Hispanic	455	75	80	0

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2005-2009 CHAS

Discussion:

Consideration of Housing Cost Burden is central to understanding housing stability and long term neighborhood sustainability. A Housing Cost Burden of greater than 30% means that a household will struggle to maintain housing, and pay for the necessities of life.

According to the National Alliance to End Homelessness:

The federal government has established a benchmark of 30 percent of income as the maximum amount a household should pay for housing. This level helps ensure that households can afford housing and other necessities such as food, health care and clothing. Evidence indicates that housing is much more stable when housing costs meet this standard. For example, households that receive Housing Choice Vouchers—which limit housing costs to 30 percent of income—have much lower rates of homelessness

and housing instability. However, many households do not become homeless even though they pay far more than 30 percent of their income for housing.

Income levels, health issue, and social supports also play significant roles in whether or not a household can maintain a home at greater than 30% of household income.

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

At 30% of AMI, Black/African American households have a disproportionately greater need. At 30% to 50%, White households have a disproportionately greater need. At 50% to 80% of AMI, Black/African Americans have a disproportionately greater need by .2 %.

If they have needs not identified above, what are those needs?

The needs are identified appropriately.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Low income neighborhoods in Texarkana are closely correlated with racial concentration and housing problems.

NA-35 Public Housing – 91.205(b)

Introduction

The City of Texarkana, Texas works closely with the Housing Authority of Texarkana, Texas to meet housing needs of low- and moderate-income residents and to revitalize distressed neighborhoods and communities within the City. This partnership resulted in a Hope VI grant and significant gains in safe and affordable housing in the Rose Hill Neighborhood. Three sub-standard public housing areas have now been successfully replaced with affordable rental and owner-occupied units.

Pecan Ridge, the second development phase of the HOPE VI grant, has been completed and fully leased. Pecan Ridge at Rose Hill also houses the Otis C. Williams Rose Hill Cultural Center, dedicated by The Temptations founder and native son, Otis C. Williams, and the Rose Hill Neighborhood Networks Center. Both facilities are located in the historically rehabilitated Administration Building of Stevens Courts, the public housing property formerly located on this site. The Cultural Center is museum that houses historic memorabilia and images of residents who previously lived in the Housing Authority properties and have gone on to personal and professional success. The Neighborhood Networks Center is a community technology center that provides access to computers, programs and services to connect to the technological world.

HATT also nearly completed construction on Rose Hill Ridge, the final phase of the HOPE VI Revitalization plan. As the first LEED multi-family property in Texarkana, HATT is striving for a Platinum certification, the highest LEED certification. 2012 also saw the first HOPE VI Homeownership home completed and sold to a new homeowner. Working with local builders, HATT is helping to revitalize the Rose Hill neighborhood by building high-quality custom homes at an affordable price on infill lots for families who typically have been priced out of the single-family market.

The Housing Authority is in the midst of an ambitious plan to not just revitalize the Rose Hill community, but to impact those neighborhoods and communities in Texarkana often left behind as development moves away from the core of the city. HATT's commitment extends not just to rebuilding the character and content of the historic Rose Hill neighborhood, but to strengthening Texarkana as a whole. The City expects to collaborate with the Housing Authority to continue pursuing opportunities to strengthen once thriving neighborhoods. The Beverly community, one of Texarkana's most distressed areas, has now been designated a Local CDBG Target Area and will be a primary focus for the City in the coming five years.

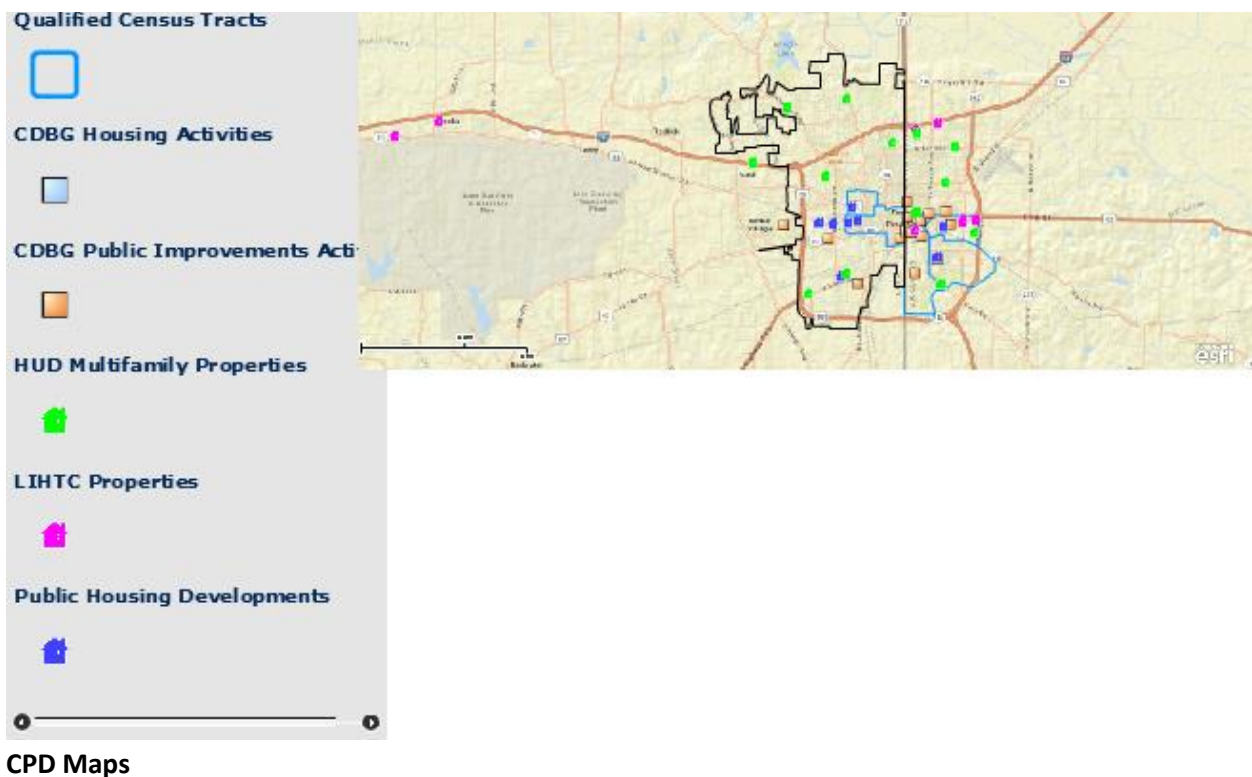
Totals in Use

	Certificate	Mod-Rehab	Public Housing	Program Type					
				Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	0	386	395	0	395	0	0	0

Table 22 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data PIC (PIH Information Center)
Source:



Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	0	9,506	11,601	0	11,601	0	0
Average length of stay	0	0	4	5	0	5	0	0
Average Household size	0	0	1	2	0	2	0	0
# Homeless at admission	0	0	0	3	0	3	0	0
# of Elderly Program Participants (>62)	0	0	92	53	0	53	0	0
# of Disabled Families	0	0	157	107	0	107	0	0
# of Families requesting accessibility features	0	0	386	395	0	395	0	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Certificate	Mod-Rehab	Public Housing	Program Type					
				Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	94	50	0	50	0	0	0
Black/African American	0	0	291	344	0	344	0	0	0
Asian	0	0	0	1	0	1	0	0	0
American Indian/Alaska Native	0	0	1	0	0	0	0	0	0
Pacific Islander	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Ethnicity	Certificate	Mod-Rehab	Public Housing	Program Type					
				Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	4	2	0	2	0	0	0
Not Hispanic	0	0	382	393	0	393	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Accessible units, especially for the frail and elderly, are in high demand in the city among current and prospective public housing tenants. At any given time, there are between 50 and 60 accessible units. HATT has a 2% or lower vacancy rate. Units are filled almost immediately. No waiting list information is currently available.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

HATT currently has 345 prospective tenants on the Low Rent Public Housing Waiting List. Of those on the waiting list 1 is low income, 1 is very low income and 343 are extremely low income. Twenty eight percent of those on the Low Rent Public Housing Waiting List are White, 71% are Black/African American and .29% are of Mixed Race.

There are 787 households on the Section 8 Waiting List. Of those on the waiting list, 9 are low income, 29 are very low income and 749 are extremely low income. Twenty Five percent of those on the Section 8 Waiting List are White, 74 percent are Black/African American and 1% are Mixed, Asian or Indian. No statistics for Hispanic families on the waiting list was available.

How do these needs compare to the housing needs of the population at large

When comparing the needs of those on the waiting list for public housing to the population at large, it is clear that the waiting list is not representative of the income or racial makeup of the general population. The income comparison shows that only a minute percentage of those qualified as low, or extremely low income actually get on the waiting list. Also, a higher percentage of Black/African Americans are on the waiting than are represented in the general population.

Discussion

HATT has made a commitment provide safe, decent affordable housing, and homes and communities where people want to live, working with the community to improve and strengthen neighborhoods and households, and the community's social and economic health. HATT credits the turn-around of the Rose Hill community to partnerships with the city, the community, neighbors, and our staff

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Every year HUD requires all Continua to collect data on homelessness at a single point-in-time during the last week in January. The Texas Homeless Network annually assists Texarkana's Continuum of Care through the Texarkana Homeless Coalition and other communities with their Point-in-Time homeless survey preparation and data analysis. The data that follows is a compilation of data collected on the day of January 24, 2013 by members of the Texarkana Homeless Coalition. One hundred sixty-four surveys were collected representing two hundred seven people, though this represents only a small portion of the number of homeless in Texarkana. Most of the information provided in this Homeless Needs Assessment comes from that Point-in-Time Survey. Other information was collected from homeless service providers, Randy Sams Shelter, The Salvation Army of Texarkana, and Domestic Violence Prevention of Texarkana through the Homeless Management Information Systems (HMIS) or from agency collaborations.

Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	3	33	300	300	250	330
Persons in Households with Only Children	0	0	0	0	0	0
Persons in Households with Only Adults	150	121	336	350	300	330
Chronically Homeless Individuals	10	50	88	75	50	330
Chronically Homeless Families	0	0	0	0	0	0
Veterans	5	15	36	0	10	330

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Unaccompanied Child	0	0	0	0	0	0
Persons with HIV	12	3	15	0	10	330

Table 26 - Homeless Needs Assessment

Data Source
Comments:

Indicate if the homeless population is: Has No Rural Homeless

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

The Continuum of Care estimates there are 366 people who are homeless each day in the city. The median length of homelessness is 10.5 months, with a range of one day to over forty years of homelessness. This significant range might skew the median length considerably, with 24.6% of those counted in the Point in Time Survey reporting chronic homelessness. Over 75% of those counted are not chronically homeless. Forty-nine percent of respondents reported their homelessness was their first time homeless in at least a three-year period, as compared to 22.4% that reported they had been homeless continuously for more than a year and 20.1% that had 2-3 episodes of homelessness in the past 3 years.

48.96 Average age of all participants
44.88 Median age of participants
67.7% Male
32.3% Female
10.9% Households with children
7.00 Median age of Children
24.6% Chronic Homelessness

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	74	0
Black or African American	83	0
Asian	2	0
American Indian or Alaska Native	5	0
Pacific Islander	0	0
Ethnicity:	Sheltered:	Unsheltered (optional)
Hispanic	3	0
Not Hispanic	138	0

Data Source
Comments:

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

In estimating the number and type of families in need of housing assistance for families with children and the families of veterans for the Consolidated Plan, the City relied on the estimates of the Homeless Coalition's estimates of the number of homeless families per day. If the percentage of homeless counted in survey remained consistent among the estimated 366 persons, approximately forty persons would be in families needing housing assistance or fourteen three-person families would need housing assistance to escape homelessness. Ten percent of the homeless population at any given time are veterans, though how many of those have families is not known at this time. Only 1% of the general population in the United States serves in the Armed Forces, but this group constitutes 10% or more of the homeless population leading to the conclusion that homeless prevention services for veterans and their families should have a higher priority than it does currently. Estimates of veterans with families and homelessness are difficult to obtain in Texarkana as the largest shelter, Randy Sams, provides services only to individuals. They report that families often divide up, with a second parent, and or children staying in the homes of others. The Salvation Army of Texarkana houses an average of fifty veterans per year, though how many of those have homeless families is also not known.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

The Point-in-Time survey revealed racial proportions in the homeless population that are similar to the city's demographic profile in general. White homeless constituted 45.1% of the homeless population, with 50.6% describing themselves as Black/African-American. Other racial and ethnic groups represented include 1.2% that are Asian American, 3.0% American Indian or Alaska Native, and 2.2% Hispanic/Latino.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Texarkana is a region of extreme temperatures and weather patterns. As such, Texarkana is less than ideal for those who find themselves homeless with or without shelter. The largest shelter in the region, Randy Sams, provides shelter for individuals. The building is a metal siding structure and provides shelter from rain and snow. However, the facility lacks adequate heat in winter and little respite from the heat of summer days. Additionally, there is no storm shelter and the facility is vulnerable to wind and tornados.

Discussion:

The vast majority of homeless counted in the point in time survey report unemployment (26.2%) and/or inability to pay rent or mortgage payments (22.4%) as the reason(s) for their homelessness. Additionally, 5.7% report that they became homeless when they moved to seek work. These economic factors must be considered in preparing strategies for preventing homelessness.

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

Many homeless and non-homeless persons need supportive housing and services to enable them to live independently and to avoid homelessness or institutionalization. This is particularly true for the elderly, persons with physical, mental or developmental disabilities, persons with HIV/AIDS, victims of domestic violence, parolees, veterans, teens living on their own, some who are leaving group homes or aging out of foster care, people transitioning from welfare to work, farm workers, non-English speakers, illiterate adults, and substance abusers.

The City recognizes services required by these special-needs populations often overlap the housing needs and supportive services for the homeless as identified and addressed throughout this Consolidated Plan.

Describe the characteristics of special needs populations in your community:

According to data collected from the Housing Authority of Texarkana, Texas, Opportunities, Inc., the Randy Sams' Homeless Shelter, the Texarkana Friendship Center, Community Health Core, Harvest Texarkana, The Salvation Army, area churches and other community service organizations, special needs populations share several key characteristics, they tend to be extremely low to moderate income, many reside in sub-standard housing, and tend to be at risk of homeless. No data is currently available for unmet needs for individuals who are physically or developmentally disabled as the region's MHMR services are at a transitional stage.

Identified needs of low-income individuals and families that fit this category include:

- Funding for owner-occupied housing rehabilitation and reconstruction
- Funding for architectural barrier removal
- Increase in transitional and supportive housing opportunities
- Funding for emergency housing repair
- Opportunities for low-income individuals to receive down payment and closing cost assistance
- Additional case management services through community supportive service organizations
- Additional tenant-based rental assistance
- Additional utility, grocery and rental assistance
- Additional medical services for the elderly and handicapped
- Owner-Occupied Housing Rehabilitation/Reconstruction
- Additional access to transportation assistance

What are the housing and supportive service needs of these populations and how are these needs determined?

Housing and supportive service needs in Texarkana, Texas include housing and supportive services for the elderly, frail elderly, individuals with severe mental illness, persons with alcohol and other drug addictions, victims of domestic violence and persons with HIV/AIDS. the City relied on data provided by the Housing Authority, local homeless shelters, supportive housing providers, and the Texas Department of Health and Human Services.

Other supportive housing needs include needs for victims of domestic violence, people with disabilities, the elderly and frail elderly, persons leaving incarceration, youths aging out of the foster care system, as well as persons with alcohol and drug addictions.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

HIV/AIDS cases in the area are lower than those of the larger metropolitan areas in Texas with 23 HIV/AIDS cases reported in 2011, for a rate of 15 cases per 100,000 population in Bowie County, less than half that of the Dallas/Fort Worth area in Texas. As is the trend in the state, the highest incidence of HIV/AIDS in the area is among Black/African American adult males. Only two individuals have found supportive housing opportunities through the SHP grant.

Discussion:

The City partners with many service agencies that provide support for non-homeless special needs populations. Most notably, the City assisted Domestic Violence Prevention, Texarkana, Inc. in application for a Supportive Housing Grant. Serving as the fiscal agent for the program, the City provides administrative support, access to the City's Financial Services Department, and collaboration with the City's CDBG program. Recognizing that special-needs often overlap with housing cost burdens, inadequate access to health care, and other burdens, the City actively works with partner agencies and the City's Family Health Services to address these needs. Additionally, consideration of these identified needs is integral to the City's planning for and implementation of the CDBG program and activities.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

Non-housing community development needs include the areas of public improvements, public services, economic development, and public facilities in either predominately low- to moderate-income areas or serving predominantly low-income individuals and households. Priority needs include support for the Texarkana, Texas - Bowie County Health Department facility and the Beverly Neighborhood Community Center.

How were these needs determined?

The City of Texarkana, Texas conducted community and agency surveys, public meetings, and town halls and solicited public and agency feedback on priority needs in the City. Respondents included most of the agencies taking active roles within the Continuum of Care as well as the Housing Authority of Texarkana, Texas. Additionally, the City consulted with neighborhood leaders, City Cabinet members, and the duly elected City Council members.

The current Beverly Neighborhood Community Center is operated by the City of Texarkana, Texas. The facility is used for after-school and summer programs for area youth, most of whom are minority and/or children and youth of extremely low- to moderate-income families. This facility is a metal building structure with no air conditioning, limiting its usefulness and desirability for community programs. Additionally, the City cannot expend federal funds for the facility as it is located on a flood plain.

Additionally, the Texarkana-Bowie County Family Health Center needs repairs and updates as determined by the City's inspections departments.

Describe the jurisdiction's need for Public Improvements:

Two areas in Texarkana have emerged as priority areas for public improvements, the Beverly Community, and Downtown Texarkana. The Beverly Community is an area of minority concentration, extremely-low and low-income residents, as well as numerous substandard homes and facilities. Streets are in disrepair, lack sidewalks and proper drainage, and would require substantial repairs to attract low-moderate income housing opportunities to replace the slum and blight conditions prevalent now. The neighborhood also houses the region's water treatment facility right next door to the only public

park, both of which are located on a one-hundred-year flood plain. Other public improvements identified include moving of the water treatment facility, develop of a walking trail system connecting neighborhoods and schools for safe routes. Downtown and the 7th Street Corridor public improvements include significant Brownfields issues and environmental contamination, slum and blight, food desert status, roadways, adequate lighting, community gardens, storm water run-off, flood management, storm shelters, bike lanes, economic development, and shelter for the farmers' market, all public improvements requested by citizens of Texarkana.

How were these needs determined?

The City of Texarkana, Texas conducted community and agency surveys, public meetings, and town halls and solicited public and agency feedback on priority needs in the City. Respondents included most of the agencies taking active roles within the Continuum of Care as well as the Housing Authority of Texarkana, Texas. Additionally, the City consulted with neighborhood leaders, City Cabinet members, and the duly elected City Council members.

Describe the jurisdiction's need for Public Services:

Public Services critical to the Texarkana community include job training and education for low to moderate income individuals, job creation and retention through collaboration with local business owners and Workforce Commission, support for small businesses, Brownfields redevelopment support, economic development, Section 108 loans program, facilitation of access to supportive services for extremely low, low, and moderate income populations in areas like mental health, substance abuse treatment, housing-related services, youth health and welfare programs and education, elder care, public health center support, and other social services endeavors.

How were these needs determined?

The City of Texarkana, Texas conducted community and agency surveys, public meetings, and town halls and solicited public and agency feedback on priority needs in the City. Respondents included most of the agencies taking active roles within the Continuum of Care as well as the Housing Authority of Texarkana, Texas. Additionally, the City consulted with neighborhood leaders, City Cabinet members, and the duly elected City Council members.

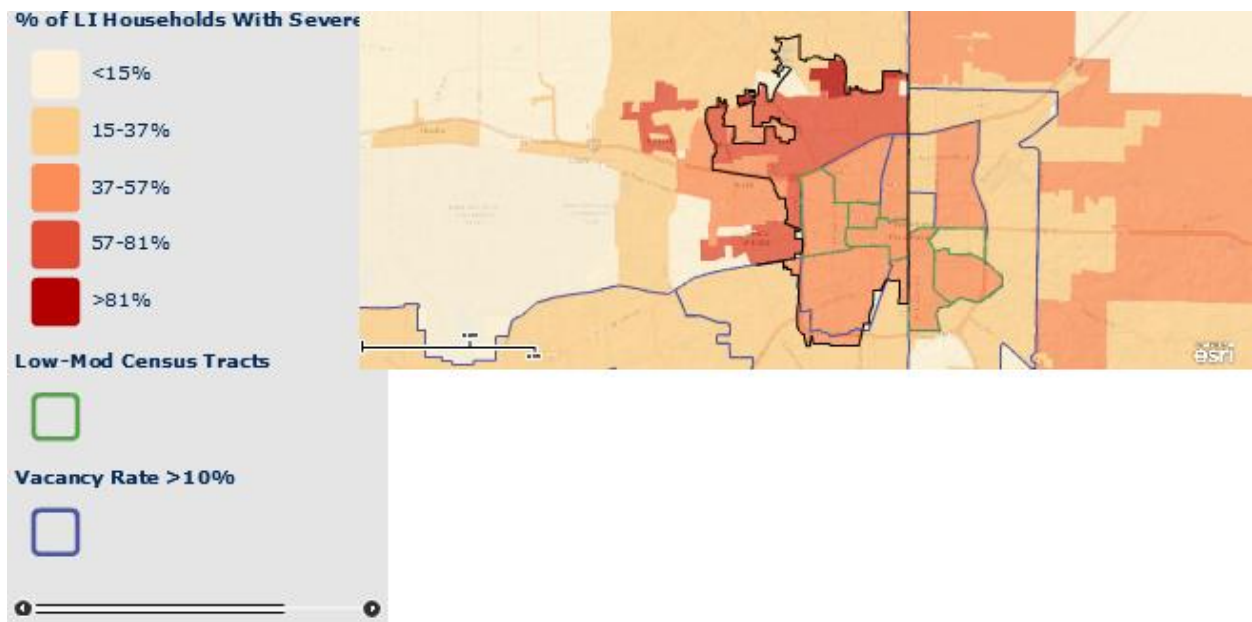
Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

An analysis of the housing market included examining the existing supply of housing (including condition, cost, supportive infrastructure, location, and other factors), the current supply of assisted housing for extremely low-, low-, and moderate-income families, and the existing facilities and services available to homeless and special needs subpopulations. In each area, a comparison between the type and level of need, and the existing supply available to meet that need, resulted in a determination of which need areas are experiencing the largest gaps and which groups are the least served in Texarkana today.

The City's market analysis was conducted using 2005-2009 American Community Survey data, Public Housing Authority data, data provided by the Texas A&M Real Estate Center Market Report 2012, Texarkana Chamber of Commerce Detailed Metro Summary Report, and data provided through local realtors.



CPD Maps

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

The lack of affordable, decent housing is a significant hardship for low-income households preventing them from meeting their other basic needs, such as nutrition and healthcare, or saving for their future and that of their families.

Housing Priority Needs have been prepared with American Community Survey data for the City of Texarkana, Texas.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	11,259	69%
1-unit, attached structure	200	1%
2-4 units	1,877	12%
5-19 units	1,691	10%
20 or more units	782	5%
Mobile Home, boat, RV, van, etc	406	3%
Total	16,215	100%

Table 27 – Residential Properties by Unit Number

Data Source: 2005-2009 ACS Data

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	39	1%	84	1%
1 bedroom	54	1%	1,377	21%
2 bedrooms	1,055	14%	2,952	44%
3 or more bedrooms	6,366	85%	2,273	34%
Total	7,514	101%	6,686	100%

Table 28 – Unit Size by Tenure

Data Source: 2005-2009 ACS Data

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

Small Related, large Related, and Elderly low and very low and low-income renters and very low and low-income owners demonstrate the highest needs for affordable housing. All other renter and owners

demonstrate a medium and low need. Based on the findings, the City has chosen to concentrate its efforts (priority) on the very low and low-income owners through the housing reconstruction program. The City is also working with developers and the PHA to bring in new affordable multifamily rental properties for the very low and low-income families needing rental housing. Increasing the number of rental housing units available for Large Families would also alleviate the gap between rental units available for these families and the rental unit supply.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

Three hundred and seventy-two public housing units have been lost in the past 5 years. These were replaced by new mixed unit communities as described in this report. Several Public Housing facilities will be lost in the coming five-year planning cycle as the cost of rehabilitating these pre-1980 units is prohibitive. These include accessible units that primarily serve the elderly and frail elderly that are low and very low income persons. All lost units will be replaced. No losses of units due to expiration of Section 8 contracts is anticipated.

Does the availability of housing units meet the needs of the population?

Substantial numbers of substandard housing units exist in Texarkana neighborhoods, reducing property values and investment and putting the residents. The number of housing units (16,215) exceeds the number of households (14,200) by 2015 units. With evidence of crowding, homelessness, and households reporting Housing Problems and Severe Housing Problems, the City concludes that the existing housing stock does not adequately address the needs of the population.

HATT currently has 345 households on the prospective tenants Low Rent Public Housing Waiting List, one of which is low income, 1 is very low income and 343 are extremely low income. Of those on this waiting list, 28% are White, 71% are Black/African American, with the remainder identifying as Mixed. There are 787 on HATT's Section 8 Waiting List. Nine of these households are low income, 29 are very low income and 749 are extremely low income. Of those on this waiting list, 25% are White, 74% are black, and 1% identify as Mixed, Asian, or Native American.

Describe the need for specific types of housing:

Housing needs include:

Reconstructed/rehabilitated owner-occupied housing in low-income neighborhoods; Additional affordable housing for low and moderate-income elderly, particularly minority elderly who are currently living in the oldest housing stock in Texarkana; Assistance for homeless persons to obtain affordable housing; Help for persons at risk of becoming homeless; Access to emergency rehabilitation funding; Facilitation toward retaining affordable housing stock; Availability of affordable permanent housing, particularly to disadvantaged minorities; Additional public housing units in Texarkana; Additional Section

8 rental assistance vouchers to serve the unmet needs in Texarkana; A variety of financing alternatives for affordable housing, including grants, forgivable loans, individual development accounts, other loans and Section 8 voucher purchase assistance; Education on Fair Housing Practices; Easy access to information on available resources to assist with the purchase a decent, affordable home and help with basic needs; Supportive housing for persons with special needs (including veterans, senior citizens, handicapped and HIV/AIDS) to live in dignity and independence; Decent, affordable housing that is accessible to job opportunities; Safe and livable neighborhoods; Removal of blighting influences and desolate properties and facilities; Revitalization and restoration of low-income deteriorating communities; Restoration and preservation of historical properties; Improved access and rehabilitation to public facilities; and Infrastructure improvements in low-income neighborhoods.

Discussion

The City intends to focus its housing efforts in the Beverly Community and in Downtown Texarkana in order to address both the needs for affordable housing and Brownfields redevelopment. The City will work with the Housing Authority and local lenders to qualify applicants for the Home Buyer Assistance Program to provide down payment assistance to two low/mod households. The Housing Rehabilitation Program will assist eight low/mod households with housing repairs to improve living conditions. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

Costs of home ownership and rental units, even in distressed neighborhoods, exceeds the ability to pay for many residents in the City. Median Home values increased by 42%, while median incomes rose by 38% (check number) in the same time period. Home values in Texarkana have been more stable than in many other parts of the country; but, household income has risen more as a result of consolidation of households rather than improve wages or opportunities.

Data sources for this Cost of Housing Analysis are the American Community Survey 2005-2009, The Texas A&M Real Estate Center Report, and the Chamber of Commerce's Detailed Report as well as through consultations with owners, renters, and developers in the city. the City does not receive HOME funds; consequently, no data is provided in Monthly Rent table below for those categories.

Cost of Housing

	Base Year: 2000	Most Recent Year: 2009	% Change
Median Home Value	64,300	91,500	42%
Median Contract Rent	377	463	23%

Table 29 – Cost of Housing

Data Source: 2000 Census (Base Year), 2005-2009 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	4,071	60.9%
\$500-999	2,426	36.3%
\$1,000-1,499	106	1.6%
\$1,500-1,999	55	0.8%
\$2,000 or more	28	0.4%
Total	6,686	100.0%

Table 30 - Rent Paid

Data Source: 2005-2009 ACS Data

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	580	No Data
50% HAMFI	1,410	955
80% HAMFI	3,155	1,349
100% HAMFI	No Data	2,454
Total	5,145	4,758

Table 31 – Housing Affordability

Data Source: 2005-2009 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	447	579	712	887	952
High HOME Rent	0	0	0	0	0
Low HOME Rent	0	0	0	0	0

Table 32 – Monthly Rent

Data Source Comments: FY 2013 Fair Market Rent Documentation System The Final FY 2013 Texarkana, TX-Texarkana, AR MSA FMRs for All Bedroom Sizes <http://www.huduser.org/>

Is there sufficient housing for households at all income levels?

There is not sufficient suitable housing for households at all income levels.

How is affordability of housing likely to change considering changes to home values and/or rents?

Housing affordability is likely to decrease as home values and rents continue to increase. In the poorest neighborhoods, more potentially owner-occupied homes will become lost inventory as the neighborhoods' desirability decreases along with property conditions.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

Fair Market Rents (FMRs) are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), and to serve as a rent ceiling in the HOME rental assistance program. The U.S. Department of Housing and Urban Development (HUD) annually estimates FMRs for 530 metropolitan areas and 2,045 nonmetropolitan county FMR areas. By law the final FMRs for use in any fiscal year must be published and available for use at the start of that fiscal year, on October 1.

Final FY 2013 FMRs By Unit Bedrooms

- Efficiency: \$447
- One-Bedroom: \$579
- Two-Bedroom: \$712

- Three-Bedroom: \$887
- Four-Bedroom:\$952

Area median contract rent of \$463 falls between the Fair Market Efficiency Rent and an One-Bedroom Rent, meaning that in Texarkana, the Fair Market Rental Rate is higher than contract rentals. Considering the fact that many, if not most, rentals are in housing stock built before 1980, it can be assumed that on the whole, preserving housing stock will result in maintaining lower contract rents; but could exacerbate the problems associated with older housing and distressed neighborhoods. Subsidies may be required to assist renters and owners to stay in affordable housing if contract rents rise in conjunction with home values.

Discussion

In Texarkana's Beverly Neighborhood, home values continue to decline, and the majority of affordable housing is in substandard condition. There are many homes, both renter and owner-occupied that can be rehabilitated. Where there are significant numbers of substandard, not candidates for rehabilitation, the City proposes to assist developers that are willing to develop affordable housing stock. The City will work with the Housing Authority and local lenders to qualify applicants for the Home Buyer Assistance Program to provide down payment assistance to two low/mod households. The Housing Rehabilitation Program will assist eight low/mod households with housing repairs to improve living conditions. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

This section of the Housing Market Analysis, Condition of Housing, describes the characteristics of the housing market in terms of supply, demand, condition, and the cost of housing; the housing stock available to serve persons with disabilities; and to serve persons with HIV/AIDS and their families.

Definitions

This jurisdiction defines "standard condition" as a structure that meets HUD's Housing Quality Standards (HQS) and all applicable state and local codes.

"Substandard condition" is a structure that does not meet HUD's Housing Quality Standards (HQS) and/or applicable state and local codes.

"Substandard condition but suitable for rehabilitation" is defined as a structure where costs for labor, materials, tools, and other costs of improving buildings, including repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing buildings; installation of security devices; and improvement through alterations or incidental additions to, or enhancement of, existing buildings, including improvements to increase the efficient use of energy in buildings, and structural changes necessary to make the structure accessible for persons with physical handicaps do not exceed 75% of the value of the building before conversion or where rehabilitation costs are less than 75 percent of the replacement cost of the building.

Housing units with 2 or more conditions as identified in the Conditions table, would automatically meet the substandard definition.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	1,844	25%	2,718	41%
With two selected Conditions	19	0%	158	2%
With three selected Conditions	0	0%	60	1%
With four selected Conditions	0	0%	0	0%
No selected Conditions	5,651	75%	3,750	56%
Total	7,514	100%	6,686	100%

Table 33 - Condition of Units

Data Source: 2005-2009 ACS Data

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	604	8%	1,037	16%
1980-1999	1,734	23%	1,474	22%
1950-1979	4,311	57%	3,336	50%
Before 1950	865	12%	839	13%
Total	7,514	100%	6,686	101%

Table 34 – Year Unit Built

Data Source: 2005-2009 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	5,176	69%	4,175	62%
Housing Units build before 1980 with children present	1,898	25%	833	12%

Table 35 – Risk of Lead-Based Paint

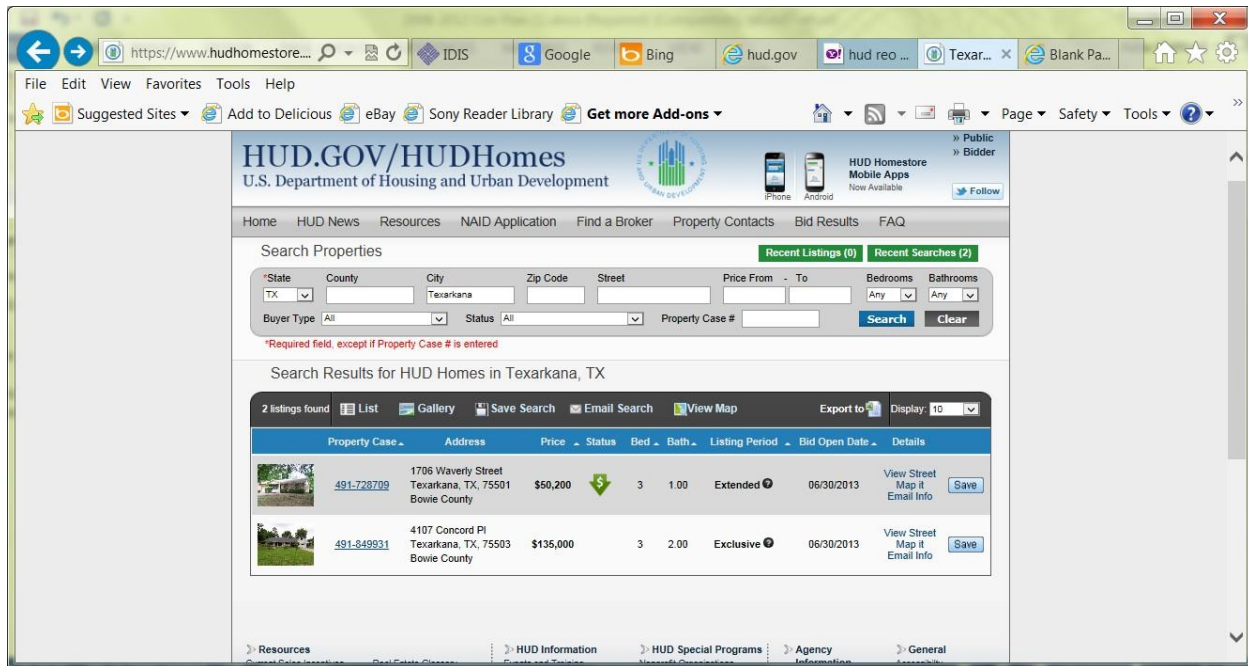
Data Source: 2005-2009 ACS (Total Units) 2005-2009 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 36 - Vacant Units

Data Source: 2005-2009 CHAS



REO Properties on HomeStore

Need for Owner and Rental Rehabilitation

Housing stock age can substantially impact the need for owner and rental rehabilitation. Based on the city's relatively high percentage of housing stock built prior to 1950, 12% for owner-occupied housing and 13% of renter-occupied housing as well as the conditions found in each category, the City assumes a substantial number of these homes would benefit from rehabilitation. However, as reported by the City's Environmental Services unit and Public Works/Inspections unit, many of these owner and renter-occupied units are not fit for human habitation and would not qualify for rehabilitation as the costs of rehabilitation would far exceed the 75% of value threshold. Few units built before 1980 were built to Section 504 Accessibility Standards or meet energy efficiency standards of today. With an aging population and more families consolidating across generations, the City concludes that providing rental rehabilitation to improve accessibility and improve affordability for families with a disabled or elderly family member would improve affordability and assist low and very low income families.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Based on the 2005-2009 ACS and 2005-2009 CHAS data presented here, 69% of owner occupied units and 62% of renter occupied units were built before 1980. Twenty-five percent of the owner-occupied units have children present and 12% of the rental unit also have children present.

Discussion

The Condition of Units table above shows the number of units, by owner or renter occupation, based on the number of "conditions" the unit has. These correspond to the "Housing Problems" in the Needs Assessment analysis. These conditions are: (1) lacks complete plumbing facilities; (2) lacks complete kitchen facilities; (3) more than 1 person per room; and (4) a cost burden greater than 30%. Data is from the American Community Survey 2005-2009. of the 7,514 owner-occupied units, 1,844 units have one or more condition with the remainder having no documented conditions. of the 6,686 renter-occupied units, 41% or 2,718 units have one condition, 158 units (2%) have 2 conditions, 60 units (1%) have 3 conditions.

The age of Texarkana's housing stock presents problems for owners, renters, and the City. Newer construction, units built in 1980 or later, tend to have fewer significant problems; 31% (2,338) of owner-occupied units fall into this category and, with slightly more newer units, renter-occupied units constitute 38% of the units (2,511). Properties built before 1980 constitute the bulk of Texarkana's housing stock with 5,176 (69%) owner-occupied units and 4,175 (63%) renter-occupied units.

The City will work with the Housing Authority and local lenders to qualify applicants for the Home Buyer Assistance Program to provide down payment assistance to two low/mod households. The Housing Rehabilitation Program will assist eight low/mod households with housing repairs to improve living conditions. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The Housing Authority of Texarkana, HATT, is the local Public Housing Authority. Their Five Year Plan is attached and is cross referenced here. Currently, the Housing Authority of the City of Texarkana, Texas (HATT) operates public housing in the City. The City reviewed the Housing Authority of Texarkana, Texas' 5-Year Plan and Annual Action Plan for a Certificate of Consistency with the City's 5-Year Consolidated Plan. As the City works to overcome obstacles and enhance coordination through improved communication and marketing, public housing and resident initiatives are positively impacted. HATT is a member of the Texarkana Homeless Coalition and is working with other housing providers and the City to identify housing options for homeless persons.

This section of the plan summarizes the needs of public housing, including:

- public housing develops in Texarkana;
- the number and physical condition of public housing units;
- restoration and revitalization needs of public housing;
- public housing waiting lists;
- compliance with Section 504 and accessibility of public housing stock.

PHYSICAL INSPECTION SCORES:

HUD's Real Estate Assessment Center conducts physical property inspections of properties that are owned, insured or subsidized by HUD, including public housing and multifamily assisted housing. About 20,000 such inspections are conducted each year to ensure that assisted families have housing that is decent, safe, sanitary and in good repair. The results provided by HUD represent the inspections conducted from 2001 through September 2009, before demolition of the Housing Authority's demolition of its most troubled properties. HATT has since removed those properties from inventory and has replaced them with new properties that would significantly improve their average inspections score. HATT used these scores to 1) better understand the physical condition of the HUD-assisted housing stock, as well as changes in the stock over time; 2) plan for future affordable housing needs.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	0	577	606	2	604	0	0	0
# of accessible units									

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 37 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

The City of Texarkana continues to work with the Housing Authority of the City of Texarkana, Texas (HATT) and a private development company in the development, planning and implementation of a large scale revitalization project in the Rose Hill Neighborhood. The City is also collaborating with HATT during the implementation of the HOPE VI grant award, which includes demolition of Covington Homes, Stephens Courts and Griff King Courts, three low income housing projects, and construction of multi-family and infill housing throughout the area.

- The Housing Authority has 6 different apartment and duplex complexes with 452 units throughout the city.
- The HOPE VI grant award to the PHA has resulted in the demolition of Covington Homes, a dilapidated PHA complex. In its place, The Oaks at Rosehill has been constructed and is now rented to capacity. The Oaks at Rosehill features 27 mixed-income units that contain 128 apartments, a fitness center and community center.
- The construction of the 124 unit Pecan Ridge began in July 2011 and opened in June 2012. The project is currently at capacity.
- The third outdated PHA complex, Griff King, was demolished following the completion of Pecan Ridge.
- The Texas Department of Housing and Community Affairs awarded Low Income Housing Tax Credits to assist in the financing of Rosehill Ridge in August 2011. Construction is currently underway and the project will be completed in September 2013.

- The Housing Authority in collaboration with the City is developing single family units for low and moderate income families. The Housing Authority will use HOPE VI funds to buy down the mortgages of these units to make them affordable.
- The City continues to assist the PHA in the acquisition of lots, demolition and clearance. Subsidized housing on the existing PHA site and the surrounding community is a part of the replacement housing.
- The project includes developing a community with commercial as well as residential opportunities throughout the area expanding beyond and eliminating the present boundaries of public housing. Rosehill Ridge will consist of 122 units, of which 32 will be public housing and 90 will be tax credit housing. This blending will encourage new development throughout the area giving new life to this depressed area.

Public Housing Condition

Public Housing Development	Average Inspection Score

Table 38 – Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

Under the Hope VI award, the city and HATT have made significant strides toward replacing pre-1950's public housing stock. Three Public Housing properties were demolished, making way for three new, much needed housing properties.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

Under the Hope VI grant, HATT provided extensive supportive housing services directly to public housing residents. The grant ends on September 30, 2013. HATT is transitioning to a referral-based system that will enable them to ensure public housing residents have sufficient access to necessary services provided by federal, state, local, and/or non-profit agencies. Services include access to educational resources like GED preparation and computer skills training through the Literacy Council, vocational and job training programs offered through Workforce Solutions, Texarkana Community College, and Texas A&M Texarkana, financial management skills training, child care, and other relevant support services.

Discussion:

Texarkana, Texas and the Housing Authority of Texarkana have made significant, meaning strides toward ensuring that extremely-low, low-, and moderate-income citizens have access to safe, affordable housing. While these gains are meaningful, the city's goals have not been fully realized. With the expiration of the Hope VI grant, the City and HATT will continue to work together to improve access to safe, affordable housing.

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

The section of the Consolidated Plan includes a brief inventory of facilities, housing, and services that meet the needs of homeless persons within the jurisdiction. Of special concern are the chronically homeless, both individuals and families, families with children, veterans and their children, unaccompanied youth, and victims of domestic violence and their families.

Facilities Available for the Homeless include:

- Randy Sams' Shelter for the Homeless (emergency shelter for 86 unaccompanied adults)
- Domestic Violence Prevention, Inc. (emergency shelter for 17 unaccompanied adults, transitional supportive housing for 60 family members and 14 unaccompanied adults)
- The Salvation Army, Texarkana, Arkansas (9 family rooms for up to 36 people and 25 beds for

Note: The Randy Sams' Outreach Shelter provides the only available beds for people who are chronically homeless in Texarkana, Texas. The Salvation Army Homeless Shelters for Families, and Unaccompanied Men are located in Texarkana, Arkansas. Their facility is list here because they are the only local provider of shelter for homeless families in the region. Crossing state lines for shelter is problematic for many homeless persons because assistance is usually tied to state of residence. Special Health Services of Texas provides some support for HIV/AIDS patients in the region. Community Health Core (formerly Sabine Valley Health) plans to provide supportive housing and permanent supportive housing to homeless veterans and their families as well as supportive housing for MHMR clientele.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	36	25	60	0	0
Households with Only Adults	139	0	14	0	0
Chronically Homeless Households	0	25	0	0	0
Veterans	0	0	0	0	0
Unaccompanied Youth	0	0	0	0	0

Table 39 - Facilities and Housing Targeted to Homeless Households

Data Source
Comments:

Data was derived from consultation with The Salvation Army, Texarkana, Randy Sam's Homeless Shelter, Domestic Violence Prevention, Texarkana, and Texarkana's Continuum of Care/Homeless Coalition.

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Mainstream services used to complement services targeted to the homeless population include the following:

Christus St. Michael Health Care System: general medical services / emergency care

Wadley Regional Medical Center: general medical services / emergency care

Bowie County Family Health Center: medical and family planning and counseling, WIC, confidential testing for STDs

Special Health Resources: free HIV/AIDS antibody testing, prevention/intervention; education/counseling, utility, prescription assistance

Friendship Center: hot meals, groceries, utilities, gasoline, lodging

Domestic Violence Prevention: emergency shelter, financial, family violence prevention, etc.

Randy Sams' Shelter for the Homeless: emergency shelter, meals, groceries, utility assistance

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Services and facilities that meet the needs of homeless persons, particularly homeless individuals and families, families with children, veterans and their families, and unaccompanied youth listed on SP-40 and MA35:

Christus St. Michael Health Care System: general medical services / emergency care

Wadley Regional Medical Center: general medical services / emergency care

Bowie County Family Health Center: medical and family planning and counseling, WIC, confidential testing for STDs

Special Health Resources: free HIV/AIDS antibody testing, prevention/intervention; education/counseling, utility, prescription assistance

Friendship Center: hot meals, groceries, utilities, gasoline, lodging

Domestic Violence Prevention: emergency shelter, financial, family violence prevention, etc.

Randy Sams' Shelter for the Homeless: emergency shelter, meals, groceries, utility assistance

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

The primary goal for serving special needs populations is to assist public and nonprofit agencies in expanding and enhancing their provision of housing and services to the elderly, disabled and dually/multiply diagnosed, persons with HIV/AIDS, victims of domestic violence, and persons with addictions. The City recognizes services required by special-needs populations often overlap the housing needs and supportive services for the homeless as identified and addressed throughout the Consolidated Plan.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

The elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents, and victims of domestic violence present a range of complex problems that put them at greater risk of severe income limitations and homelessness. These populations have a much more difficult time finding, securing, and maintaining adequate housing and necessary social services. The City serves as the fiscal agent for a Supportive Housing Grant administered by Domestic Violence Prevention of Texarkana. DVP provides supportive housing to 60 family members and 14 individuals without families. Of these residents, one head-of-household is a veteran, 2 are HIV/Aids positive, and 2 are classified as chronically homeless. The City acts as fiscal agent and sponsor of the Supportive Housing Grant (SHP) administered through Domestic Violence Prevention in Texarkana. The City meets the needs of these residents by providing case management, counselling, life skills training, and child care assistance for job seekers, and

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

At this time, there are no programs which ensure that persons returning from mental and physical health institutions receive appropriate supportive housing, though local institutions attempt to assist these populations in connecting to appropriate social service organizations that may be able to assist them in procuring supportive housing. The only existing supportive housing program in **Texarkana at this time, ...** The City is developing a supportive partnership with Community Health Core, a non-profit providing MHMR services in the Northeast Texas region will be providing services in Texarkana. They intend to expand MHMR services in Texarkana to provide supportive housing particularly to veterans utilizing their mental health care services.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The City intends to continue partnering with Domestic Violence Prevention, Inc to provide supportive housing to victims of domestic violence and their families. The City will re-apply for the SHP grant as appropriate to continue these services.

The City will support programs sponsored by HATT to provide services to low-income persons with special needs, especially the elderly and frail elderly.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

The priorities for Texarkana in addressing the needs of these population groups include:

- To assist public and nonprofit agencies in providing housing and supportive services to the elderly and frail elderly;
- To assist public and nonprofit agencies in providing housing and supportive services to homeless persons and those “at-risk” of homelessness.
- To assist the Texarkana Homeless Coalition and those agencies that are part of the coalition, serving special needs populations.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

There are many factors that affect the cost and production or maintenance of housing affordable to extremely low-, low-, and moderate-income families (at or below 80% of Median Family Income (MFI)). An analysis of these factors has aided the City in developing programs that reduce the adverse effects of these constraints on the supply and cost of housing.

Most of the City of Texarkana's policies were enacted to protect and further the public welfare. For instance, building codes and subdivision standards are required by law for the protection and general welfare of the community. Development impact fees are recovered from the developer to assure that the public costs of new developments are paid by that development. While recognizing the changing need of public policies, the City will review them periodically to determine whether they have become excessive or represent an unnecessary constraint on the development or maintenance of affordable housing.

The City of Texarkana, Texas has not identified any public policies that serve as barriers to affordable housing, and therefore did not need to develop strategies to remove or lessen negative effects that serve as barriers to affordable housing. However, the City has identified the following other barriers to affordable housing:

- Substantial down payments required to purchase new or existing homes;
- Availability of credit to low and moderate income persons with credit problems;
- Availability of decent affordable single-family units and affordable rental properties.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

In this section of the Consolidated Plan, the City considers Non-Housing Community Development Assets, the priority non-housing community development needs that are eligible for assistance through the CDBG program, especially economic development needs using data on Texarkana's economic conditions, the local workforce, and needs of local businesses. Data is derived from the 2005-2009 American Community Survey (ACS) and the 2010 ESRI Business Analyst Package and the Bureau of Labor Statistics (BLS).

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	135	29	1	0	-1
Arts, Entertainment, Accommodations	1,585	1,545	11	10	-1
Construction	749	455	5	3	-2
Education and Health Care Services	3,997	4,699	27	30	3
Finance, Insurance, and Real Estate	654	1,360	4	9	5
Information	181	195	1	1	0
Manufacturing	1,237	690	8	4	-4
Other Services	1,054	1,059	7	7	0
Professional, Scientific, Management Services	1,210	527	8	3	-5
Public Administration	811	780	5	5	0
Retail Trade	2,088	2,736	14	18	4
Transportation and Warehousing	782	299	5	2	-3
Wholesale Trade	587	1,074	4	7	3
Total	15,070	15,448	--	--	--

Table 40 - Business Activity

Data 2005-2009 ACS (Workers), 2010 ESRI Business Analyst Package (Jobs)

Source:

Labor Force

Total Population in the Civilian Labor Force	17,087
Civilian Employed Population 16 years and over	15,070
Unemployment Rate	11.80
Unemployment Rate for Ages 16-24	46.06

Unemployment Rate for Ages 25-65	5.69
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Table 41 - Labor Force

Data Source: 2005-2009 ACS Data

Occupations by Sector	Number of People
Management, business and financial	5,225
Farming, fisheries and forestry occupations	12
Service	2,978
Sales and office	3,798
Construction, extraction, maintenance and repair	1,214
Production, transportation and material moving	1,843

Table 42 – Occupations by Sector

Data Source: 2005-2009 ACS Data

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	12,667	88%
30-59 Minutes	1,417	10%
60 or More Minutes	330	2%
Total	14,414	100%

Table 43 - Travel Time

Data Source: 2005-2009 ACS Data

Education:**Educational Attainment by Employment Status (Population 16 and Older)**

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	1,045	229	1,449
High school graduate (includes equivalency)	3,312	362	1,683
Some college or Associate's degree	4,666	375	1,057
Bachelor's degree or higher	3,334	82	673

Table 44 - Educational Attainment by Employment Status

Data Source: 2005-2009 ACS Data

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	146	236	148	208	500
9th to 12th grade, no diploma	534	551	702	878	551
High school graduate, GED, or alternative	1,744	1,775	1,216	2,379	1,674
Some college, no degree	1,412	1,517	1,308	1,943	978
Associate's degree	213	273	508	656	155
Bachelor's degree	130	660	705	1,212	584
Graduate or professional degree	46	186	474	873	394

Table 45 - Educational Attainment by Age

Data Source: 2005-2009 ACS Data

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	13,852
High school graduate (includes equivalency)	20,061
Some college or Associate's degree	29,470
Bachelor's degree	42,744
Graduate or professional degree	56,842

Table 46 – Median Earnings in the Past 12 Months

Data Source: 2005-2009 ACS Data

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

Education and Health Care Services constitute the bulk of jobs in Texarkana with 4,699 jobs, 1,963 more jobs (30% share) than the second highest sector, Retail Trade, at 2,736 jobs (18%). Agriculture, Mining, Oil, and Gas Extraction reports the fewest jobs with 29 jobs in the area. Professional, Scientific, and Management Services has the highest percentage of oversupply of workers with 1,210 workers and only 527 jobs reported.

Describe the workforce and infrastructure needs of the business community:

Significant numbers of workers have either no high school diploma/GED or no Bachelor's degree. This segment of the population also earns substantially less than their counterparts with degrees. Persons with less than a high school diploma earn \$13,852 per year, 24% of earnings with a graduate degree at \$56,842, and 32% of a bachelor's degree (42,744). Earning with a high school diploma jump to \$20,061

and \$29,061 with some college or an associate's degree. This significant difference between some college and no high school equivalency strongly points to the importance of supporting high school retention programs and workforce development programs. Seven thousand and fifty-five residents between the ages of 18 and 44 years old fall into the category of high school equivalency or less education. Designing workforce programs that target wage earners in this demographic has the greatest potential to impact the earning potential of individuals and families earning less than moderate incomes. Workforce needs also include the need for skilled trade workers, workers with certifications for environmental assessment and cleanup, workers with computer skills, workers with office work training and certifications. Workers with improved math, science, and communication skills are also in demand.

Economic development professionals in Texarkana, Texas report that the leading reason for losing potential business relocations is that the local workforce does not have the requisite education or skills for their needs.

Infrastructure needs reported by the business community include improvements to downtown, city gateway areas, safety and security like street lights and sidewalks, assistance with environmental contamination assessment and cleanup in redevelopment areas, facade improvements downtown, and incentive packages for consolidation of larger parcels of land.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The City's Brownfields redevelopment efforts downtown, in the 7th Street Corridor, in the Rosehill community and in the Beverly neighborhood all have either already begun or will have significant positive economic impacts on the city and in these communities. The Hope VI award of \$21 million has attracted approximately \$80 million dollars in other private and public investments. The City's Brownfields redevelopment initiative has brought the city \$400,000 for brownfields assessment, \$400,000 to assess and clean up a dangerous derelict building next door to a \$4 million private investment, and \$900,000 for an EPA Brownfields revolving loan fund. A private developer interested in bringing low-moderate income housing to downtown by redevelopment of the Grimm Hotel property estimates that every dollar spent on downtown redevelopment equals approximately \$1.75 in local revenue generation. The Texarkana area have lost approximately 3,000 jobs as a result of loss of manufacturing and shut-downs at Red River Army Depot. Potentially off-setting job losses in the defense industry and local manufacturing, Tex-Americas Center has secured funding to assess and cleanup 20,000 acres and over 500 buildings vacated by the U.S. Army in the Base Re-Alignment and Closure Process. This will mean expanded remediation work for local workers and expansion of economic opportunities in years to come.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

The areas of highest job surpluses are the Education/Healthcare, Finance/Insurance/Real Estate and the Retail sectors all of which are areas where some college through graduate degrees would be of benefit to job seekers. Economic developers, Workforce Development, and the local P-16 Council all recommend expanding access to GED preparation and testing, high school retention programs, vocational training, and college education as essential to expanding economic opportunities for a workforce ill-prepared for today's employer needs.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

Texarkana's Workforce training initiatives include an EPA Job Training Grant that has been used to provide forty five unemployed persons with certification required for Environmental Technicians. The City re-applied to train an additional 40 workers. As of the writing of this planning document, the EPA had not yet announced awards. Workforce Development has several workforce training initiatives including some re-training for workers that have lost their jobs due to mass lay-offs. Texarkana Community College offers workforce training in industrial arts, construction, culinary arts, and for electricians. These efforts support the goals of this Consolidated Plan as increasing the skills and certifications of the local workforce can raise incomes, reducing homelessness and improving families' ability to secure housing at all income levels.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

Yes

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

Ark-Tex Council of Governments leads the Comprehensive Economic Development Strategy (CEDS) process in this region. The Comprehensive Economic Development Strategy is a survey conducted on the economic state of the North East Texas Economic Development District (NETEDD) as mandated by the EDA. This survey addresses the strengths and weaknesses of NETEDD, which consists of eleven counties encompassing over 6,500 square miles which is home to approximately 293,000 people. The survey is completed with input from individuals from all over the NETEDD region including, but not limited to, economic development managers, city managers, chambers of commerce, representatives from housing, education, and health, political and public advocates, and other interested parties. The CEDS is

conducted every five years to assess the economic progress made in the region and to set new economic goals for the region. The most recent CEDS Report was completed in 2008. ATCOG is in the process of completing a new plan.

Discussion

The tables above show labor market and education statistics relevant to the community development planning process. Texarkana has 17,087 people in the Civilian Labor Force, which includes the number of employed persons (15,070) plus those actively looking for work. Business Activity, as noted in the data table below, indicates an over-supply of workers for available jobs in six of the thirteen sectors identified, with four categories indicating a shortage of workers. Education and Health Care Services, Finance, Insurance, and Real Estate, Retail Trade, and Wholesale Trade show room for growth in the labor market. Jobs (15,448) exceed workers (15,070) with 378 jobs going unfilled. The unemployment rate shown in the table, 11.8%, is now considerably lower, at approximately 7.8%. Considering the region has lost approximately 3,000 jobs from the region in the past three years, it is believed that the number of persons who have stopped looking for work account for apparent decreases in the unemployment rate as these individuals are not counted as part of the labor force. Unemployment for younger workers, those between the ages of 16 and 24 presents the most troubling number at 46.06%.

The majority of workers are employed in the Management, Business, and Financial sector of the local economy, with 5,225 workers and the Sales and Office sector with 3,798 workers. Service accounts for 2,978 workers, Production, Transportation, and Material Moving has 1,843 workers and Construction, extraction, maintenance and Repair accounts for 1,214 workers. Farming, Fisheries, and Forestry only accounts for 12 workers in Texarkana.

Travel time to and from work is still manageable for workers in the area with the vast majority, 88%, commuting less than 30 minutes per trip to or from work.

Educational attainment is the greatest demographic indicator for potential income; those with less than a high school diploma or only a high school diploma/GED earn substantially less than workers with some college through graduate degrees at every age.

Support for economic development is crucial to improve the numbers of available jobs for residents of Texarkana, Texas.

The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available as well as seventy-two fair market units. This project will also bring new jobs to the downtown area.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Texarkana has many safe, affordable, and livable neighborhoods. However, some areas of the city have increasingly become areas where housing and social problems are concentrated, areas where poverty and lack of decent housing exacerbate other social issues. These are areas where with multiple housing problems and a concentration of abandoned, substandard housing are havens for criminal activity, depriving decent citizens of peace of mind and property value. Concentration is here defined as 44 percent or more of the housing stock in an area of 2 or more adjacent block groups with households experiencing more than one of the Four Housing Problems. (Lacking complete kitchens, lacking complete plumbing, more than one person per room, and/or paying 305 or more of household income for housing.)

The Beverly Community in Texarkana, Texas has significant housing and poverty issues. As such, the City has designated the Beverly Neighborhood as a priority local Target Area. The map below shows the city's area of concentration of housing problems by census tracts. Also of note, the downtown area has few affordable housing opportunities for people wanting to live in the downtown area. Many of the residential structures in the Downtown - 7th Street Corridor are substandard or substandard with significant rehabilitation potential.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Area of Low and Moderate Income Concentration: An area consisting of one or more adjacent block groups in which 44 percent or more of total persons are considered low or moderate income according to definitions and figures provided by HUD as shown on the CPD maps below.

Area of Minority Concentration: An area consisting of one or more adjacent block groups in which 44 percent or more of total persons are classified as "minority." HCHCDA defines minority to include all ethnic groups other than Non-Hispanic Whites as shown on the CPD maps below.

Many communities in Texarkana provide safe, decent, affordable housing for residents of all strata of racial and ethnic minorities. However, in areas of minority and/or low-income concentration, housing values are generally much lower than the city as a whole, crime rates are higher, and there are fewer opportunities for employment. Both the Beverly neighborhood and downtown are prime examples of areas where minority and low income concentration pose significant challenges to redevelopment and the goal associated with providing safe, suitable, livable communities for everyone.

What are the characteristics of the market in these areas/neighborhoods?

The City's designation of the Beverly Neighborhood as a local Target Community is based on the concentrations of poverty, minorities, abandoned and/or substandard housing, and high numbers of households with one or more of the Four Housing Problems or Four Severe Housing Problems. In many ways, Beverly is similar to other neighborhoods in Texarkana, in that these social and market factors have depressed the neighborhoods making them unattractive to developers. These neighborhoods cost the city in lost property taxes and increase police, fire, and environmental services. Estimates of the number of abandoned, substandard properties suggest that one in six homes have been boarded up in the Beverly community.

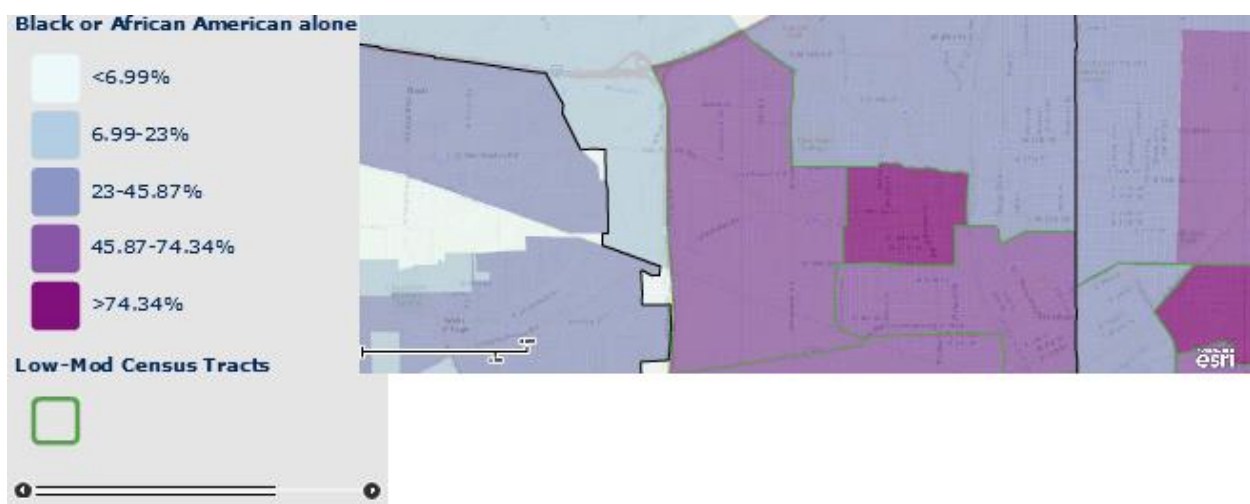
Are there any community assets in these areas/neighborhoods?

The City has an extensive network of parks, schools, churches, shopping, and social service organizations located throughout the city. The City's partnership with the T-Line public transportation system has resulted in transportation availability in most neighborhood in the city.

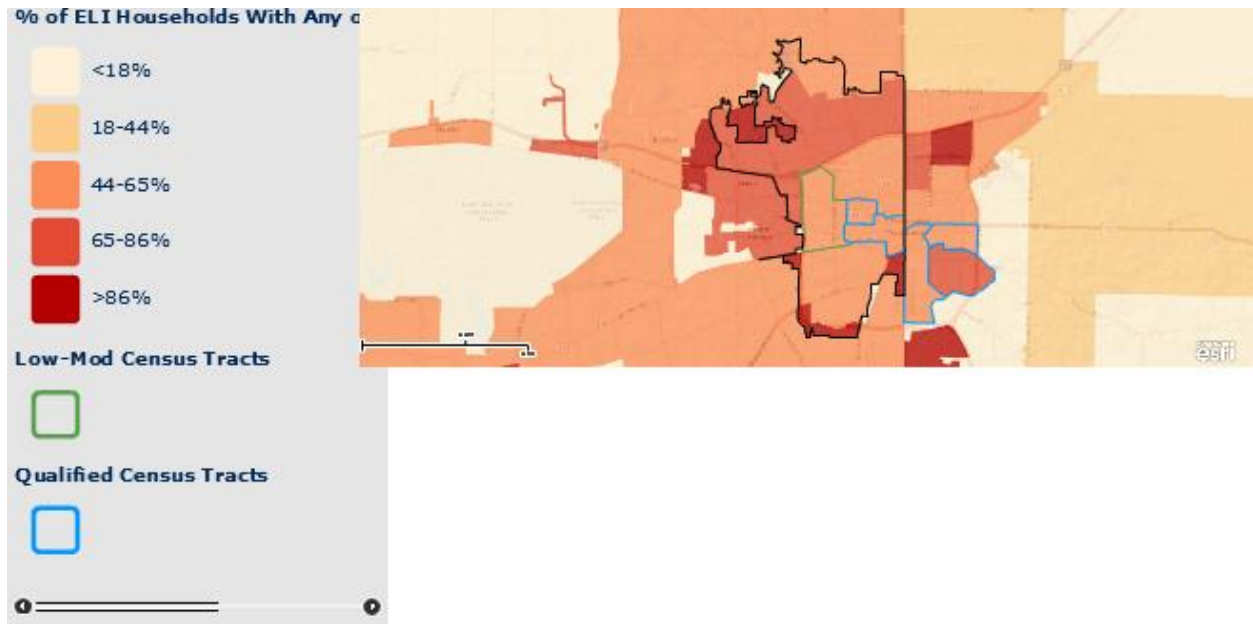
Only one park exists in the Beverly community. The park is located on a flood plain and cannot be updated using state or federal funding. Other community assets include grocery stores, employment opportunities, and Texarkana Community College.

Are there other strategic opportunities in any of these areas?

Substantial strategic opportunities exist in both the Beverly Neighborhood and in Downtown Texarkana with an appropriate level of commitment of resources to remove barriers and create incentives for redevelopment.



CPD Maps Areas of Minority Concentration



CPD Maps Extremely Low Income and Housing Problems Concentration

Beverly Heights Housing Condition

	1990	2000	2010	% Change
Population	2612	2562	2293	-12.21%
Households	921	877	774	-15.96%
Housing Units Total	1103	1021	918	-16.77%
Owner Occupied Housing Units	480	434	268	-44.17%
Renter Occupied Housing Units	441	468	506	14.74%
Vacant Housing Units *	182	119	144	-20.88%



Beverly Heights

Beverly Heights Economic Condition 2012

<i>Variable</i>	<i>City of Texarkana</i>	<i>Beverly Heights Revitalization Area</i>	<i>Variance</i>
<i>2012 Median Household Income</i>	<i>\$37,526</i>	<i>\$17,262</i>	<i>46.00%</i>
<i>2012 Average Household Income</i>	<i>\$54,894</i>	<i>\$26,446</i>	<i>48.18%</i>
<i>2012 Per Capita Income</i>	<i>\$23,297</i>	<i>\$10,477</i>	<i>44.97%</i>
<i>2012 Median Home Value</i>	<i>\$136,770</i>	<i>\$37,863</i>	<i>27.68%</i>
<i>2012 Average Home Value</i>	<i>\$167,164</i>	<i>\$46,187</i>	<i>27.63%</i>



Beverly Heights Economic Conditions

Beverly Heights Housing Condition

	1990	2000	2010	% Change
<i>Population</i>	2612	2562	2293	-12.21%
<i>Households</i>	921	877	774	-15.96%
<i>Housing Units Total</i>	1103	1021	918	-16.77%
<i>Owner Occupied Housing Units</i>	480	434	268	-44.17%
<i>Renter Occupied Housing Units</i>	441	468	506	14.74%
<i>Vacant Housing Units *</i>	182	119	144	-20.88%



Beverly Heights Housing Conditions

Change in City - Beverly Heights Economic Conditions 1990 – 2012

<i>Variable</i>	<i>City of Texarkana</i>	<i>Variance</i>	<i>Beverly Heights Area</i>	<i>Variance</i>
<i>1990 Median Household Income</i>	<i>\$22,885</i>		<i>\$15,445</i>	
<i>2000 Median Household Income</i>	<i>\$29,751</i>	<i>23.08%</i>	<i>\$15,622</i>	<i>1.13%</i>
<i>2012 Median Household Income</i>	<i>\$37,526</i>	<i>39.02%</i>	<i>\$17,262</i>	<i>10.53%</i>
<i>1990 Average Household Income</i>	<i>\$31,125</i>		<i>\$18,969</i>	
<i>2000 Average Household Income</i>	<i>\$43,788</i>	<i>28.92%</i>	<i>\$22,796</i>	<i>16.79%</i>
<i>2012 Average Household Income</i>	<i>\$54,894</i>	<i>43.30%</i>	<i>\$26,446</i>	<i>28.27%</i>
<i>1990 Per Capita Income</i>	<i>\$12,266</i>		<i>\$7,199</i>	
<i>2000 Per Capita Income</i>	<i>\$17,815</i>	<i>31.15%</i>	<i>\$8,268</i>	<i>12.93%</i>
<i>2012 Per Capita Income</i>	<i>\$23,297</i>	<i>47.35%</i>	<i>\$10,477</i>	<i>31.29%</i>
<i>1990 Median Home Value</i>	<i>\$48,876</i>		<i>\$28,409</i>	
<i>2000 Median Home Value</i>	<i>\$65,773</i>	<i>25.69%</i>	<i>\$31,250</i>	<i>9.09%</i>
<i>2012 Median Home Value</i>	<i>\$136,770</i>	<i>64.26%</i>	<i>\$37,863</i>	<i>24.97%</i>
<i>1990 Average Home Value</i>	<i>\$59,747</i>		<i>\$32,079</i>	
<i>2000 Average Home Value</i>	<i>\$84,105</i>	<i>28.96%</i>	<i>\$32,486</i>	<i>1.25%</i>
<i>2012 Average Home Value</i>	<i>\$167,164</i>	<i>64.26%</i>	<i>\$46,187</i>	<i>30.55%</i>



beverly Heights Comparison Table

Strategic Plan

SP-05 Overview

Strategic Plan Overview

This City of Texarkana, Texas Consolidated Plan identifies the priority needs of this jurisdiction and describes strategies that the City will undertake to serve those priority needs. This section of the Consolidated Plan describes the City's **Geographic Priorities** and **Priority Needs** in light of the **Influence of Market Conditions** and **Anticipated Resources**. This section of the City's Consolidated Plan also discusses the **Instructional Delivery Structure** for the City's **Goals**. The City addresses **Public Housing, Barriers to Affordable Housing, the City's Homelessness Strategy, Lead-based Paint Hazards, the City's Anti-Poverty Strategy, and Monitoring** of progress.

Neighborhood Revitalization Area / Strategic Vision for Change

The City of Texarkana has developed a long-range strategy for significantly impacting low and moderate-income communities through new housing and economic development activities. The areas identified for geographically determined investment allocation in this Consolidated Plan were selected based on consultation with area agencies, citizen input, and overwhelmingly agreed upon by the duly-elected City Council Members representing every ward in the city. These areas have both great need and present significant opportunity to meet the City's goals.

The City has developed strong links between representatives of the low and moderate-income community's public service agencies, public housing agency, educational institutions, health facilities and the business community for the purpose of developing an ongoing strategic plan for reinvestment in the low income communities.

The City is currently addressing identified needs through coordinating the use of CDBG and other federal, state and local funds in distressed areas and through providing services to low and moderate income households. In addition, the City, with its collaborative partners and citizens, has identified neighborhoods appropriate for revitalization efforts which includes the Downtown area and Beverly neighborhood. The Supportive Housing Program (SHP) is administered through Domestic Violence Prevention, Texarkana, one of the City's active partners on the Homeless Coalition. Plans to secure additional funding from the State of Texas' TDHCA Housing Trust Fund (HTF) and Emergency Shelter (ESG) will make additional shelter for the homeless, prevention of homelessness and housing affordability possible if this funding can be secured. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available as well as seventy-two fair market units. This project will also bring new jobs to the downtown area.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

1	Area Name:	Beverly Community Revitalization
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revival Type:	Comprehensive
	Other revival Description:	
	Identify the neighborhood boundaries for this target area.	Boundaries for this target area: Southern border: New Boston Road, also US Hwy 82 Western border: Robinson Road Northern border: College Drive Eastern border: Richmond Road to Summerhill Road Comprised mostly of Qualified Census Tract 106.

Include specific housing and commercial characteristics of this target area.	This once thriving community is bordered on all four sides by commercially zoned streets with an interior comprised of older housing stock, both single family and apartment complexes, and many vacant, boarded buildings. These commercial zones are showing their age as most are either single commercial structures or dilapidated strip malls. The City's main water treatment facility is located in the commercial section. Also, the area's only park sits next to this facility. Park improvements are problematic here as it lies within an established flood plain. Within the core are also homes that while older are still owner-occupied. This is an area of minority, elderly, and poverty concentrations. The Beverly Community exhibits multiple housing problems including significant decreases in several major categories. Population has decreased from 2,612 in 1990 to 2,293 in 2010, with the number of households for the same period also declining from 921 to 774. Total number of housing units likewise decreased from 1,103 to 918 households. The number of vacant housing units decreased from 182 to 144. During this same time period, renter occupied housing units rose from 441 to 506 while owner occupied housing units dramatically decreased 44.17% from 480 to 268. This significant finding is mirrored in differences between the economic/commercial differences between the community and the city as a whole. In 2012, average median household income for Texarkana, Texas was \$37,526, but only \$17,262 in Beverly Heights, a variance of 46%. Per capita income was also lower by 45% as compared to the city at \$23,297 per person in the city and only \$10,477 in Beverly. Median home values in the city were reported at \$136,770 and only \$37,863 in Beverly, a difference of 28%. On the northern border of the area lies one of Texarkana's most valued assets, Texarkana Community College. Just north of the college, both commercial and residential areas are thriving with new businesses and well-established homes and neighborhoods that are either maintaining or increasing in value. The proximity to this thriving area indicates a substantial opportunity for improvements in the community that will be beneficial to the entire city and the region.
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How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	The city's consultations and citizen participation process are central to the development of Beverly Heights as a Local Target Area. The Beverly neighborhood has stood in direct contrast to the more prosperous neighborhoods to the north for more than twenty years. As conditions in the Rosehill area improved, crime in Beverly and the problems of substandard housing and vacant, derelict housing exponentially increased. Residents, service agencies, as well as law enforcement and emergency services began reporting higher and higher numbers of people impacted by this community's decline. Citizens from the area began approaching their Council Members, the Mayor, and staff about removing slum and blight conditions, addressing concentrations of poverty, improving economic opportunities, and providing more affordable, quality housing opportunities well over ten years ago. The City's programs were insufficient to address the full range of needs in this community. With the lessons learned with the successes associated with the implementation of the Hope VI grant award in the Rosehill community, the City began developing the plan to concentrate resources in like manner in 2012. By May of 2013, the City was prepared to seek approval from the citizens of the community and the City as a whole. Following the methodology prescribed in the Citizen Participation Plan, the City held public hearing on adoption of the Beverly Community as a Local Target Area. With overwhelming support, the ordinance was adopted in May 2013.
Identify the needs in this target area.	Needs in this area include access to affordable, livable housing, removal of slum and blight conditions associated with derelict, vacant and boarded homes interspersed with functional housing, minority and poverty concentrations, public facilities for health care and recreation/exercise. Other needs include high concentration of households with one or more of the Four Housing Problems or Severe Housing Problems, low and extremely-low incomes for both owner-occupied and renter-occupied households, high percentages of at-risk of homelessness households, high numbers of homes without accessibility features and/or low-efficiency ratings, and lack of services and/or opportunities for children and the elderly.

	What are the opportunities for improvement in this target area?	The Beverly Neighborhood presents many opportunities for improvements with targeted resource distribution. At the northern boundary, Texarkana Community College brings individuals from all over the region into the area. However, at this time, those that visit the college avoid the crime ridden neighborhoods surrounding the institution. With appropriate planning and implementation, this area could easily provide suitable housing both for current residents and for those that attend or work at the college. Likewise, the other commercial corridors that are the boundaries of Census Tract 106/Beverly have significant commercial viability for neighborhood appropriate redevelopment. The area also has housing stock needing improvements that could prolong the viability of the homes for both owners and renters. With home-ownership rates roughly forty-five percent lower than the city's rates, improving opportunities for home-ownership could also stabilize the community. Further, improvements in public facilities like parks and health care facilities, the addition of streetlights, bike lanes, sidewalks, and safe walking trails, will also make the community safer and more livable. Jobs and services within this area are two additional areas of opportunity that can improve this community.
	Are there barriers to improvement in this target area?	Significant barriers exist to improvement in this area including variable citizen participation and adequate funding. Other The City is making significant strides toward overcoming these barriers with the building of trust between the City and citizens as well as identifying public and private funding for revitalization in this target area.
2	Area Name:	Downtown Area
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	revival Type:	Comprehensive
	Other revival Description:	

Identify the neighborhood boundaries for this target area.	The Downtown Area Local Target Area is sometimes referred to as the Downtown/7th Street Corridor as this is descriptive of the boundaries of the Target Area. It is bounded on one side by the Kansas City Southern Railroad (Front Street) and 7th Street (Martin Luther King Blvd.) on the other. It's eastern and western border are Stateline Avenue, literally the Texas/Arkansas border, on the east side and Lakeside Drive/Summerhill Road on the west. Major thoroughfares include: MLK Texas Blvd 4th Street Oak Street Front Street Stateline Ave
Include specific housing and commercial characteristics of this target area.	The Downtown/7th Street Corridor, Downtown Local Target area is an area of over 200 Brownfields properties with suspected or confirmed environmental contamination in an area of approximately 240 acres.
How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Citizens of Texarkana have asked the City to focus on downtown revitalization for at least ten years. Consultation with numerous agencies, public meetings, public hearings, citizen surveys, and votes of the duly elected City Council Members establish a strong consensus for moving forward to arrest the decline of this historic center of the town and revitalize the area's economic potential and potential for providing affordable housing close to city, county, state, federal and non-profit services.
Identify the needs in this target area.	Downtown and the 7th Street Corridor present many challenges to redevelopment. Of primary concern is that more than 200 properties within a 200 acre area are either confirmed or suspected of having various levels of environmental contamination ranging from lead paint to deadly gasoline additive buried underground and potentially leaking into the area's ground water. Many commercial, industrial, and residential properties are neglected, abandoned, or substandard. These problem properties are mixed in with functioning homes, businesses, and essential government services.

	What are the opportunities for improvement in this target area?	Developers are attracted to redevelopment downtown because of the existing infrastructure and unique architecture. The area is a food desert with great opportunity for affordable housing and commercial endeavors.
	Are there barriers to improvement in this target area?	The most significant barriers are the costs associated with environmental assessment and cleanup of asbestos, lead paint, mold, pigeon guano, and other hazardous or petroleum based contaminants. Texarkana's solid relationship with the U.S. EPA Brownfields program and the Texas Commission on Environmental Quality mitigate some of these challenges.

Table 47 - Geographic Priority Areas

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

Beverly Neighborhood Revitalization Area and Downtown Texarkana:

The City of Texarkana, Texas is working in cooperation with the Texarkana Independent School District, Housing Authority of Texarkana, Texas, Texarkana Community College, non-profit agencies, and the private sector to bring about the revitalization of the City's Downtown/7th Street Corridor and Beverly Neighborhood.

These geographic regions were chosen because they have great potential and great need. These areas are bordered by major transportation routes, which are prime real estate for commercial development. These neighborhoods are provide significant opportunity for quality affordable housing. New multifamily units along with the development of new single family housing will provide what these neighborhoods need the most – safe, secure, quality, affordable, housing for families.

The combination of affordable rental units and the development of new single family housing will provide families who currently reside in these neighborhoods opportunities to become future property owners. The development of new affordable housing stock will provide opportunities for those families currently locked out of the homeownership market the opportunity to make their initial investment in the American dream of home ownership.

Moreover, the economic development potential in these areas can bring what is most needed to sustain these low-mod income areas: jobs.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

1	Priority Need Name	Aff. Housing Rehabilitation-Existing Units
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Housing Reconstruction Evaluate and Reduce Lead Paint Hazards Administer the CDBG Program
	Description	H1: Provide decent and affordable housing through single-family owner-occupied housing reconstruction for lower income residents. DH-2 Objective
	Basis for Relative Priority	Priority Level of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority means the City expects other funding sources or community stakeholders to address Low Priorities.
2	Priority Need Name	Aff. Housing Rehab-Existing Units Lead Paint
	Priority Level	Low
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Evaluate and Reduce Lead Paint Hazards Administer the CDBG Program
	Description	H2: Evaluate and Reduce Lead Hazards DH-1 Availability and Accessibility

	Basis for Relative Priority	Based on volume of pre-1980 housing where children are present. Significant health risk involved in exposure to children. Priority Level of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority means the City expects other funding sources or community stakeholders to address Low Priorities.
3	Priority Need Name	Aff. Housing Rental Assistance
	Priority Level	Low
	Population	Extremely Low Low Large Families Families with Children Elderly Public Housing Residents veterans
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Rental Assistance Information Dissemination Domestic Violence Prevention Supportive Housing Administer the CDBG Program
	Description	H. Provide rental assistance to low income individuals and families through dissemination of Section 8 Housing information. DH-2 Affordability
	Basis for Relative Priority	Relatively high numbers of low income families with housing cost burden of 50% or more.
4	Priority Need Name	Aff. Housing Production of New Units
	Priority Level	Low
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization

	Associated Goals	Housing Reconstruction Section 108 Loan Program for Economic Development Administer the CDBG Program
	Description	Support development of new affordable housing units in distressed communities. DH-1 Availability/Accessibility
	Basis for Relative Priority	Community priority for removal of Slum and Blight and proliferation of Brownfields in distressed areas.
5	Priority Need Name	Homelessness Outreach
	Priority Level	Low
	Population	Extremely Low Low Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Homelessness Outreach Administer the CDBG Program

	Description	Support community efforts to provide outreach to homeless individuals. Provide access to information on community service organization that address basic needs for homeless and special needs individual including mental health and substance abuse treatment, housing related services, elder care, and other social services. Provide information to promote easy access to emergency shelters for the homeless. Target area are designated, but the City expects this effort to be city-wide. SL -1 Availability/Accessibility
	Basis for Relative Priority	Homelessness in Texarkana. No Texarkana, Texas homeless shelter for families. Priority Level of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority means the City expects other funding sources or community stakeholders to address Low Priority.
6	Priority Need Name	Homelessness Emergency Shelter
	Priority Level	High
	Population	Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Homelessness Outreach Homelessness Emergency Shelter Administer the CDBG Program
	Description	Assist Randy Sams Homeless Shelter in application for ESG funding. SL-1 Availability/Accessibility

	Basis for Relative Priority	Emergency shelter cannot serve families with children or unaccompanied youth. Shelter is frequently filled to capacity. Shelter lacks efficient heat and air. Shelter needs supportive services space. Priority Level of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority means the City expects other funding sources or community stakeholders to address Low Priorities.
7	Priority Need Name	Homelessness Prevention
	Priority Level	High
	Population	Extremely Low Low Moderate Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Rental Assistance Information Dissemination Homelessness Outreach Homelessness Emergency Shelter Homelessness Prevention Domestic Violence Prevention Supportive Housing Administer the CDBG Program
	Description	Prevent homelessness in at-risk populations. DH-1 Availability/Accessibility
	Basis for Relative Priority	Priority of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need.
8	Priority Need Name	Non-H - Public Facilities Parks Improvements
	Priority Level	High

	Population	Extremely Low Low Moderate Non-housing Community Development
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Public Facilities and Parks Administer the CDBG Program
	Description	Improvements to public facilities/parks, trails, public buildings, public spaces. SL-1 Availability/Accessibility
	Basis for Relative Priority	Priority of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority indicates that the City expects other funding sources or community stakeholders to address Low Priority items.
9	Priority Need Name	Non-H - Public Improvements & Infrastructure
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Section 108 Loan Program for Economic Development Public Improvements and Infrastructure Public Facilities and Parks Administer the CDBG Program
	Description	Provide Public Improvements and Infrastructure in target areas. SL-1 Availability/Accessibility
	Basis for Relative Priority	Priority of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority indicates that the City expects other funding sources or community stakeholders to address Low Priority items.
10	Priority Need Name	Non-Housing - Public Services
	Priority Level	High

	Population	Extremely Low Low Moderate Non-housing Community Development
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Public Services - Health Department Administer the CDBG Program
	Description	Public Services provided to low and moderate income persons.
	Basis for Relative Priority	Priority of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority indicates that the City expects other funding sources or community stakeholders to address Low Priority items.
11	Priority Need Name	Non-H - Economic Development
	Priority Level	High
	Population	Non-housing Community Development
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Section 108 Loan Program for Economic Development CDBG Revolving Loan Fund Administer the CDBG Program
	Description	Provide economic development activities and services in target areas to increase jobs, labor market participation rates, and create suitable living environments.
	Basis for Relative Priority	Priority Level of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority means the City expects other funding sources or community stakeholders to address Low Priorities.
12	Priority Need Name	Aff. Housing
	Priority Level	High

	Population	Low Moderate Large Families Families with Children Elderly Public Housing Residents
	Geographic Areas Affected	Downtown Area Beverly Community Revitalization
	Associated Goals	Housing Reconstruction Section 108 Loan Program for Economic Development First Time Home Buyer Down Payment Assistance Administer the CDBG Program
	Description	Provide support for affordable housing for low and moderate income individuals and families.
	Basis for Relative Priority	Priority Level of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority means the City expects other funding sources or community stakeholders to address Low Priorities.

Table 48 – Priority Needs Summary

Narrative (Optional)

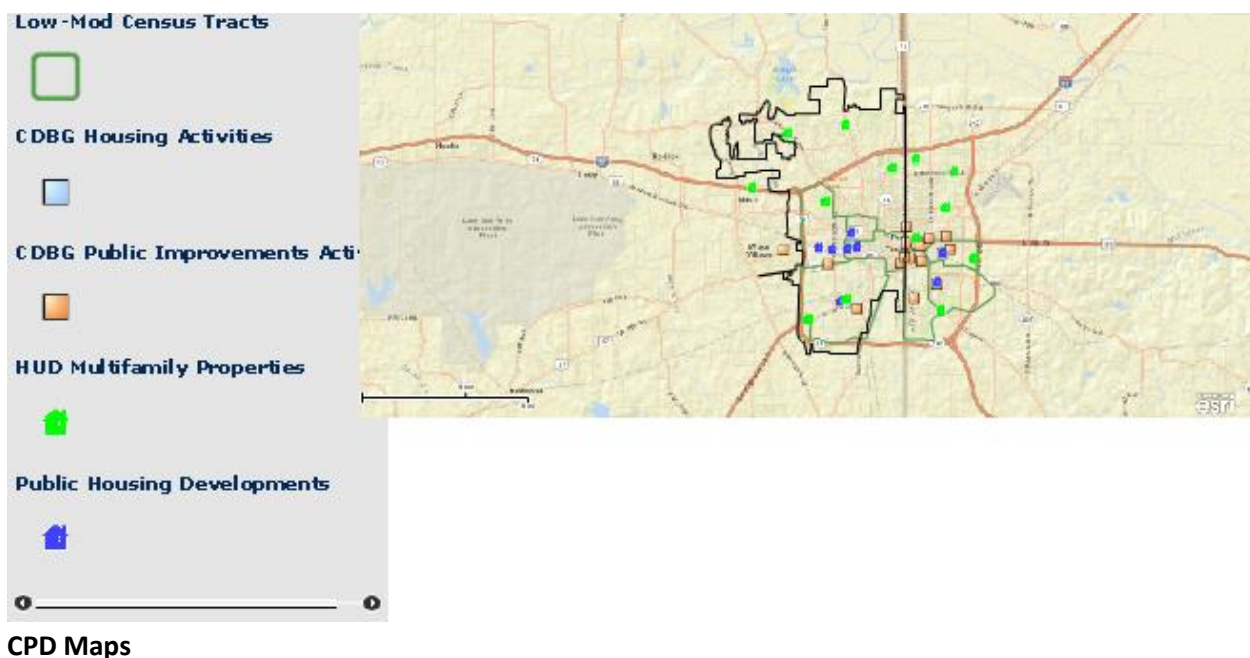
Priority Level of Low or High does not indicate the priority to the community or the population served. Rather, High Priority indicates the City of Texarkana will use CDBG funds at some point in the five years covered by this plan to address the priority need. Low Priority means the City expects other funding sources or community stakeholders to address "low" priorities.

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Texarkana, Texas has high numbers of renters that currently have a housing cost burden greater than 50%. Many of these are in neighborhoods with high minority and low income concentrations.
TBRA for Non-Homeless Special Needs	Non-homeless, special needs individuals and families including, but not limited to, veterans, HIV/AIDS renters, the elderly, MHMR, constitute a significant proportion of households in Texarkana and are at greater risk for homelessness.
New Unit Production	Substandard properties abound in neighborhoods where there are high concentrations of minority and extremely low and low income individuals. Reconstruction and building new affordable units can help to revitalize these communities.
Rehabilitation	Texarkana also has high numbers of homes with one or more of the four housing problems. Downtown Texarkana has many properties that are structurally sound but require rehabilitation to be livable.
Acquisition, including preservation	Acquisition of properties for preservation, redevelopment, or to remove slum and blight conditions is necessary to stabilize neighborhoods and support revitalization efforts.

Table 49 – Influence of Market Conditions



SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The City of Texarkana, Texas will use every funding source available to meet the housing, economic development, and social services needs of the residents of the city. The table below list some of the funding sources the City has already secured or for which the City will apply.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	285,999	2,500	517,866	806,365	806,365	Expected Amount Available based on yearly allocation plus program income times four years.
Section 108	public - federal	Economic Development Housing Public Improvements	1,429,000	0	0	1,429,000	1,429,000	The City was awarded Section 108 Loans funds to bolster redevelopment in downtown. Plans are to rehabilitate a downtown historic structure into Hotel Grim Lofts that will make 20 low/mod units available.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Supportive Housing Program	public - federal	Housing Other	450,000	0	0	450,000	1,800,000	The City acts as fiscal agent to support Domestic Violence Prevention's Supportive Housing Program which provides housing and supportive services to victims of domestic violence and their families.
Other	public - state	Housing	320,000	0	0	320,000	1,280,000	The City will seek funding from TDHCA for housing reconstruction on 10 houses.
Other	public - state	Public Improvements Public Services	20,000	0	0	20,000	0	The City will apply to the Texas Department of State Health Services for assistance for the Texarkana-Bowie County Department.
Other	public - local	Housing Public Services Other	16,000	0	0	16,000	52,000	The City intends to contribute labor/services for homeless services, prevention and outreach, especially in support of the Homeless Coalition and applications for funding.

Table 50 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City recognizes the importance of leveraging resources. It is estimated that these community development projects will bring \$1.75 in private resources spent in the local economy for each grant dollar invested. Moreover, most of the projects will require substantial private investments at a 9 to 1 ratio. Matching requirements will be met by in-kind donations of labor and/or materials.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Publicly owned land or property located within the jurisdiction includes housing lots owned by the city, city parks, and scattered properties located in downtown. This property may be used to promote economic development, provide support for homeless programs, and/or affordable housing in Texarkana, Texas. Additionally, publicly owned land may also be used to support public health activities, infrastructure and public services, promoting livability and sustainability within the jurisdiction.

Discussion

The City expects to use CDBG funding as a leveraging tool to support community and economic development within the jurisdiction.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Domestic Violence Prevention	Non-profit organizations	Homelessness Non-homeless special needs Rental public services	Jurisdiction
RANDY SAMS' OUTREACH SHELTER, INC.	Non-profit organizations	Homelessness public services	Jurisdiction
Housing Authority of Texarkana, Texas	PHA	Non-homeless special needs Ownership Rental neighborhood improvements public facilities public services	Jurisdiction
THE SALVATION ARMY-TEXARKANA	Non-profit organizations	Homelessness Rental public services	Jurisdiction

Table 51 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

Strengths and gaps are continuously assessed as an effort to enhance the coordination between the public and assisted housing providers, and among public and private health, mental health and other service agencies. Strengths include the broad range of services and service quality.

The City of Texarkana, Texas consulted with the Housing Authority of Texarkana, Texas during the development of this Plan. The Housing Authority of Texarkana, Texas (HATT) is the primary provider of the public housing units and subsidized housing programs. It is a separate legal entity controlled by a board of directors charged with the responsibility of helping to provide safe, decent and sanitary housing to the low income segment of population.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	
Mortgage Assistance	X		
Rental Assistance	X	X	X
Utilities Assistance	X		
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics			
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	
Child Care	X		
Education	X	X	
Employment and Employment Training	X	X	X
Healthcare	X		X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X		X
Transportation	X	X	X
Other			

Table 52 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

By far, the most significant gap in services recognized at this time is in provision of supportive housing for veterans and their families as well as for MHMR residents. Additionally, persons with HIV/AIDs are often served by programs addressing their other needs and no information about their health status is solicited. The Randy Sams shelter works closely with the Friendship center to address many of the mainstream services needed by homeless residents.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

One of the significant issues related to the service delivery model is that efforts could be coordinated better through the Homeless Coalition. Texarkana, Texas has no shelter for homeless families. The jurisdiction has no HUD VASH program provider.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The Salvation Army, located in Texarkana, Arkansas, is currently working with a property owner to secure a property in Texarkana, Texas, which would allow Texas homeless families to obtain services in Texas. Community Health Core provides mental health services and works with homeless veterans and their families. The City anticipates that Community Healthcore will obtain funding to provide HUD VASH to this segment of the homeless population.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	SHP Supportive Housing Program/CoC Transitional Housing Program	2013	2017	Homeless Non-Homeless Special Needs		Aff. Housing Rental Assistance Homelessness Prevention	Supportive Housing Program: \$2,250,000	Homelessness Prevention: 60 Persons Assisted
2	Home Buyer Assistance	2013	2017	Affordable Housing		Aff. Housing	CDBG: \$20,000	Direct Financial Assistance to Homebuyers: 2 Households Assisted
3	CDBG Revolving Loan Fund	2013	2017	Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Non-H - Economic Development	CDBG: \$630,000	Facade treatment/business building rehabilitation: 5 Business Jobs created/retained: 10 Jobs Businesses assisted: 5 Businesses Assisted
4	Housing Reconstruction	2013	2017	Affordable Housing	Downtown Area Beverly Community Revitalization	Aff. Housing Rehabilitation- Existing Units Aff. Housing Production of New Units Aff. Housing	CDBG: \$500,000 TDHCA: \$1,600,000	Homeowner Housing Rehabilitated: 14 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Evaluate and Reduce Lead Paint Hazards	2013	2017	Affordable Housing		Aff. Housing Rehabilitation- Existing Units Aff. Housing Rehab-Existing Units Lead Paint	General Fund: \$15,000	Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted
6	Rental Assistance Information Dissemination	2013	2017	Affordable Housing Public Housing		Aff. Housing Rental Assistance Homelessness Prevention	General Fund: \$5,000	Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted Homelessness Prevention: 100 Persons Assisted
7	Public Facilities and Parks	2013	2017	Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Non-H - Public Facilities Parks Improvements Non-H - Public Improvements & Infrastructure	CDBG: \$93,500	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 100 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 20 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Public Services - Health Department	2013	2017	Non-Homeless Special Needs Non-Housing Community Development		Non-Housing - Public Services	Texas DSHS: \$20,000 CDBG: \$42,899	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 100 Persons Assisted
9	Public Improvements and Infrastructure	2014	2017	Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Non-H - Public Improvements & Infrastructure	CDBG: \$97,556	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 5 Households Assisted Buildings Demolished: 5 Buildings Housing Code Enforcement/Foreclosed Property Care: 10 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	Homelessness Emergency Shelter	2013	2017	Homeless		Homelessness Emergency Shelter Homelessness Prevention	General Fund: \$16,000	Homeless Person Overnight Shelter: 100 Persons Assisted
11	Homelessness Prevention	2013	2017	Homeless Non-Homeless Special Needs		Homelessness Prevention	General Fund: \$16,000	Homelessness Prevention: 100 Persons Assisted
12	Homelessness Outreach	2013	2017	Homeless Non-Homeless Special Needs	Downtown Area Beverly Community Revitalization	Homelessness Outreach Homelessness Emergency Shelter Homelessness Prevention	General Fund: \$16,000	Homeless Person Overnight Shelter: 100 Persons Assisted Homelessness Prevention: 100 Persons Assisted
13	Section 108 Loan Program for Economic Development	2013	2017	Affordable Housing Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Aff. Housing Production of New Units Non-H - Public Improvements & Infrastructure Non-H - Economic Development Aff. Housing	Section 108: \$1,429,000	Facade treatment/business building rehabilitation: 5 Business Rental units constructed: 5 Household Housing Unit Jobs created/retained: 15 Jobs Businesses assisted: 5 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
14	Section 108 Loan Program for Economic Development- Prepayment on \$1,429,000 Loan	2016	2017	Affordable Housing Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Aff. Housing Production of New Units Non-H - Public Improvements & Infrastructure Non-H - Economic Development Aff. Housing	CDBG: \$512,265	Facade treatment/business building rehabilitation: 1 Business Rental units constructed: 92 Low/Mod rental units constructed: 20 Household Housing Unit Jobs created/retained: 3 Jobs Businesses assisted: 1

15	Administer the CDBG Program	2013	2017	Administration	Downtown Area Beverly Community Revitalization	Aff. Housing Rehabilitation-Existing Units Aff. Housing Rehab-Existing Units Lead Paint Aff. Housing Rental Assistance Aff. Housing Production of New Units Homelessness Outreach Homelessness Emergency Shelter Homelessness Prevention Non-H - Public Facilities Parks Improvements Non-H - Public Improvements & Infrastructure Non-Housing - Public Services Non-H - Economic Development Aff. Housing	CDBG: \$57,699	Other: 1 Other
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Consolidated Plan

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Table 53 – Goals Summary

Goal Descriptions

1	Goal Name	SHP Supportive Housing Program/CoC Transitional Housing Program
	Goal Description	Act as fiscal agent for the Domestic Violence Prevention's and Texarkana Friendship Center's Transitional Housing Program, SHP grant and CoC grant.
2	Goal Name	Home Buyer Assistance
	Goal Description	Provide down payment assistance for first time home buyers.
3	Goal Name	CDBG Revolving Loan Fund
	Goal Description	Provide loans to qualified property owners for rehabilitation of commercial or residential property in downtown Texarkana.
4	Goal Name	Housing Reconstruction
	Goal Description	Provide decent and affordable housing through single-family owner-occupied housing reconstruction for lower income residents.
5	Goal Name	Evaluate and Reduce Lead Paint Hazards
	Goal Description	Provide information and education to the public, re: lead risks; Evaluate and reduce lead hazards by giving reconstruction priority to eligible residents most at risk for lead poisoning; Develop technical capacity with staff
6	Goal Name	Rental Assistance Information Dissemination
	Goal Description	Provide rental assistance information to Texarkana residents via available information channels. Provide referrals to the Housing Authority.
7	Goal Name	Public Facilities and Parks
	Goal Description	Provide improvements to public facilities and parks to improve safety, usability, and accessibility of public facilities and parks.
8	Goal Name	Public Services - Health Department
	Goal Description	Provide public health services through the Texarkana-Bowie County Health Department.

9	Goal Name	Public Improvements and Infrastructure
	Goal Description	Provide public improvements and infrastructure in distressed and/or low-mod areas. Focus will be on Target Areas. Improvements may include water/sewer lines, sidewalks, trails, bike lanes, streetlights, communal spaces, flood control, rain gardens, and/or community garden spaces. May also include code enforcement and foreclosed property care.
10	Goal Name	Homelessness Emergency Shelter
	Goal Description	Support Randy Sams Homeless Shelter to obtain ESG funding. Purchase and deploy eCivis grants management software to manage grant applications and track progress.
11	Goal Name	Homelessness Prevention
	Goal Description	Participate in Homeless Coalition to support Continuum of Care operations and homelessness prevention services. Provide social services information to the public. Track participation through eCivis software.
12	Goal Name	Homelessness Outreach
	Goal Description	Support community efforts to provide outreach to homeless individuals or those at-risk of homelessness. Provide access to information on community service organizations that address basic needs for homeless and special needs individuals. Provide information to police, fire, and health care facilities on options for assisting homeless persons. Participation in the Homeless Coalition will be central to meeting this goal.
13	Goal Name	Section 108 Loan Program – Hotel Grim Lofts
	Goal Description	The City will use these loan funds to assist with rehabilitation of a downtown structure into Hotel Grim Lofts that will provide twenty low/mod units.
14	Goal Name	Section 108 Loan Program for Economic Development-Prepayment
	Goal Description	CDBG funds will be used to pre-pay \$512,265 of the \$1,429,000 balance on the City's Section 108 loan. Loan funds used to provide 20 low/mod housing units in the Hotel Grim Lofts in downtown Texarkana.
15	Goal Name	Administer the CDBG Program
	Goal Description	Administration of the CDBG Program.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Though the City does not participate in the HOME program, the City recognizes and applies HOME's definition of affordable housing. According to HUD's Office of Affordable Housing:

The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing, and a family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States. The lack of affordable housing is a significant hardship for low-income households preventing them from meeting their other basic needs, such as nutrition and healthcare, or saving for their future and that of their families. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

Consequently, Texarkana's strategic goals for this five year period include provisions of affordable housing for 80 extremely low-income, low-income, and/or moderate-income families including housing reconstruction for 15 households, first-time home buyer assistance to 5 households, assistance to 60 households through the partnership with Domestic Violence Prevention and the Supportive Housing Program.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)**Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

Texarkana is not required to increase the number of accessible units under a Section 504 Voluntary Compliance Agreement.

Activities to Increase Resident Involvements

The Housing Authority actively promotes resident involvement through targeted outreach via website, flyers, emails, mailing lists, and community notice boards at all community centers on Housing Authority properties.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the ‘troubled’ designation

The Texarakana, Texas Housing Authority is not designed as "troubled" under 24 CFR part 902.

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

There are many factors that affect the cost and production or maintenance of housing affordable to extremely low-, low-, and moderate-income families (at or below 80% of Median Family Income (MFI)). An analysis of these factors has aided the City in developing programs that reduce the adverse affects of these constraints on the supply and cost of housing.

Most of the City of Texarkana's policies were enacted to protect and further the public welfare. For instance, building codes and subdivision standards are required by law for the protection and general welfare of the community. Development impact fees are recovered from the developer to assure that the public costs of new developments are paid by that development. While recognizing the changing need of public policies, the City will review them periodically to determine whether they have become excessive or represent an unnecessary constraint on the development or maintenance of affordable housing.

The City of Texarkana, Texas has not identified any public policies that serve as barriers to affordable housing, and therefore did not need to develop strategies to remove or lessen negative effects that serve as barriers to affordable housing. However, the City has identified the following other barriers to affordable housing:

- Substantial down payments required to purchase new or existing homes;
- Availability of credit to low and moderate income persons with credit problems;
- Availability of decent affordable single-family units and affordable rental properties.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The Analysis of Impediments indicated no significant institutional barriers to affordable housing exist in Texarkana. Pre-development, building permit and inspection expenses are average in terms of housing construction and renovation costs.

To maintain the City's commitment to prevent barriers to affordable housing the City will:

- Maintain flexibility in zoning and building requirements when appropriate to allow for infill housing development and to provide technical assistance to developers of affordable housing. Posters & literature displayed and made available at city office buildings, utility building, and the public library;
- Monitor city-sponsored projects for equal access and compliance of the Fair Housing Act and Building Dept. officials monitors code compliance to Fair Housing standards;
- Hold periodic Public Hearings providing information and requesting public comment on fair housing or related issues ;

- Provide homebuyer and homeowner education, including fair housing information, was provided by the city and other local housing services providers;
- Conduct outreach efforts to for-profit and non-profit builders and developers through funding and technical assistance to increase the supply of decent, affordable housing within low to moderate income neighborhoods as well as creation of affordable housing on a city-wide basis;
- Maintain an Affirmative Marketing Plan to directly market newly-developed City-assisted housing units to minority groups least likely to apply to homeownership programs.
- Meet with local lenders and home builders to encourage the use of non-traditional client loan qualifying and loan products to better serve the needs of homebuyer households with challenges that preclude conventional qualification;
- Conduct public outreach regarding availability of housing and housing assistance including translation of housing application materials into Spanish, and maintains bi-lingual staff in order to assist applicants and clients who are not English-proficient;
- Support local Continuum of Care efforts for homeless populations and provides ongoing support and technical assistance to the Texarkana Homeless Coalition;
- Work with local agencies that provide financial case management and credit counseling;
- Researching the possibility of adopting a Fair Housing ordinance to ensure that fair housing options are available to its citizens.

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City continues to take a leadership role in the Texarkana Homeless Coalition and has been an integral part of the Continuum of Care (CoC) Process. The Texarkana Homeless Coalition is part of the Texas Balance of State CoC but maintains a local planning process to identify local needs, priorities and goals to assist homeless families and individuals in Texarkana. The CoC was developed through a planned process in conjunction with the City, the Texas Homeless Network and local housing and service providers and is based upon historical data, surveys, and the knowledge of the many different providers' staff. The City worked closely with coalition members to conduct a point in time count for sheltered and unsheltered homeless, subpopulation groups, and identify gaps and needs for housing and supportive services.

The City's primary goal is to assist non-profit agencies in expanding and enhancing their access to available HUD Continuum of Care and Emergency Solutions Grant funding. Within this priority are five major strategies:

- To enhance collaboration between homeless providers and other supportive service agencies through consultant support of the operation of the Texarkana Homeless Coalition;
- To coordinate resources in the community for the expansion and enhancement of a multi-county and multi-state Continuum of Care system;
- To assist in the prevention of homelessness through the use of housing rehabilitation and reconstruction to help prevent homelessness;
- To collaborate with the Texarkana Homeless Coalition and assist in the development of housing alternatives for homeless persons; and
- To continue collaboration with Texarkana Homeless Coalition through their participation in the Texas Balance of State Continuum of Care and the development of permanent supportive housing programs for chronically homeless individuals and families.

The City provided the following to the Texarkana Homeless Coalition in PY11:

- Attended monthly Texarkana Homeless Coalition meetings and provided technical and consultation support in the development of the Coalition's 5-Year Plan to End Homelessness.
- Assisted with Point-in-Time Homeless Count for Texarkana, Texas in January, 2011 in conjunction with the Texas Balance of State CoC count. This "Shelter & Housing Inventory Point-In-Time" count was conducted in January 2012 and included an update of the current emergency, transitional housing and permanent supportive housing inventory continuum of care inventory, as well as those under development. Specifically, the definitions used for survey

purposes were: 1) Emergency Shelter: Buildings designed to house persons experiencing homelessness and 2) Transitional Housing: Temporary and transitional housing programs for persons experiencing homelessness and which may include supportive services. Homeless subpopulations were tallied for “sheltered” persons in each category.

- Serves as the fiscal agent for the SHP grant.

In addition, for unsheltered persons, a further attempt was made to indicate the name of the person and identify the person’s “usual geographic location”. Unmet housing needs were agreed upon by the Coalition members using the data obtained from the count and housing and supportive services staff also provided information on the unmet needs that exist within their target population.

- Serving as the fiscal agent for a Supportive Housing Program Grant (\$907,635) on behalf of the Texarkana Friendship Center and Domestic Violence Prevention, two members of the Coalition, to implement a transitional housing program in Texarkana.

Addressing the emergency and transitional housing needs of homeless persons

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

There are approximately 11,000 housing units built in the City of Texarkana prior to 1980. As such, those units exhibit a higher probability of containing lead paint hazards than those constructed since that time. Of the older units, 8,000 are occupied and the remainder (3,500) are either vacant or have been demolished. Assuming a proportionate distribution of housing by tenure through all income levels, approximately 4,750 of these housing units are being occupied by extremely low, low, and moderate-income families.

Southwest Texarkana's residential area is filled with older housing stock. In addition, populations living at 80% MFI or below are more likely to live in sub-standard housing and have other risk factors that increase the risk of lead poisoning, including poor nutrition, older housing with children less than 6 years of age, and higher levels of exposure to lead dust due to poor cleanliness.

The City of Texarkana will continue to focus on two areas during the 2013-2017 program years to evaluate and reduce lead-based paint hazards:

Provide extensive training for the City's Code Enforcement, Inspection and Demolition Departments on recognizing lead based paint and other contaminants that may be present in older housing stock; By following the State of Texas' goal to eliminate lead poisoning in children less than 72 months of age, the City will increase the availability of information concerning lead-based paint for the general public through partnering with the Texarkana Bowie County Family Health Center by using brochures, posters, etc. and through electronic media, including television commercials and the City website. The information will cover the importance of being informed on sources of lead exposure, including lead paint hazards and where to get assistance; The City will continue to pursue lead-based paint evaluation and reduction through housing demolition activities proposed.

How are the actions listed above related to the extent of lead poisoning and hazards?

Housing identified as having lead hazards are targeted for abatement and remediation to make the housing stock lead-safe. Removing all lead-based paint from every house within the City of Texarkana is not an economically feasible or realistic goal. However, the City addresses this issue through disseminating printed information concerning lead-based paint hazards to all residents in our housing rehabilitation/reconstruction program. Additionally, the City's housing rehabilitation/reconstruction contractors are certified and/or have received training in the identification of lead hazards, proper methods of paint stabilization, interim control, abatement procedures and rehabilitation/reconstruction activities. The City also ensures compliance with lead hazard reduction requirements when CDBG funding is used to acquire and/or renovate existing buildings for housing. The City includes language in all sub recipient contracts identifying all lead regulations and procedures for notification and remediation.

How are the actions listed above integrated into housing policies and procedures?

The City's housing policies and procedures reflect the goals enumerated in the CDBG plan.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

As detailed throughout this document regarding the priority needs identified by the City, and the goals and objectives established to address those needs, the City hopes to reduce the number of poverty-level families by targeting CDBG and other federal, state and local funds to projects that will provide services to foster self-sufficiency, in conjunction with the provision of housing, shelter and other public facilities. The overriding goal of the City is to provide the environment and tools necessary to enable all city residents to realize a greater degree of economic stability.

The City's Anti-Poverty Strategy Includes:

Collaborating with local college and community supportive service providers to provide access to information on:

- Job skills training
- Employment opportunities
- Financial management training

Apply to Federal and State grant funding programs to provide:

- Down-payment and closing cost assistance
- Housing Reconstruction and Emergency housing repairs
- Job Training
- Business start-up
- Commercial property assessment and cleanup

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The goals, programs, and policies in this plan are targetted to low and moderate income individuals, to distressed areas, and to assisting other agencies that also seek to ammeliorate poverty in the region.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The PCD Department is responsible for establishing fundability then monitoring all other projects and activities that are funded by CDBG and other federal and state agencies. In the beginning of each program year, the PCD Department develops an Annual Monitoring Plan/Schedule for all projects and activities.

This plan is derived by conducting a risk assessment analysis on all projects and activities included in the Action Plan and takes into consideration HUD's requirements for post-completion monitoring such as minimum-use period, affordability, income eligibility, and housing quality standards requirements. A risk assessment is a qualitative analysis of certain risk factors that helps determine the relative compliance and performance risk for a specific project or activity. The objective of the risk assessment is to allocate a larger share of monitoring resources to those program functions posing the highest risk. The risk factors considered include program/project complexity; level of funding; sub recipient, public agency or project sponsor capacity; quality of existing reporting documentation; and whether there is a history of compliance issues.

All projects administered by PCD undergo annual desk reviews as well as periodic reviews when reimbursement is requested. When these activities involve construction, PCD staff members perform a physical inspection of the work that has been completed and reviews the Davis Bacon documentation prior to any payment, if applicable. On-site monitoring visits are conducted in accordance with the Annual Monitoring Plan/Schedule. The City of Texarkana understands the importance of performing a periodic self-evaluation with respect the goals and objectives outlined in the Consolidated Plan as well as the activities included in each Action Plans. The purpose of this review is to ensure long-term compliance with program and comprehensive planning requirements.

The core component of the City's structure for program monitoring is the Integrated Disbursement and Information System (IDIS). In this system, all CDBG funded projects can be reviewed in report format to track the timely expenditure of funds as well as overall program performance. The City must ensure that all program funds are expended in a timely manner. Each program's definition of timeliness is provided below. A grantee is considered to be timely, "if 60 days prior to the end of the grantee's program year, the balance in its line-of-credit does not exceed 1.5 times the annual grant."

The primary means of assessing program performance is through the development of the Consolidated Annual Performance and Evaluation Report (CAPER) at the end of each program year. The information that is provided in this report allows the City and HUD to review the overall program performance. The

performance measurement system clearly demonstrates whether the City has met the annual goals and objectives and whether the City is on target to meet the five-year goals and objectives.

The second layer of program performance is provided through a periodic review by the City's Internal Audit Department as well as an annual review by independent external auditors. The information that is obtained from these audits is evaluated and often incorporated as revisions to the City's policies and procedures.

The final layer of monitoring is through citizen participation. PCD staff gives presentations at community meetings during the year throughout the City to discuss community needs and activities that are underway to meet those needs. An overview of how CDBG funds are being utilized and what is being accomplished is also presented.

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City of Texarkana, Texas will use every funding source available to meet the housing, economic development, and social services needs of the residents of the city. The table below list some of the funding sources the City has already secured or for which the City will apply.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	285,999	2,500	517,866	806,365	806,365	Expected Amount Available based on yearly allocation plus program income times four years.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Section 108	public - federal	Economic Development Housing Public Improvements	1,429,000	0	0	1,429,000	1,429,000	The City has been awarded Section 108 Loans funds to bolster redevelopment in downtown. Plans are to rehabilitate a downtown historic structure into Hotel Grim Lofts and make twenty low/mod housing units available.
Supportive Housing Program	public - federal	Housing Other	450,000	0	0	450,000	1,800,000	The City acts as fiscal agent to support Domestic Violence Prevention's Supportive Housing Program which provides housing and supportive services to victims of domestic violence and their families.
Other	public - state	Housing	320,000	0	0	320,000	1,280,000	The City will seek funding from TDHCA for housing reconstruction on 10 houses.
Other	public - state	Public Improvements Public Services	20,000	0	0	20,000	0	The City will apply to the Texas Department of State Health Services for assistance for the Texarkana-Bowie County Department.
Other	public - local	Housing Public Services Other	16,000	0	0	16,000	52,000	The City intends to contribute labor/services for homeless services, prevention and outreach, especially in support of the Homeless Coalition and applications for funding.

Consolidated Plan

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Table 54 - Expected Resources – Priority Table**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City recognizes the importance of leveraging resources. It is estimated that these community development projects will bring \$1.75 in private resources spent in the local economy for each grant dollar invested. Moreover, most of the projects will require substantial private investments at a 9 to 1 ratio. Matching requirements will be met by in-kind donations of labor and/or materials.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Publically owned land or property located within the jurisdiction includes housing lots owned by the city, city parks, and scattered properties located in downtown. This property may be used to promote economic development, provide support for homeless programs, and/or affordable housing in Texarkana, Texas. Additionally, publicly owned land may also be used to support public health activities, infrastructure and public services, promoting livability and sustainability within the jurisdiction.

Discussion

The City expects to use CDBG funding as a leveraging tool to support community and economic development within the jurisdiction.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Domestic Violence Prevention Supportive Housing	2013	2017	Homeless Non-Homeless Special Needs		Aff. Housing Rental Assistance Homelessness Emergency Shelter Non-Housing - Public Services	Supportive Housing Program: \$450,000	Tenant-based rental assistance / Rapid Rehousing: 60 Households Assisted Housing for People with HIV/AIDS added: 2 Household Housing Unit
2	Home Buyer Assistance	2016	2017	Affordable Housing		Aff. Housing	CDBG: \$20,000	Direct Financial Assistance to Homebuyers: 2 households assisted
2	CDBG Revolving Loan Fund	2016	2017	Non-Housing Community Development	Downtown Area	Non-H - Economic Development	CDBG: \$0	Facade treatment/business building rehabilitation: Jobs created/retained: Businesses assisted:

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Housing Reconstruction	2016	2017	Affordable Housing	Beverly Community Revitalization	Aff. Housing Rehabilitation- Existing Units Aff. Housing Production of New Units	CDBG: \$80,000	Homeowner Housing Rehabilitated: 8 Household Housing Units
4	Evaluate and Reduce Lead Paint Hazards	2013	2017	Affordable Housing		Aff. Housing Rehab-Existing Units Lead Paint	General Fund: \$3,000	Public service activities for Low/Moderate Income Housing Benefit: 20 Households Assisted
5	Rental Assistance Information Dissemination	2013	2017	Affordable Housing Public Housing		Aff. Housing Rental Assistance	General Fund: \$1,000	Public service activities for Low/Moderate Income Housing Benefit: 20 Households Assisted
6	Public Facilities and Parks	2013	2017	Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Non-H - Public Facilities Parks Improvements	CDBG: \$93,500	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 5 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Public Services - Health Department	2013	2017	Non-Homeless Special Needs Non-Housing Community Development		Non-H - Public Improvements & Infrastructure Non-Housing - Public Services	Texas DSHS: \$20,000 CDBG: \$42,899	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted
8	Homelessness Emergency Shelter	2013	2017	Homeless		Homelessness Emergency Shelter	CDBG: \$40,000	Homeless Person Overnight Shelter: 200 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 10 Beds
9	Homelessness Prevention	2013	2017	Homeless Non-Homeless Special Needs		Homelessness Prevention	CDBG: \$20,000	Homelessness Prevention: 50 Persons Assisted
10	Homelessness Outreach	2013	2017	Homeless Non-Homeless Special Needs		Homelessness Outreach Homelessness Prevention	General Fund: \$4,000	Homeless Person Overnight Shelter: 100 Persons Assisted Homelessness Prevention: 20 Persons Assisted
11	Section 108 Loan Program for Economic Development	2016	2017	Affordable Housing Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Non-H - Public Improvements & Infrastructure Non-H - Economic Development Aff. Housing	Section 108: \$1,429,000	Facade treatment/business building rehabilitation: 1 Business Rental units constructed: 92 Low/Mod rental units constructed: 20 Household Housing Unit Jobs created/retained: 3 Jobs Businesses assisted: 1

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	Section 108 Loan Program for Economic Development – Prepayment on \$1,429,000 Loan balance	2016	2017	Affordable Housing Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Non-H - Public Improvements & Infrastructure Non-H - Economic Development Aff. Housing	CDBG: \$512,265	Facade treatment/business building rehabilitation: 1 Business Rental units constructed: 92 Low/Mod rental units constructed: 20 Household Housing Unit Jobs created/retained: 3 Jobs Businesses assisted: 1

12	Administer the CDBG Program	2016	2017	Administration	Downtown Area Beverly Community Revitalization	Aff. Housing Rehabilitation- Existing Units Aff. Housing Rehab-Existing Units Lead Paint Aff. Housing Rental Assistance Aff. Housing Production of New Units Homelessness Outreach Homelessness Emergency Shelter Homelessness Prevention Non-H - Public Facilities Parks Improvements Non-H - Public Improvements & Infrastructure Non-Housing - Public Services Non-H - Economic Development Aff. Housing	CDBG: \$57,699	Other: 1 Other
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Table 55 – Goals Summary

Goal Descriptions

1	Goal Name	Domestic Violence Prevention Supportive Housing
	Goal Description	Continue as Fiscal Agent for Domestic Violence Prevention's Supportive Housing Program
2	Goal Name	Home Buyer Assistance
	Goal Description	Provide down payment assistance to low/mod households.
3	Goal Name	CDBG Revolving Loan Fund
	Goal Description	Provide low-cost loans to property owners in downtown for facade improvements and/or other necessary improvements for commercial business viability.
4	Goal Name	Housing Reconstruction
	Goal Description	Promote the availability of City operated owner-occupied housing assistance programs through the media; Solicit applications for assistance from low income residents; Conduct applicant screening and approval; Provide home-buyer education counseling and assistance; Facilitate reconstruction of single-family properties. Funding Sources: City of Texarkana, CDBG, TDHCA, Non-profit Agencies, Private Sector Lenders, Lender Incentives, City-wide Annual Target Areas (Census Tracts 104, 105, 106) Downtown and Beverly Neighborhoods
5	Goal Name	Evaluate and Reduce Lead Paint Hazards
	Goal Description	• Provide information and education to the public, re: lead risks • Evaluate and reduce lead hazards by giving reconstruction priority to eligible residents most at risk for lead poisoning • Develop technical capacity with staff City of Texarkana, CDBG; Non-profit agency, Texarkana Bowie County Health Dept., local hospitals, Housing Authority
6	Goal Name	Rental Assistance Information Dissemination
	Goal Description	Provide distressed families with information on obtaining rental assistance via web, public access channel, in office, and through partner agencies.

7	Goal Name	Public Facilities and Parks
	Goal Description	Provide improvements for usability and accessibility for public facilities and parks.
8	Goal Name	Public Services - Health Department
	Goal Description	Provide assistance to the Texarkana-Bowie County Family Health Center to ensure health services are available to low and moderate income persons.
9	Goal Name	Public Improvements and Infrastructure
	Goal Description	Provide public improvements and infrastructure in distressed and/or low/mod areas. Focus will be on Target Areas. The City will provide ADA specified improvements at the Beverly Community Center to insure persons with disabilities have full access to all services provided at the center. Other improvements may include water/sewer lines, sidewalks, trails, bike lanes, streetlights, communal spaces, flood control, rain gardens, and/or community garden spaces. May also include code enforcement and foreclosed property care.
10	Goal Name	Homelessness Emergency Shelter
	Goal Description	Assist Randy Sams Shelter for application to Emergency Shelter Grant for essential rehabilitation on facility and expansion to provide shelter and care for families.
11	Goal Name	Homelessness Prevention
	Goal Description	Provide grants development support to organizations that provide services to homeless and special needs individuals. Provide easy access to information for supportive service organizations that provide services to homeless and special needs individuals Attend and participate in Texarkana Homeless Coalition meetings. Host trainings and meetings for the Texarkana Homeless Coalition, providing meeting space, food, and administrative services required for the meetings. Provide consultant and technical services toward writing a Continuum of Care for the Texarkana Homeless Coalition. Apply to the State of Texas' ESG, HOPWA and SHP programs for funding to provide housing for the homeless and special needs individuals.
12	Goal Name	Homelessness Outreach
	Goal Description	Outreach to potentially homeless and homeless individuals to ensure awareness of shelters and services. Outreach to public agencies as distributors of information.

13	Goal Name	Section 108 Loan Program for Economic Development
	Goal Description	Section 108 Loan Program to make low cost loans available for development of mixed use properties Downtown. The City will use these loan funds to assist with rehabilitation of a downtown historic structure into Hotel Grim Lofts that will provide 20 low/mod housing units.
14	Goal Name	Section 108 Loan Program for Economic Development-Prepayment
	Goal Description	CDBG funds will be used to pre-pay \$512,265 pf the \$1,429,000 balance pm the City's Section 108 loan. Loan funds used to provide 20 low/mod housing units in the Hotel Grim Lofts in downtown Texarkana.
15	Goal Name	Administer the CDBG Program
	Goal Description	Administer the CDBG program.

Projects

AP-35 Projects – 91.220(d)

Introduction

In this section of the CDBG Annual Plan, the City of Texarkana, Texas provides a summary of the eligible program and/or activities that will take place during the program to address the priority needs and specific objectives identified in the Strategic Plan. Eligible programs and activities are referred to as "Projects."

Projects

#	Project Name
1	SHP Supportive Housing Program/CoC Transitional Housing Program
2	Home Buyer Assistance Program
3	Revolving Loan Fund
4	Housing Reconstruction
5	Evaluate and Reduce Lead Paint Hazards
6	Rental Assistance Information
7	Public Facilities and Parks
8	Public Services - Health Department
9	Public Improvements and Infrastructure
10	Homelessness Emergency Shelter Assistance
11	Homelessness Prevention
12	Homeless Outreach
13	Section 108 Loans for Economic Development
14	Section 108 Loan Program - Prepayment
15	CDBG Program Administration

Table 56 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Priorities selected as High or Low Priority Goals and Projects were identified through analysis of local need, market analysis, consultation with local, state, and federal agencies and citizen participation. High Priority projects will receive funding through CDBG funds. Funding for Low Priority Goals and Projects comes from sources other than CDBG. The greatest obstacle to addressing underserved needs is obviously funding.

AP-38 Project Summary

Project Summary Information

1	Project Name	SHP Supportive Housing Program/CoC Transitional Housing Program
	Target Area	
	Goals Supported	Domestic Violence Prevention and Texarkana Friendship Center Supportive Housing/CoC Transitional Housing Programs
	Needs Addressed	Aff. Housing Rental Assistance Homelessness Prevention
	Funding	Supportive Housing Program: \$450,000
	Description	Act as fiscal agent for the Domestic Violence Prevention's and Texarkana Friendship Center's Supportive/Transitional Housing Program SHP grant.
	Planned Activities	Act as fiscal agent for the Domestic Violence Prevention's and Texarkana Friendship Center's Supportive/Transitional Housing Program SHP grant.
2	Project Name	Home Buyer Assistance Program
	Target Area	
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$20,000
	Description	Provide down payment assistance for low/mod households.
	Planned Activities	Provide down payment assistance for two low/mod households. The City will work with Housing Authority and local lenders to qualify applicants for the program.

3	Project Name	Revolving Loan Fund
	Target Area	Downtown Area
	Goals Supported	CDBG Revolving Loan Fund
	Needs Addressed	Non-H - Economic Development
	Funding	CDBG: \$100,000
	Description	Provide revolving loans to private businesses for economic development in target areas.
	Planned Activities	Provide loans to qualified property owners for rehabilitation of commercial or residential property in downtown Texarkana.
4	Project Name	Housing Reconstruction
	Target Area	Beverly Community Revitalization
	Goals Supported	Housing Reconstruction
	Needs Addressed	Aff. Housing Rehabilitation-Existing Units
	Funding	CDBG: \$148,000 TDHCA: \$320,000
	Description	Reconstruction of housing for low and moderate income homeowners.
	Planned Activities	Housing Reconstruction of units for low and moderate income units. Housing rehabilitation funds for housing repairs for low and moderate income households.
5	Project Name	Evaluate and Reduce Lead Paint Hazards
	Target Area	Downtown Area Beverly Community Revitalization
	Goals Supported	Evaluate and Reduce Lead Paint Hazards

	Needs Addressed	Aff. Housing Rehab-Existing Units Lead Paint
	Funding	General Fund: \$3,000
	Description	Provide information and education to the public, re: lead risks; Evaluate and reduce lead hazards by giving reconstruction priority to eligible residents most at risk for lead poisoning; Develop technical capacity with staff.
	Planned Activities	Provide information and education to the public, re: lead risks; Evaluate and reduce lead hazards by giving reconstruction priority to eligible residents most at risk for lead poisoning; Develop technical capacity with staff.
6	Project Name	Rental Assistance Information
	Target Area	
	Goals Supported	Rental Assistance Information Dissemination
	Needs Addressed	Aff. Housing Rental Assistance
	Funding	General Fund: \$1,000
	Description	The City will disseminate information to assist persons and households to obtain affordable housing, housing assistance, and/or homelessness prevention information.
	Planned Activities	The City will disseminate information to assist persons and households to obtain affordable housing, housing assistance, and/or homelessness prevention information.
7	Project Name	Public Facilities and Parks
	Target Area	Downtown Area Beverly Community Revitalization
	Goals Supported	Public Facilities and Parks
	Needs Addressed	Non-H - Public Facilities Parks Improvements
	Funding	CDBG: \$20,191
	Description	Improvements to public facilities and parks in target areas.

	Planned Activities	Provide improvements to public facilities and parks to improve safety, usability, and accessibility in target areas.
8	Project Name	Public Services - Health Department
	Target Area	
	Goals Supported	Public Services - Health Department
	Needs Addressed	Non-Housing - Public Services
	Funding	Texas DSHS: \$20,000 CDBG: \$42,899
	Description	Improvements to health department facilities.
	Planned Activities	The City intends to assist the Health Department to secure funding through DSHS for improvements to the public health facility in order to improve services there. The City will use CDBG funds in working with homeless providers, health department, community college, neighborhood organizations, employers of low/mod persons, and owners of micro-businesses to provide public service benefits.
9	Project Name	Public Improvements and Infrastructure
	Target Area	Downtown, Beverly
	Goals Supported	Non-Housing Community Development
	Needs Addressed	Non-H – Public Improvements and Infrastructure
	Funding	CDBG: \$97,556

	Description	Provide public improvements and infrastructure in distressed and/or low/mod areas. Focus will be on Target Areas. The City will provide ADA specified improvements at the Beverly Community Center to insure persons with disabilities have full access to all services provided at the center. Other improvements may include water/sewer lines, sidewalks, trails, bike lanes, streetlights, communal spaces, flood control, rain gardens, and/or community garden spaces. May also include code enforcement and foreclosed property care.
	Planned Activities	Provide public improvements and infrastructure in distressed and/or low/mod areas. Focus will be on Target Areas. The City will provide ADA specified improvements at the Beverly Community Center to insure persons with disabilities have full access to all services provided at the center. Other improvements may include water/sewer lines, sidewalks, trails, bike lanes, streetlights, communal spaces, flood control, rain gardens, and/or community garden spaces. May also include code enforcement and foreclosed property care.
10	Project Name	Homelessness Emergency Shelter Assistance
	Target Area	
	Goals Supported	Homelessness Emergency Shelter
	Needs Addressed	Homelessness Emergency Shelter
	Funding	General Fund: \$4,000
	Description	Assistance for fund development for emergency shelter including participation in Homeless Coalition.
	Planned Activities	The City plans to assist the Homeless Coalition and Randy Sams Homeless shelter to research and apply for grants and will participate on the Coalition; contributions of personnel costs through the City's General Fund.
11	Project Name	Homelessness Prevention
	Target Area	
	Goals Supported	Homelessness Prevention
	Needs Addressed	Homelessness Prevention
	Funding	General Fund: \$4,000

	Description	Assistance for homelessness prevention programs through funding for grant management programs.
	Planned Activities	The City intends to contribute personnel resources paid for through General Fund to the Homeless Coalition and to support Randy Sams Homeless Shelter through implementation of the eCivis software.
12	Project Name	Homeless Outreach
	Target Area	
	Goals Supported	Homelessness Outreach
	Needs Addressed	Homelessness Prevention
	Funding	General Fund: \$4,000
	Description	Provide Outreach to homeless persons to assist them in receiving services, shelter, and housing.
	Planned Activities	
13	Project Name	Section 108 Loans for Economic Development – Hotel Grim Lofts
	Target Area	Downtown Area
	Goals Supported	Section 108 Loan Program for Economic Development
	Needs Addressed	Aff. Housing Production of New Units Non-H - Public Improvements & Infrastructure Non-H - Economic Development Aff. Housing
	Funding	Section 108: \$1,429,000
	Description	Section 108 Loan Program to make low cost loans available for development of mixed use properties Downtown. The City will use these loan funds to assist with rehabilitation of a downtown historic structure into Hotel Grim Lofts that will provide 20 low/mod housing units.

	Planned Activities	Section 108 Loan Program to make low cost loans available for development of mixed use properties Downtown. The City will use these loan funds to assist with rehabilitation of a downtown historic structure into Hotel Grim Lofts that will provide 20 low/mod housing units.
14	Project Name	Section 108 Loans for Economic Development – Hotel Grim Lofts
	Target Area	Downtown Area
	Goals Supported	Section 108 Loan Program for Economic Development - Prepayment
	Needs Addressed	Aff. Housing Production of New Units Non-H - Public Improvements & Infrastructure Non-H - Economic Development Aff. Housing
	Funding	CDBG: \$512,265
	Description	Prepayment of \$512,265 on \$1,429,000 Section 108 loan
	Planned Activities	CDBG funds will be used to pre-pay \$512,265 of the \$1,429,000 balance on the City's Section 108 loan. Loan funds used to provide 20 low/mod housing units in the Hotel Grim Lofts in downtown Texarkana.
14	Project Name	CDBG Program Administration
	Target Area	Downtown Area Beverly Community Revitalization

	Goals Supported	Domestic Violence Prevention Supportive Housing CDBG Revolving Loan Fund Housing Reconstruction Evaluate and Reduce Lead Paint Hazards Rental Assistance Information Dissemination Public Facilities and Parks Public Services - Health Department Homelessness Emergency Shelter Homelessness Prevention Homelessness Outreach Section 108 Loan Program for Economic Development Administer the CDBG Program
	Needs Addressed	Aff. Housing Rehabilitation-Existing Units Aff. Housing Rehab-Existing Units Lead Paint Aff. Housing Rental Assistance Aff. Housing Production of New Units Homelessness Outreach Homelessness Emergency Shelter Homelessness Prevention Non-H - Public Facilities Parks Improvements Non-H - Public Improvements & Infrastructure Non-Housing - Public Services Non-H - Economic Development Aff. Housing
	Funding	CDBG: \$57,699
	Description	Administer the CDBG program
	Planned Activities	Administer the CDBG program.

Table 57 – Project Summary

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Texarkana has many safe, affordable, and livable neighborhoods. However, some areas of the city have increasingly become areas where housing and social problems are concentrated, areas where poverty and lack of decent housing exacerbate other social issues. These are areas where with multiple housing problems and a concentration of abandoned, substandard housing are havens for criminal activity, depriving decent citizens of peace of mind and property value. Concentration is here defined as 44% percent or more of the housing stock in an area of 2 or more adjacent block groups with households experiencing more than one of the Four Housing Problems. (Lacking complete kitchens, lacking complete plumbing, more than one person per room, and/or paying 30% or more of household income for housing.)

The Beverly Community in Texarkana, Texas has significant housing and poverty issues. As such, the City has designated the Beverly Neighborhood as a priority local Target Area. The downtown area has few affordable housing opportunities for people wanting to live in the downtown area. Many of the residential structures in the Downtown - 7th Street Corridor are substandard or substandard with significant rehabilitation potential.

In areas of minority and/or low-income concentration, housing values are generally much lower than the city as a whole, crime rates are higher, and there are fewer opportunities for employment. Both the Beverly neighborhood and downtown are prime examples of areas where minority and low income concentration pose significant challenges to redevelopment and the goal associated with providing safe, suitable, livable communities for everyone.

The City's designation of the Beverly Neighborhood as a local Target Community is based on the concentrations of poverty, minorities, abandoned and/or substandard housing, and high numbers of households with one or more of the Four Housing Problems or Four Severe Housing Problems. In many ways, Beverly is similar to other neighborhoods in Texarkana, in that these social and market factors have depressed the neighborhoods making them unattractive to developers. These neighborhoods cost the city in lost property taxes and increase police, fire, and environmental services. Estimates of the number of abandoned, substandard properties suggest that one in six homes have been boarded up in the Beverly community.

The City has an extensive network of parks, schools, churches, shopping, and social service organizations located throughout the city. The City's partnership with the T-Line public transportation system has resulted in transportation availability in most neighborhood in the city. Only one park exists in the Beverly community. The park is located on a flood plain and cannot be updated using state or federal funding. Other community assets include grocery stores, employment opportunities, and Texarkana

Community College.

Substantial strategic opportunities exist in both the Beverly Neighborhood and in Downtown Texarkana with an appropriate level of commitment of resources to remove barriers and create incentives for redevelopment and economic opportunities benefitting the entire city. Consequently, 80% of CDBG funds will be spent in the target areas, with an even split between the two.

Geographic Distribution

Target Area	Percentage of Funds
Downtown Area	40
Beverly Community Revitalization	40

Table 58 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Reductions in federal funding are felt across the country. In Texarkana, HUD's new funding allocation formulas resulted in the loss of nearly 25% of the CDBG budget. Texarkana's experience with targeting resources in the Rosehill neighborhood and the attraction of private capital there, resulted in neighborhood transformation. Consequently, the City concluded that the best way to maximize the CDBG budget would be to concentrate on specific areas for improvement in housing and living conditions that would have the most return on investment. Citizens of Texarkana and the duly elected City Council chose, by City Ordinance, to focus City resources in Downtown and the Beverly community, with the expectation that the funds expended there would provide the greatest benefit the City.

Discussion

Target Areas are central to Texarkana's plan to improve both the Downtown/7th Street Corridor and the Beverly Heights Community. . The City will work with the Housing Authority and local lenders to qualify applicants for the Home Buyer Assistance Program to provide down payment assistance to two low/mod households. The Housing Rehabilitation Program will assist eight low/mod households with housing repairs to improve living conditions. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City works with many partner agencies, non-profits, and churches to provide housing and services to extremely-low to moderate-income people. Rental assistance, supportive housing, homelessness and homelessness prevention are of primary concern. The City of Texarkana has committed to continuing the collaborative partnerships with these agencies to ensure the maximum number of families and individuals will receive the assistance they need for suitable housing and shelter.

One Year Goals for the Number of Households to be Supported	
Homeless	300
Non-Homeless	300
Special-Needs	300
Total	900

Table 59 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	1,000
The Production of New Units	5
Rehab of Existing Units	5
Acquisition of Existing Units	0
Total	1,010

Table 60 - One Year Goals for Affordable Housing by Support Type

Discussion

Some of the outcomes listed above will be funded through assistance to homeless shelters, supportive housing programs, and the Housing Authority of Texarkana, Texas (HATT).

AP-60 Public Housing – 91.220(h)

Introduction

The City of Texarkana, Texas plans to carry out several activities supporting public housing in the course of the program year covered by this Action Plan. The City works closely with HATT, the Housing Authority of Texarkana, Texas. Over the course the past five years, HATT has transformed the Rosehill Neighborhood and the experience of living in public housing for many low-income individuals with the assistance of the Hope VI award. That program ends September 30, 2013. Never the less, HATT and the City are committed to revitalizing the neighborhoods and public housing of Texarkana.

Actions planned during the next year to address the needs to public housing

The City will continue to work with HATT to expand the number of units available to individuals and families in need of public housing and to provide more Section 8 properties within the jurisdiction. The City will provide citizens with access to Fair Housing information, rental assistance programs, and economic and educational opportunities for improving self-sufficiency. Also, the City recognizes that home ownership increases housing and neighborhood stability. Consequently, the City will assist HATT with its home ownership opportunity programs.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Information provided to public housing residents will include encouragement for participation in management and homeownership.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

HATT is an exemplary public housing authority and is not designated as troubled.

Discussion

The City will work with the Housing Authority and local lenders to qualify applicants for the Home Buyer Assistance Program to provide down payment assistance to two low/mod households. The Housing Rehabilitation Program will assist eight low/mod households with housing repairs to improve living conditions. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Addressing the emergency shelter and transitional housing needs of homeless persons

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Discussion

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

There are many factors that affect the cost and production or maintenance of housing affordable to extremely low-, low-, and moderate-income families (at or below 80% of Median Family Income (MFI). An analysis of these factors has aided the City in developing programs that reduce the adverse affects of these constraints on the supply and cost of housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The Analysis of Impediments indicated no significant institutional barriers to affordable housing exist in Texarkana. Pre-development, building permit and inspection expenses are average in terms of housing construction and renovation costs.

To maintain the City's commitment to prevent barriers to affordable housing the City will:

- Maintain flexibility in zoning and building requirements when appropriate to allow for infill housing development and to provide technical assistance to developers of affordable housing. Posters & literature displayed and made available at city office buildings, utility building, and the public library;
- Monitor city-sponsored projects for equal access and compliance of the Fair Housing Act and Building Dept. officials monitors code compliance to Fair Housing standards;
- Hold periodic Public Hearings providing information and requesting public comment on fair housing or related issues ;
- Provide homebuyer and homeowner education, including fair housing information, was provided by the city and other local housing services providers;
- Conduct outreach efforts to for-profit and non-profit builders and developers through funding and technical assistance to increase the supply of decent, affordable housing within low to moderate income neighborhoods as well as creation of affordable housing on a city-wide basis;
- Maintain an Affirmative Marketing Plan to directly market newly-developed City-assisted housing units to minority groups least likely to apply to homeownership programs.
- Meet with local lenders and home builders to encourage the use of non-traditional client loan qualifying and loan products to better serve the needs of homebuyer households with challenges that preclude conventional qualification;
- Conduct public outreach regarding availability of housing and housing assistance including translation of housing application materials into Spanish, and maintains bi-lingual staff in order

- to assist applicants and clients who are not English-proficient;
- Support local Continuum of Care efforts for homeless populations and provides ongoing support and technical assistance to the Texarkana Homeless Coalition;
- Work with local agencies that provide financial case management and credit counseling;
- Researching the possibility of adopting a Fair Housing ordinance to ensure that fair housing options are available to its citizens.

Discussion:

Most of the City of Texarkana's policies were enacted to protect and further the public welfare. For instance, building codes and subdivision standards are required by law for the protection and general welfare of the community. Development impact fees are recovered from the developer to assure that the public costs of new developments are paid by that development. While recognizing the changing need of public policies, the City will review them periodically to determine whether they have become excessive or represent an unnecessary constraint on the development or maintenance of affordable housing.

The City of Texarkana, Texas has not identified any public policies that serve as barriers to affordable housing, and therefore did not need to develop strategies to remove or lessen negative effects that serve as barriers to affordable housing. However, the City has identified the following other general barriers to affordable housing:

- Substantial down payments required to purchase new or existing homes;
- Availability of credit to low and moderate income persons with credit problems;
- Availability of decent affordable single-family units and affordable rental properties.

The City will work with the Housing Authority and local lenders to qualify applicants for the Home Buyer Assistance Program to provide down payment assistance to two low/mod households. The Housing Rehabilitation Program will assist eight low/mod households with housing repairs to improve living conditions. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available.

AP-85 Other Actions – 91.220(k)

Introduction:

This section of the Action Plan addresses the planned actions of the City of Texarkana, Texas to carry out the following strategies outlined in the Consolidated Plan:

- Foster and maintain affordable housing;
- Evaluate and reduce lead-based paint hazards;
- Reduce the number of poverty-level families;
- Develop institution structure; and
- Enhance coordination.

In addition, the City identifies obstacles to meeting underserved needs and proposes actions to overcome those obstacles.

Actions planned to address obstacles to meeting underserved needs

- Provide support to organizations that provide services to homeless and special needs individuals
- Provide financial support to organizations that provide services to homeless and special needs individuals.
- Provide easy access to information for supportive service organizations that provide services to homeless and special needs individuals

Actions planned to foster and maintain affordable housing

- Provide decent and affordable housing through single-family owner-occupied housing reconstruction for lower income residents
- Promote the availability of City operated owner-occupied housing assistance programs through the media
- Solicit applications for assistance from low income residents
- Conduct applicant screening and approval
- Provide home-buyer education counseling and assistance
- Facilitate reconstruction of single-family properties

Actions planned to reduce lead-based paint hazards

- Provide information and education to the public, re: lead risks
- Evaluate and reduce lead hazards by giving reconstruction priority to eligible residents most at

- risk for lead poisoning
- Develop technical capacity with staff

Actions planned to reduce the number of poverty-level families

- Pursue economic development of Downtown and Beverly communities
- Work with the Chamber of Commerce to bring jobs to low- and moderate-income families

Actions planned to develop institutional structure

- Implement eCivis grants research, writing, and reporting software project to build institutional capacity
- Improve coordination with Public Services Department to address flood zone management in low-mod income communities
- Establish communication and reporting protocols with police, fire, and emergency services to obtain regular statistical reporting and provide first-line professionals with homelessness services information

Actions planned to enhance coordination between public and private housing and social service agencies

- Actively participate in Continuum of Care/Homeless Coalition
- Assist with Homeless Point-in-Time Homeless Count

Discussion:

The City of Texarkana recognizes the challenges to fostering and maintaining affordable housing, evaluating and reducing lead-based paint hazards, reducing the number of poverty-level families, developing institution structure, enhancing coordination, and addressing underserved needs. The City's Target Area approach to implementing programs and providing services to low-moderate income families will ensure that all fundamental goals of the program will be met. This Action Plan is consistent with HUD's Mission to create strong, sustainable, inclusive communities and quality affordable homes for all; strengthening the housing market to bolster the economy and protect consumers; meeting the need for quality affordable rental homes: utilizing housing as a platform for improving quality of life and building inclusive and sustainable communities free from discrimination. The City will work with the Housing Authority and local lenders to qualify applicants for the Home Buyer Assistance Program to provide down payment assistance to two low/mod households. The Housing Rehabilitation Program will assist eight low/mod households with housing repairs to improve living conditions. The City was awarded Section 108 Loan Funds that will be used to rehabilitate a downtown structure into Hotel Grim Lofts and will make twenty low/mod housing units available.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

This section address the program-specific requirements for the Annual Action Plan. The Consolidated Plan Final Rule contains requirements regarding this section of this CDBG Action Plan.

All program income that will have been received before the start of the next program year will have been reprogrammed. The City has no Section 108 loans, urban renewal settlements, or float funded activities. No grant funds will have been returned to the line of credit for which the planned use has not been included in a prior statement or plan. The City does not expect to use any funds for urgent need activities.

The City of Texarkana, Texas estimates that 70% of program funds will be used for activities that benefit persons of low and moderate income over a consecutive period of three years, years 2013-2015 including the year covered by this Annual Action Plan.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
---	---

2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

70.00%

Discussion:

The City of Texarkana, Texas does not receive HOME funds. The City expects that all program income will have been programmed and that Section 108 Loan proceeds will be received in the appropriate program year.

Additionally, the City expects no surplus funds from urban renewal settlements, grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan., and no income from float-funded activities.

Seventy percent of CDBG funds will be used for activities that benefit persons of low and moderate income, with an Overall Benefit calculated over a period of three consecutive years to determine that the minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income.



City of Texarkana, Texas 2016 Annual Action Plan

(DRAFT AMENDMENT 2/15/2017)

The Annual Action Plan for the City of Texarkana, Texas
Community Development Block Grant Program
Prepared in Accordance with the
United States Department of Housing and Urban Development's Planning
Requirements

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

This Annual Action Plan is effective October 1, 2016 through September 30, 2017. The Annual Action Plan is required by the U.S. Department of Housing and Urban Development in order for the City of Texarkana, Texas to receive federal housing and community development funds under the Community Development Block Grant (CDBG) program.

The overall goals of the City's program have been created according to HUD's established objectives. They are designed to develop viable urban communities principally for low- and moderate-income persons with household incomes at or below 80% of Median Family Income by

- Providing decent housing;
- Providing a suitable living environment; and
- Expanding economic opportunities.

The statutes for the CDBG grant programs set forth three basic goals against which the plan and the jurisdiction's performance under the plan will be evaluated by HUD. These statutory program goals are:

DECENT HOUSING

- assisting homeless persons obtain affordable housing;
- assisting persons at risk of becoming homeless;
- retaining the affordable housing stock;
- increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and
- providing affordable housing that is accessible to job opportunities.

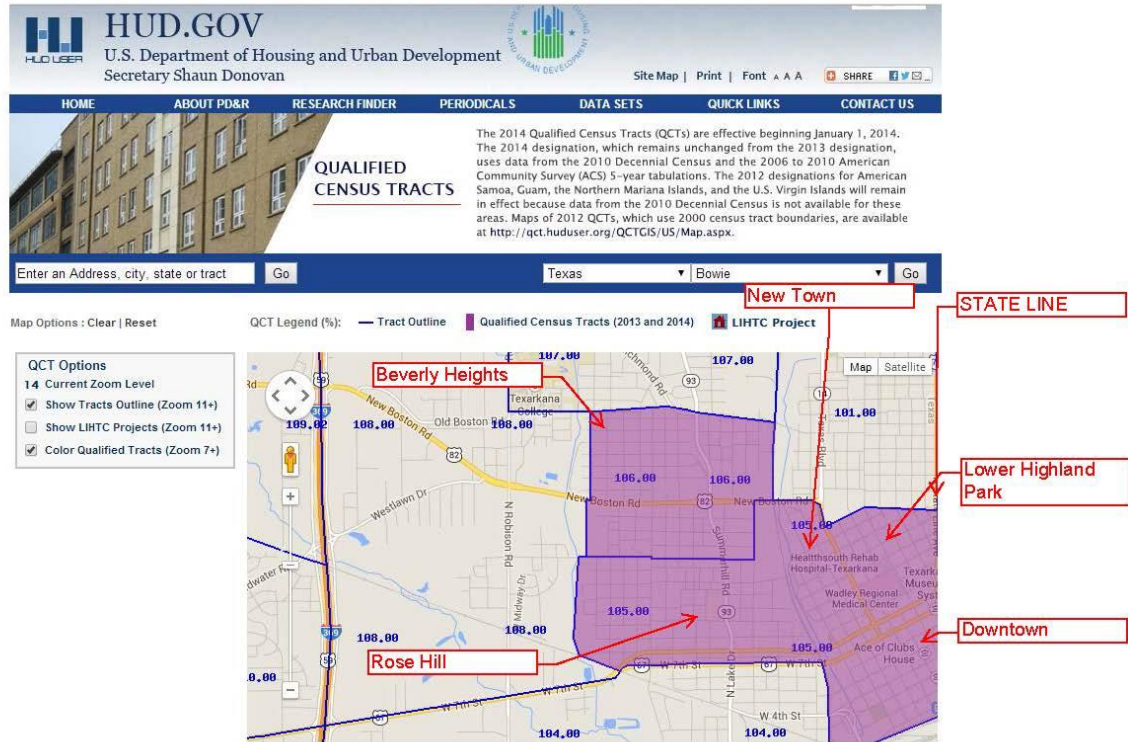
A SUITABLE LIVING ENVIRONMENT

- improving the safety and livability of neighborhoods; eliminating blighting influences and the deterioration of property and facilities;

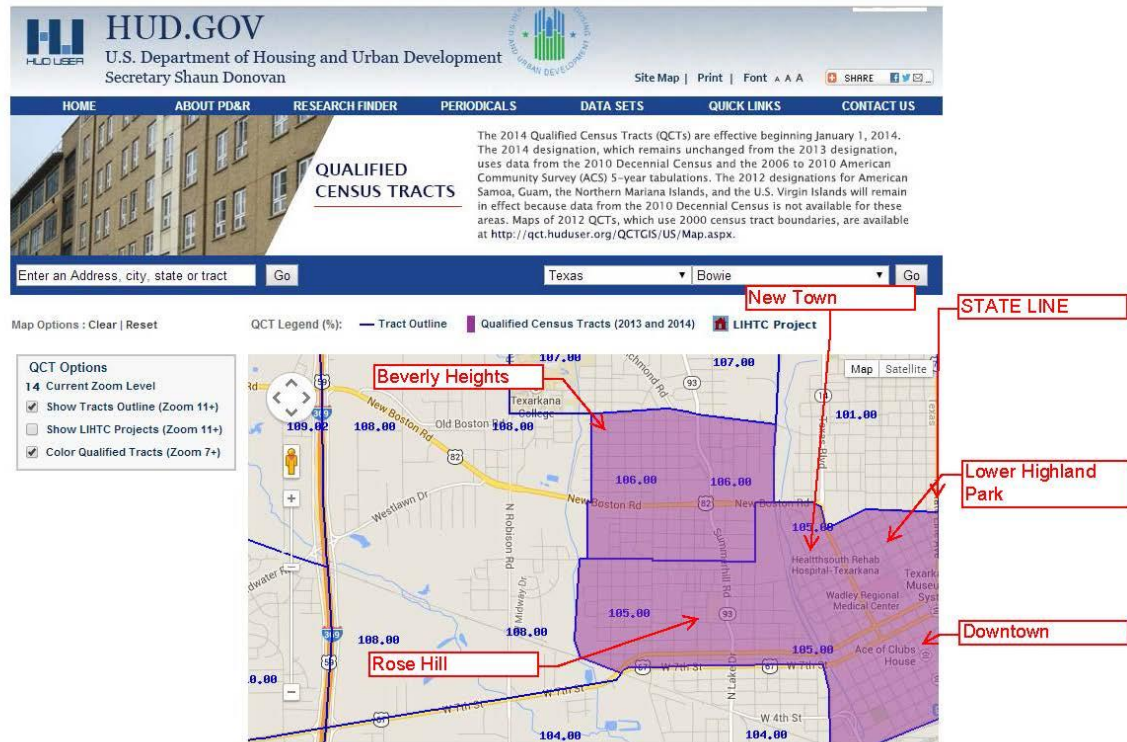
- increasing access to quality public and private facilities and services;
- reducing the isolation of income groups within areas through spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods;
- restoring and preserving properties of special historic, architectural, or aesthetic value;
- and conserving energy resources and use of renewable energy sources.

EXPANDED ECONOMIC OPPORTUNITIES

- job creation and retention; establishment, stabilization and expansion of small businesses (including micro-businesses); the provision of public services concerned with employment;
- the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan;
- availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices;
- access to capital and credit for development activities that promote the long-term economic and social viability of the community; and
- empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.



Texarkana Qualified Census Tracts



Low and Moderate Income Areas

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

In accordance with the goals, objectives, and statutory rules, the City will provide at least five housing rehabilitation grants to extremely low, low and or moderate income households, provide several low- and moderate income persons with down payment assistance, provide support for infrastructure in the Beverly Target Area including sidewalk, trails, and community garden projects, provide ADA improvements for Beverly Community Center, and provide public service activities. The City will also administer the CDBG program.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

How were goals and projects chosen?

Texarkana, Texas is experiencing changes in housing patterns, though many of the issues impacting safe and affordable housing remain. Texarkana's population increased by 4% when comparing the 2000 Census population to the population counts in the 2005-2009 American Community Survey. At the same time, median income rose by 28% from \$29,727 to \$38,037 and the number of households declined by 6% from 15,105 to 14,200. Families in Texarkana seem to be consolidating, relying on income from more individuals per household contributing income. The most common housing problems in Texarkana are cost burden problems where renters and owners have housing costs that exceed 30% of household income.

Renters characterized as Small Related Renter households with a cost burden exceeding 50% of income are statistically the household type most often affected by at least one housing problem. Accessible units, especially for the frail and elderly, are in high demand in the city among current and prospective public housing tenants. The Housing Authority of Texarkana, Texas (HATT) has approximately 1,200 qualified households on the waiting list for public housing or rental assistance, with little chance of receiving assistance as HATT has a 2% vacancy rate.

Collaboration between the City and the Housing Authority of Texarkana, Texas (HATT) with funding of the Hope VI grant resulted in the remarkable transformation of the Rosehill Neighborhood and the state of Public Housing in this city. This collaboration between the City, HATT, neighborhood groups, the Homeless Coalition, and other service providers can serve as a model for transformation of other areas of the City. The key to this type of success is in working together to identify needs, solutions, funding, and community-oriented mechanisms for transformational change. The City expects to repeat this level of transformation in two new target areas, Downtown Texarkana and the Beverly Neighborhood, addressing concentrations of poverty and proliferation of Brownfields. This close collaboration resulted in the first multi-agency Emergency Shelter Grant application, a partnership application to the Citizens Institute for Rural Design, a successful Better Block implementation, CDBG Revolving Loan Fund loans, adoption of two Target Areas, Beverly Community clean ups, and wide-spread support for downtown redevelopment projects.

Two areas in Texarkana have emerged as priority areas for public improvements and economic development opportunities: the Beverly Community, and Downtown Texarkana. The Beverly Community is an area of minority concentration, extremely-low and low-income residents, as well as numerous substandard homes and facilities. The Beverly and Downtown/ 7th Street Corridor present substantial opportunities to impact low and moderate income persons by addressing Brownfields issues and environmental contamination, slum and blight, food desert status, safety issues like inadequate

roadways, inadequate lighting, storm water run-off, flood management, lack of storm shelters, few bike lanes/walking trails, as well as food security issues like access to a functional sheltered farmers' market, community gardens, all public improvements requested by citizens of Texarkana.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

In preparation of the Annual Action Plan, the City of Texarkana, Texas held several public meetings concerning the housing and community development needs of the community. The City prepared this 2016 Annual Action Plan to advance the objectives identified in the City's 2013-2017 Consolidated Plan for which the City conducted community surveys to solicit citizen and agency comments. These citizen comments were incorporated in the development of the City's 2013-2017 Consolidated Plan, Citizens Participation Plan, 2013 Action Plan, 2014 Action Plan, 2015 Action Plan, a planned minor amendment to the Consolidated Plan and this 2016 Action Plan, which together identifies priority activities for the City's Community Development Block Grant (CDBG) funds in Program Year 2016.

Additionally, the City conducted surveys at public neighborhood meetings. These were distributed online and as paper copies.

Survey Link: <https://www.surveymonkey.com/r/texarkanapriorities2>

Citizen participation activities were conducted throughout the year and included several public town hall style meetings, hearings and public meetings before the council, and continued through community meetings, and consultations with area service agencies and the Homeless Coalition.

- April 28th: Rosehill Neighborhood Meeting
- May 5th: Highland Park Neighborhood Meeting
- May 12th: Beverly Neighborhood Meeting

Public meetings for Citizen input on this 2016 Amended Annual Action Plan will be held during the following City Council Meetings:

- February 27, 2017: First Briefing
- March 13, 2017: Public Hearing

Public Comment Period for the Amended Action Plan is February 20th through March 22nd, 2017.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Consensus as to Texarkana's most urgent needs centers on assistance to the homeless, addressing economic development, slum and blight eradication, safety issues, sidewalk improvements/trails, reducing crime, activities for neighborhood children, cleanups of neighborhoods, substandard housing, Brownfields issues, and concentration of resources to address issues in Target Areas. Additional concerns expressed include the need for improving the livability of troubled neighborhoods, the need to improve the Farmers Market, and continued progress on redevelopment of downtown, especially the Grim Hotel for commercial and residential purposes. Other comments received from surveys include:

1. Need to slow traffic on Olive Street
2. Alley cleanups and frequent grading/dragging of alleys. They are horrible and add to insect, rodent and snake problems.
3. Better communication/more inclusive news alerts (individual invitations, newspaper announcements).
4. Remove swamp in Ferguson Park
5. Homeowners need help with housing repairs
6. Make landlords watch who they rent to
7. Need pocket parks
8. Need nice grocery stores, bike trails, nice parks, community centers

6. Summary of comments or views not accepted and the reasons for not accepting them

There were no comments or views not accepted.

7. Summary

In this fourth year of the Consolidated Plan, the City of Texarkana, Texas continues to pursue three primary goals: providing decent housing; providing a suitable living environment; and expanding economic opportunities.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	TEXARKANA	Department of Planning and Community Development

Table 1 – Responsible Agencies

Narrative (optional)

The Department of Planning and Community Development oversees the Community Development Block Grant Program. This office was formerly known as the Office of Community Development and Grants.

The Department of Planning & Community Development implements a variety of programs to assist in the development of the City's economic future and foster a better quality of life. These programs encompass comprehensive planning, zoning administration, physical revitalization of targeted areas, retaining and attracting businesses to Texarkana, creating new residential opportunities, revitalization of neighborhoods and job training opportunities.

The Department is also responsible for research, application and administration of grant programs and projects. Grant funding is used for projects such as improving infrastructure, public parks, purchasing equipment for city departments, improving energy efficiency, implementing housing reconstruction and homebuyer assistance, transitional housing and job training programs for low-income individuals and families, and addressing contaminated brownfield sites.

Consolidated Plan Public Contact Information

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Annual Action Plan
2016

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Mayor Bob Bruggeman

Ward 1 Council Member Jean H. Matlock

Ward 2 Council Member Willie Ray

Ward 3 Council Member Tina Veal-Gooch

Ward 4 Council Member Brian Matthews

Ward 5 Council Member Christy P. Paddock

Ward 6 Council Member Josh Davis

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of Texarkana, Texas' Consolidated Plan encompasses activities to be undertaken during the period of October 1, 2013 through September 30, 2017 by the City of Texarkana, an entity recognized by the U.S. Department of Housing and Urban Development (HUD) grant funding under the Community Development Block Grant (CDBG) program. This 2016 Amended Annual Action Plan is Texarkana's plan for administration of the CDBG program from October 1, 2016 to September 30, 2017.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

Entities that collaborate with the City to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies include:

- Housing Authority of Texarkana, Texas (HATT)
- Randy Sams Homeless Shelter
- The Salvation Army, Texarkana
- The Friendship Center
- Texarkana Community College
- The Homeless Coalition of Texarkana (Continuum of Care)
- Texarkana-Bowie County Family Health Center

The City collaborates routinely with these entities, and their respective constituencies through regular meetings, cross-agency steering committees and boards, mailing lists, public postings, and email subscriptions. The City is also using social media to reach out to and interact with these agencies and their constituencies.

Public Comment Period: July 4, 2016 through August 3, 2016 (30+ days)

Amendment Public Comment Period: February 20, 2017 through March 22, 2017 (30+ days)

Interested parties were encouraged to attend these public meetings and hearings to present their opinions, views, and recommendations. Persons or groups were also advised that they could provide written comments by sending them to the Department of Planning and Community Development, P.O. Box 1967 Texarkana, Texas 75504-1967.

Surveys for the Consolidated Plan were accepted from June 19, 2013 until July 6, 2013. Links to the surveys were posted on the City's website, advertised in flyers emailed to community organizations, the

Continuum of Care, local churches, planning organizations, the Chamber of Commerce, and the Housing Authority.

- **Agency:** <https://www.surveymonkey.com/s/communitysurveyproviders>
- **Individuals:** <https://www.surveymonkey.com/s/conplancitizenssurvey>

The Community Needs Survey was available from April 23rd through May 12th.

- <https://www.surveymonkey.com/r/texarkanapriorities2>

All other written comments were received by August 3, 2016 for inclusion in the plan. Public comments on the draft: accepted from July 4, 2016 to August 3, 2016. Public comments on the amendment: accepted from February 20, 2017 to March 22, 2017.

Public Notices of the community meetings, public hearings, survey, and draft availability were posted at City Hall, on the City's website and in the Texarkana Gazette and on their website. Newspaper legal notice ran prior to release of the 2016 Action Plan Draft and 2016 Amended Action Plan Draft and included dates, times, and addresses for public meetings, as well as instructions for submitting comments.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City maintains close relationships and coordinates with the Doorways Home (local) Continuum of Care and the Texas Homeless Network (THN-statewide) in order to address the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth and persons at risk of homelessness. In Program Year 2013, the city worked with partners of the Homeless Coalition and Continuum of Care to submit the areas first collaborative Emergency Solutions Grant. That grant would have helped more than one thousand homeless or at-risk of homeless individuals and families through this partnership, with the City serving as the fiscal agent for the program.

In Program Year 2014, the City applied for, and received a Technical Assistance grant through the Texas Balance of State to improve the ESG application. While the scoring improved, the application was again unsuccessful.

In Program Year 2015, the City worked with Program partners Randy Sams' Outreach Program (RSOS), the Texarkana Friendship Center (TFC), and East Texas Veterans Resources (ETVR) to submit a third application. If funded, the ESG project will allow for a Coordinated Access program One-Stop-Shop to serve homeless persons and families, as well as others in a housing crisis to receive case management services at the Texarkana-Bowie County Health Department. It will provide funds for Homelessness

Prevention, Street Outreach, Emergency Shelter, and Rapid Rehousing. This effort extends the City's emphasis on housing the chronically homeless, homeless veterans and other persons at risk of homelessness.

The City also serves as fiscal agent for the Continuum of Care Grant as part of the Texas Homeless Network. This Rapid Rehousing program is carried out by Randy Sams' Outreach Shelter (RSOS) and The Texarkana Friendship Center Incorporated (TFCI). The program provides housing and supportive services for forty households per year where the beneficiaries are/were either homeless or at-risk of homelessness. The program is a Rapid Rehousing program that employs the Housing First model and the VI-SPDAT and FVI-SPDAT for prioritization.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City designates two staff members to participate in the Continuum of Care in order to address the needs of the homeless, at-risk of homeless persons, and veterans. Staff works with the Homeless Coalition and service providers to establish appropriate methodologies for implementation of the Homeless Management Information System (HMIS) as well as performance standards meeting or exceeding those required for Emergency Solutions Grants recipients. The City serves as fiscal agent for the Continuum of Care grant, assisting homeless and at-risk of homelessness persons including domestic violence victims to obtain housing and supportive services. Additionally, the Coalition, as a member of the Texas Homeless Network Continuum of Care, has been chosen to participate in a program designed to consolidate services under the THN Coordinated Access Pilot Program. Staff attends local CoC meetings, attends the Regional Planning Group webinars, meetings, and trainings, and participates state-wide through participation in regional and statewide conferences. The Texarkana Doorways Home Homeless Coalition hosts the annual Point in Time count of homeless persons, conducts training for coalition partners, raises funds for the local coalition and partner agencies, and makes community-wide decisions regarding ESG and other programs that serve this target population. The Coalition is also now participating in the Functional Zero-Ending Veterans' Homelessness initiative.

Doorways Home Texarkana Coordinated Access Emergency Solutions Grant Application

As the lead applicant for this collaborative program under the Texas Balance of State Continuum of Care, the City of Texarkana, Texas will provide Street Outreach, Emergency Shelter, Homelessness Prevention, and Rapid Re-Housing services in order to assist homeless people or people at risk of homelessness in Texarkana, Texas to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The City has been awarded Emergency Solution Grant (ESG) funds from Texas Department of Housing and Community Assistance to create a One-Stop Shop that will be located inside the Health Department building for services to prevent homelessness and assist those who are homeless. Service providers will not be charged rent or utilities to locate their case managers

and services in the City owned building.

Program partners include reliable service providers that participate in the Texarkana Homeless Coalition: the Randy Sams Outreach Shelter, Texarkana Friendship Center, and East Texas Veterans Resources. This project embodies TDHCA's strategic goals to increase community wide planning and resource use, apply coordinated services that make the most of local organizational strengths, implement proven, research-driven, efficient service delivery tools, and vastly improve performance measurements and, most importantly, emphasize outcomes.

As a Texas Balance of State Continuum of Care Coordinated Access Pilot Project, this collaboration advances Texarkana's efforts to capture each organization's strengths in delivering services to persons either at risk of homelessness or experiencing homeless as defined by HUD ESG Interim Rules with "lightest touch" methodologies and HUD best practices without duplication of costs and/or services.

Each partner delivers HMIS, programmatic and administrative commitments with the City providing grant and HMIS administration. Randy Sams will provide Emergency Shelter while The Friendship Center and East Texas Veterans Resources will provide Homelessness Prevention and Street Outreach. ETVR will provide Rapid Re-housing. The program will serve over 700 persons total.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Housing Authority of Texarkana, Texas
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participation on the Homeless Coalition; City supports development of HATT's five year and one year plans; partners on the HOPE VI grant; presentations given at Public Housing community facilities; presentation to Homeless Coalition.

2	Agency/Group/Organization	RANDY SAM'S OUTREACH SHELTER, INC.
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services - Victims
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Coordination through the Homeless Coalition and ESG partnership.
3	Agency/Group/Organization	Main Street Texarkana
	Agency/Group/Organization Type	Housing Planning organization Business and Civic Leaders Historic Preservation
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Anti-poverty Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Regular coordination of activities; partner on EPA Brownfields projects; coordination through the Arts and Historic Commission.
4	Agency/Group/Organization	SALVATION ARMY-TEXARKANA
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Regular participation on Homeless Coalition; solicitation to participate; works with the city to assess housing needs, anti-poverty strategies.

Identify any Agency Types not consulted and provide rationale for not consulting

There were no agency types not consulted. City personnel extended the invitation to participate in plan development to all agency types represented in the city.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Homeless Coalition of Texarkana	Both plans address the needs of homeless individuals and families.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The Office of Planning and Community Development works in conjunction with the City's duly elected Council of Ward Representatives, the City Manager's Office, Finance, Inspections, Public Works, Street, Environmental Services and Parks and Recreation Departments to oversee the development of the Consolidated Plan and administer the programs and activities incorporated in the Plan.

In preparation of the Consolidated Plan and Annual Action Plan, the City of Texarkana, Texas held public meetings and conducted community surveys (Consolidated Plan) to solicit citizen and agency comments concerning the housing and community development needs of the community. Citizen comments were incorporated in the development of the City's 2013-2017 Consolidated Plan, Citizens Participation Plan, 2013 Action Plan, 2014 Action Plan, 2015 Action Plan, 2016 Action Plan and 2016 Amended Action Plan.

The City designates two staff members to participate in the Continuum of Care to address the needs of the homeless, at-risk of homeless persons, and veterans. Staff works with the Homeless Coalition and service providers to establish appropriate methodologies for implementation of the Homeless Management Information System (HMIS) as well as performance standards meeting or exceeding those required for Emergency Solutions Grants recipients. The City serves as fiscal agent for the Supportive Housing Grant, assisting homeless and at-risk of homelessness persons including domestic violence victims to obtain housing and supportive services. Additionally, the Coalition, as a member of the Texas Homeless Network Continuum of Care, has been chosen to participate in a program designed to consolidate services.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Attendance at Public Briefings and Council Meetings. No request for translation. No request for accommodations.	Positive responses. No formal comments. Supportive of Downtown RLF, improving living environment in Beverly Community, Farmers' Market, and coordination with HATT and Homeless Coalition.	No comments not accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Attendance at Public Briefings and Council Meetings. No request for translation. No request for accommodations.	Positive responses. No formal comments. Supportive of Downtown RLF, improving living environment in Beverly Community, Farmers' Market, and coordination with HATT and Homeless Coalition.	No comments not accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Attendance at Public Hearing. No request for translation. No request for accommodations.	Positive responses. No formal comments. Supportive of Downtown RLF, improving living environment in Beverly Community, Farmers' Market, and coordination with HATT and Homeless Coalition.	No comments not accepted.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

This Annual Action Plan is effective October 1, 2016 through September 30, 2017. The Annual Action Plan is required by the U.S. Department of Housing and Urban Development in order for the City of Texarkana, Texas to receive federal housing and community development funds under the Community Development Block Grant (CDBG) program.

The City of Texarkana, Texas will use every funding source available to meet the housing, economic development, and social services needs of the residents of the city. CDBG funds will be used to fund projects identified on the Five Year Consolidated Plan as High Priority Needs within the community for which other funding is not available.

The overall goals of the City's program have been created per HUD's established objectives. They are designed to develop viable urban communities principally for low- and moderate-income persons with household incomes at or below 80% of Median Family Income by:

- Providing decent housing;
- Providing a suitable living environment; and
- Expanding economic opportunities.

Other funding sources include the Continuum of Care program. The City works closely with the Domestic Violence Prevention, Inc. (DVP) and the Texarkana Friendship Center to administer a program for Texarkana's victims of domestic violence and their families. The program helps more than forty families in crisis situations per year. Providing accounting, oversight, technical assistance and capacity building enables DVP and TFCI to provide housing and services to some of the most in need of our community. The City also has established relationships with The Texas Department of Housing and Community Affairs (TDHCA) and the Texas Department of State Health Services (DHS). Texarkana utilized the TDHCA "Reservation System" to apply for and receive assistance to low and extremely low income households that were living in substandard housing. The "Housing Reconstruction" program allowed the City to tear down the existing structures and rebuild the homes in the current neighborhood. In 2015, the City did not pursue the Housing Reconstruction Program, but instead focused on providing grants to low-income homeowners for Rehabilitation and Down Payment Assistance. These two programs will continue into 2016.

Additionally, the City partners with Bowie County to provide many health care services to moderate, low, and extremely low income persons in Texarkana through the Texarkana, Texas-Bowie County Family Health Services. The City provides oversight and management to the clinic. Also, homeless service

providers work closely with the City to address the needs of the homeless population with the goal of ending homelessness in Texarkana. The city applied for and was awarded Emergency Solution Grant (ESG) funds to create a One-Stop Shop that will be located inside the Health Department building for services to prevent homelessness and assist those who are homeless. Service providers will not be charged rent or utilities to locate their case managers and services in the City owned building.

The table below shows the City's expected CDBG funds. The City should receive \$285,999 as the City's Annual Allocation, \$1,429,000 in Section 108 Loan Funds and \$2,500 in Program Income. Additionally, the City will have \$517,866 of the prior year's allocation available. These resources will allow the City to work toward meeting the obligation to provide decent housing, provide a suitable living environment, and expand economic opportunities for the residents of Texarkana.

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1					Expected Amount Available Reminder of ConPlan \$	Narrative Descriptive
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Section 108 Loan \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	285,999	2,500	517,866	1,429,000	2,235,365	2,235,365	The amount \$2,235,365 is total available CDBG activities

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City recognizes the importance of leveraging resources. It is estimated that over the course of the 5 Year Plan, these community development projects will bring \$1.75 in private resources spent in the local economy for each grant dollar invested. Moreover, most of the projects will require substantial private investments at a 9 to 1 ratio. Matching requirements will be met by in-kind donations of labor and/or materials. The programs listed above do not require matching funds. When matching funds are required, the City usually provides in-kind matching through labor and supplies or provides cash matches from the City's general funds.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Publicly owned land or property located within the jurisdiction includes housing lots owned by the city, city parks, and scattered properties located in downtown. This property may be used to promote economic development, provide support for homeless programs, and/or affordable housing in Texarkana, Texas. Additionally, publicly owned land may also be used to support public health activities, infrastructure and public services, promoting livability and sustainability within the jurisdiction.

Discussion

The City expects to use CDBG funding as a leveraging tool to support community and economic development within the jurisdiction. The programs above do not have matching requirements that require using CDBG funds to match. The City will provide the Health Department building as space for a One-Stop Shop for coordinated access for homeless services. Service providers will not be charged rent or utilities to locate their case managers and services in the City owned building. The citizens of Texarkana are willing to invest in affordable housing, suitable living environments, and providing economic opportunities. Ensuring a bright future for our most distressed neighborhoods and commercial areas will assist the entire community to grow and prosper.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

See Tables on the following pages:

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	CDBG Program Administration	2013	2017	Administration	Downtown Area	Aff. Housing Rehabilitation- Existing Units Aff. Housing Rehab-Existing Units Lead Paint Aff. Housing Rental Assistance Aff. Housing Production of New Units Homelessness Outreach Homelessness Emergency Shelter Homelessness Prevention Non-H - Public Facilities Parks Improvements Non-H - Public Improvements & Infrastructure Non-Housing - Public Services Non-H - Economic Development Aff. Housing	CDBG: \$57,699	Other: 1 Other

Annual Action Plan
2016

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Attachment: 2017-024 ATTH 02 Action Plan revision 1.31.17 (1612 : 2017-024 RES amending the CDBG

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Home Buyer Assistance	2014	2017	Affordable Housing	Downtown Area Beverly Community Revitalization	Aff. Housing	CDBG: \$20,000	Direct Financial Assistance to Homebuyers: 2 Households Assisted
3	Housing Rehabilitation	2016	2017	Affordable Housing	Beverly Community Revitalization	Aff. Housing Rehabilitation- Existing Units	CDBG: \$80,000	Homeowner Housing Rehabilitated: 8 Household Housing Unit
4	Public Services - Health Department	2013	2017	Non-Homeless Public Service Needs Non-Housing Community Development	Downtown Area Beverly Community Revitalization	Non-Housing - Public Services	CDBG: \$42,899	Public service activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted
5	Public Improvements and Infrastructure – Park & Public Access Improvements	2014	2017	Non-Housing Community Development	Beverly Community Revitalization	Non-H - Public Improvements & Infrastructure Non-H – Public Facilities Parks Improvements	CDBG: \$93,500	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted
6	Section 108 Loan-Hotel Grim Lofts	2016	2017	Affordable Housing	Downtown Area	Aff. Housing	\$1,429,000	Section 108 Loan for Hotel Grim Lofts to provide 20 Low/Mod Housing units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Section 108 Loan - Prepayment	2016	2017	Affordable Housing	Downtown Area	Aff. Housing	\$512,265	Section 108 Loan pre-payment of \$512,265 out of \$1,429,000 loan for 20 Low/Mod Housing units

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Administer the CDBG Program
	Goal Description	The City will administer the CDBG program in accordance with all applicable rules and regulations.
2	Goal Name	First Time Home Buyer Down Payment Assistance
	Goal Description	Two extremely low income, low income, or moderate income families will receive down payment assistance through implementation of this goal. The City will work with the Housing Authority and local lenders to qualify applicants for the program. This is intended for gap financing in the Downtown or Beverly Neighborhoods.
3	Goal Name	Housing Rehabilitation
	Goal Description	The City will work with local organizations to identify recipients of funds for Housing Rehabilitation for extremely low and low income families. Candidates are selected from areas of poverty concentration, especially in the Beverly and Downtown areas. City personnel document housing problems of candidates including structural problems, kitchen, bathroom, plumbing, electrical systems problems, as well as general conditions of the home.
4	Goal Name	Public Services - Health Department
	Goal Description	The City will work with homeless providers, health department, community college, neighborhood organizations, employers of low/mod persons, and owners of micro-businesses to provide public service benefits.

5	Goal Name	Public Improvements and Infrastructure - Park & Public Access Improvements
	Goal Description	Under this goal, the City will conduct projects and activities that improve living conditions within the city, focusing resources on Target Areas. The City will provide ADA specified improvements at the Beverly Community Center to insure persons with disabilities have full access to all services provided at the Center.
6	Goal Name	Section 108 Loan – Hotel Grim Lofts
	Goal Description	The City will use these loan funds to assist with rehabilitation of a downtown historic structure into the Hotel Grim Lofts that will provide 20 Low/Mod housing units.
7	Goal Name	Section 108 Loan
	Goal Description	Funds will be used to pre-pay \$512,265 of the \$1,429,000 balance on the City’s Section 108 Loan. Loan funds used to provide 20 Low/Mod housing units in the Hotel Grim Lofts in downtown Texarkana.

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

AP-35 Projects – 91.220(d)

Introduction

In this section of the CDBG Annual Plan, the City of Texarkana, Texas provides a summary of the eligible program and/or activities that will take place during the program to address the priority needs and specific objectives identified in the Strategic Plan. Eligible programs and activities are referred to as "Projects."

The Projects which the City intends to complete in Program Year 2016 include the following:

#	Project Name
1	CDBG Program Administration
2	Home Buyer Assistance
3	Housing Rehabilitation
4	Public Service Activities -Health Dept
5	Park and Public Access Improvements-Beverly Community Center
6	Section 108 Loan Program – Hotel Grim Lofts
7	Section 108 Loan payments

Table 8 – Project Information

	CDBG PY 2016 Action Plan Budget Amendment	REVISED	ORIGINAL
	Amended Expenditures PY 2016	BUDGET	BUDGET
1	Program Administration	57,699.80	59,712.00
2	Home Buyer Assistance	\$20,000.00	40,000.00
3	Housing Rehabilitation	\$80,000.00	50,000.00
4	Revolving Loan Fund for Downtown	\$0.00	60,000.00
5	203/205 Renovations	\$0.00	74,064.00
6	Public Service Activities	\$42,899.85	44,784.00
7	Beverly Community Center Improvements	\$93,500.00	93,500.00
8	Hotel Grim Project	\$1,429,000.00	-
9	Section 108 Loan	\$512,265.05	-
	TOTAL Expenditures	2,235,364.70	422,060.00
	Amended Revenues PY 2016		
	To Reprogram	517,865.70	120,000.00
	Annual Allocation	285,999.00	298,560.00
	Section 108 Loan Funds	1,429,000.00	-
	Program Income	2,500.00	3,500.00
	TOTAL Revenues	\$2,235,364.70	422,060.00

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Priorities selected as High or Low Priority Goals and Projects were identified through analysis of local need, market analysis, consultation with local, state, and federal agencies and citizen participation. High Priority projects will receive funding through CDBG funds. Funding for Low Priority Goals and Projects comes from sources other than CDBG. The greatest obstacle to addressing underserved needs is obviously funding.

Projects

AP-38 Projects Summary

Project Summary Information

Table 9 – Project Summary

1	Project Name	CDBG Program Administration
	Target Area	Downtown Area
	Goals Supported	Administer the CDBG Program
	Needs Addressed	Aff. Housing Rehabilitation-Existing Units Aff. Housing Rehab-Existing Units Lead Paint Aff. Housing Rental Assistance Aff. Housing Production of New Units Homelessness Outreach Homelessness Emergency Shelter Homelessness Prevention Non-H - Public Facilities Parks Improvements Non-H - Public Improvements & Infrastructure Non-Housing - Public Services Non-H - Economic Development Aff. Housing
	Funding	CDBG: \$57,699
	Description	Administer the CDBG program
	Target Date	9/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	City of Texarkana, Texas
	Planned Activities	The City of Texarkana, Texas will administer the CDBG program under this activity.
2	Project Name	Home Buyer Assistance Program
	Target Area	Downtown Area Beverly Community Revitalization
	Goals Supported	Home Buyer Assistance Program

	Needs Addressed	Aff. Housing -Existing Units
	Funding	CDBG: \$20,000
	Description	Down payment assistance for low/mod income households. Up to two households will be assisted.
	Target Date	9/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately two very low-, low-, and/or moderate income households will benefit from down payment assistance.
	Location Description	Program focus will be on the Revitalization Areas, though other areas could be considered.
	Planned Activities	The City will work with the Housing Authority of Texarkana, Texas and local banks to identify and qualify potential borrowers that need assistance with down payment to make purchasing a home more affordable.
3	Project Name	Housing Rehabilitation
	Target Area	Beverly Community Revitalization
	Goals Supported	Housing Rehabilitation
	Needs Addressed	Aff. Housing Rehabilitation-Existing Units
	Funding	CDBG: \$80,000
	Description	Housing rehabilitation for low and moderate income homeowners. No dislocation will occur. The City plans to work closely with neighborhood associations in Texarkana, Texas to select applicants for rehabilitation.
	Target Date	9/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Up to eight low to moderate income families will be assisted.
	Location Description	Program focus will be on the Revitalization Areas, though other areas could be considered.
	Planned Activities	Housing rehabilitation for low and moderate income homeowners. No dislocation will occur. The City plans to work closely with local housing agencies in Texarkana, Texas to select applicants for rehabilitation.

4	Project Name	Public Service Activities
	Target Area	Downtown Area
	Goals Supported	Public Services - Health Department
	Needs Addressed	Non-Housing - Public Services
	Funding	CDBG: \$42,899
	Description	The City will work with homeless providers, health department, community college, neighborhood organizations, employers of low/mod persons, and owners of micro-businesses to provide public service benefits.
	Target Date	9/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	50
	Location Description	Downtown Texarkana, Texas
	Planned Activities	The City will work with homeless providers, health department, community college, neighborhood organizations, employers of low/mod persons, and owners of micro-businesses to provide public service benefits.
5	Project Name	Park and Public Access Improvements-Beverly Community Center
	Target Area	Beverly Community Revitalization
	Goals Supported	Public Improvements and Infrastructure
	Needs Addressed	Non-H - Public Facilities Parks Improvements Non-H - Public Improvements & Infrastructure
	Funding	CDBG: \$93,500
	Description	The City will pursue improvements to public spaces in order to improve ADA access to recreation activities at Beverly Park Community Center, provide improvements to green space, community garden space, sidewalks and trails to include infrastructure improvements to improve public access and livability.
	Target Date	9/30/2017

	Estimate the number and type of families that will benefit from the proposed activities	Approximately 500 persons assisted. These public spaces are in the Beverly Target Area where the poverty rate exceeds 45%.
	Location Description	Beverly Community
	Planned Activities	The City will improve ADA access to the Beverly Park Community Center, improving access for handicapped individuals. Sidewalk and trail improvements, tree planting, and park improvements
6	Project Name	Section 108 Loan Program - Hotel Grim Lofts
	Target Area	Downtown Area
	Goals Supported	Section 108 Loan for Low/Mod Housing Benefits
	Needs Addressed	Affordable Housing
	Funding	CDBG Section 108 Loan Funds: \$1,429,000
	Description	Section 108 Loan funds to assist with the rehabilitation of a downtown historic structure into the Hotel Grim Lofts that will provide 20 Low/Mod Housing units.
	Target Date	9/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 20 families assisted.
	Location Description	Downtown Texarkana, Texas
	Planned Activities	Section 108 Loan funds to assist with the rehabilitation of a downtown historic structure into the Hotel Grim Lofts that will provide 20 Low/Mod Housing units.
9	Project Name	Section 108 Loan - Prepayment
	Target Area	Downtown Area
	Goals Supported	Section 108 Loan Low/Mod Housing Benefits
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$512,265

Description	Funds will be used to pre-pay \$512,265 of the \$1,429,000 balance on the City's Section 108 Loan. Loan funds used to provide 20 Low/Mod units in the Hotel Grim Lofts in downtown Texarkana.
Target Date	9/30/2017
Estimate the number and type of families that will benefit from the proposed activities	Approximately 20 families assisted.
Location Description	Downtown Texarkana, Texas
Planned Activities	Funds will be used to pre-pay \$512,265 of the \$1,429,000 balance on the City's Section 108 Loan. Loan funds used to provide 20 Low/Mod units in the Hotel Grim Lofts in downtown Texarkana.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Texarkana has many safe, affordable, and livable neighborhoods. However, some areas of the city have increasingly become areas where housing and social problems are concentrated, areas where poverty and lack of decent housing exacerbate other social issues. These are areas with multiple housing problems and a concentration of abandoned, substandard housing that are havens for criminal activity, depriving decent citizens of peace of mind and property value. Concentration is here defined as 44% percent or more of the housing stock in an area of 2 or more adjacent block groups with households experiencing more than one of the Four Housing Problems. (Lacking complete kitchens, lacking complete plumbing, more than one person per room, and/or paying 305 or more of household income for housing.)

The Beverly Community in Texarkana, Texas has significant housing and poverty issues. As such, the City has designated the Beverly Neighborhood as a priority local Target Area. The downtown area has few affordable housing opportunities for people wanting to live in the downtown area. Many of the residential structures in the Downtown - 7th Street Corridor are substandard or substandard with significant rehabilitation potential.

In areas of minority and/or low-income concentration, housing values are generally much lower than the city as a whole, crime rates are higher, and there are fewer opportunities for employment. Both the Beverly neighborhood and downtown are prime examples of areas where minority and low income concentration pose significant challenges to redevelopment and the goal associated with providing safe, suitable, livable communities for everyone.

The City's designation of the Beverly Neighborhood as a local Target Community is based on the concentrations of poverty, minorities, abandoned and/or substandard housing, and high numbers of households with one or more of the Four Housing Problems or Four Severe Housing Problems. In many ways, Beverly is similar to other neighborhoods in Texarkana, in that these social and market factors have depressed the neighborhoods making them unattractive to developers. These neighborhoods cost the city in lost property taxes and increase police, fire, and environmental services. Estimates of the number of abandoned, substandard properties suggest that one in six homes have been boarded up in the Beverly community.

The City has an extensive network of parks, schools, churches, shopping, and social service organizations located throughout the city. The City's partnership with the T-Line public transportation system has resulted in transportation availability in most neighborhood in the city. Only one park exists in the Beverly community. The park is located on a flood plain and cannot be updated using state or federal funding. Other community assets include grocery stores, employment opportunities, and Texarkana

Community College.

Substantial strategic opportunities exist in both the Beverly Neighborhood and in Downtown Texarkana with an appropriate level of commitment of resources to remove barriers and create incentives for redevelopment and economic opportunities benefitting the entire city. Consequently, 80% of CDBG funds will be spent in the target areas, with an even split between the two.

Geographic Distribution

Target Area	Percentage of Funds
Downtown Area	39
Beverly Community Revitalization	41

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Reductions in federal funding are felt across the country. In Texarkana, HUD's new funding allocation formulas resulted in the loss of nearly 25% of the CDBG budget. Texarkana's experience with targeting resources in the Rosehill neighborhood and the attraction of private capital there, resulted in neighborhood transformation. Consequently, the City concluded that the best way to maximize the CDBG budget would be to concentrate on specific areas for improvement in housing and living conditions that would have the most return on investment. Citizens of Texarkana and the duly elected City Council chose, by City Ordinance, to focus City resources in Downtown and the Beverly community, with the expectation that the funds expended there would provide the greatest benefit the City.

Discussion

Target Areas are central to Texarkana's plan to improve both the Downtown/7th Street Corridor, Rosehill, and the Beverly Communities.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City works with many partner agencies, non-profits, and churches to provide housing and services to extremely-low to moderate-income people. Rental assistance, supportive housing, homelessness and homelessness prevention are of primary concern. The City of Texarkana has committed to continuing the collaborative partnerships with these agencies to ensure the maximum number of families and individuals will receive the assistance they need for suitable housing and shelter.

One Year Goals for the Number of Households to be Supported	
Homeless	50
Non-Homeless	50
Special-Needs	50
Total	150

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	5
Acquisition of Existing Units	0
Total	5

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

Some of the outcomes listed above will be funded through sources other than CDBG. Programs operate through assistance to homeless shelters, supportive housing programs, and the Housing Authority of Texarkana, Texas (HATT).

AP-60 Public Housing – 91.220(h)

Introduction

The City of Texarkana, Texas plans to carry out several activities supporting public housing in the course of the program year covered by this Action Plan. The City works closely with HATT, the Housing Authority of Texarkana, Texas. Over the course the past five years, HATT and City have transformed the Rosehill Neighborhood and the experience of living in public housing for many low-income individuals with the assistance of the Hope VI award. That program ended September 30, 2013. Never the less, HATT and the City are committed to revitalizing the neighborhoods and public housing of Texarkana.

Actions planned during the next year to address the needs to public housing

The City will continue to work with HATT to expand the number of units available to individuals and families in need of public housing and to provide more Section 8 properties within the jurisdiction. The City will provide citizens with access to Fair Housing information, rental assistance programs, and economic and educational opportunities for improving self-sufficiency. Also, the City recognizes that home ownership increases housing and neighborhood stability. Consequently, the City will assist HATT with its home ownership opportunity programs.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The City of Texarkana and HATT provides information to public housing residents that includes encouragement for participation in management and homeownership. The City and HATT provided informational brochures, websites, and social media interaction supporting these important goals.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

HATT is an exemplary public housing authority and is not designated as troubled.

Discussion

The City's efforts to improve Public Housing resulted in A Hope VI grant through which the City and HATT were able to demolish the aged and blighted public housing units, replacing them with through mixed use public housing areas that are clean, well-maintained, and functioning to provide safe and livable housing to over a thousand households in Texarkana. While these funds are no longer available, the transformative power of this relationship with the Housing Authority and citizens means other blighted neighborhoods can also be changed for the better.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Homelessness in Texarkana, Texas is a challenging, but not intractable, problem. Every year, HUD requires the Texarkana Continuum of Care to collect data on homelessness at a single point-in-time during the last week in January. The Texas Homeless Network annually assists Texarkana's Continuum of Care through the Texarkana Homeless Coalition with their Point-in-Time homeless survey preparation and data analysis. The data that follows is a compilation of data collected on the day of January 21, 2016 by members of the Texarkana Homeless Coalition, a year considered as representative of homelessness in Texarkana and the last year for which there is a completed and approved report. One hundred five surveys were collected representing one hundred forty one people, though this represents only a small portion of the number of homeless in Texarkana. This Action Plan is also informed by Texarkana's sustained participation in the Homeless Coalition and regular interaction with homeless service providers, Randy Sams' Outreach Shelter, The Salvation Army of Texarkana, and Friendship Center of Texarkana through the Homeless Management Information Systems (HMIS) or from agency collaborations.

The Continuum of Care estimates there are 366 people who are homeless each day in the city. The median length of homelessness is 10.5 months, with a range of one day to over forty years of homelessness. This significant range might skew the median length considerably, with 20.7% of those counted in the Point-in-Time Survey reporting chronic homelessness. Over 79% of those counted are not chronically homeless. Forty-one percent of respondents reported their homelessness was their first time homeless in at least a three year period, as compared to 13.8% that reported they had been homeless continuously for more than a year and 34.5% that had 2-3 episodes of homelessness in the past three years.

72.3%	Male
27.8%	Female
12.4%	Households with children
20.7%	Chronic homelessness

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City intends to continue dedicating resources to participation in the Homeless Coalition, serving as fiscal agent for the Continuum of Care Program, working closely with Randy Sams' Outreach Shelter, the Texarkana Friendship Center, HATT and other housing and service providers, and partnering with willing

agencies to apply for Texas Department of Housing and Community Affairs Emergency Solutions Grants.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City intends to continue dedicating resources to participation in the Homeless Coalition, serving as fiscal agent for the Continuum of Care Grant, working closely with Randy Sams' Outreach Shelter, the Texarkana Friendship Center, HATT and other housing and service providers, and partnering with willing agencies to apply for Texas Department of Housing and Community Affairs Emergency Solutions Grants. The Rapid Rehousing program is carried out by Randy Sams Outreach Shelter and The Texarkana Friendship Center Incorporated (TFCI). The program provides housing and supportive services for forty households per year where the beneficiaries are/were either homeless or at-risk of homelessness. The program is a Rapid Rehousing program that employs the Housing First model and the VI-SPDAT and FVI-SPDAT for prioritization.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City intends to continue dedicating resources to participation in the Homeless Coalition, serving as fiscal agent for the Continuum of Care Program, working closely with HATT and other housing and service providers, and partnering with willing agencies to apply for Texas Department of Housing and Community Affairs Emergency Solutions grants. The partnership with East Texas Veteran Resources is based on the goal of ending veteran homelessness.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The City intends to continue dedicating resources to participation in the Homeless Coalition, serving as fiscal agent for the Continuum of Care Program, working closely with HATT and other housing and service providers, and partnering with willing agencies to apply for Texas Department of Housing and

Community Affairs Emergency Solutions grants.

Discussion

As a Texas Balance of State Continuum of Care Coordinated Access Pilot Project, this collaboration advances Texarkana's efforts to capture each organization's strengths in delivering services to persons either at risk of homelessness or experiencing homeless as defined by HUD ESG Interim Rules with "lightest touch" methodologies and HUD best practices without duplication of costs and/or services. All programs now employ the Housing First Model. The City will contract with the Housing Authority of Texarkana, Texas and sub-grant to all other project partners. The City will ensure appropriate use of grant funds, act as fiscal agent, ensure timely reporting by all program partners, and collaborate with all partners to ensure proposed outcomes are met.

Each partner delivers HMIS, programmatic and administrative commitments with the City providing grant and HMIS administration. Randy Sams' will provide Outreach and Emergency Shelter including mental health services; Housing Authority will provide Credit Counseling for Homelessness Prevention and Rapid Re-Housing; Salvation Army will provide Rapid Re-Housing assistance; and, due to overwhelming caseloads, Salvation Army and the Friendship Center will both provide Homelessness Prevention.

Doorways Home Texarkana is a Coordinated Access Emergency Solutions grant application prepared as a collaborative project to address homeless and other special needs housing and supportive services. Texarkana assisted a project team comprised of homeless service and housing providers to prepare a partnership based Emergency Solutions Grant proposal. As the lead applicant for this collaborative program under the Texas Balance of State Continuum of Care, the City of Texarkana, Texas proposed to provide Street Outreach, Emergency Shelter, Homelessness Prevention, and Rapid Re-Housing services through experienced providers in order to assist homeless people or people at risk of homelessness in Texarkana, Texas to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. While not successful in this first collaborative application, the project partners believe that the best way to provide quality services to Texarkana's homeless population is through continuing to work together and to re-apply in subsequent years.

Program partners include reliable service providers that participate in the Texarkana Homeless Coalition: the Randy Sams' Outreach Shelter, Texarkana Friendship Center, Housing Authority of Texarkana, Texas and the Salvation Army of Texarkana. This project will increase community wide planning and resource use, apply coordinated services that make the most of local organizational strengths, implement proven, research-driven, efficient service delivery tools, and vastly improve performance measurements and, most importantly, emphasize outcomes.

The City receives no HOPWA funds.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

There are many factors that affect the cost and production or maintenance of housing affordable to extremely low-, low-, and moderate-income families (at or below 80% of Median Family Income (MFI)). An analysis of these factors has aided the City in developing programs that reduce the adverse effects of these constraints on the supply and cost of housing.

Most of the City of Texarkana's policies were enacted to protect and further the public welfare. For instance, building codes and subdivision standards are required by law for the protection and general welfare of the community. These are routinely reviewed. Development impact fees are recovered from the developer to assure that the public costs of new developments are paid by that development. While recognizing the needs to adjust public policies to adapt to changing conditions, the City will continue to review policies periodically to determine whether they have become excessive or represent an unnecessary constraint on the development or maintenance of affordable housing.

The City of Texarkana, Texas identified race and concentrations of poverty that present as barriers to affordable housing and continues to develop strategies to remove or lessen negative effects of these barriers to affordable housing. The City identified the following other barriers to affordable housing:

- Substantial down payments required to purchase new or existing homes;
- Availability of credit to low and moderate income persons with credit problems;
- Availability of decent affordable single-family units and affordable rental properties.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The Analysis of Impediments indicates race and concentrations of poverty constitute barriers to affordable housing in Texarkana. Pre-development, building permit and inspection expenses are average in terms of housing construction and renovation costs. To maintain the City's commitment to prevent barriers to affordable housing the City will:

- Maintain flexibility in zoning and building requirements when appropriate to allow for infill housing development and to provide technical assistance to developers of affordable housing. Posters &

literature displayed and made available at city office buildings, utility building, and the public library;

- Monitor city-sponsored projects for equal access and compliance of the Fair Housing Act and Building Dept. official's monitors code compliance to Fair Housing standards;
- Hold periodic Public Hearings providing information and requesting public comment on fair housing or related issues;
- Provide homebuyer and homeowner education, including fair housing information, was provided by the city and other local housing services providers;
- Conduct outreach efforts to for-profit and non-profit builders and developers through funding and technical assistance to increase the supply of decent, affordable housing within low to moderate income neighborhoods as well as creation of affordable housing on a city-wide basis;
- Maintain an Affirmative Marketing Plan to directly market newly-developed City-assisted housing units to minority groups least likely to apply to homeownership programs.
- Meet with local lenders and home builders to encourage the use of non-traditional client loan qualifying and loan products to better serve the needs of homebuyer households with challenges that preclude conventional qualification;
- Conduct public outreach regarding availability of housing and housing assistance including translation of housing application materials into Spanish, and maintains bi-lingual staff in order to assist applicants and clients who are not English-proficient;
- Support local Continuum of Care efforts for homeless populations and provides ongoing support and technical assistance to the Texarkana Homeless Coalition;
- Work with local agencies that provide financial case management and credit counseling;
- Researching the possibility of adopting a Fair Housing ordinance to ensure that fair housing options are available to its citizens.

Discussion

Most of the City of Texarkana's policies were enacted to protect and further the public welfare. For instance, building codes and subdivision standards are required by law for the protection and general welfare of the community. Development impact fees are recovered from the developer to assure that the public costs of new developments are paid by that development. While recognizing the changing need of public policies, the City will review them periodically to determine whether they have become excessive or represent an unnecessary constraint on the development or maintenance of affordable

housing.

- Substantial down payments required to purchase new or existing homes;
- Availability of credit to low and moderate income persons with credit problems;
- Availability of decent affordable single-family units and affordable rental properties.

As Texarkana prepares to embark on the development of a new Comprehensive Plan for the City, the City will review the Analysis of Impediments to improve affordability, accessibility and suitability of housing for the citizens of Texarkana, Texas.

AP-85 Other Actions – 91.220(k)

Introduction

This section of the Action Plan addresses the planned actions of the City of Texarkana, Texas to carry out the following strategies outlined in the Consolidated Plan:

1. Foster and maintain affordable housing;
2. Evaluate and reduce lead-based paint hazards;
3. Reduce the number of poverty-level families;
4. Develop institution structure; and
5. Enhance coordination.
6. In addition, the City identifies obstacles to meeting underserved needs and proposes actions to overcome those obstacles.

Actions planned to address obstacles to meeting underserved needs

1. Provide support to organizations that provide services to homeless and special needs individuals;
2. Provide financial support to organizations that provide services to homeless and special needs individuals;
3. Provide easy access to information for supportive service organizations that provide services to homeless and special needs individuals.

Actions planned to foster and maintain affordable housing

1. Provide decent and affordable housing through single-family owner-occupied housing reconstruction for lower income residents;
2. Promote the availability of City operated owner-occupied housing assistance programs through the media;
3. Solicit applications for assistance from low income residents;
4. Conduct applicant screening and approval;
5. Provide home-buyer education counseling and assistance;
6. Facilitate rehabilitation of single-family properties

Actions planned to reduce lead-based paint hazards

1. Provide information and education to the public, re: lead risks;
2. Evaluate and reduce lead hazards by giving reconstruction priority to eligible residents most at risk for lead poisoning;

3. Develop technical capacity with staff.

Actions planned to reduce the number of poverty-level families

1. Pursue economic development of Downtown and Beverly communities;
2. Work with the Chamber of Commerce to bring jobs to low- and moderate-income families.

Actions planned to develop institutional structure

1. Improve coordination with Public Services Department to address flood zone management in low-mod income communities;
2. Establish communication and reporting protocols with police, fire, and emergency services to obtain regular statistical reporting and provide first-line professionals with homelessness services information.

Actions planned to enhance coordination between public and private housing and social service agencies

1. Actively participate in Continuum of Care/Homeless Coalition;
2. Assist with Homeless Point-in-Time Homeless Count.

Discussion

The City of Texarkana recognizes the challenges to fostering and maintaining affordable housing, evaluating and reducing lead-based paint hazards, reducing the number of poverty-level families, developing institution structure, enhancing coordination, and addressing underserved needs. The City's Target Area approach to implementing programs and providing services to low-moderate income families will ensure that all fundamental goals of the program will be met. This Action Plan is consistent with HUD's Mission to create strong, sustainable, inclusive communities and quality affordable homes for all; strengthening the housing market to bolster the economy and protect consumers; meeting the need for quality affordable rental homes: utilizing housing as a platform for improving quality of life and building inclusive and sustainable communities free from discrimination.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction

This section address the program-specific requirements for the Annual Action Plan. The Consolidated Plan Final Rule contains requirements regarding this section of this CDBG Action Plan.

All program income that will have been received before the start of the next program year will have been reprogrammed. The City has recently received Section 108 loans fund award approval. The City is working closely with the community and developers to redevelop the Hotel Grim as the Grim Lofts project and will use the Section 108 Loan funds for this purpose as a Special Economic Development project. The City has no urban renewal settlements, or float funded activities. No grant funds will have been returned to the line of credit for which the planned use has not been included in a prior statement or plan. The City does not expect to use any funds for urgent need activities.

The City of Texarkana, Texas estimates that 70% of program funds will be used for activities that benefit persons of low and moderate income over a consecutive period of three years, years 2014-2016 including the year covered by this Annual Action Plan.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

- | | |
|---|--------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

Discussion

The City of Texarkana, Texas does not receive HOME funds. The City expects that all program income will have been programmed and that Section 108 Loan proceeds will be receipted in the program year. Additionally, the City expects no surplus funds from urban renewal settlements, grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan, and has no income from float-funded activities. Seventy percent of CDBG funds will be used for activities that benefit persons of low and moderate income, with an Overall Benefit calculated over a period of three consecutive years to determine that the minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income.



CITY OF

TEXARKANA
TEXAS

**CDBG Amended Annual Action Plan,
Amended Consolidated Plan & Section
108 Loan Funds
Community Development Block Grant**

**Planning & Community Development
February 27, 2017**

Consolidated Plan and Annual Action Plan Amendments

The City of Texarkana, Texas is amending the 2013-2017 Consolidated Plan, the 2016 Annual Action Plan and announcing the award approval of Section 108 Loan Funds for the period of October 1, 2016 to September 30, 2017. Funds available in Community Development Block Grant (CDBG), Section 108 Loan Funds, prior year reallocated funds and local program income are \$2,235,365.

The City plans to amend the budget as follows:

- Re-allocating \$30,000 from Revolving Loan Fund activity to Housing Rehabilitation activity.
- Re-allocating \$30,000 from Revolving Loan Fund activity, \$20,000 from Home Buyer Assistance activity, \$74,064 from 203/205 Renovations activity and \$388,201 from prior year funds to Section 108 Loan Fund Program activity for total of \$512,265.
- Adding recently approved Section 108 Loan Funds from U.S. Department of Housing and Urban Development in the amount of \$1,429,000 for the Hotel Grim Lofts Project.

As stated in the City's Citizen Participation Plan, a change in CDBG budget allocations of 25% or more in allocated funding constitutes the need for a substantial amendment and requires City Council approval and Public Notice for citizen input.

Citizen Participation

2 Public Meetings

- § Feb 27th City Council Meeting 1st Briefing
- § Mar 13th City Council Public Meeting

30 day public comment period for Amended Action Plan, Amended Consolidated Plan and Section 108 Loan Funds (February 20th – March 22nd, 2017)

Advertisement of Public Comment Period:

§ Gazette Legal Notice

§ City Website

Draft copies available electronically on Planning & Community Development Homepage

Paper copies available upon request at City Hall



Texarkana TX HUD PY 2016 CDBG Amended Budget

CDBG PY 2016 Action Plan Amended Budget	Amended	Original
Amended Expenditures PY 2016	Budget	Budget
Hotel Grim Project	\$1,429,000.00	0.00
Housing Rehabilitation	\$80,000.00	50,000.00
First Time Home Buyer Assistance	\$20,000.00	40,000.00
Revolving Loan Fund for Downtown	\$0.00	60,000.00
Beverly Community Center ADA improvements	\$93,500.00	93,500.00
203/205 Renovations	\$0.00	74,064.00
Section 108 Loan	\$512,265.05	0.00
Public Service Activities	\$42,899.85	44,784.00
Program Administration	57,699.80	59,712.00
TOTAL Expenditures	\$2,235,364.70	422,060.00
Amended Revenues PY 2016		
PY2015 carryover	517,865.70	120,000.00
PY 2016 Allocation	285,999.00	298,560.00
Section 108 Loan - Hotel Grim Project	1,429,000.00	0.00
Estimated Program Income	2,500.00	3,500.00
TOTAL Revenues	\$2,235,364.70	422,060.00



NOTICE OF PUBLIC HEARINGS AND REQUEST FOR CITIZEN INPUT
ON THE CITY OF TEXARKANA, TEXAS
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
AMENDED CONSOLIDATED PLAN, AMENDED ANNUAL
ACTION PLAN AND SECTION 108 LOAN FUNDS

The City of Texarkana, Texas is amending the 2013-2017 Consolidated Plan, the 2016 Annual Action Plan and announcing the award approval of Section 108 Loan Funds for the year that began October 1, 2016. Funds available in Community Development Block Grant (CDBG), Section 108 Loan Funds, prior year reallocated funds and local program income are \$2,235,365. The City plans to amend the budget as follows:

- Re-allocating \$30,000 from Revolving Loan Fund to Housing Rehabilitation Activity.
- Re-allocating \$30,000 from Revolving Loan Fund, \$20,000 from Home Buyer Assistance activity, \$74,064 from 203/205 Renovations activity, \$388,201 from prior year funds to Section 108 loan fund program for \$512,265.
- Adding recently approved Section 108 Loan Funds from U.S. Department of Housing and Urban Development in the amount of \$1,429,000 for the Hotel Grim Lofts Project.

As stated in the City's Citizen Participation Plan, a change in CDBG budget allocations of 25% or more in allocated funding constitutes the need for a substantial amendment and requires City Council approval and Public Notice for public comment.

The City of Texarkana will make the following items available for Public Comment Period from Feb 20th to Mar 22nd, 2017. Citizens may review the plan at Texas City Hall, Planning and Community Development Office, 220 Texas Blvd in Texarkana, Texas or on line at the City's website <http://www.ci.texarkana.tx.us/>.

Citizens are encouraged to attend the upcoming Public Meetings/Hearings to offer input on the Amended Plans and Loan Fund. A First Briefing will be held on February 27, 2017 and a Public Hearing will occur on March 13, 2017 at 6 PM at the Texas City Hall located at 220 Texas Blvd, Texarkana, Texas.

Written comments regarding the Amended Plans, Section 108 Loan or the proposed usage of funds should be sent to David Orr, Director of Planning and Community Development, City of Texarkana, 220 Texas Boulevard, Texarkana, Texas 75501 no later than March 22, 2017 at 12pm. Written responses will be provided if name and return address are included.

All public hearings are held in facilities that are wheelchair accessible and provide handicapped parking. Interpretive services for deaf or non-English speaking citizens will be available with an advance notice of 48 hours. Arrangements for such services can be made by calling the City of Texarkana at 903-798-3902 or through the Federal Information Relay Service at 1-800-877-8339 for TTY/Voice communication.

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☒ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☒ Cultivate Community Involvement & Access
Manage the Resources	☒ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☒	Newspaper Notice (Required by Statute)	☒	Public Hearing (Required by Statute)
☐	Public Forum/Input Session	☐	Press Release
☐	E-News Distribution	☐	Website Notice
☐	Social Media (Twitter, Facebook, etc.)	☐	Special Mailing
☐	Flyers Posted	☐	Banners Posted
☐	Survey	☐	Automated Phone Call
☒	None Required	☐	

Other:

City of Texarkana, Texas

Briefing Sheet

Version:
Update Date: 2/22/2017 10:06 AM

Lead Department: Planning and Community Development **Action Officer:** Daphnea Ryan,
Subject: Resolution No. 2017-025 accepting HUD Section 108 Loan Guarantee Assistance in the amount of \$1,429,000.
Briefing: 3/27/2017 **Public Hearing:** 3/13/2017 **Second Briefing:** March 27, 2017 **Council Vote:** 4/10/2017

Item Schedule

Schedule 1: Brief twice - vote once (six weeks)

Updates/History of Briefing:

Executive Summary and Background Information:

The City of Texarkana, Texas applied for and has been awarded a HUD CDBG Section 108 Loan Guarantee Assistance in the amount of \$1,429,000 for the Grim Lofts Project.

The Hotel Grim Lofts is a mixed use historic preservation project involving residential space in downtown Texarkana. The goal is to redevelop the hotel with 98 housing units and commercial space on the first level. The financing plan is to use 108 funds from HUD along with federal and state historic credits, an EPA cleanup loan, conventional debt, and any other eligible sources. The proposal is for market apartments with apartments set aside of approximately 20 units for affordable family.

This resolution is being presented to request Council approval to accept the loan funds from HUD. A future resolution will be presented to Council regarding the terms and conditions of loaning these funds to the developer.

Potential Options:

- None
-

Fiscal Implications:

\$1,429,000 in loan funds available.

Staff Recommendation:

Staff recommends acceptance.

Advisory Board/Committee Review:

City of Texarkana, Texas

None

Board/Committee Recommendation:

NOT APPLICABLE

Advisory Board/Committee Meeting Date and Minutes:

NOT APPLICABLE

Attachments

- a. 2017-025 RES Approving Acceptance of HUD Section 108 Loan Guarantee Assistance (DOCX)
- b. 2017-025 ATTH 01 Funding Agreement Award Letter (PDF)
- c. 2017-025 ATTH 02 Application revised 10.12.16 w-signed pages (PDF)
- d. 2017-025 Goals & Perspectives (DOCX)

Staff Coordination

Planning and Community Development	David Orr	Department Head Review	
Completed	02/20/2017 11:29 AM		
Finance Department Kristin Peebles	Finance Review	Completed	02/21/2017
10:21 AM			
Deputy City Manager - Shirley Jaster	Shirley Jaster	Deputy City Manager	
Review Completed	02/21/2017 10:24 AM		
Deputy City Manager - Kyle Dooley	Kyle Dooley	Deputy City Manager	
Review Completed	02/21/2017 10:41 AM		
Public Information Officer	Lisa Thompson	PIO Review	Completed
	02/21/2017 11:09 AM		
City Manager John Whitson	City Manager Review	Completed	02/22/2017
11:13 AM			
City Council Vicky Coopwood	Meeting	Completed	02/27/2017
6:00 PM			

Meeting History

02/27/17	City Council	MOVED FORWARD	Next: 03/13/17
03/13/17	City Council	MOVED FORWARD	Next: 03/27/17

RESOLUTION NO. 2017 – 025**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, APPROVING ACCEPTANCE OF THE HUD SECTION 108 LOAN GUARANTEE ASSISTANCE IN THE AMOUNT OF \$1,429,000; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the U. S. Department of Housing and Urban Development has provided the City of Texarkana, Texas, with Section 108 Loan Guarantee Assistance for the redevelopment of the Hotel Grim located at 301 N. State Line Avenue; and

WHEREAS, the amended draft 2013-2017 Consolidated Plan and amended draft 2016 Action Plan reflect budget amendments that include the addition of these funds; and

WHEREAS, the City Council recognizes the public benefit from downtown revitalization.

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

SECTION 1: That the City Manager is hereby authorized to accept HUD Section 108 Loan Guarantee Assistance in the amount of \$1,429,000.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the **10th day of April, 2017**.

ATTEST:

JENNIFER EVANS, CITY SECRETARY

BOB BRUGGEMAN, MAYOR



ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

9.9.b

JAN - 4 2017

The Honorable Bob Bruggeman
Mayor, City of Texarkana
220 Texas Blvd.
Texarkana, TX 75501

Dear Mayor Bruggeman:

Congratulations! I am pleased to inform you that the City of Texarkana's (hereafter, the "City") request for loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, has been approved. Such assistance is to consist of the guarantee of notes or other obligations in the principal amount of \$1,429,000, plus interest thereon, which shall be issued to finance activities described in the City's application (B-15-MC-48-1000) for the Hotel Grim Lofts Project.

This offer of commitment ("Commitment") is subject, however, to the conditions specified in Item 8 of the Funding Approval (Form HUD-7082).

The first condition provides that in the event the City fails to submit notes or other obligations for inspection and guarantee by the Secretary of Housing and Urban Development ("HUD") before March 31, 2018, the Commitment will expire as of such date.

The second condition provides that the repayment schedule for the indebtedness evidenced by the notes or other obligations (the "Guaranteed Loan") must be acceptable to HUD.

The third condition provides that the City shall provide additional security for the Guaranteed Loan, and such additional security must be acceptable to HUD. The additional security shall be identified in the Contract for Loan Guarantee Assistance ("Contract"), specified at 24 CFR 570.705(b)(1), which will be signed by HUD at the time the notes or other obligations are guaranteed. The City's application and other supporting material identify the following additional security for the Guaranteed Loan: the City will collaterally assign its interest in a third party loan, secured by a lien on real property and improvements.

In addition, this condition provides that the Contract shall permit HUD to use existing pledged Community Development Block Grant ("CDBG") grants to prepay (or defease) the Guaranteed Loan if HUD determines that the pledge of future CDBG funds is insufficient to assure payment of amounts due thereunder. HUD reserves the right to require further security upon evaluation of the foregoing security arrangements. If necessary, the City may substitute other collateral security for the security described in the application (other than the pledge of CDBG funds), subject to HUD's approval of such substitution.

The fourth condition provides that prior to submitting notes or other obligations for inspection and guarantee by HUD, the City shall submit information required under Section 102(b) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531). This information shall be submitted on Form HUD-2880 to HUD's Fort Worth Regional Office. A copy of Form HUD-2880 is enclosed for this purpose.

The fifth condition provides that prior to submitting notes or other obligations for inspection and guarantee by HUD, the City must comply with the mandatory conditions for the HUD regulatory waiver granted by HUD with respect to the criteria for national objectives at 24 CFR 570.208(a)(3).

The sixth condition provides that the City is required to pay a fee of 2.59% of the principal amount of loan guaranteed under this Commitment to cover the credit subsidy costs as announced in the *Federal Register* on October 4, 2016 (81 FR 68297). This fee applies to all Section 108 guaranteed loan commitments issued in Fiscal Year 2017. The fee is applied only at the time of loan disbursements. The amount to be paid at that time is equal to 2.59% of the principal amount of the requested Guaranteed Loan advance. The fee may be paid directly by the City or, alternatively, it may be deducted from the Guaranteed Loan advance(s). If the fee is paid directly by the City, it may be paid from CDBG grant funds drawn down under the CDBG line of credit or with another source.

In addition to the special conditions cited above, the release of funds for the project to be carried out with loan guarantee assistance is conditioned upon compliance by the City with all applicable provisions of the HUD Environmental Review Procedures (24 CFR Part 58). The City is reminded that these Procedures include limitations on the commitment of HUD and non-HUD funds on an activity or project prior to HUD's approval of the request for release of funds and related certification of compliance with environmental requirements. Please refer to 24 CFR 58.22 for a description of the limitations and the entities to whom they apply.

Please furnish us, at the address specified below, your timetable for execution of the activities described in your application. These activities will be financed through a public offering of Section 108 guaranteed obligations. If you need funds prior to the next public offering, please notify HUD at the address below and instructions for obtaining interim financing will be provided.

Please execute the three enclosed copies of the Funding Approval (Form HUD-7082) and return two copies to the Department of Housing and Urban Development, Financial Management Division, Room 7180, 451 Seventh Street, S.W., Washington, D.C. 20410. One copy should be retained for your files. By signing the Funding Approval, the City's Grant Agreement for grant number B-15-MC-48-1000, as authorized by HUD on November 18, 2015, is amended to include loan guarantee assistance. The amended Grant Agreement thereby incorporates this new Funding Approval the City's loan guarantee application (B-15-MC-48-1000), and Subpart M of the block grant regulations governing loan guarantees, as well as such agreements, schedules, and other documentation required for submission or execution in connection therewith.

Please do not hesitate to reach out if we can support you in the use of your Section 108 guaranteed funds. Please contact Paul D. Webster, Director, Financial Management Division at (202) 402-4563, if you need assistance.

Sincerely,



Stanley Gimont, Deputy
Assistant Secretary for Grant
Programs (Acting)

Enclosures

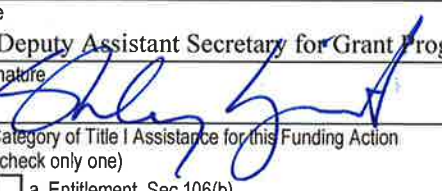
Funding Approval/AgreementTitle I of the Housing and Community
Development Act (Public Law 930383)U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Community Development Block Grant Program

9.9.b

HI-00515R of 20515R

1. Name of Grantee (as shown in item 5 of Standard Form 424) City of Texarkana, Texas	3. Grantee's 9-digit Tax ID Number	4. Date use of funds may begin (mm/dd/yyyy)
2. Grantee's Complete Address (as shown in item 5 of Standard Form 424) 220 Texas Blvd. Texarkana, Texas 75501-1967	5a. Project/Grant No. 1 B-15-MC-48-1000	6a. Amount Approved
	5b. Project/Grant No. 2	6b. Amount Approved
	5c. Project/Grant No. 3	6c. Amount Approved

Grant Agreement: This Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Grantee is made pursuant to the authority of Title I of the Housing and Community Development Act of 1974, as amended, (42 USC 5301 et seq.). The Grantee's submissions for Title I assistance, the HUD regulations at 24 CFR Part 570 (as now in effect and as may be amended from time to time), and this Funding Approval, including any special conditions, constitute part of the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Grantee upon execution of the Agreement by the parties. The funding assistance specified in the Funding Approval may be used to pay costs incurred after the date specified in item 4 above provided the activities to which such costs are related are carried out in compliance with all applicable requirements. Pre-agreement costs may not be paid with funding assistance specified here unless they are authorized in HUD regulations or approved by waiver and listed in the special conditions to the Funding Approval. The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to Section 104(g) of Title I and published in 24 CFR Part 58. The Grantee further acknowledges its responsibility for adherence to the Agreement by sub-recipient entities to which it makes funding assistance hereunder available.

U.S. Department of Housing and Urban Development (By Name) Stanley Gimont		Grantee Name City of Texarkana, Texas	
Title Deputy Assistant Secretary for Grant Programs (Acting)		Title CITY MANAGER	
Signature 	Date (mm/dd/yyyy) JAN - 4 2017	Signature 	Date (mm/dd/yyyy) 01/30/2017
7. Category of Title I Assistance for this Funding Action (check only one) ☐ a. Entitlement, Sec 106(b) ☐ b. State-Administered, Sec 106(d)(1) ☐ c. HUD-Administered Small Cities, Sec 106(d)(2)(B) ☐ d. Indian CDBG Programs, Sec 106(a)(1) ☐ e. Surplus Urban Renewal Funds, Sec 112(b) ☐ f. Special Purpose Grants, Sec 107 ☒ g. Loan Guarantee, Sec 108	8. Special Conditions (check one) ☐ None ☒ Attached	9a. Date HUD Received Submission (mm/dd/yyyy)	10. check one ☒ a. Orig. Funding Approval ☐ b. Amendment Amendment Number
		9b. Date Grantee Notified (mm/dd/yyyy)	
11. Amount of Community Development Block Grant			
a. Funds Reserved for this Grantee		FY ()	FY ()
b. Funds now being Approved			
c. Reservation to be Cancelled (11a minus 11b)			

12a. Amount of Loan Guarantee Commitment now being Approved
\$1,429,00012b. Name and complete Address of Public Agency
N/A**Loan Guarantee Acceptance Provisions for Designated Agencies:**

The public agency hereby accepts the Grant Agreement executed by the Department of Housing and Urban Development on the above date with respect to the above grant number(s) as Grantee designated to receive loan guarantee assistance, and agrees to comply with the terms and conditions of the Agreement, applicable regulations, and other requirements of HUD now or hereafter in effect, pertaining to the assistance provided it.

12c. Name of Authorized Official for Designated Public Agency

N/A

Title

Signature

HUD Accounting use Only

Batch	TAC	Program	Y	A	Reg	Area	Document No.	Project Number	Category	Amount	Effective Date (mm/dd/yyyy)	F
	153											
	176											
			Y					Project Number		Amount		
			Y					Project Number		Amount		

Date Entered PAS (mm/dd/yyyy)	Date Entered LOCCS (mm/dd/yyyy)	Batch Number	Transaction Code	Entered By	Verified By
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24 CFR 570

form HUD-7082 (4/93)

Packet Pg. 935

Attachment: 2017-025 ATTH 01 Funding Agreement Award Letter (1613 : 2017-025 RES approving acceptance of HUD Section 108 Loan

8. Special Conditions.

- (a) In the event the public entity fails to submit notes or other obligations for inspection and guarantee by the Secretary of Housing and Urban Development (HUD) before **March 31, 2018**, the commitment will terminate and expire as of such date.
- (b) The repayment schedule for the public entity's debt obligation, as defined in 24 CFR 570.701, must be acceptable to the Secretary.
- (c) Pursuant to 24 CFR 570.705(b)(3), the public entity shall provide additional security for the Guaranteed Loan and such additional security must be acceptable to HUD. The additional security shall be identified in the Section 108 Contract for Loan Guarantee Assistance specified by 24 CFR 570.705(b)(1), which will be executed by HUD at the time the notes or other obligations are guaranteed.

The Contract shall also permit HUD to use pledged grants to prepay (or defease) the Guaranteed Loan if HUD determines that the pledge of future grants is insufficient to assure payment of amounts due thereunder.

- (d) Prior to submitting notes or other obligations for inspection and guarantee by HUD, the public entity shall submit information required under Section 102(b) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531). This information shall be submitted on Form HUD-2880 to HUD's Fort Worth Regional Office.
- (e) The City must comply with the mandatory conditions imposed under its approved request to waive a HUD regulatory provision for a national objective at 24 CFR 570.208(a)(3) and to apply the exception at 24 CFR 570.208(a)(3)(i) to the Hotel Grim Lofts Project. The conditions are below:
 - 1. The City must provide written notification to the Fort Worth Regional Office of its adoption and publication of its standards for determining affordable rents.
 - 2. The City must require the Developer to record a use restriction against the Project property that will impose a 10-year affordability requirement with respect to the Grim Hotel Lofts project, requiring at least 20 percent of the units to be occupied by LMI households at affordable rents. The Developer must record a use restriction against the Project property that will remain in effect for the full 10-year period.
 - 3. The City will conduct annual, on-site monitoring of the Project to verify compliance with the conditions for the duration of the affordability period.
 - 4. The City will provide HUD Financial Management Division (FMD) and the Regional Office a status report not later than 15 days from the end of each

quarter during the construction and lease-up period. The report will include status updates on construction completion, Section 108 funds disbursement, initial occupancy of LMI units, and any other information as required by the Regional Office. The Regional Office may also require the City to continue to provide these reports on an ongoing basis during the affordability period.

The actions required under conditions 1-2 must be completed prior to HUD's guarantee of a note or other obligation pursuant to a loan guarantee commitment for the Hotel Grim Lofts Project.

- (f) The public entity is required to pay a fee of 2.59% of the principal amount of the loan guaranteed under this Commitment to cover the credit subsidy costs as announced in the *Federal Register* on October 4, 2016 (81 FR 68297).

**APPLICANT COMPLETENESS GUIDE
SECTION 108 LOAN GUARANTEE PROGRAM
ENTITLEMENT PUBLIC ENTITIES
24 CFR §570.700 – §570.709**

SECTION I – GENERAL INFORMATION

Please ensure the submission includes:

- ☐ Standard Form 424 (form SF-424) – Application for Federal Assistance;
 - ☐ Applicant's congressional district(s); and
- ☐ Name, title, address, telephone and fax numbers, and e-mail of applicant contacts:

Chief elected official or chief executive officer

Name & Title: John Whitson, City Manger
 Organization: City of Texarkana
 Address (Street): 220 Texas Blvd
 Address (City/State/Zip): Texarkana. Texas 75501
 Phone & Fax: 903-798-3930 (O), 903.798.3448 (F)
 E-mail: john.whitson@txkusa.org

Staff contact

Name & Title: David Orr, Planning & Community Development Director
 Organization: City of Texarkana
 Address (Street): 220 Texas Blvd
 Address (City/State/Zip): Texarkana, Texas 75501
 Phone & Fax: 903-798-3902 (O), 903-798-3913
 E-mail: david.orr@txkusa.org

Consultant contact (If applicant has designated a consultant as principal contact)

Name & Title: Mattye Gouldsby Jones
 Organization: Coats/Rose
 Address (Street): Two Lincoln Centre, 5420 LBJ Freeway #600
 Address (City/State/Zip): Dallas, Texas 75240
 Phone and Fax: 972.982.8453
 E-mail: MJones@coatsrose.com

SECTION II – THE APPLICATION

- ❑ **Citizen Participation Requirements (570.704(a)).** Provide a brief description of how the public entity met all presubmission and citizen participation requirements before submission of the application for loan guarantee assistance to HUD.

The City of Texarkana, Texas assures compliance with HUD's citizen participation regulations applicable to CDBG and Section 108, as cited at **24 CFR §570.704(a)(2)** consistent with its citizen participation plan. The Texarkana, Texas City Council held a public hearing and approved submission of the Section 108 Loan Guarantee Application for loan funds for the Hotel Grim Lofts project at its August 10, 2015 meeting.

The City of Texarkana, Texas will have complied with all pre-submission and citizen participation requirements as required in its Citizen Participation Plan and Part 570.704(a) upon submission of the application for a Section 108 Loan for the Grim Lofts Project including all required participation of the public, affected citizens, potential beneficiaries, and the community at large.

The City has developed strong links between representatives of the low and moderate-income community's public service agencies, public housing agency, educational institutions, health facilities and the business community for the purpose of developing an ongoing strategic plan for reinvestment in the low income communities. Citizens of Texarkana have clearly communicated their desire to redevelop the Hotel Grim; consequently, the City anticipates widespread support of the application.

The City is preparing the application appropriately, in accordance with the Consolidated Plan and Citizen Participation Plan, providing sufficient detail for each activity and for each national objective, describing the location, and allowing citizens to determine how they will be impacted by the decisions being made. Program income will also be included in loan calculations.

The application will be published community-wide as required. Additional information will be available on the City's website or by contacting the office of Planning and Community Development. All public comments will be considered and included in the application.

Once the application is finalized, the City will follow all appropriate procedures to amend the 2013-2017 Consolidated Plan, which will include the completed application. In addition to the Public Hearing requirements of the City's Citizen Participation Plan, the City has held a series of public hearings at different stages of the project's development.

- ❑ **Statement of Community Development Objectives (570.704(a)(1)(i)(A)).** Provide the statement of community development objectives in the Consolidated Plan to be achieved by use of Section 108 funds (Also provide the citation of the objectives in the Consolidated Plan).

The City of Texarkana, Texas intends to use the proceeds of a Section 108 Loan from the

10/2015

Department of Housing and Urban Development (HUD) to meet essential community development objectives as outlined in the 2013-2017 Consolidated Plan as approved by the City Council of Texarkana, Texas, the City's Citizen Participation Plan, and the Department of Housing and Urban Development. The key Community Development Objectives to be addressed with this Section 108 Loan are to meet the CDBG LOW & MODERATE INCOME PERSONS HOUSING (LMH) National Objective.

This project will help achieve the community development objectives stated in the 2013-2017 Consolidated Plan by reducing barriers to affordable housing – 91.215(h) by increasing the availability of decent affordable single-family units and affordable rental properties. The intent to apply for Section 108 Loans to bolster redevelopment in downtown/7th Street Corridor and Beverly neighborhood was stated under expected/anticipated resources in the Consolidated Plan. Furthermore, the City's Consolidated Plan identified the most common housing issues in Texarkana are associated with cost burden problems where renters have housing costs that exceed 30% of household income (Consolidated Plan p.38). This project will help achieve community development objectives stated in the plan by increasing the number of affordable rental units in the downtown target revitalization area.

This project will meet the National Objective of primary benefit to low and moderate income persons in accordance with CFR 570.208 (a)(3), and the Criteria for Public Benefit is expected to be met by providing housing to residents in the area. Furthermore, this building is located within a low to moderate income individual qualifying PY 2014 - PY 2015 census tract area (Tract 105, 48037010500) and geographic target priority area (Tract 105, 48037010500) identified in the Consolidated Plan.

❑ **Project Description.**

Project Background

Restoration and redevelopment of the historic Hotel Grim built in 1925 originally as an eight-story hotel. The building contains 103,200 square feet and when built, was the second tallest structure in Texarkana. The iconic building is strategically located on State Line Avenue on the Texas and Arkansas border. The proposed project will preserve the historic elements of the building while completely updating the property.

Proposed Project

The Hotel Grim Lofts is a mixed use historic preservation project involving residential space in downtown Texarkana. The goal is to redevelop the hotel with 98 housing units and commercial space on the first level. The financing plan is to use 108 funds from HUD along with federal and state historic credits, an EPA cleanup loan, conventional debt, and any other eligible sources. The proposal is for market apartments with apartments set aside for affordable family. Section 108 funds will only be used to finance housing rehabilitation for the 20 LMI units and will include 1 and 2 bedroom units. The financial information disclosed hereto including the pro forma, sources and uses include the 20 units to be leased to Low-Mod income families and 78 units to market rate income families or non-LMI. The units will be the same for LMI and market rate

10/2015

individuals and families. The breakdown of LMI unit size includes 7 efficiency units, 6 one bedroom units and 7 two bedroom units.

- Describe the project structure and participants (as applicable), including:
 - The name of the applicant public entity, or its designated public agency (if applicable), that will act as a borrower and issue the debt obligations (570.704(b)(2));

City of Texarkana, Texas

- Amount of Section 108 assistance sought (May not exceed 5 times the CDBG allocation and should be in \$1,000 increments) (570.705(a)(2));

FY 2015 Annual Allocation is $\$298,560 \times 5 = \$1,492,000$

- The entity that will undertake the project;

Grimm Lofts, LLC

- The principal developer or business;

Jim Sari and Mark Bouldin

- Who will provide equity;

Federal Historic Tax Credits (Federal & State)

- Who will own the assets upon completion, including land and improvements; and

Jim Sari 50% ownership and Mark Bouldin 50% ownership

- The types of businesses that will be assisted.

Creation of additional LMH residential space

- **Section 108 Program Fees (570.704(a)(1)(i)(D)).**

- *See Federal Register notice for current fee amount.*

FY 2016: 2.59% of principal amount of the loan

- A description of any CDBG funds, including guaranteed loan funds and grant funds, that will be used to pay fees required under 570.705(g). The description must include an estimate of the amount of CDBG funds that will be used for this purpose.

Program fees will be deducted from the loan and the planned use will be included in the consolidated plan. Per HUD field office, City will rely on further guidance on this in the future that provides the actual mechanics of the fee.

- ❑ *If the applicant will use grant funds to pay required fees, it must include this planned use of grant funds in its consolidated plan; therefore, the description must state that the planned use of grant funds has been included in the consolidated plan.*
- ❑ *Pursuant to 570.712, the fees are payable from the grant allocated to the issuer pursuant to the Act (including program income derived therefrom) or from other sources, but are only payable from guaranteed loan funds if the fee is deducted from the disbursement of guaranteed loan funds.*
- ❑ **Environmental Review (570.704(d)).** Provide a brief description on the status of the environmental review procedures for the release of funds for the project (24 CFR Part 58).

The City of Texarkana is following 24 CFR Part 58 Environmental Review Procedures as required in accordance with the National Environmental Policy Act (NEPA). A Phase I Petroleum Assessment was completed for the project on September 18, 2014 and a Phase II Petroleum Assessment was completed on May 27, 2015. State Historic Preservation Office has reviewed and approved this site for eligible state and federal tax credits. A copy of their review will be provided. No funds will be dispersed prior to environmental clearance, and it is understood that any physical development hard costs undertaken prior to environmental clearance cannot be reimbursed through Section 108.

- ❑ **Displacement, relocation, acquisition, and replacement of housing (570.704(e)).** If applicable, describe how the public entity assisted will comply with displacement, relocation, acquisition, and/or replacement of low and moderate income housing activities to be undertaken in connection with the project (570.606).

N/A

- ❑ **Labor Standards.** Please note that each project assisted is subject to the provisions of 24 CFR Part 70 (570.707).

The City of Texarkana is knowledgeable of and will comply with the Davis- Bacon Act and with Section 3 Requirements. The City has established partnerships with local businesses to expand opportunities for local residents as part of its efforts to strengthen the local economy.

- ❑ **Project Implementation Schedule.** Indicate the estimated project schedule, including expected date when Section 108 permanent/interim financing is needed for project costs. Identify each major task/activity associated with implementing the project and provide the projected begin and completion dates. The following is a sample format:

Major Tasks/Activities	Begin Date	End Date
1. EPA RLF Funding (Phase I & II Assessments complete)	July 1, 2014	October 1, 2015
2. Historic Tax Credits (State & Federal)	July 1, 2014	November 1, 2015
3. HUD CDBG 108 Loan	May 1, 2016	October 10,

10/2015

		2016
4. Developer Bank Loan (Churchill Stateside Group)	October 10, 2016	November 10, 2016
5.		

- **Statement of Sources and Uses.** Indicate all project financial sources and related dollar amounts including the Section 108 and owner/developer equity and all principal project cost components (uses) and related dollar amounts.

The City of Texarkana, Texas proposes to lend the developer \$1,492,000 in Section 108 Loan funds for the following purposes:

Sources:	Amount
Section 108 Loan	\$1,492,000
EDI or BEDI Grant	\$0
Other – City Housing Fund	\$458,000
Other – EPA RLF	\$650,000
Federal Historic Tax Credits	\$2,008,107
State Historic Tax Credits	\$2,510,134
Owner / Developer Equity	\$5,870,000
Other – Deferred	\$259,000
Total Sources:	\$13,247,241

Uses:	Amount
Project Cost - Land	\$ 50,000
Project Cost - Building	\$ 450,000
Project Cost – Site work	\$ 400,000
Project Cost – Building Rehab	\$ 8,400,000
Project Cost - Fees	\$ 3,947,000
Total Uses:	\$13,247,200

- **Budget.** Clearly indicate all project costs, identify the eligible activities to be carried out with Section 108 assistance, and national objective(s) to be met (see national objective codes listed below), along with the budgeted amounts for each activity. The following is a sample format:
- *Note: Guaranteed loan funds may not be used to reimburse the CDBG program account or line of credit for costs incurred by the public entity or designated public agency and paid with CDBG grant funds or program income (570.703).*

Eligible Activity	\$Section 108	\$EDI/ BEDI	\$CDBG	\$Equity/ Other	*National Objective (See codes below)
Acquisition of improved or unimproved real					

property in fee or by long-term lease, including acquisition for economic development purposes (570.703(a))					
Rehabilitation of real property owned or acquired by the public entity or its designated public agency (570.703(b))					
Payment of interest on 108 loan obligations (570.703(c))					
Relocation costs of 108-assisted activity (570.703(d))					
Clearance, demolition and removal of buildings and improvements on real property acquired or rehabilitated pursuant to (a) acquisition and (b) rehabilitation, except where necessary to carry out other eligible 108 activity (570.703(e))					
Site preparation, including construction, reconstruction, or installation of public or other site improvements, utilities, or facilities (other than buildings) or remediation of properties, which is: (1) related to the redevelopment or use of the real property acquired or rehabilitated pursuant to (a) acquisition and (b) rehabilitation or (2) for an economic development purpose(570.703(f))					
Payment of 108 issuance, underwriting, servicing, trust administration, and other costs associated with private sector financing (570.703(g))					
Housing rehabilitation eligible under 570.202 (570.703(h))	\$1,492,000				LMH
Economic development eligible under 570.203 (570.703(i)(1))					
Economic development as "community economic development" eligible under 570.204 (570.703(i)(2))					
Construction of housing by nonprofit organizations (570.703(j)) [Discontinued]					
108 debt service reserve to be used in accordance with requirements specified in the contract (570.703(k))					
Acquisition, construction, reconstruction, rehab or historic preservation, or installation of public facilities to the extent eligible under 570.201(c), including public streets, sidewalks, other site improvements and public utilities, and environmental remediation (570.703(l))					
Public works, site or other improvements in colonias (570.703(m))					
Payment of fees charged by HUD pursuant to 570.712 (570.703(n))					
Total Budget:	\$1,492,000	\$	\$	\$	LMH

❑ **National Objective Compliance (570.704(b)(1)).**

- Provide a description of how each of the eligible activities to be carried out with Section 108 funds will meet a CDBG national objective and indicate which national objective the activities will meet.

The housing rehabilitation eligible activities will meet LMI Housing National Objective by providing for permanent residential structures for LMI qualified households. For compliance with the CDBG LMI Housing National Objective, the project will adopt an affordability standard for rent (typically no more than 30 percent of income and provide income verification as well). Also, the project set rent limits similar to FMRs for the area and ensure 51% of the assisted units are occupied by LMI households.

The 20 housing units to be leased to Low-Mod income families will include a 5 year affordability period. The units will be the same for LMI and market rate individuals and families. The breakdown of LMI unit size includes 7 efficiency units, 6 one bedroom units and 7 two bedroom units.

Additionally, an affirmative fair housing marketing plan will be provided prior to closing. Quest Assets Management, Inc will oversee the intake, re-exam and provide documentation to the City that the affordability requirements are met.

- If the application proposes multiple activities with multiple national objectives, tie each eligible activity to a national objective.

National Objectives	Citation	*Code
Low- and moderate-income persons – area benefit	570.208(a)(1)	LMA
Low- and moderate-income persons – limited clientele	570.208(a)(2)	LMC
Low- and moderate-income persons – housing	570.208(a)(3)	LMH
Low- and moderate-income persons – job creation or retention	570.208(a)(4)	LMJ
Prevention or elimination of slums or blight – area basis	570.208(b)(1)	SBA
Prevention or elimination of slums or blight – spot basis	570.208(b)(2)	SBS
Prevention or elimination of slums or blight – urban renewal	570.208(b)(3)	SBR
Urgent need/imminent threat	570.208(c)	URG

- **Generic Application Screening Activities & Guidelines for Evaluating and Selecting Economic Development Projects: Underwriting & Public Benefit Standards (570.209).**

In evaluating the proposed project's use of the Section 108 Economic Development Loan Fund, the City used the following criteria.

Project Management

The City of Texarkana, Texas Planning & Community Development Department administers the 108 Loan Fund. The Planning & Community Development Community Development Director & CDBG Administrator under technical assistance provided by a third-party consultant completed underwriting due diligence. Below are the underwriting standards for City of Texarkana, Texas Section 108 Loan Fund.

National Objective

All loans shall meet a national objective as specified in 24 CFR 570.208. No loan shall be approved without verification of compliance with the national objective requirements, specified in 24 CFR 570.208, by the Fort Worth Regional Office of the United States Department of Housing and Urban Development.

Eligibility

In addition to meeting one of the program's National Objectives all projects assisted through the loan fund must fall within one of the eligible activities.

Financial Underwriting

The loan shall be evaluated based on:

1.) Ability to Repay

Projects to be funded will have at least a 1:1 projected debt coverage ratio.

2.) Collateral

Projects to be funded should have a loan to value ratio of not greater than 80 percent and the value should be supported by an appraisal prior to funding. In certain cases outside guarantees may suffice for additional collateral.

3.) Development Team Capacity and Experience

Projects funded shall have a development team that has both the capacity and experience to complete the project as demonstrated by past projects and financial strength.

4.) Developer Commitment

Developer commitment can take many forms. While each project is likely to be different the forms of developer commitment that can be expected include: adequate equity, guarantees of completion, guarantees to fund shortfalls or guarantees of minimum cash flow.

5.) Character

Projects to be funded should have developers with good credit histories, demonstrated integrity, and quality references.

- ❑ If any of the following five items are applicable, prepare and attach a narrative on the issues:
 - ❑ **Generic application.** If the application is generic in nature, (e.g., use of Section 108 as

economic development loan fund where specific businesses to be assisted have not yet been identified) describe the types of activities to be carried out and the criteria which the applicant will use to screen activities for assistance. N/A

- ❑ **Generic special economic development (570.703(i)(1)).** If the application is for generic special economic development activities, provide a summary of the process established to complete basic financial underwriting of the project(s) and a public benefit evaluation in accordance with 570.209(a), (b) and Appendix A to Part 570. N/A
- ❑ **Single special economic development (570.703(i)(1)).** If the application is for a single special economic development activity, summarize the basic information used for the financial underwriting of the project and for the public benefit evaluation in accordance with 570.209(a), (b) and Appendix A to Part 570. N/A
- ❑ **Generic CBDO community economic development (570.703(i)(2)).** If the application is for generic community economic development activities carried out by a CBDO that would otherwise be eligible under 570.203, were it not for the involvement of the CBDO, provide a summary of the process established to complete basic financial underwriting of the project(s) and a public benefit evaluation in accordance with 570.209(a), (b) and Appendix A to Part 570. N/A
- ❑ **Single CBDO community economic development (570.703(i)(2)).** If the application is for a single special economic development activity carried out by a CBDO that would otherwise be eligible under 570.203, were it not for the involvement of the CBDO, summarize the basic information used for the financial underwriting of the project and for the public benefit evaluation in accordance with 570.209(a), (b) and Appendix A to Part 570. N/A
- ❑ **Section 108 Loan Repayment Source (570.704(b)(2)).** Identification of proposed Section 108 loan repayment source. Examples of sources of repayment may include one or a combination of the following:
 - ❑ CDBG funds
 - ❑ Program income
 - ✓ Other local sources, etc. (describe other sources)

Developer will repay the City with project revenue. The loan repayment schedule is detailed below and is proposed to include a 5 year interest only period with payments thereafter to include \$99,466.67 annually in principle. The justification for the 5 year interest only is for an extended construction and lease up period to meet the proposed pro forma.

- ❑ **Section 108 Loan Repayment Schedule (570.704(b)(2)).** Identification of proposed Section 108 repayment schedule. The term may not exceed twenty years (570.705(f)); the schedule should show principal only; and principal amounts must be in \$1,000 increments.

Year	Principal	Year	Principal	Year	Principal	Year	Principal
------	-----------	------	-----------	------	-----------	------	-----------

1	Interest Only	6	\$99,466.67	11	\$99,466.67	16	\$99,466.67
2	Interest Only	7	\$99,466.67	12	\$99,466.67	17	\$99,466.67
3	Interest Only	8	\$99,466.67	13	\$99,466.67	18	\$99,466.67
4	Interest Only	9	\$99,466.67	14	\$99,466.67	19	\$99,466.67
5	Interest Only	10	\$99,466.67	15	\$99,466.67	20	\$99,466.67

- ❑ **Additional Security Requirements (570.705(b)(3)).** Applicant must pledge its existing and future CDBG entitlement amounts. Applicant may identify proposed additional security beyond pledge of CDBG funds, as applicable. Examples of security may include one or a combination of the following:
 - ✓ The asset financed with the Section 108 funds
 - ✓ A first or second lien on real property (HUD 108 2nd Lien position)
 - ❑ A lien on machinery or equipment
 - ❑ Debt service reserves
 - ❑ The pledge of an income stream
 - ❑ A pledge of future tax increments
- ❑ **Other security (describe other security)**
- ❑ **Other Supporting Documents and Exhibits.** Provide any supporting documents and exhibits that may further describe project details.
 - ✓ Location maps
 - ✓ Project photographs
 - ✓ Financial projections and analysis (pro forma financial statements, etc.)
 - ✓ Location Map
 - ✓ Resume and Qualifications of Developers/Owners
 - ❑ Evidence of site control
 - ❑ Business plan and market analysis
 - ❑ Appraisal

SECTION III – SECTION 108 CERTIFICATIONS

- ❑ **Section 108 Certifications (570.704(b)).** Standard CDBG certifications are not acceptable. Applicant should submit the Section 108 certification forms. Preferably, each certification will be individually executed but certifications included as part of application submitted with original signature of appropriately authorized official are acceptable.
 - ✓ Certification of legal authority to pledge CDBG grants required under 570.705(b)(2) (570.704(b)(3));
 - ✓ Certification of efforts to obtain “other financing” (570.704(b)(4));
 - ✓ Statement regarding lobbying (570.704(b)(7)); and
 - ✓ Public Entity Certifications 570.704(b)(8).

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission:

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

*2. Type of Application

- ☒ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s)

*Other (Specify) _____

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

*5b. Federal Award Identifier:

B14MC481000

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: City of Texarkana, Texas

*b. Employer/Taxpayer Identification Number (EIN/TIN):

75-6000689

*c. Organizational DUNS:

062929187

d. Address:

*Street 1: P.O. Box 1967

Street 2: _____

*City: Texarkana

County: Bowie

*State: Texas

Province: _____

*Country: USA

*Zip / Postal Code 75504-1967

e. Organizational Unit:

Department Name:

Planning & Community Development

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr.

*First Name: David

Middle Name: W.

*Last Name: Orr

Suffix: Jr.

Title: Director of Planning & Community Development

Organizational Affiliation:

City of Texarkana, Texas

*Telephone Number: (903) 798-3902

Fax Number: (903) 798-3913

*Email: david.orr@txkusa.org

Attachment: 2017-025 ATTH 02 Application revised 10.12.16 w-signed pages (1613 : 2017-025 RES approving acceptance of HUD Section 108

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

C. City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

Municipality

***10 Name of Federal Agency:**

Housing & Urban Development Community Development Block Grant Section 108 Loan Fund

11. Catalog of Federal Domestic Assistance Number:

14-218

CFDA Title:

Housing & Community Development CDBG Section 108 Loan Program

***12 Funding Opportunity Number:**

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

***15. Descriptive Title of Applicant's Project:**

Hotel Grim Lofts is a mixed use historic preservation project involving residential space in downtown Texarkana. The goal is to redevelop the hotel with 92 housing units and commercial space on the first level. The financing plan is to use 108 funds from HUD along with federal and state historic credits, an EPA cleanup loan, conventional debt, and any other eligible sources. The proposal is for market apartments with apartments set aside for affordable family and senior housing. The proposal is to have a condominium legal structure on the first two floors which will include the spaces for the units to be leased to Low-Mod income families (Condo #1) and floors 3-8 will be a separate legal condominium structure leasing units to market rate income families (Condo #2).

Attachment: 2017-025 ATTH 02 Application revised 10.12.16 w-signed pages (1613 : 2017-025 RES approving acceptance of HUD Section 108

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: TX-004

*b. Program/Project: TX-004

17. Proposed Project:

*a. Start Date: 10/1/2015

*b. End Date: 09/30/2018

18. Estimated Funding (\$):

*a. Federal	1,492,000.00
*b. Applicant	0.00
*c. State	0.00
*d. Local	11,398,000.00
*e. Other	0.00
*f. Program Income	0.00
*g. TOTAL	\$12,890,000.00

*19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E. O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Mr. *First Name: John

Middle Name: A

*Last Name: Whitson

Suffix:

*Title: City Manager

*Telephone Number: (903) 798-3900

Fax Number:

* Email: john.whitson@txkusa.org

*Signature of Authorized Representative:



*Date Signed: 4 MAY 16

Application for Federal Assistance SF-424

Version 02

***Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

N/A

Certification A

Entitlement Public Entity Certifications

In accordance with the Housing and Community Development Act of 1974, as amended, (the "Act") and with **24 CFR §570.704 (b)(8)**, public entity certifies that:

(i) It possesses the legal authority to submit the application for assistance under 24 CFR Part 570, Subpart M ("Subpart M") and to use the guaranteed loan funds in accordance with the requirements of Subpart M.

(ii) Its governing body has duly adopted or passed as an official act a resolution, motion or similar official action authorizing the person identified as the official representative of the public entity to submit the application and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the public entity to act in connection with the application to provide such additional information as may be required.

(iii) Before submission of its application to HUD, the public entity has:

A) Furnished citizens with information required by **24 CFR §570.704(a)(2)(i)**;

B) Held at least one public hearing to obtain the views of citizens on community development and housing needs; and

C) Prepared its application in accordance with **24 CFR §570.704(a)(1)(iv)** and made the application available to the public.

(iv) It is following a detailed citizen participation plan which meets the requirements described in **24 CFR § 570.704(a)(2)**.

(v) The public entity will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*); and

ii. The Fair Housing Act (42 U.S.C. 3601-20).

(vi) In the aggregate, at least 70 percent of all CDBG funds, as defined at **24 CFR §570.3(c)**, to be expended during the one, two, or three consecutive years specified by the public entity for its CDBG program will be for activities which benefit low and moderate income persons, as described in criteria at **24 CFR §570.208(a)**.

(vii) It will comply with the requirements governing displacement, relocation, real property acquisition, and the replacement of low and moderate income housing described in **24 CFR §570.606**.

(viii) It will comply with the requirements of **24 CFR §570.200(c)(2)** with regard to the use of special assessments to recover the capital costs of activities assisted with guaranteed loan funds.

- (ix) (Where applicable, the public entity may also include the following additional certification.) It lacks sufficient resources from funds provided under Subpart M or program income to allow it to comply with the provisions of §570.200(c)(2), and it must therefore assess properties s owned and occupied by moderate income persons , to recover the guaranteed loan funded portion of the capital cost without paying such assessments in their behalf from guaranteed loan funds.

Signed:



John A. Whitson
City Manager, ICMA-CM

Date:

4 MAY 16

Certification B

Certification of Efforts to Obtain Other Financing

The City of Texarkana, Texas hereby assures and certifies with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it has made efforts to obtain financing for the activities described herein without the use of such guarantee, it will maintain the documentation of such efforts for the term of the loan guarantee, and it cannot complete such financing consistent with timely execution of the project without such guarantee.

Signed:



John A. Whitson
City Manager, ICMA-CM

Date:

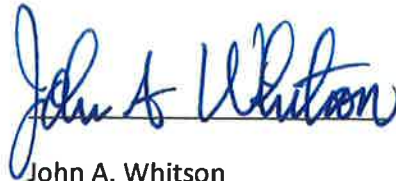
4 MAY 16

Certification C

Certification of Legal Authority to Pledge Grants

The public entity hereby certifies and assures with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it possesses the legal authority to make the pledge of grants required under 24 CFR 570.705(b)(2).

Signed:



John A. Whitson
City Manager, ICMA-CM

Date:

4 MAY 16

Certification Regarding Drug-free Workplace Requirements

The certification set out below is a material representation upon which reliance is placed by the U.S. Department of Housing and Urban Development in awarding the loan guarantee assistance. If it is later determined that the public entity knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the U.S. Department of Housing and Urban Development, in additions to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

Certification

A. The public entity certifies that it will provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the public entity's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- b. Establishing a drug-free awareness program to inform employees about-

- (1) The dangers of drug abuse in the workplace;
 - (2) The public entity's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the activities undertaken with the loan guarantee assistance be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the loan guarantee, the employee will -
- (1) Abide by the terms of the statement; and
 - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.

Signed:



John A. Whitson
City Manager, ICMA-CM

Date:

4 MAY 16

Certification E**Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions**

(1) The prospective primary participant certifies to the best of its knowledge and belief ,
that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

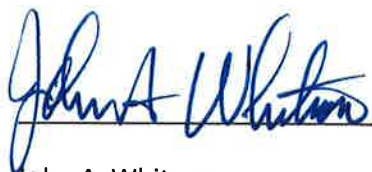
(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction ; violation of Federal or State antitrust statutes or commission of embezzlement , theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause of default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification , such prospective participant shall attach an explanation to this proposal.

Signed:



John A. Whitson
City Manager, ICMA-CM

Date:

4 MAY 16

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed:



John A. Whitson
City Manager, ICMA-CM

Date:



Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed:



John A. Whitson

City Manager, ICMA-CM

Date:

4 MAY 16

RESOLUTION NO. 2015 - 080

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, SUPPORTING THE HOTEL GRIM REDEVELOPMENT PROJECT AND COMMITTING FUNDING IN THE FORM OF A CDBG SECTION 108 LOAN, EPA REVOLVING LOAN, AND/OR OTHER FUNDING MUNICIPAL LOAN FUNDS TO SARI AND COMPANY FOR THE PURPOSE OF REDEVELOPING THE GRIM HOTEL; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Texarkana, Texas (the "City") has been apprised of the redevelopment plans for the Hotel Grim into a mixed use development in downtown Texarkana; and

WHEREAS, the Council of Development Finance Agencies (CDFA) Response Team has visited the city and prepared a report regarding recommendations for public financing strategies for the project; and

WHEREAS, the City Council of the City of Texarkana, Texas acknowledges the historical and economic significance of the Hotel Grim to the City, and is in support of the redevelopment of the property as market rate apartments and commercial space; and

WHEREAS, Sari & Company, a developer of historic properties is submitting applications for State and Federal Historic Preservation Tax Credits to the Texas Historical Commission and the National Park Service to be used for the redevelopment of the Hotel Grim; and

WHEREAS, the City Council of the City of Texarkana, Texas supports the applications for State and Federal Historic Preservation Tax Credits, and is willing to commit project funding in the form of a CDBG Section 108 Loan, EPA Revolving Loan, and/or other municipal loan funds contingent upon the award of the Historic Preservation Tax Credits.

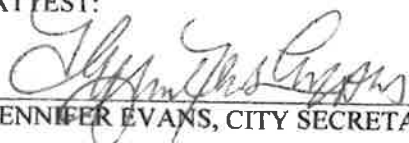
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

SECTION 1: That the City Council of the City of Texarkana, Texas, hereby approves the support of the Historic Preservation Tax Credits by Sari & Company to be used for the redevelopment of the Hotel Grim into market rate apartments and commercial space; and approves the submission of loan request applications to appropriate agencies for HUD CDBG Section 108 Loan Funds, EPA Brownfield Revolving Loan Funds, or other municipal loan programs to the Grim Hotel redevelopment project.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the 10th day of August, 2015.

ATTEST:


JENNIFER EVANS, CITY SECRETARY


BOB BRUGGEMAN, MAYOR

4:37 p.m.



CITY OF
TEXARKANA
TEXAS

P.O. Box 1967
Texarkana, TX 75504
Phone (903) 798-3900

May 5, 2016

Ms. Shirley Henley, Director
Fort Worth Regional Office, Region VI
U.S. Department of Housing and Urban Development
801 Cherry Street, Unit #45, STE. 2500
Fort Worth, Texas 76102

Dear Ms. Henley:

The City of Texarkana, Texas is pleased to submit an application for a Section 108 Loan Guarantee Program loan. If approved, this loan will provide low to moderate income housing in downtown Texarkana through the revitalization of the Hotel Grim building.

If you have any questions or need additional information about this application, please contact me at 903.798.3902. I appreciate your assistance and look forward to working with you and your staff on this endeavor.

Sincerely,

David W. Orr
Director of Planning & Community Development

Enclosure

Attachment: 2017-025 ATTH 02 Application revised 10.12.16 w-signed pages (1613 : 2017-025 RES approving acceptance of HUD Section 108

What are the most common housing problems?

There are 14,200 households in Texarkana, Texas, a decrease of 6% from the time of the 2000 Census. The most common housing problems in Texarkana are cost burden problems where renters and owners have housing costs that exceed either the greater than 30% of household income or 30% of household income.

One thousand four hundred and five renter households have a housing cost burden greater than 50% of income. Of those, 1,050 households have income in the range of 0-30% of Area Median Income, with 290 households in the 31-50% of AMI, and 65 in the range of 51-80% of AMI. For home owners, the most common problem is in having a housing cost burden greater than 30% of Area Median Income with 75 in the range of 0-30% of Area Median Income, 170 households in the 31-50% of AMI, and 480 in the range of 51-80% of AMI and 195 in the 81-100% of AMI.

Taken together, the most common housing problem in Texarkana is a cost burden greater than 30% of income with 3,940 of renter and owner households at 80% or less of Area Median Income paying more than 30% of household income on housing.

Are any populations/household types more affected than others by these problems?

Renters characterized as Small Related Renter households, a household of at least one adult where the members of the household are related to one another, with a cost burden exceeding 50% of income are statistically the household type most often affected by at least one housing problem.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Low-income individuals and families with children, especially those who are extremely low-income, most frequently have one or more of the Four Housing Problems, or Four Severe Housing Problems. They are more likely to be elderly, a large family, unemployed, or have significant illness or disability in the household. In Texarkana, these at-risk households are more likely to be Black/African American. Formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance are in great peril of returning to a shelter at the termination of their assistance if they have not achieved long-term improvements in income levels or resolved the issues that originally led to the former homeless state. They are not eligible for additional

City of Texarkana, Texas

Developing Perspectives and Goals Pending Approval by the City Council:

Perspectives	Goals
Serve the Community	☒ Promote an Environmentally Sensitive & Livable Community ☐ Provide a Safe Community ☒ Deliver Quality Services ☐ Foster a Healthy Community
Run the Operations	☐ Enhance Community Preparedness & Responsiveness ☐ Maximize Partnership Opportunities ☐ Provide Courteous & Responsive Customer Service ☒ Model a Positive City Image ☒ Deliver Efficient Services ☐ Cultivate Community Involvement & Access
Manage the Resources	☒ Maintain Fiscal Strength ☒ Maximize Utilization & Resources ☐ Invest in Infrastructure & Transportation
Develop Personnel	☐ Develop a Skilled & Diverse Workforce ☐ Create a Positive & Rewarding Work Culture

Perspectives and Goals Additional Comments:

NONE

Resource Impact:

Staff time required if item is approved: No Additional

Other Potential Impacts:

NONE APPLICABLE

Public Information Plan:

☐ Newspaper Notice (Required by Statute)	☐ Public Hearing (Required by Statute)
☐ Public Forum/Input Session	☐ Press Release
☐ E-News Distribution	☐ Website Notice
☐ Social Media (Twitter, Facebook, etc.)	☐ Special Mailing
☐ Flyers Posted	☐ Banners Posted
☐ Survey	☐ Automated Phone Call
☒ None Required	☐

Other: