



NOTICE OF REGULAR MEETING AGENDA
LANCASTER CITY COUNCIL
MUNICIPAL CENTER CITY COUNCIL CHAMBERS
211 N. HENRY STREET, LANCASTER, TEXAS
Monday, August 22, 2011 – 7:00 P.M.



CALL TO ORDER

INVOCATION: MINISTERIAL ALLIANCE

PLEDGE OF ALLEGIANCE: DEPUTY MAYOR PRO TEM NINA MORRIS

CITIZENS' COMMENTS: (At this time citizens who have pre-registered before the call to order will be allowed to speak on any matter other than personnel matters or matters under litigation, for a length of time not to exceed three minutes. No Council action or discussion may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.)

CONSENT AGENDA: (Items listed under the consent agenda are considered routine and are generally enacted in one motion. The exception to this rule is that a Council Member may request one or more items to be removed from the consent agenda for separate discussion and action.)

- 1C. Consider approval of minutes from the City Council Regular Meeting held August 8, 2011.
- 2C. Consider Resolution 2011-08-70 of the City Council of the City of Lancaster, Texas, awarding Bid No. 2011-58 to Aetna for employee health and dental administration; Discovery Benefits for flexible spending administration; continuation of Cigna for life and long term disability administration; continuation of Conexis for Cobra administration; and continuation of Alliance Work Partners for Employee Assistance Program (EAP) administration; authorizing the City Manager to negotiate and execute a contract upon legal review; providing a repealing clause, providing a severability clause; and providing an effective date.
- 3C. Consider an ordinance of the City of Lancaster, Texas, approving a negotiated resolution between the Atmos Cities Steering Committee ("ACSC" or "Steering Committee") and Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company") regarding the Company's Fourth Annual Rate Review Mechanism ("RRM") filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the Company to reimburse cities' reasonable ratemaking expenses; repealing conflicting resolutions or ordinances; determining that this ordinance as passed in accordance with requirement of the Texas Open Meetings Act; adopting savings clause; declaring an effective date; and requiring delivery of this ordinance to the Company and the Steering Committee's legal counsel.

PUBLIC HEARING

4. Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Boardwalk Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.
5. Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Millbrook East Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.
6. Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Meadowview Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.
7. Conduct a Public Hearing on the proposed Fiscal Year 2011-2012 budget and discuss an ordinance of the City of Lancaster, Texas, approving and adopting a budget for the fiscal year beginning October 1, 2011 and ending September 30, 2012; providing that expenditures for said fiscal year shall be in accordance with said budget; providing for the repeal of all ordinances in conflict; providing a severability clause; and providing an effective date.

ACTION

8. Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Mills Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and effective date.

9. Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with Rolling Meadows Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and effective date.
10. Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with Tribute at Mills Branch and Tribute East at Mills Branch Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.
11. Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Glendover Estates Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.
12. Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Beltline Ashmoore Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.
13. Receive a presentation from First Southwest Company on funding options; discuss and consider Resolution 2011-08-71 of the City Council of the City of Lancaster, Texas, approving and authorizing publication of a Notice of Intention to Issue Certificates of Obligation in an amount not to exceed \$8,000,000; providing for the repeal of any and all resolutions in conflict; providing for severability clause; and providing an effective date.
14. Discuss and consider appointment of council liaisons to City Boards and Commissions.

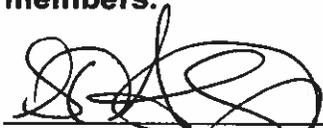
ADJOURNMENT

EXECUTIVE SESSION: The Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the TEXAS GOVERNMENT CODE to seek legal advice concerning such subject.

ACCESSIBILITY STATEMENT: The Municipal Center is wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

Certificate

I hereby certify the above Notice of Meeting was posted at the Lancaster City Hall on August 18, 2011 @ 5:00pm and copies thereof were hand delivered to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.



Dolle K. Downe, TRMC
City Secretary

Asst. City Secretary

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

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AG11-001

Consider approval of minutes from the City Council Regular Meeting held August 8, 2011.

Background

Attached for your review and consideration are minutes from the:

- City Council Regular Meeting held August 8, 2011

Prepared and submitted by:

Dolle K. Downe, City Secretary
August 18, 2011

MINUTES

LANCASTER CITY COUNCIL MEETING OF AUGUST 8, 2011

The City Council of the City of Lancaster, Texas, met in Regular session in the Council Chambers of City Hall on August 8, 2011 at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present:

Mayor Marcus E. Knight
Walter Weaver
Stanley Jaglowski
Marco Mejia
James Daniels
Mayor Pro Tem Clyde Hairston
Deputy Mayor Pro Tem Nina Morris

City Staff Present:

Opal Mauldin Robertson, City Manager
Alicia Oyedele, Assistant to the City Manager
Sheree Haynes, Finance Director
Clovia English, Public Works Director
Larry King, Assistant Building Official
Mark Divita, Airport Manager
Dolle Downe, City Secretary

Call to Order:

Mayor Knight called the meeting to order at 7:00 p.m. on August 8, 2011.

Invocation:

Reverend Gordon Butler gave the invocation.

Pledge of Allegiance:

Mayor Pro Tem Clyde Hairston led the Pledge of Allegiance.

Citizens Comments:

Bobby Farmer, 1434 Vermont Avenue, commented that he lives in the Boardwalk subdivision and has concerns about lighting and landscaping in the neighborhood.

Carolyn Morris, 887 Wintergreen, stated she would like to see more recreation programs in the afternoon, commenting that given the long hot summer kids need activities to occupy their time.

Consent Agenda:

City Secretary Downe read the consent agenda.

- 1C. Consider approval of minutes from the City Council Regular Meeting held July 25, 2011 and Special Meeting held July 26, 2011.

- 2C. Consider Resolution 2011-08-63 of the City Council of the City of Lancaster, Texas, approving the terms and conditions of a second amendment to the professional services agreement by and between the City of Lancaster and Freese and Nichols, Inc. (FNI) for continued services in connection with the project known as the Hazard Mitigation Grant Project in an amount not to exceed \$20,316; authorizing the City Manager to execute said amendment; providing a repealing clause; providing a severability clause; and providing an effective date.**
- 3C. Consider Resolution 2011-08-64 of the City Council of the City of Lancaster, Texas, authorizing the award of Bid 2011-53 to Eastern Aviation Fuels, Inc. for aviation fuel supply services at the Lancaster Regional Airport; authorizing the City Manager to execute the agreement; providing a repealing clause; providing a severability clause; and providing an effective date.**
- 4C. Consider an ordinance of the City of Lancaster, Texas, amending the Lancaster Code of Ordinances by amending Article 2.100, by adding a definition for grazing animal livestock to Section 2.106 "Definitions" and by repealing Section 2.117 "Proximity to Residences; Minimum Area for Keeping Livestock" in its entirety and replacing with a new Section 2.117 Grazing Animals and Other Special Use Standards"; and by amending the Lancaster Development Code by repealing Article 14.400, Section 14.403 "Other Special Use Standards", (a) "Farm Animals and Horses", in its entirety, and reserving for a future use; providing a severability clause; providing a savings clause; providing a repealing clause; providing a penalty of fine for each offense; and providing an effective date.**
- 5C. Consider Resolution 2011-08-65 of the City Council of the City of Lancaster, Texas, designating representatives of the City of Lancaster authorized to transmit and withdraw funds and take all other actions deemed necessary or appropriate for the investment of local funds in TexPool / TexPool Prime; providing for the addition and deletion of an authorized representative; and providing an effective date.**
- 6C. Consider Resolution 2011-08-66 of the City Council of the City of Lancaster, Texas, approving the terms and conditions of a lease agreement with Gary Brown for City T-hangar 680-119 at the Lancaster Regional Airport; authorizing the City Manager to execute said lease agreement; providing a repealing clause; providing a severability clause; and providing an effective date.**

Councilmember Mejia pulled item #2C from the consent agenda.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Deputy Mayor Pro Tem Morris, to approve consent items 1C and 3C - 6C. The vote was cast 7 for, 0 against.

Councilmember Mejia thanked staff for bringing the item [#2] forward noting that the opportunity to purchase more properties will help eliminate checkerboard ownership of properties in this flood prone area.

MOTION: Councilmember Mejia made a motion, seconded by Mayor Pro Tem Hairston, to approve Resolution 2011-08-63 approving the terms and conditions of a second amendment to the professional services agreement by and between the City of Lancaster and Freese and Nichols, Inc. (FNI) for continued services in connection with the project known as the Hazard Mitigation Grant Project in an amount not to exceed \$20,316. The vote was cast 7 for, 0 against.

7. **Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Mills Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.**

City Manager Mauldin Robertson noted this is an existing Public Improvement District (PID) of approximately 60.59 acres. As the district is currently undeveloped, the proposed rate is \$0.00 per \$100 assessed valuation as there are no budget expenses for the 2011/2012 fiscal year.

Mayor Knight opened the public hearing.

There were no requests to speak.

MOTION: Deputy Mayor Pro Tem Morris made a motion, seconded by Councilmember Mejia, to close the public hearing. The vote was cast 7 for, 0 against.

8. **Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with Rolling Meadows Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.**

City Manager Mauldin Robertson noted this is an existing Public Improvement District (PID) of approximately 38.8 acres. The Rolling Meadows PID has proposed an annual assessment of \$0.23 per \$100 assessed valuation.

Mayor Knight opened the public hearing.

There were no requests to speak.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Daniels, to close the public hearing. The vote was cast 7 for, 0 against.

9. **Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with Tribute at Mills Branch and Tribute East at Mills Branch Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.**

City Manager Mauldin Robertson noted that Tribute at Mills Branch is approximately 42.7 acres and Tribute East at Mills Brank is 4.64 acres. The proposed annual assessment is \$0.30 for lots with completed homes and \$0.80 for lots without completed homes per \$100 assessed valuation.

Mayor Knight opened the public hearing.

There were no requests to speak.

MOTION: Councilmember Mejia made a motion, seconded by Deputy Mayor Pro Tem Morris, to close the public hearing. The vote was cast 7 for, 0 against.

10. **Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Glendover Estates Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.**

City Manager Mauldin Robertson noted this is an existing Public Improvement District (PID) of approximately 29.56 acres. The Glendover Estates PID has proposed an annual assessment of \$0.22 per \$100 assessed valuation.

Mayor Knight opened the public hearing.

There were no requests to speak.

MOTION: Councilmember Mejia made a motion, seconded by Deputy Mayor Pro Tem Morris, to close the public hearing. The vote was cast 7 for, 0 against.

11. **Conduct a Public Hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Beltline Ashmoore Public Improvement District; providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.**

City Manager Mauldin Robertson noted this is an existing Public Improvement District (PID) of approximately 19.42 acres. The Beltline Ashmoore PID has proposed an annual assessment of \$0.15 per \$100 assessed valuation.

Mayor Knight opened the public hearing.

There were no requests to speak.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Mejia, to close the public hearing. The vote was cast 7 for, 0 against.

Mayor Knight announced that consideration of the ordinance adopting the budget for existing Public Improvements Districts will be at the August 22, 2011 Council meeting.

- 12. Conduct a Public Hearing and consider Resolution 2011-08-67 of the City Council of the City of Lancaster, Texas, establishing the Meadowview Public Improvement District and taking certain other actions concerning the district; repealing all resolution in conflict; providing a severability clause; and providing an effective date.**

City Manager Mauldin Robertson stated that this is a public hearing and consideration of establishing a Public Improvement District (PID) for Meadowview, an established subdivision of approximately 215.26 acres. City Manager Mauldin Robertson emphasized that a PID is an assessment district that only affects the properties within the defined boundary and is a financial means of collecting an assessment from each property owner in lieu of homeowners association dues to cover the maintenance costs and/or capital improvement of the common areas. All property owners will be required to pay the assessment as billed by the County on the property tax statement. City Manager Mauldin Robertson noted there are 810 homes in the boundaries of the Meadowview subdivision and 428 property owners signed the petition. The Act requires 405 signatures.

Mayor Knight opened the public hearing.

Speaking regarding establishing the Meadowview Public Improvement District were:

Wendy Dillard, 1439 Daisy Drive, commented that she selected a home in Phase I because she knew she did not want to be in a homeowners association; stated that she does not see the benefit to Phase I because the landscaping is not in that phase; urged the Council to vote no.

Raymond Reese, 1023 April Showers Lane, stated that he was not told at the time of purchase there was a home homeowners association; commented that the homeowners association should be dissolved.

Cassandra Pitts, 3133 Crimson Clover, spoke in support of the PID commenting that all phases should come together and make the community a better place to live.

Amos Williams, 1448 Daisy Drive, stated he had been in the subdivision since the first two streets were put in and he moved there because there was no homeowners association; stated that only phases 2 through 5 had common areas and if they desire a PID, it is okay but do not include Phase 1.

Eric Paris, 1435 Daisy Drive, stated he lives in Phase 1 and someone came to his door saying they want to place extra taxes on people's property; stated that there is no homeowners association in Phase 1 and this is a violation of his constitutional rights and the 14th amendment; commented that a HOA or PID will fine for violations.

Paul Dillard, 1439 Daisy Drive, stated he lives in Phase 1 and that he has found some successfully functioning PID's; commented that Phase 1 is already established and there is no room to build a new park; said this tax almost slipped under the radar and that the City should not impose the PID without consent; commented that there are those in the neighborhood that cannot afford the tax; asked that everyone get together and find another way to do what needs to be done.

Andrea Bryant, 2820 Amber Waves, said she has not been paying homeowners association dues and she should not have to pay now.

Darla Wilkins, 1444 Singing Bird, said she was told there is not a HOA in Phase 1; said that homeowners in Phases 2 through 5 were aware and went into the subdivision knowing there was an HOA; said property owners would not get the value if the home was sold.

Angela Baskin, 3032 Picket Fence, stated there was no HOA when they moved in and they should not have to pay now; commented that no one seems to be helping and they do not want more taxes; stated she doesn't want to see separation in the neighborhood, but they should not be forced to pay.

B.G. Gaskin, 2819 Amber Waves, commented this has been a real learning experience and what will it cost; stated that if you are not happy with the HOA, fire them; said that property owners did not need more government.

Brent Dickerson, 3031 Crimson Clover, stated some people need to be informed of their rights, saying if the HOA is not working, then vote them out; stated there are no common areas in Phase 1; said he is opposed to the PID.

The following asked that their support or opposition be noted in the record:

Shirley Yard, 3112 Prairie Aster Drive, in support

Jacqueline Lowery, 2917 Rising Crest Drive, in opposition

Frank Hayes, 1455 Gentle Rain, in support

Betty Davidson, 1212 Candle Drive, in support

William Rogers, 1229 Tall Grass, in support

Gary Brown [no address provided], in support

Erisa Brown [no address provided], in support

Diana Melcher, 1520 Golden Grass, in support

Jessica Sears, 2925 Paint Brush Place, in support

City Secretary Downe read the following letter received from Sharp Field into the record:

August 6, 2011

To: City Council

As a Current homeowner of the Meadowview Edition, I hereby submit the following opposition to the Public Improvement District (PID).

First, it is my sincere belief; the signatures obtained did not receive complete information on both the positive and the negative aspects of this venture, but, only given either false information or enough to be coaxed into signing the petition. I would like to see another opportunity to with at least one member from each phase. Thereby ensuring information in its entirety is disseminated.

Second, there has not been forwarded to the homeowners the location of the proposed improvements. Who will make these decisions? Will they be equally divided between each Phase for the enjoyment or located with only a few phases. If this is the case, all will pay a few will benefit.

Third, as each household will be drastically affected by this change, I suggest each resident be provided with a complete package of the proposal and given sufficient opportunity to study with a question and answer period. And then another petition submitted.

And last, during these hard economic times, with this proposal families will be asked to obtain additional revenue which they may not be able to achieve. This will leave families with no choice but to come to the conclusion to give up their homes. There are a number of vacant houses within Meadowview and with this proposal there will be more. This is essential for the growth of not only this community, but also the city. Please vote no and send the project back to the drawing board for further study.

Respectfully submitted
Sharp Fields

There were no other speakers.

City Manager Mauldin Robertson noted that City has required a homeowners association or public improvement district since 1989 and commented that a PID is a means of collecting an assessment to help ensure that common areas are maintained without assistance or code enforcement action.

MOTION: Councilmember Mejia made a motion, seconded by Mayor Pro Tem Hairston, to close the public hearing. The vote was cast 7 for, 0 against.

Councilmember Mejia asked if it is possible for the PID to cover only phases 2 through 5 since it seems to be only residents in Phase 1 that have issues with establishing the PID. City Manager Mauldin Robertson commented that signatures were gathered for more than 50% of the area and value of the properties. She commented further that the petition was prepared for all five phases as platted, and they would have to start all over again with the process.

MOTION: Councilmember Daniels made a motion, seconded by Mayor Pro Tem Hairston, to approve Resolution 2011-08-67 establishing the Meadowview Public Improvement District and taking certain other actions concerning the district. The vote was cast 4 for [Weaver, Jaglowski, Daniels, Hairston] 2 against [Knight, Morris] with 1 abstention [Mejia].

Mayor Knight called a recess at 8:10 p.m. City Council reconvened at 8:38 p.m.

- 13. Conduct a Public Hearing and consider Resolution 2011-08-68 of the City Council of the City of Lancaster, Texas, establishing the Lancaster Boardwalk Public Improvement District and taking certain other actions concerning the district; repealing all resolution in conflict; providing a severability clause; and providing an effective date.**

City Manager Mauldin Robertson stated this is a public hearing and consideration of establishing a Public Improvement District (PID) for Boardwalk, an established subdivision of approximately 80.24 acres.

Councilmember Weaver asked how many homes are in the subdivision. City Manager Mauldin Robertson noted there are 324 homes.

Dean Flowers, representing the company purchasing some lots in the subdivision from the bank, commented that they support creation of the PID, noting that a PID board will be formed consisting of members of the community and the Homeowners Association Board of Directors.

Mayor Knight opened the public hearing.

Speaking regarding establishing the Lancaster Boardwalk PID were:

Dr. Khadya Jannah, 1358 Kentucky Avenue, said residents have been operating under a dysfunctional HOA for awhile and no financial information was available from the management company; commented that less than 50% actually pay dues; noted they cannot attract developers to build homes on the vacant lots; said with the PID, residents will have input.

Erika Elliott, 1406 Kentucky Avenue, stated she is opposed to the PID and has been paying dues, commenting that they do not want outsiders and this is not feasible for many in the subdivision.

Ella Douglas, 1508 Vermont Aveune, commented that some are not paying dues and they need to do whatever it takes to keep up the property and make the area look nice.

The following asked that their support or opposition be noted in the record:

Rehema Oluferri, 1350 Kentucky Avenue, in support
Carolyn Ballard, 1312 Illinois Avenue, in support

MOTION: Councilmember Mejia made a motion, seconded by Councilmember Weaver, to allow others who had not registered to speak before the public hearing to make comments at this time. The vote was cast 7 for, 0 against.

Also speaking were:

Christopher Hayes, 1338 Pennsylvania, expressed concerns about the retaining wall and asked if the PID would provide for maintenance on the wall; commented that there is a dirt mound full of rats and snakes; asked for Council support.

N. Dipo, 1327 Pennsylvania, commented he did sign the petition and is trying to understand if the homeowners association will go away.

There were no other speakers.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Jaglowski, to close the public hearing. The vote was cast 7 for, 0 against.

City Manager Mauldin Robertson stated that the City does not have governance over the HOA and that residents need to be involved with their homeowners association. She explained that the HOA is responsible for property maintenance and upkeep and the PID is a mechanism to fund necessary maintenance.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Deputy Mayor Pro Tem Morris, to approve Resolution 2011-08-68 establishing the Lancaster Boardwalk Public Improvement District and taking certain other actions concerning the district. The vote was cast 7 for, 0 against.

14. Conduct a Public Hearing and consider Resolution 2011-08-69 of the City Council of the City of Lancaster, Texas, establishing the Millbrook East Public Improvement District and taking certain other actions concerning the district; repealing all resolution in conflict; providing a severability clause; and providing an effective date.

City Manager Mauldin Robertson stated this is a public hearing and consideration of establishing a Public Improvement District (PID) for Millbrook East, an established subdivision with Phases 1, 2A and 2B for a total of approximately 77.38 acres.

Mayor Knight opened the public hearing.

Speaking regarding establishing the Millbrook East PID were:

LaShonjia Harris, 1928 Blue Sage, expressed her support for the PID indicating they are frustrated with the management group and poor management of the funds; said a PID would allow the fees to be collected and properly managed.

Evelyne DuBois, 1937 Cross Oaks Drive, commented that the value of your home is important and the HOA is not maintaining the property; said she has worked with City staff to make a PID possible and it has strengthened their relationship with the City; asked for Council's support.

Earnestine Dye, 1915 Palma Pita Street, commented that the HOA was very dysfunctional and that the PID is needed to cover some improvements; expressed concerns about possible underlying costs.

Karen Hill, 1911 Palma Pita Street, commented that she had received a letter about additional costs over the association fees.

The following asked that their support or opposition be noted in the record:
Mr. & Mrs. Richard Jones, 1914 Palma Pita Street, support and opposition noted on form.

Also speaking were:

Sharon Scott, 1936 Rosa Parks; commented they welcome the PID because they are struggling with the current HOA.

Pastor Gordon Butler, commented that he is in favor of the PID and prefers his neighbors making decisions as opposed to the management group.

Phyllis Jackson, 1930 Palma Pita Street, in favor of the PID; commented that the entrance is terrible and no one cares; stated she hopes that this will help improve the neighborhood.

Andrea Jones, commented that many are not thoroughly informed; suggested the information be placed on the website or put in the newspaper.

There were no other speakers.

MOTION: Deputy Mayor Pro Tem Morris made a motion, seconded by Councilmember Mejia, to close the public hearing. The vote was cast 7 for, 0 against.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Daniels, to approve Resolution 2011-08-69 establishing the Millbrook East Public Improvement District and taking certain other actions concerning the district. The vote was cast 7 for 0, against.

Mayor Knight called a recess at 9:20 p.m. City Council reconvened at 9:27 p.m.

15. Discuss and consider annual appointments to City of Lancaster Boards and Commissions.

Councilmember Mejia nominated Vic Buchanon to the Planning and Zoning Commission. The vote was cast 2 for [Weaver, Mejia] and 5 against [Jaglowksi, Knight, Daniels, Hairston, Morris]. Nomination fails.

Councilmember Jaglowksi nominated Carol Strain Burk to the Planning and Zoning Commission. The vote was cast 3 for [Jaglowksi, Daniels, Hairston] and 4 against [Weaver, Mejia, Knight, Morris]. Nomination fails.

Councilmember Mejia nominated Burleigh Foreman to the Planning and Zoning Commission. The vote was cast 3 for [Weaver, Mejia, Morris] and 4 against [Jaglowksi, Knight, Daniels, Hairston]. Nomination fails.

Mayor Pro Tem Hairston nominated Carolyn Morris to the Planning and Zoning Commission. The vote was cast 3 for [Daniels, Hairston, Morris] and 4 against [Weaver, Jaglowski, Mejia Knight]. Nomination fails.

Councilmember Jaglowski nominated James Mitchell to the Planning and Zoning Commission. The vote was cast 4 for [Jaglowski, Knight, Daniels, Hairston] and 3 against [Weaver, Mejia, Morris]. James Mitchell is appointed to a term expiring July 2013.

Councilmember Weaver nominated Lawrence Prothro to the Planning and Zoning Commission. The vote was cast 5 for [Weaver, Jaglowski, Mejia, Daniels, Hairston] and 2 against [Knight, Morris]. Lawrence Prothro is appointed to a term expiring July 2013.

Mayor Pro Tem Hairston nominated Marian Elkins to the Planning and Zoning Commission. The vote was cast 4 for [Knight, Daniels, Hairston, Morris] and 3 against [Weaver, Jaglowski, Mejia]. Marian Elkins is appointed to a term expiring July 2013.

Councilmember Weaver nominated Burleigh Foreman to the Lancaster Economic Development Corporation Board. The vote was cast 4 for [Weaver, Mejia, Knight, Morris] and 3 against [Jaglowski, Daniels, Hairston]. Burleigh Foreman is appointed to a term expiring July 2014.

Mayor Pro Tem Hairston nominated Vanessa Sheffield to the Lancaster Economic Development Corporation Board. The vote was cast 6 for [Weaver, Jaglowski, Mejia, Knight, Daniels, Hairston] and 1 against [Morris]. Vanessa Sheffield is appointed to a term expiring July 2014.

Deputy Mayor Pro Tem Morris nominated Vic Buchanon to the Lancaster Economic Development Corporation Board. The vote was cast 3 for [Weaver, Mejia, Morris] and 4 against [Jaglowski, Knight, Daniels, Hairston]. Nomination fails.

Councilmember Jaglowski nominated Susan Anderson to the Lancaster Economic Development Corporation Board. The vote was cast 3 for [Jaglowski, Daniels, Hairston] and 4 against [Weaver, Mejia, Knight, Morris]. Nomination fails.

Mayor Pro Tem Hairston nominated Elva Bennett to the Lancaster Economic Development Corporation Board. The vote was cast 3 for [Jaglowski, Daniels, Hairston] and 4 against [Weaver, Mejia, Knight, Morris]. Nomination fails.

Mayor Pro Tem Hairston nominated himself to the Lancaster Economic Development Corporation Board. The vote was cast 2 for [Daniels, Hairston] and 5 against [Weaver, Jaglowski, Mejia, Knight, Morris]. Nomination fails.

Councilmember Jaglowski nominated Jon Cole to the Lancaster Economic Development Corporation Board. The vote was cast 4 for [Jaglowski, Knight, Daniels, Hairston] and 3 against [Weaver, Mejia, Morris]. Jon Cole is appointed to a term expiring July 2014.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Mejia, to reappoint John Steward and Dean Byers to the Airport Advisory Board and appoint Tim Fagan [from alternate to a regular position] with terms expiring July 2013. The vote was cast 7 for, 0 against.

Councilmember Jaglowski nominated Jerry Giles as an alternate member to the Airport Advisory Board. The vote was cast 3 for [Jaglowski, Daniels, Morris] and 4 against [Weaver, Mejia, Knight, Hairston]. Nomination fails.

Mayor Pro Tem Hairston nominated Chris Chatmon as an alternate member to the Airport Advisory Board. The vote was cast 4 for [Jaglowski, Knight, Daniels, Hairston] and 3 against [Weaver, Mejia, Morris]. Chris Chatmon is appointed as an alternate member with a term expiring July 2012.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Jaglowski, to reappoint Cassandra Andrews and Mark Larson to the Property Standards and Appeals Board with terms expiring July 2013. The vote was cast 7 for 0, against.

Councilmember Jaglowski nominated Carolyn Morris as an alternate member to the Property Standards and Appeals Board. The vote was cast 4 for [Jaglowski, Daniels, Hairston, Morris] and 3 against [Weaver, Mejia, Knight]. Carolyn Morris is appointed as an alternate member with a term expiring July 2012.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Daniels, to reappoint Darwin Isham and Mary Sykes to the Parks & Recreation Advisory Board/Recreational Development Corporation Board with terms expiring July 2013 and appoint Abe Cooper [from alternate to a regular position] with term expiring July 2012. The vote was cast 6 for, 1 against [Morris].

Councilmember Jaglowski nominated Deborah Brooks as an alternate member to the Parks & Recreation Advisory Board/Recreational Development Corporation Board. The vote was cast 6 for [Weaver, Jaglowski, Mejia, Knight Daniels, Hairston, and 1 against [Morris]. Deborah Brooks is appointed as an alternate member with a term expiring July 2012.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Jaglowski, to reappoint Nakesha Reddick and Kathy Gaither to the Library Advisory Board with terms expiring July 2013. The vote was cast 7 for, 0 against.

Councilmember Jaglowski nominated Quinnest Banks as an alternate member to the Library Advisory Board. The vote was cast 6 for [Weaver, Jaglowski, Mejia, Knight, Daniels, Hairston] and 1 against [Morris]. Quinnest Banks is appointed as an alternate member with a term expiring July 2012.

Mayor Pro Tem Hairston nominated Walter Miles to the Library Advisory Board. The vote was cast 1 for [Hairston] and 6 against [Weaver, Mejia, Jaglowski, Knight, Daniels, Morris]. Nomination fails.

Mayor Pro Tem Hairston nominated Valencia Stimage to the Library Advisory Board. The vote was cast 4 for [Jaglowski, Mejia, Daniels, Hairston] and 3 against [Weaver, Knight, Morris]. Valencia Stimage is appointed with a term expiring July 2012.

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Jaglowski, to reappoint Mark Wilson and Nancy Sewell to the Animal Shelter Advisory Board with terms expiring July 2013. The vote was cast 7 for, 0 against.

Councilmember Jaglowski nominated Barbara Weatherspoon to the Animal Shelter Advisory Board. The vote was cast 7 for, 0 against. Barbara Weatherspoon is appointed with a term expiring July 2013.

Below is a recap of the appointments:

<u>Planning & Zoning Commission</u>		
James Mitchell	2013	new appointment, regular position
Lawrence Prothro	2013	new appointment, regular position
Marian Elkins	2013	new appointment, regular position
<u>Lancaster Economic Dev. Corp. (3 year terms)</u>		
Vanessa Sheffield	2014	reappointment, regular position
Burleigh Foreman	2014	new appointment, regular position
Jon Cole	2014	new appointment, regular position
<u>Airport Advisory Board</u>		
John Stewart	2013	reappointment, regular position
Dean Byers	2013	reappointment, regular position
Tim Fagan	2013	new appointment, regular position (from alter to reg)
Chris Chatmon	2012	new appointment, alternate position
<u>Property Standards and Appeals Board</u>		
Cassandra Andrews	2013	reappointment, regular position
Mark Larson	2013	reappointment, regular position
Carolyn Morris	2012	new appointment, alternate position
<u>Parks and Recreation Advisory Board / Lancaster Recreational Development Corp. (4B)</u>		
Mary Sykes	2013	reappointment, regular position
Darwin Isham	2013	reappointment, regular position
Abe Cooper	2013	new appointment, regular position (from alter to reg)
Deborah Brooks	2012	new appointment, alternate position
<u>Library Advisory Board</u>		
Kathy Gaither	2013	reappointment, regular position
Nakesha Reddick	2013	reappointment, regular position
Valencia Stimage	2013	new appointment, regular position
Quinnest Banks	2012	new appointment, alternate position
<u>Animal Shelter Advisory Committee</u>		
Mark Wilson	2013	reappointment, regular position
Nancy Sewell	2013	reappointment, regular position
Barbara Weatherspoon	2012	new appointment, alternate position

16. Discuss and consider confirmation of nominations made by the Mayor for appointment to the City of Lancaster Zoning Board of Adjustment.

Mayor Knight nominated the following for appointment to the Zoning Board of Adjustment.

Margaret Brooks	reappointment, regular position, term expires July 2013
Kimest Sanders	reappointment, regular position, term expires July 2013
Deborah Taylor	appointment from alternate to regular position, term expires July 2013
Rebecca Torres-Swanson	new appointment, alternate position, term expires July 2012

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Daniels, to confirm the appointments to the Zoning Board of Adjustment as made by Mayor Knight. The vote was cast 6 for, 1 against [Morris].

MOTION: Mayor Pro Tem Hairston made a motion, seconded by Councilmember Weaver, to adjourn. The vote was cast 7 for, 0 against.

The meeting was adjourned at 9:57 p.m.

ATTEST:

APPROVED:

Dolle K. Downe, City Secretary

Marcus E. Knight, Mayor

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

2

AG11-002

Consider a resolution of the City Council of the City of Lancaster, Texas, awarding Bid No. 2011-58 to Aetna for employee health and dental administration, Discovery Benefits for flexible spending administration; continuation of Cigna for life and long term disability administration, continuation of Conexis for Cobra administration; and continuation of Alliance Work Partners for EAP (employee assistance program) administration; authorizing the City Manager to negotiate and execute a contract upon legal review; providing a repealing clause; providing a severability clause; and providing an effective date.

This request supports the City Council 2010-2011 Policy Agenda.

**Goal 1: Financially Sound City Government
Goal 4: Professional & Committed Workforce**

Background

City Council reviewed and discussed the proposed changes to employee insurance plans at their August 15, 2011 work session.

The City of Lancaster was compelled this year to go out to bid for health, dental, COBRA, employee assistance program, life and accidental death and dismemberment plans as it was our fourth year in contract with Blue Cross Blue Shield (BCBS), Cigna, Conexis and Alliance Work Partners. IPS Advisors presented great news in that we were a very competitive bid on the market and received a decrease in rates with Aetna on the medical and dental programs, as well as a slight decrease of 3.07% on the overall benefit programs or \$80,245 in estimated savings.

Health Insurance

Aetna's best and final offer is a 4.18% decrease to rates or \$100,000 in savings off the current Blue Cross Blue Shield rates. The offer is approximately \$162,000 below the BCBS best and final offer. An analysis of physician and facility matches found there is over a 92% physician / facility match and over a 97% match of billed charges with Aetna compared to BCBS. Additionally, Aetna is offering their enhanced wellness program at no charge to the City of Lancaster. This program includes on-site biometric screenings with nurse review, health risk assessment, incentives, and online self help tools.

The City of Lancaster's Human Resources Department, City Administration, Wellness Committee and insurance consultant (IPS Advisors, Inc.) worked diligently to recommend a program which continues to encourage participation in wellness programs for 2011/2012.

- Last year the City implemented a physician surcharge of \$25 a month to employees who did not have an annual physical by December 31, 2010. Over 90% of eligible employees participated in this program.
- For the 2011/2012 benefit plan year, it is recommended to continue the annual physical program. As with last year's program, the City will reimburse employees the physician office visit co-pay upon receipt of the signed physician form.
- It is also recommended to include a surcharge of \$25 a month for employees who elect to use tobacco products. Human Resources will work with employees on tobacco cessation options on a voluntary basis.
- An employee benefits survey was provided electronically and in paper form for all eligible employees to provide feedback on the City's benefit plans. The employee benefit survey confirmed that 50.40% of the employee population either agree or strongly agree that overall Lancaster's benefits meet city employee family needs.
- A health savings account (HSA) was considered as an alternative medical plan option for employees. However, due to the disruption and communication efforts to switch carriers, it is not recommended to implement a health savings account at this time. Furthermore, it is recommended to release targeted communications throughout the year to adequately prepare employees for possible implementation of an HSA plan in 2012/2013.

Another benefit recommended for consideration this year is extending our basic life policy from \$10,000 to one times the annual salary death benefit with a maximum of \$100,000 for full-time employees. This benefit would assist in making us competitive in the market place and would provide peace of mind to employees and their families. The increased cost of the life policy has been included in the overall savings of the 2011/2012 recommended benefit program.

Staff recommends no change to the employee monthly rates for HMO and PPO as well as keeping with a \$25 monthly premium surcharge passed on to employees who do not participate in the wellness incentive plan and another \$25 monthly surcharge for employees who elect to use tobacco products.

Dental Insurance

It is recommended to contract with Aetna for the 2011/2012 plan year for dental coverage at a 6% increase to rates. In addition to offering a 2 year rate guarantee, Aetna will provide a premium credit of \$11,452 to offset the City's premium costs. The premium credit will not be calculated into the renewal rating formula for the October 1, 2013 renewal. Staff recommends no change to the employee only rates for dental coverage.

Staff does recommend an increase to employee + family dental from \$67.64 a month to \$71.96 a month due to high utilization.

COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) federally mandates that employers provide certain former employees the right to temporary continuation of health benefits coverage at group rates. The City's COBRA services through Conexis renewed at no increase for the 2011/2012 fiscal year.

Flexible Spending Account (FSA)

A Flexible Spending Account (FSA) allows an employee to set aside a portion of his/her earnings to pay for qualified expenses as established in the cafeteria plan, most commonly for medical expenses, but often for dependent care or other expenses. Money deducted from an employee's pay into an FSA is not subject to payroll taxes, resulting in a substantial payroll tax savings. Due to service concerns, it is recommended to contract with Discovery Benefits for the 2011/2012 plan year. Rates will be guaranteed for 3 years with a reduction of 12.89% to current rates and approximately \$696.00 annually.

Ancillary Insurance

It is recommended to contract with Cigna for the 2011/2012 plan year for life, long term disability and accidental death and dismemberment insurance. Rates will be guaranteed for 3 years. It is recommended to consider implementation of the 1 x BAE Option with a maximum benefit of \$100,000.

The total renewal rate for the current \$10,000 coverage level is \$3,281 annually. The new rate for 1 x BAE Option with a maximum benefit of \$100,000 is \$16,208 annually. Resulting in an increase in cost of \$12,380. Again, the recommended increase in benefit for life coverage and subsequent increase in cost is included with the estimated overall benefit savings of \$80,245.

Employee Assistance Program

Employee Assistance Programs (EAPs) are employee benefit programs offered by many employers, typically in conjunction with a health insurance plan. EAPs are intended to help employees deal with problems that might adversely impact their work performance, health, and well-being. It is recommended to contract with Alliance Work Partners for the 2011/2012 plan year. Rates will be guaranteed for two years and results in a net increase of \$1,375.92 annually.

Considerations

- **Operational** – A carrier change on the medical and dental plan would require employees to obtain updated referrals from their primary care physicians and for mail order prescriptions to be transferred. Mandatory attendance at enrollment meetings would help ensure all employees eligible for benefits received a thorough benefits presentation from the new carriers.

- **Legal** - Current contracts will be amended to comply with the Patient Protection and Affordability Care Act of 2010. These contracts must be reviewed by IPS Advisors, the City Attorney and Human Resources. If authorized by the City Council, the City Manager will execute appropriate contracts following legal review.
- **Financial** - The total decrease in cost to the City of Lancaster for the 2011/2012 fiscal year is -\$97,115. Employee + family dental rate to increase from \$67.64 to \$71.96 a month. All other employee monthly rates to remain the same.
- **Public Information**
 - Bids were advertised on June 7 and 14, 2011 in the Focus News.
 - Bids were posted Nationwide on the City's e-procurement system and the State of Texas Website.
 - Bids were opened on June 30, 2011 at 2:00 PM.
 - Bids were reviewed by IPS Advisors July 1 – August 1, 2011.

Options/Alternatives

1. Change to Aetna for employee health and dental administration, Discovery Benefits for flexible spending administration, continuation of Cigna for life and long term disability administration, continuation of Conexis for Cobra administration, and continuation of Alliance Work Partners for EAP (employee assistance program) administration. The total cost savings of option 1 to the City of Lancaster is approximately \$97,115. Continue wellness incentives for obtaining a physical by December 31, 2011.

2. Change to Aetna for employee health and dental administration, Discovery Benefits for flexible spending administration, continuation of Cigna for life and long term disability administration, continuation of Conexis for Cobra administration, and continuation of Alliance Work Partners for EAP (employee assistance program) administration. The total cost savings of option 2 to the City of Lancaster is approximately \$97,115. Continue wellness incentives for obtaining a physical by December 31, 2011 and add a tobacco use surcharge of \$25 a month to further enhance the City's wellness initiatives for 2011/2012.

Recommendation

Staff recommends implementation of Option 2 for the 2011/2012 plan year.

Attachments

- Resolution
- Best and Final Analysis

Prepared and submitted by:

Dori Lee, Director of Human Resources

Date: August 16, 2011

RESOLUTION NO. 2011-08-70

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, AUTHORIZING THE CITY OF LANCASTER TO ENTER INTO AGREEMENTS AND/OR CONTRACTS WITH AETNA FOR MEDICAL ADMINISTRATION, AND DENTAL ADMINISTRATION; CIGNA FOR BASIC AND VOLUNTARY LIFE, BASIC AND VOLUNTARY ACCIDENTAL DEATH & DISMEMBERMENT, BASIC AND VOLUNTARY LONG TERM DISABILITY; DISCOVERY FOR FLEXIBLE SPENDING AND THE SECTION 125 PLAN; CONEXIS FOR COBRA ADMINISTRATION; ALLIANCE WORK PARTNERS FOR EMPLOYEE ASSISTANCE PROGRAM ADMINISTRATION; AUTHORIZING EXECUTION OF SAID AGREEMENTS AND CONTRACTS BY THE CITY MANAGER; REPEALING ALL RESOLUTIONS IN CONFLICTS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lancaster provides medical insurance and other benefits to employees; and

WHEREAS, a proposal was sent out to determine the best plan and cost to provide such benefits, and

WHEREAS, the City of Lancaster desires to contract with companies to provide such benefits to employees.

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

Section 1: The contracts and/or agreements from Aetna will be provided within 45 days of award of Bid # 2011-58, to be reviewed by the City Attorney and found to be acceptable and in the best interest of the City and its citizens, be, and the same are hereby, in all things approved.

Section 2: The City Manager of the City of Lancaster, Texas is hereby authorized to execute the appropriate documents to implement the contracts and/or agreements.

Section 3: Any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

Section 4: Should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

Section 5: This resolution shall take effect immediately from and after its passage, and it is duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 22nd day of August 2011.

APPROVED:

Marcus E. Knight, Mayor

ATTEST:

Dolle K. Downe, City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

**2011-2012 RFP BEST AND FINAL ANALYSIS
FOR
CITY OF LANCASTER**



Presented by:

**Randall R. Martell, HIA, MHP, CBC
Principal**

**Brent A. Weegar, MBA
Employee Benefits Specialist**

**Paige Bublik, CBC
Account Manager**

**IPS Advisors, Inc.
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July 27, 2011

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- VIII. Recommendations**

Overview

The City of Lancaster has retained Randall R. Martell HIA, MHP, CBC and Brent Weegar, MBA of IPS Advisors, Inc. to conduct a request for proposal, report and recommendations for the 2011 - 2012 health and welfare benefits renewal. The purpose of this report is to provide best / final offers and recommendations.



VENDOR LIST

Fully Insured Medical

Blue Cross Blue Shield	Incumbent
Aetna	Presented

Fully Insured Dental

Blue Cross	Incumbent
Aetna	Presented
Cigna	Presented

Basic and Voluntary Life/AD&D, Long Term Disability

Cigna	Incumbent
The Standard	Presented

Section 125

Daily Access	Incumbent
Discovery Benefit	Presented

EAP

Alliance Work Partners	Presented
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**CITY OF LANCASTER
PPO RFP PLAN OPTIONS**

MEDICAL BENEFITS	Current	Renewal	Renegotiated/Renewal	Acting Options
Deductible				
In-Network	\$750 Ind./\$2,250 Fam.	\$750 Ind./\$2,250 Fam.	\$750 Ind./\$2,250 Fam.	\$750 Ind./\$2,250 Fam.
Non-Network	\$1,500 Fam./\$4,500 Fam.	\$1,500 Fam./\$4,500 Fam.	\$1,500 Fam./\$4,500 Fam.	\$1,500 Fam./\$4,500 Fam.
Out-Of-Pocket Max	N/A	N/A	N/A	N/A
Per Admission Deductible				
In-Network	\$4,000 Ind./\$12,000 Fam.	\$4,000 Ind./\$12,000 Fam.	\$4,000 Ind./\$12,000 Fam.	\$4,000 Ind./\$12,000 Fam.
Non-Network	\$8,000 Ind./\$24,000 Fam.	\$8,000 Ind./\$24,000 Fam.	\$8,000 Ind./\$24,000 Fam.	\$8,000 Ind./\$24,000 Fam.
Coinurance				
In-Network	80%	80%	80%	80%
Non-Network	60%	60%	60%	60%
Eliminate Max	No Maximum Benefit	No Maximum Benefit	No Maximum Benefit	No Maximum Benefit
Emergency Room	\$100 Copay / Ded./20%			
In-Network	\$100 Copay / Ded./20%			
Non-Network	\$50 Copay Ded./40%	\$50 Copay Ded./40%	\$50 Copay Ded./40%	\$50 Copay Ded./40%
Emergency Facility				
In-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Non-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Physician Office Visit				
In-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Non-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Specialist Office Visit				
In-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Non-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
In-Patient Hospital				
In-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Non-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Out-Patient Facility Services				
In-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Non-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Inpatient Substance				
In-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Non-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Out-patient Substance				
In-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Non-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Outpatient Mental Health				
In-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Non-Network	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%	Ded./20% Ded./40%
Out-patient Mental Health				
In-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Non-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Out-patient Mental Health				
In-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Non-Network	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%	\$35 Copay Ded./40%
Out-patient Mental Health				
In-Network	Gen./Pref./Non-Pref. \$30/\$45/\$60	Gen./Pref./Non-Pref. \$30/\$45/\$60	Gen./Pref./Non-Pref. \$30/\$45/\$60	Gen./Pref./Non-Pref. \$30/\$45/\$60
Non-Network	\$90/\$135/\$180	\$90/\$135/\$180	\$90/\$135/\$180	\$90/\$135/\$180
FINANCIALS				
Employer's Only	\$556.88	\$627.05	\$570.80	\$536.25
Employee & Spouse	\$1,226.33	\$1,380.85	\$1,256.99	\$1,180.11
Employee & Child(ren)	\$1,144.75	\$1,255.21	\$1,142.62	\$1,072.75
Employee & Family	\$1,895.81	\$2,134.68	\$1,943.21	\$1,826.07
Monthly Premium	\$11,369.77	\$12,794.53	\$11,646.81	\$10,942.32
Annual Premium	\$136,353.24	\$153,534.36	\$139,761.72	\$131,307.84
% Change from Current	N/A	\$17.18/11.2	\$3,408.48	\$5,045.40
% Change from Current	N/A	12.60%	7.90%	-3.70%
Enrollment Dates	10/1/2010	10/1/2011	10/1/2011	10/1/2011
Roll Forward	1 year	1 year	1 year	1 year
ACA Best Rating	A	A	A	A

Note: This is a brief summary and not intended to be a contract.

**CITY OF LANCASTER
HMO RFP PLAN OPTIONS**

BENEFITS	HCBBS		HCBBS		HCBBS		Action Option
	Current	Renewal	Renewal	Renewal	Renewal	Renewal	
Primary Care Physician Office Visit	\$35 per office visit copay						
Specialty Physician Office Visit	\$55 per office visit copay						
Hospital Emergency Room	\$150 copay per visit (waived if admitted)						
Ambulance	\$150 copay						
Urgent Care Facility	\$75 copay per visit						
Inpatient Hospital Services	\$1,250 copay per admission						
Outpatient Surgery	\$500 copay per visit						
Independent X-ray/Lab Facility	Diagnostic no charge/Complex Imaging \$150 copay						
Short-Term Rehab, Chiropractic, Cardiac Therapy	\$35 - PCP ; \$55 - Specialist	\$55 copay					
Mental Health Inpatient Outpatient	\$1,250 copay up to 20 visits	\$1,250 copay					
Substance Abuse Inpatient Outpatient	\$35 copay per visit to PCP	\$35 copay per visit					
Home Health Care	\$55 - Specialist	\$55 copay per visit					
Skilled Nursing Facility (30 day supply)	\$50 copay per day	\$100 per admit					
Pharmacy Retail Drug Program (30 day supply)	\$20 Generic						
Mail Order Program (90 day supply)	\$40 Preferred Brand						
Pharmacy Retail Drug Program (30 day supply)	\$60 Non-Preferred Brand	\$70 Non-Preferred Brand					
Mail Order Program (90 day supply)	\$60 Generic	\$40 Generic					
Pharmacy Retail Drug Program (30 day supply)	\$120 Preferred Brand	\$80 Preferred Brand					
Pharmacy Retail Drug Program (30 day supply)	\$180 Non-Preferred Brand	\$140 Non-Preferred Brand					
Pharmacy Retail Drug Program (30 day supply)	N/A	N/A	N/A	N/A	N/A	N/A	1 Exam per 12 months/100%
Annual Out-of-Pocket (OOP) Max. Individual	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$3,000
Annual Out-of-Pocket (OOP) Max. Family	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$6,000
Out-of-Pocket Maximum	Unlimited						
Pre-existing Condition Exclusion	None						
FINANCIALS	Current	Renewal	Renewal	Renewal	Renewal	Renewal	Option
Employee Only	\$502.41	\$565.71	\$514.97	\$514.97	\$514.97	\$514.97	\$483.80
Employee & Spouse	\$1,005.04	\$1,244.94	\$1,030.17	\$1,030.17	\$1,030.17	\$1,030.17	\$1,064.68
Employee & Children	\$1,105.63	\$1,131.68	\$1,133.27	\$1,133.27	\$1,133.27	\$1,133.27	\$967.82
Employee & Family	\$1,710.82	\$1,926.38	\$1,753.59	\$1,753.59	\$1,753.59	\$1,753.59	\$1,647.46
Monthly Premium	\$191,856.77	\$214,897.64	\$196,653.19	\$196,653.19	\$196,653.19	\$196,653.19	\$183,782.32
Annual Premium	\$2,302,281.24	\$2,578,771.68	\$2,359,838.28	\$2,359,838.28	\$2,359,838.28	\$2,359,838.28	\$2,205,387.84
Cost Change from Current	n/a	\$276,490.44	\$57,557.04	\$57,557.04	\$57,557.04	\$57,557.04	\$96,893.40
% Change from Current	n/a	12.01%	2.50%	2.50%	2.50%	2.50%	-4.21%
Effective Date	10/1/2010	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011
Rate Guarantees	1 year						
AMI Best Rating	A	A	A	A	A	A	A

Note: This is a brief summary and not

**City of Lancaster
2011 - 2012 Health Plan Option Financials**

BENEFITS :	BCBS	BCBS	BCBS	Actual
FINANCIALS - TOTAL	Current	Renewal	Renegotiated	Option
264				
Monthly Premium	\$203,219.54	\$227,692.17	\$208,300.00	\$194,724.64
Annual Premium	\$2,438,634.48	\$2,732,306.04	\$2,499,600.00	\$2,336,695.68
S Change from Current	N/A	\$293,671.56	\$60,965.52	-\$101,938.80
% Change from Current	N/A	12.04%	2.50%	-4.18%
FINANCIALS - EMPLOYER	Current	Renewal	Renegotiated	Option
Monthly Premium	\$165,596.15	\$190,068.78	\$170,676.61	\$157,101.25
Annual Premium	\$1,987,153.80	\$2,280,825.36	\$2,048,119.32	\$1,885,215.00
S Change from Current	N/A	\$293,671.56	\$60,965.52	-\$101,938.80
% Change from Current	N/A	14.78%	3.07%	-5.13%
% of Total Premium Cost	81.5%	83.5%	81.9%	80.7%
HMO PREMIUMS - EMPLOYEE	Current	Renewal	Renegotiated	Option
Plan	HMO PLAN	HMO PLAN	HMO PLAN	HMO PLAN
Employee Only	\$0.00	\$0.00	\$0.00	\$0.00
Employee & Spouse	\$206.00	\$206.00	\$206.00	\$206.00
Employee & Child(ren)	\$247.09	\$247.09	\$247.09	\$247.09
Employee & Family	\$495.25	\$495.25	\$495.25	\$495.25
PPO PREMIUMS - EMPLOYEE	Current	Renewal	Renegotiated	Option
Plan	PPO PLAN	PPO PLAN	PPO PLAN	PPO PLAN
Employee Only	\$145.14	\$145.14	\$145.14	\$145.14
Employee & Spouse	\$563.25	\$563.25	\$563.25	\$563.25
Employee & Child(ren)	\$481.13	\$481.13	\$481.13	\$481.13
Employee & Family	\$799.65	\$799.65	\$799.65	\$799.65

Assumes No Changes To Current Contributions Assumes No Changes To Current Contributions

**CITY OF LANCASTER
HSA PLAN OPTION**

MEDICAL BENEFITS		Actual HSA OPTION 1
Deductible		
In-Network		\$2,500 Ind./\$5,000 Fam.
Non-Network		\$5,000 Fam./\$10,000 Fam.
Out Of Pocket Max (Incl. Ded.)		
In-Network		\$5,000 Ind./\$8,000 Fam.
Non-Network		\$8,000 Ind./\$16,000 Fam.
Coinurance		
In-Network		80%
Non-Network		60%
Lifetime Max		Unlimited
Emergency Room		
In-Network		Ded./20%
Non-Network		Ded./20%
Urgent Care Facility		
In-Network		Ded./20%
Non-Network		Ded./40%
Physician Office Visit		
In-Network		Ded./20%
Non-Network		Ded./40%
Specialist Office Visit		
In-Network		Ded./20%
Non-Network		Ded./40%
Preventive Care		
In-Network		0%
Non-Network		Ded./40%
In-Patient Hospital		
In-Network		Ded./20%
Non-Network		Ded./40%
Out-Patient Facility Services		
In-Network		Ded./20%
Non-Network		Ded./40%
In-patient Substance		
In-Network		Ded./20%
Non-Network		Ded./40%
Out-patient Substance		
In-Network		Ded./20%
Non-Network		Ded./40%
In-patient Mental Health		
In-Network		Ded./20%
Non-Network		Ded./40%
Out-patient Mental Health		
In-Network		Ded./20%
Non-Network		Ded./40%
Prescriptions		Gen./Pref./Non-Pref.
Network Retail Pharmacy		100% after Ded.
Mail Order		100% after Ded.
FINANCIALS		HSA OPTION 1
Employee Only	137	\$391.82
Employee & Spouse	19	\$862.27
Employee & Children	29	\$783.82
Employee & Family	48	\$1,334.24
Monthly Premium	233	\$156,836.77
Annual Premium		\$1,882,041.24
\$ Change from Total Renewal Cost		-\$454,654.44
Available Funding Per Employee		\$1,951.31
Effective Date		10/1/2011
Rate Guarantee		1 year
AM Best Rating		A

Note: This is a brief summary and not intended
CYM - Calendar Year Max

**CITY OF LANCASTER
DENTAL PPO RFP PLAN OPTIONS**

DENTAL BENEFITS	BCBS Current		BCBS Renewal		Cigna Option		Aetna Option	
	Yes	None	Yes	None	Yes	None	Yes	None
Employment Connection								
Type I - Preventive Services	100%	None	100%	None	100%	None	100%	None
Waiting Period								
Dental Examinations (2 per year)								
X-Rays (2 per year)								
Full Mouth X-Rays (1 per 3 years)								
Cleanings (2 per year)								
Typical fluoride treatment (1 per year, up to age 19)								
Emergency Treatment								
Type II - Basic Services								
Waiting Period								
Fillings	80%	None	80%	None	80%	None	80%	None
Sealants (1 per tooth per 3 years, to age 17)								
Space Maintainers								
Root Canal Treatment					100%	100%		
Root Planning								
Periodontal Surgeries								
Periodontics								
Extractions								
General Anesthesia								
Retains - Bridges, Crowns, Inlays, Dentures								
Palliative Treatment (Relief of Pain)								
Type III - Major Services								
Waiting Period								
Crowns	50%	None	50%	None	50%	None	50%	None
Inlays and Onlays								
Removable / Fixed Bridge Work								
Partial or Complete Dentures								
Denture Relines / Rebases								
Type IV - Orthodontia								
Waiting Period								
Orthodontia Lifetime Maximum	50%	None	50%	None	50%	None	50%	None
Orthodontia Eligibility (Adult Child)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Calendar Year Deductible	Child							
Individual	II, III							
Family	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Dental Annual Maximum	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
OCR Out of Network Percentage	90th							
Providers in Lancaster	9	9	9	9	9	9	9	9
Providers within 10 Miles of Lancaster	*100+	*100+	*100+	*100+	*100+	*100+	*100+	*100+
FINANCIALS								
Employee Only	BCBS	BCBS	BCBS	BCBS	Cigna	Cigna	Aetna	Aetna
Employee & Family	\$33.57	\$33.57	\$38.03	\$38.03	\$33.65	\$33.65	\$35.79	\$35.79
Monthly Premium	\$67.49	\$67.49	\$76.47	\$76.47	\$67.64	\$67.64	\$71.96	\$71.96
Annual Premium	\$11,348.44	\$11,348.44	\$12,857.52	\$12,857.52	\$11,374.39	\$11,374.39	\$12,099.61	\$12,099.61
% Change from Current	\$136,181.28	\$136,181.28	\$154,290.24	\$154,290.24	\$136,492.68	\$136,492.68	\$145,195.32	\$145,195.32
% Change from Current	n/a	n/a	\$18,108.96	\$18,108.96	\$311.40	\$311.40	\$9,014.04	\$9,014.04
% Change from Current	n/a	n/a	13.30%	13.30%	0.23%	0.23%	6.62%	6.62%
Rate Guarantee	1 year	2 year	2 year					

Notes: This is a brief summary and not intended to be a contract.

* Maxi providers shown on Provider Finder

Premium Credit offered at \$11,452. Not Included in Above Totals

**City of Lancaster
2011 - 2012 Dental Plan Option Financials**

DPO DENTAL FINANCIALS	EE	BCBS		Cigna		Aetna	
		Current	Renewal	Option	Option	Option	Option
Employee Only	142	\$33.57	\$38.03	\$33.65	\$33.65	\$35.79	
Employee & Family	101	\$67.49	\$76.47	\$67.64	\$67.64	\$71.96	
Monthly Premium		\$11,583.43	\$13,123.73	\$11,609.94	\$11,609.94	\$12,350.14	
Annual Premium		\$139,001.16	\$157,484.76	\$139,319.28	\$139,319.28	\$148,201.68	
FINANCIALS - EMPLOYER		Current	Renewal	Option	Option	Option	Option
Monthly Premium		\$4,766.94	\$5,400.26	\$4,778.30	\$4,778.30	\$5,082.18	
Annual Premium		\$57,203.28	\$64,803.12	\$57,339.60	\$57,339.60	\$60,986.16	
\$ Change from Current		N/A	\$7,599.84	\$136.32	\$136.32	\$3,782.88	
% Change from Current		N/A	13.29%	0.24%	0.24%	6.61%	
% of Total Premium Cost							
DPO PREMIUMS - EMPLOYEE		Current	Renewal	Option	Option	Option	Option
Employee Only	142	\$0.00	\$0.00	\$0	\$0	\$0	
Employee & Family	101	\$67.49	\$76.47	\$67.64	\$67.64	\$71.96	

ER Contributions Assumed for all Options:
ER - 100% EE Only
ER - 0% Dependent

Premium Credit
offered at \$11,452.
Not Included in Above
Totals

**CITY OF LANCASTER
BASIC LIFE RFP RESULTS**

BASIC LIFE BENEFITS	CRNA		CRNA		Standard	
	Current	Current	Current	Current	Option	Option
Class Description	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week
Definition of Earnings	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months
Basic Life Schedule	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Guarantee Issue Amount	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Maximum Benefit	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Age Reduction Schedule	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85
Waiver of Premium	Included	Included	Included	Included	Included	Included
Accelerated Death Benefit	Included	Included	Included	Included	Included	Included
Conversion	Included	Included	Included	Included	Included	Included
Portability	Included	Included	Included	Included	Included	Included
BASIC AD&D BENEFITS						
Basic AD&D Schedule	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Maximum Benefit	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Education	Included	Included	Included	Included	Included	Included
Seabell	Included	Included	Included	Included	Included	Included
Air Bag	Included	Included	Included	Included	Included	Included
FINANCIALS						
Volume	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500
Rate (per Salary) - Life	\$0.10	\$0.09	\$0.09	\$0.085	\$0.085	\$0.085
Rate (per Salary) - AD&D	\$0.04	\$0.04	\$0.03	\$0.03	\$0.03	\$0.03
Morbidity Premium	\$319	\$273	\$273	\$262	\$262	\$262
Annual Premium	\$3,828	\$3,281	\$3,281	\$3,144	\$3,144	\$3,144
SC Change from Current	n/a	n/a	-\$547	-\$684	-\$684	-\$684
% Change from Current	n/a	n/a	-14.3%	-17.9%	-17.9%	-17.9%
Number of Employees	233	233	233	233	233	233
Actively at Work	Waived	Waived	Waived	Waived	Waived	Waived
Effective Date	10/1/2007	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011
Rate Guarantee	10/1/2011	3 year				
AM Best Rating	A	A	A	A	A	A

Note: This is a brief summary and not intended to be a contract.

**CITY OF LANCASTER
BASIC LIFE OPTION 1**

BASIC LIFE BENEFITS	CUGNA			CUGNA			CUGNA		
	Current	Revised	Option 1	Current	Revised	Option 1	Current	Revised	Option 1
Class Description	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week
Definition of Earnings	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months	Annual Salary prior to before-tax deductions incl. commissions averaged over the prior 12 months
Basic Life Schedule	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	1 x BAE
Guarantee Issue Amount	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000
Maximum Benefit	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000
Age Reduction Schedule	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85
Waiver of Premium	Included								
Accelerated Death Benefit	Included								
Contingent	Included								
Portability	Included								
BASIC ADD'D BENEFITS									
Basic AD&D Schedule	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	1 x BAE
Maximum Benefit	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000
Education	Included								
Scrabble	Included								
Am Bag	Included								
PENALTIES									
Volume	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500	\$2,278,500	\$11,255,400
Rate per Stamp - Life	\$0.10	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.140
Rate per Stamp - AD&D	\$0.04	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Monthly Premium	\$319	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$1,913
Annual Premium	\$3,828	\$3,281	\$3,281	\$3,281	\$3,281	\$3,281	\$3,281	\$3,281	\$22,961
% Change from Current	n/a	\$19,133							
% Change from Current	n/a	-14.3%	-14.3%	-14.3%	-14.3%	-14.3%	-14.3%	-14.3%	499.8%
Number of Employees	233	233	233	233	233	233	233	233	233
Active at Work	Waived								
Effective Date	10/1/2007	10/1/2007	10/1/2007	10/1/2007	10/1/2007	10/1/2007	10/1/2007	10/1/2007	10/1/2011
Rate Guarantee	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011	3 year
AA Best Rating	A	A	A	A	A	A	A	A	A

Note: This is a brief summary and not intended to be a contract.

**CITY OF LANCASTER
VOLUNTARY LIFE RFP RESULTS**

SUPPLEMENTAL LIFE BENEFITS LIFE SCHEDULE	CRSNA		Standard Option
	Current	Current	
Class Description	All FT, active Ees working at least 30 hours per week	All FT, active Ees working at least 30 hours per week	All FT, active Ees working at least 30 hours per week
Deduction of Earnings	Annual salary prior to before-tax deductions incl. commissions averaged over the prior 12 months.	Annual salary prior to before-tax deductions incl. commissions averaged over the prior 12 months.	Annual salary prior to before-tax deductions incl. commissions averaged over the prior 12 months.
Employee Life Schedule	\$10,000 increments to a maximum of \$500,000	\$10,000 increments to a maximum of \$500,000	\$10,000 increments to a maximum of \$500,000
Employee Maximum Benefit	\$500,000	\$500,000	\$500,000
Employee Guarantee Issue Amount	\$100,000	\$100,000	\$100,000
Age Reduction Schedule	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 85	65% @ 70 45% @ 75 30% @ 80 15% @ 86
Waiver of Premium Accelerated Death Benefit	Included	Included	Included
Spouse Life Schedule	Included	Included	Included
Spouse Maximum Benefit	\$5,000 increments to a maximum of \$500,000	\$5,000 increments to a maximum of \$500,000	\$10,000 increments to a maximum of \$500,000
Spouse Guarantee Issue Amount	May not exceed Employee Voluntary Life Benefit	May not exceed Employee Voluntary Life Benefit	May not exceed Employee Voluntary Life Benefit
Childrent Life Schedule	\$20,000	\$20,000	\$20,000
Conversion	\$5,000 or \$10,000	\$5,000 or \$10,000	\$5,000 or \$10,000
Portability	Included	Included	Included
Subside Clause	Included	Included	Included
AD&D SCHEDULE			
Employee AD&D Schedule	Same as Life except amounts in excess of \$250,000 may not exceed 10 X base annual earnings. ADEA reduction beginning at age 70.	Same as Life except amounts in excess of \$250,000 may not exceed 10 X base annual earnings. ADEA reduction beginning at age 70.	Same as Life except amounts in excess of \$250,000 may not exceed 10 X base annual earnings. ADEA reduction beginning at age 70.
Spouse AD&D Schedule	Spouse max = \$250,000 Children max = \$50,000	Spouse max = \$250,000 Children max = \$50,000	Spouse Only=50% of EE amt; Spouse/Children=40% of EE amt.

Note: This is a brief summary and not intended to be a contract.

**CITY OF LANCASTER
VOLUNTARY LIFE RFP RESULTS**

SUPPLEMENTAL LIFE BENEFITS LIFE FINANCIALS (per \$1,000)	CIGSA Current	CIGSA Current	Standard Option
Age of Employee			
Up to 24	\$0.08	\$0.08	\$0.08
25 - 29	\$0.08	\$0.08	\$0.08
30 - 34	\$0.08	\$0.08	\$0.08
35 - 39	\$0.12	\$0.12	\$0.12
40 - 44	\$0.19	\$0.19	\$0.19
45 - 49	\$0.28	\$0.28	\$0.28
50 - 54	\$0.48	\$0.48	\$0.48
55 - 59	\$0.82	\$0.82	\$0.82
60 - 64	\$1.29	\$1.29	\$1.29
65 - 69	\$2.03	\$2.03	\$2.03
70 - 74	\$3.23	\$3.23	\$3.23
75 - 79	\$5.72	\$5.72	\$5.72
80 - 84	\$5.72	\$5.72	\$5.72
85 - 89	\$5.72	\$5.72	\$5.72
90 - 94	\$5.72	\$5.72	\$5.72
95 - 99	\$5.72	\$5.72	\$5.72
Child Life Rate (per \$1,000)	\$1.00	\$1.00	\$0.25
Child Life Rate (per \$1,000)	\$2.00	\$2.00	\$0.50
ADDITIONALS			
Employee AD&H Rate (per \$1,000)	\$0.045	\$0.045	\$0.033
Spouse AD&H Rate (per \$1,000)	N/A	N/A	N/A
Family Rate (per \$1,000)	\$0.05	\$0.05	\$0.05
Participation Required	n/a	n/a	20%
Employer Contribution	0%	0%	0%
Effective Date	10/1/2007	10/1/2011	10/1/2011
Rate Guarantees	10/1/2011	3 year	3 year
AM Best Rating	A	A	A

Note: This is a brief summary and not intended to be a contract.

**CITY OF LANCASTER
CORE / BUY UP LONG TERM DISABILITY RFP RESULTS**

VOLUNTARY LTD BENEFITS	CIGNA		CIGNA	
	Current	Renewal	Standard	Option 2
Class Description	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week	All FT, active EEs working at least 30 hours per week
Eligible Income	Base Annual Earnings	Base Annual Earnings	Base Annual Earnings	Base Annual Earnings
Monthly Percentage	Core: 40% Buy-Up: 60%	Core: 40% Buy-Up: 60%	Core: 40% Buy-Up: 60%	Core: 40% Buy-Up: 60%
Monthly Maximum	\$5,000	\$5,000	\$5,000	\$5,000
Guarantee Issue	\$5,000	\$5,000	\$5,000	\$5,000
Minimum Benefit	Greater of \$100 or 10%	Greater of \$100 or 10%	\$100	\$100
Elimination Period	180 days	180 days	180 days	180 days
Benefit Duration	SSNRA	SSNRA	SSNRA	SSNRA
Definition of Disability	2 years Own Occ Any Occ Thereafter			
Residual/Paidal	Zero Day	Zero Day	Zero Day	Zero Day
Social Security Integration	Full Family	Full Family	Full Family	Full Family
Earnings Test	80%	80%	80% / 60%	80% / 60%
Survivor Benefit	3 months	3 months	3 months	3 months
Pre-existing Limitations	3/12	3/12	3/12	3/12
Mental/Nervous Limits	24 months	24 months	24 months	24 months
Drug & Alcohol Limits	24 months	24 months	24 months	24 months
Self-reported Limitations	No limitation	No limitation	No limitation	No limitation
Mandatory Rehab	Included	Included	Included	Included
Family Care Benefit	Included	Included	Included	N/A
WFL Incentive	Included	Included	Included	Included
WFL Preparation	Included	Included	Included	Included

Note: This is a brief summary and not intended to be a contract.

**CITY OF LANCASTER
CORE / BUY UP LONG TERM DISABILITY RFP RESULTS**

VOLENTARY LTB BENEFITS	CGNA	CGNA	Standard
EMPLOYER FINANCIALS			
Composite ER Rate (per \$100)	\$0.10	\$0.095	\$0.085
Volume	\$945,021	\$945,021	\$945,021
Monthly ER Cost	\$945.02	\$897.77	\$803.27
Annual ER Cost	\$11,340.25	\$10,773.24	\$9,639.21
\$ Change from Current	n/a	-\$567.01	-\$1,701.04
% Change from Current	n/a	-5.0%	-22.7%
EMPLOYEE FINANCIALS			
Voluntary EE Rate (per \$100)			
Age of Employee			
Up to 24	\$0.04 (Under 20)	\$0.04 (Under 20)	\$0.04
25 - 29	\$0.05 (20-24)	\$0.05 (20-24)	\$0.05
30 - 34	\$0.06	\$0.06	\$0.06
35 - 39	\$0.075	\$0.075	\$0.075
40 - 44	\$0.082	\$0.082	\$0.082
45 - 49	\$0.104	\$0.104	\$0.104
50 - 54	\$0.167	\$0.167	\$0.167
55 - 59	\$0.265	\$0.265	\$0.265
60 - 64	\$0.281	\$0.281	\$0.281
65 - 69	\$0.258	\$0.258	\$0.258
70 - 74	\$0.136	\$0.136	\$0.136
75 - 79	\$0.126	\$0.126	\$0.126
80 - 84	\$0.118	\$0.118	\$0.118
85 - 89	\$0.104	\$0.104	\$0.118
90 - 94	\$0.989	\$0.989	\$0.118
95 - 99	\$0.989	\$0.989	\$0.118
Employee Contribution	100% Core / 0% Buy-Up	100% Core / 0% Buy-Up	100% Core / 0% Buy-Up
Participation Requirement	100% Core/25 lives on Buy-Up	100% Core/25 lives on Buy-Up	100% Core/25 lives or 25% Buy-Up
Efficiency Date	10/1/2007	10/1/2011	10/1/2011
Rate Guarantee	10/1/2011	3 year	3 year
AAI Best Rating	A	A	A

**CITY OF LANCASTER
SECTION 125 RFP RESULTS**

FLEX ADMIN SERVICES	Daily Access		Discovery Benefits	
	Current	Renewal	Optim	Optim
Set-Up Fee	N/A	N/A	N/A	N/A
Renewal Fee	N/A	N/A	N/A	N/A
Plan Document	N/A	N/A	Included	Included
Plan Amendments	\$150 each	\$150 each	Included	Included
Discontinuation Testing	Included	Included	Included	Included
24-hour Internet Access	Included	Included	Included	Included
Toll Free Number	Included	Included	Included	Included
Direct Deposit	Included	Included	Included	Included
Communication Meeting	Included (local)	Included (local)	\$350 per day plus travel expenses, if applicable	
On-line Employer Maintenance	Included	Included	Included	Included
Debit Card	Included	Included	Included	Included
FINANCIALS				
Flexible Spending Account/ST	\$5.00 PPPM	\$5.00 PPPM	\$4.90 PPPM	\$4.90 PPPM
Monthly Administration Fees	\$50 per month	\$50 per month	\$500 Annual only if monthly X 12 is less	
Employees	80	80	80	
Estimated Monthly Cost	\$450.00	\$450.00	\$392.00	
Estimated Annual Cost	\$5,400	\$5,400	\$4,704	
% change from Current		0.00%	-12.89%	
\$ Change from Current		\$0	-\$696	
Effective Date	10/1/2004	10/1/2011	10/1/2011	
Rate Guarantee	10/1/2011	2 year	3 year	

Note: This is a brief summary and not intended to be a contract.

**CITY OF LANCASTER
EAP RFP RESULTS**

BENEFITS	AWP	
	Current	Proposed
Home Office	Austin, TX	Austin, TX
24/7 Access Center	Included	Included
National Network	Included	Included
Gatekeeper Services	n/a	n/a
Management Training	Yes 3 hours per year bundled	Yes 3 hours per year bundled
Legal and Financial Services	es up to 3 consults per issue, 25 % discount thereafter	es up to 3 consults per issue, 25 % discount thereafter
EAP Website Access	Included	Included
Orientation	Yes, Onsite, Webinar & CD	Yes, Onsite, Webinar & CD
Program Promotion	Yes, 3 newsletters monthly	Yes, 3 newsletters monthly
Account Management	Yes, Local	Yes, Local
Comprehensive Utilization Reporting	Yes Quarterly and Annual	Yes Quarterly and Annual
Specialty Onsite Services:	3 Hours Per Year, then \$200 Per Hour + Travel	3 Hours Per Year, then \$200 Per Hour + Travel
<i>Employee Orientation, Management Training, Seminars</i>	Group Services - Included Unlimited On-site Individual Counseling Services - \$150 Per Hour + Travel	Group Services - Included Unlimited On-site Individual Counseling Services - \$150 Per Hour + Travel
Critical Incident Services	Unlimited - Included No Charge	Unlimited - Included No Charge
Department of Transportation/Substance Abuse Professionals Services	Included No Charge	Included No Charge
Work-life Services	Yes, Included	Yes, Included
For All Members of Household	Included - EAP pays	Included - EAP pays
Safe Ride Program	NOT Billed back to Employer	NOT Billed back to Employer
Number of Visits	6 sessions per incident	6 sessions per incident
FINANCIALS		
Number of Employees	273	273
Rate PEPMI (Per Employee Per Month)	\$1.74	\$2.16
Monthly Estimated Cost	\$475.02	\$589.68
Annual Estimated Cost	\$5,700.24	\$7,076.16
Percent increase over current	n/a	24%
Dollar increase over current	n/a	\$1,375.92
Effective Date	10/1/2007	10/1/2011
Rate Guarantee	24 months	24 months

Note: This is a brief summary and not intended to be a contract.

**City of Lancaster
2011 - 2012 Financial Reconciliation**

	Current		Renewal		Recommended	
	Carrier	Annual Cost	Carrier	Annual Cost	Carrier	Annual Cost
Medical	BCBS	\$1,987,154	BCBS	\$2,048,119	Aetna	\$1,885,215
Dental	BCBS	\$57,203	BCBS	\$64,803	Aetna	\$49,534
Basic Life	Cigna	\$3,828	Cigna	\$3,281	Cigna	\$16,208
Disability	Cigna	\$11,340	Cigna	\$10,773	Cigna	\$10,773
Section 125	Daily Access	\$5,400	Daily Access	\$5,400	Discovery	\$4,704
FAP	AWP	\$5,700	AWP	\$7,076	AWP	\$7,076
Total Cost		\$2,070,625		\$2,139,452		\$1,973,510
\$ Change from Current		N/A		\$68,827		(\$97,115)
% Change from Current		N/A		3.3%		-4.7%

Notes for Recommended:

- 1) Aetna Medical Includes Wellness Program with Biometric Screenings
- 2) Aetna Medical Includes Adjustment for \$2,100 ADP Connection Fee
- 3) Aetna Medical Assumes No Changes to Current Employee Contributions
- 4) Aetna Dental Includes \$11,452 Premium Credit - Applies to Year 1 Only
- 5) Aetna Dental Assumes Current Funding Strategy - City Funds 100% of Employee Cost and 0% of Dependent Cost
- 6) Basic Life Adjusted to 1 x BAE to Maximum of \$100,000, Minimum Benefit of \$50,000

VENDOR SELECTION CRITERIA (INSURANCE COMPANY – MEDICAL)

The objective of the evaluation for proposals will be to select the provider whose proposal is most responsive to the City's relating importance, price, and other factors considered:

I. Cost (20%)

- a) Fixed Costs: includes insurance costs and administrative costs
- b) Ability to reduce claims expense

II. Financial Stability (20%)

- a) Insurance Company, AM Best Rating

III. Communication (5%)

- a) Educational material for employees
- b) Summary Plan Description capabilities
- b) Administrative kits for locations
- c) Bilingual capability

IV. Claims Processing (25%)

- a) Turnaround time excluding medical review of claims
- b) Pended claims procedures
- c) Statistical accuracy
- d) General service procedures
- e) Willingness to contractually establish performance criteria

V. Claims Management Reports (10%)

- a) Frequency and format of claims reports are the utmost importance.
- b) Disease Management reporting

VI. Integrated Systems / Technology Initiative (10%)

Integrated systems linked to database are integral to the provider selection. The following components make up the whole of an integrated system:

- a) Eligibility
- b) Utilization review / Disease Management Programs
- c) Claims function
- d) Claims payment / family histories (i.e. pre-existing condition)
- e) Internet based enrollment/eligibility

VII. Wellness Initiatives (10%)

VENDOR SELECTION CRITERIA (INSURANCE COMPANY – ALL OTHERS)

The objective of the evaluation for proposals will be to select the provider whose proposal is most responsive to the City's relating importance, price, and other factors considered:

II. Cost (20%)

- a) Fixed Costs: includes insurance costs and administrative costs
- b) Ability to reduce claims expense

II. Financial Stability (20%)

- d) Insurance Company, AM Best Rating

III. Communication (5%)

- c) Educational material for employees
- d) Summary Plan Description capabilities
- e) Administrative kits for locations
- f) Bilingual capability

IV. Claims Processing (25%)

- f) Turnaround time excluding medical review of claims
- g) Pended claims procedures
- h) Statistical accuracy
- i) General service procedures
- j) Willingness to contractually establish performance criteria

VIII. Claims Management Reports (10%)

- a) Frequency and format of claims reports are the utmost importance.
- b) Disease Management reporting

IX. Integrated Systems / Technology Initiative (10%)

Integrated systems linked to database are integral to the provider selection. The following components make up the whole of an integrated system:

- f) Eligibility
- g) Utilization review / Disease Management Programs
- h) Claims function
- i) Claims payment / family histories (i.e. pre-existing condition)
- j) Internet based enrollment/eligibility

X. References (10%)

VENDOR SELECTION MATRIX

FULLY INSURED – MEDICAL / RX

	<u>*BCBS</u>	<u>*Aetna</u>
Cost (20%)	18	20
Financial Stability (20%)	20	20
Communication (5%)	5	5
Claims Processing (25%)	25	25
Claims Management Reports (10%)	10	9
Integrated Systems / Technology Initiative (10%)	9	10
Wellness Initiatives (10%)	9	10
TOTAL	96	98

* Pending Network Analysis

CODE KEY:	60	Below Average
	70	Average
	80	Average / No Basis for Comparison
	90	Above Average
	100	Clearly Demonstrable Advantage

VENDOR SELECTION MATRIX

FULLY INSURED – DENTAL

	<u>BCBS</u>	<u>Cigna</u>	<u>Aetna</u>
Cost (20%)	16	18	20
Financial Stability (20%)	20	20	20
Communication (5%)	4	5	5
Claims Processing (25%)	25	25	25
Claims Management Reports (10%)	10	10	10
Integrated Systems / Technology Initiative (10%)	10	9	9
References (10%)	9	7	9
TOTAL	94	94	98

CODE KEY:

- 60 Below Average
- 70 Average
- 80 Average / No Basis for Comparison
- 90 Above Average
- 100 Clearly Demonstrable Advantage

VENDOR SELECTION MATRIX

BASIC LIFE / VOLUNTARY LIFE

	<u>Cigna</u>	<u>The Standard</u>
Cost (20%)	20	18
Financial Stability (20%)	20	20
Communication (5%)	5	5
Claims Processing (25%)	25	25
Claims Management Reports (10%)	10	10
Integrated Systems / Technology Initiative (10%)	10	10
References (10%)	10	10
TOTAL	100	99

CODE KEY:

60	Below Average
70	Average
80	Average / No Basis for Comparison
90	Above Average
100	Clearly Demonstrable Advantage

VENDOR SELECTION MATRIX

CORE / BUY UP LONG TERM DISABILITY

	<u>Cigna</u>	<u>The Standard</u>
Cost (20%)	20	19
Financial Stability (20%)	20	20
Communication (5%)	5	5
Claims Processing (25%)	25	25
Claims Management Reports (10%)	10	10
Integrated Systems / Technology Initiative (10%)	10	10
References (10%)	10	10
TOTAL	100	99

CODE KEY:

60	Below Average
70	Average
80	Average / No Basis for Comparison
90	Above Average
100	Clearly Demonstrable Advantage

VENDOR SELECTION MATRIX

SECTION 125

	<u>Daily Access</u>	<u>Discovery Benefits</u>
Cost (20%)	23	25
Financial Stability (20%)	20	20
Communication (5%)	5	5
Claims Processing (25%)	25	25
Claims Management Reports (10%)	10	10
Integrated Systems / Technology Initiative (10%)	8	10
References (10%)	7	10
TOTAL	93	100

CODE KEY:

60	Below Average
70	Average
80	Average / No Basis for Comparison
90	Above Average
100	Clearly Demonstrable Advantage

VENDOR SELECTION MATRIX

EMPLOYEE ASSISTANCE PROGRAM

	<u>AWP</u>
Cost (20%)	20
Financial Stability (20%)	20
Communication (5%)	5
Claims Processing (25%)	25
Claims Management Reports (10%)	10
Integrated Systems / Technology Initiative (10%)	10
References (10%)	9
TOTAL	99

CODE KEY:

60	Below Average
70	Average
80	Average / No Basis for Comparison
90	Above Average
100	Clearly Demonstrable Advantage

RECOMMENDATIONS

MEDICAL

Contingent upon receipt of Aetna's network match analysis, it will be recommended for Lancaster to contract with Aetna for the 2011 – 2012 plan year for Medical Coverage. Aetna's best and final offer is a -4.18% decrease to rates or \$100k in savings off the current BCBS rates. The offer is approximately \$162k below the BCBS best and final offer.

Included in the rate reduction is the \$2,100 connection fee for ADP. Additionally, Aetna is offering their enhanced wellness program at no charge to the City of Lancaster. This program includes on-site biometric screenings with nurse review, health risk assessment, incentives, and on-line self help tools.

Due to the disruption and communication efforts to switch carriers, it is not recommended to implement a health savings account at this time. Furthermore, it is recommended to release targeted communications throughout the year to adequately prepare employees for implementation of an HSA plan in 2012 – 2013.

DENTAL

It is recommended to contract with Aetna for the 2011 – 2012 plan year for dental coverage at a 6% increase to rates. In addition to offering a 2 year rate guarantee, Aetna will provide a premium credit of \$11,452 to offset the City's premium costs. The premium credit will not be calculated into the renewal rating formula for the October 1, 2013 renewal.

BASIC LIFE / VOLUNARY LIFE

It is recommended to contract with Cigna for the 2011 – 2012 plan year. Rates will be guaranteed for 3 years. It is recommended to consider implementation of the 1 x BAE Option with a maximum benefit of \$100,000.

CORE / BUY UP LONG TERM DISABILITY

It is recommended to contract with Cigna for the 2011 – 2012 plan year. Rates will be guaranteed for 3 years.

SECTION 125

Due to service concerns, it is recommended to contract with Discovery Benefits for the 2011 – 2012 plan year. Rates will be guaranteed for 3 years.

EMPLOYEE ASSISTANCE PROGRAM

It is recommended to contract with Alliance Work Partners for the 2011 – 2012 plan year. Rates will be guaranteed for 2 years.



Wellness Programs Included to Help Members Stay Healthy and Improve Productivity

We believe that a workplace wellness strategy is essential to successfully motivate subscribers and sustain engagement in their health and well being. The Aetna Health Connections program is designed to help improve our members' overall health by offering easy access to an online health assessment, Online Wellness Programs, a personal health record, disease management, online self-help tools, onsite biometric screenings, and a variety of member incentives.

Onsite Biometric Screenings

<p>Healthy Heart Non-Fasting (TC, HDL, TC/HDL ratio, Blood Glucose, Blood Pressure, Self-Reported BMI, Counseling)</p>	<p>Summit Health brings health screenings directly to the worksite to help employees prevent health problems. This onsite screening program is conducted with the use of a finger stick instead of a blood draw. Results are generated within 7 minutes. Nurses will sit down with the subscriber to discuss the results and their health risk.</p>
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Health Assessment (Supported by Incentives)

<p>Simple Steps To A Healthier Life® (SSHL) Aetna's Health Assessment</p>	<p>A personalized online health and wellness program that begins with completing a health assessment. Based on information gathered in the health assessment, the participant receives a personalized Action Plan to help them achieve and maintain good health. The Action Plan includes a variety of recommended Online Wellness Programs, a printable one-page Health Summary to keep, record and compare their results over time and to share with their doctor, dentist or other health-care provider. Aetna's Health Assessment also is designed to assess participants' level of health risks, their readiness to change certain health behaviors and their impact of health on productivity. Plan Sponsors have access to aggregate results and can utilize information to design a wellness program and measure the success of the programs.</p>
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<p>SSHL Health Assessment Completion/Update and Completion of One Online Wellness Program</p>	<p>Subscribers and their spouses can each earn a \$50 gift card after completing both the Health Assessment and a minimum of one Online Wellness Program.</p>
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<p>Online Wellness Programs</p>	<p>The Online Wellness Programs will personally invite subscribers who complete their Health Assessments to join the program most likely to appeal to them, based on the information provided in their Health Assessments. Within each program, your subscribers will find the tools and resources they need to help them get on – and stay on – the road to their optimal health. These include:</p> <ul style="list-style-type: none"> - A program plan created just for them, based on their responses to the Health Assessment - Newsletters that help keep them engaged and focused on realizing their goals - Online libraries with articles, videos, recipes and other tools to help answer questions and achieve desired results <p>Available programs include: Balance™ (weight management/physical activity), Nourish™ (nutrition/diet), Relax™ (stress management), Breathe™ (smoking cessation), Overcoming™ Insomnia, Overcoming™ Depression.</p>
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Care Management

<p>Aetna Health Connections Disease Management</p>	<p>Unique and powerful disease management program supporting more than 35 chronic conditions. Integrated and personalized patented technology allows Aetna to tailor each member's interactions based on health and disease states, benefit plan coverage and personal preferences. The Simple Steps online health assessment, the Personal Health Record and onsite biometric screenings are also integrated with our disease management program.</p>
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Advocacy & Outreach Programs

<p>MedQuery®</p>	<p>MedQuery is a program that uses medical claims, pharmacy claims and lab result values at a member level, compares that against complex algorithms developed from evidence-based standards of care to identify potential gaps in care called Care Considerations and provides the care considerations to physicians to help them improve their patients' care.</p>
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<p>24/7 Nurse Line - informed Health® Line</p>	<p>24-hour nurse 1-800 support line - Members can call anytime and talk to a registered nurse for answers to health related questions. They can also listen to information from our audio health library on thousands of topics.</p>
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Maternity Management Program (Supported by Rewards)

<p>Beginning Right® Maternity Program</p>	<p>Provides services, information and resources to help improve pregnancy outcomes. Nurse outreach to physician for high risk members. Rewards for program completion are also available: Mayo Guide to Healthy Pregnancy sent with completion of the Pregnancy Risk Survey before the 16th week; baby blanket and growth chart sent when high risk outcome is complete.</p>
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Communications Campaigns and Toolkits

Roadmap to Wellness Plan Sponsor Website

A step-by-step guide to help Plan Sponsors implement a worksite wellness program. Included is a manual with instructions, a 12-month wellness calendar, email templates announcing the program, a 4-week Health Assessment Campaign, forms, posters, and flyers promoting a health fair, PDFs for each monthly topic and tools to assist in setting goals, objectives, communication plan and evaluation of the program.

Member Wellness Message Program

Electronic communications for employees that address general health and wellness topics, available in English and Spanish.

Online Self-Help Tools

Aetna Navigator

A secure member website that is an online resource for personalized health and financial information. Subscribers can access their personal health benefits, find claims status, and details, find cost of tests and medical visits, view health history report, receive wellness discounts, take the health assessment, participate in the Online Wellness Programs, locate a doctor, self refer into available disease management programs and much more.

Personal Health Record

This online report combines detailed, claims-driven information gathered from across the health care spectrum - such as physician offices, labs, diagnostic treatment and pharmacies - with user-entered information such as family history or allergies. The result is a health profile that the member can access anytime online, and print to share with his or her doctor.

ReawakeningSM Center

Offers resources to encourage and assist people at risk for depression.

Healthwise[®] Knowledgebase

This feature on Aetna Navigator is a decision-support tool that gives members access to powerful information resources in order to make better health decisions. Members have access to clinical information on 1,900 health topics, 600 medical tests and procedures, 500 support groups, and 3,000 medications.

InteliHealth[®] Website

A consumer health website and credible source of current health news featuring information from Harvard Medical School, as well as interactive tools including BMI calculator, stretching exercise video, healthy menus for weight loss, aerobic workout plan for beginners, an ergonomic guide and much more.

Women's Health Online

A wealth of information on common conditions and health that affect women, including preventive guidelines, ask the expert and much more. Also has a website with information Plan Sponsors can use for newsletters, etc.

Wellness Kits To Go

Online self-help kits give practical strategies and solution-oriented information that will help identify issues that apply to the member's health.

Preventive Health Care Schedule

This informational schedule will guide members according to age and gender of preventive screenings needed and steps to take to live a long and healthy life.

Discount Programs

Aetna discount programs are included to help members save money on a wide variety of services and products. Our discount programs and services help members afford the small luxuries that can help keep them happy and healthy. Members can save right away on fitness club memberships, treadmills and elliptical trainers, LASIK surgery, massage therapy, colored contact lenses and more!

Reporting

A variety of reports are available to plan sponsors via Navigator and Simple Steps, and may vary based on participation levels.

In Texas, discount programs are not insurance and program features are not guaranteed under the plan contract and may be discontinued at any time. Discount programs are in addition to any plan benefits and may require a separate charge to access such programs. Discounts offered are not insurance.

Health benefits and health insurance plans are offered/underwritten by Aetna Health Inc., Aetna Health of California Inc., Aetna Health of Illinois Inc., Aetna Health of the Carolinas Inc., Aetna Health Insurance Company of New York, Aetna Health Insurance Company and/or Aetna Life Insurance Company. In Maryland by Aetna Health Inc., 151 Farmington Avenue, Hartford, CT 06156. Each insurer has sole financial responsibility for its own products.

Health information programs provide general health information and are not a substitute for diagnosis or treatment by a physician or other health care professional. Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. The Aetna Personal Health Record ("PHR") should not be used as the sole source of information about the member's health conditions or medical treatment.

Information is believed to be accurate as of the production date; however, it is subject to change.

For more information about Aetna plans, refer to www.aetna.com.

Policy forms issued in OK include: HMO/OK COC-4 09/02, HMO/OK GA-3 11/01, HMO OK POS RIDER 08/07, GR-23 and/or GR-29/GR-29N.

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

3

AG11-003

Consider an ordinance of the City of Lancaster, Texas, (“City”) approving a negotiated resolution between the Atmos Cities Steering Committee (“ACSC” or “Steering Committee”) and Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”) regarding the Company’s Fourth Annual Rate Review Mechanism (“RRM”) filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the Company to reimburse cities’ reasonable ratemaking expenses; repealing conflicting resolutions or ordinances; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the Company and the Steering Committee’s legal counsel.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 2: Quality Development

Goal 3: Healthy, Safe, and Vibrant Neighborhoods

Background

The City of Lancaster, along with approximately 154 other cities served by Atmos Energy Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC” or “Steering Committee”). On or about April 1, 2011, Atmos Mid-Tex filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism (“RRM”) tariff approved by the City as part of the settlement of the Atmos Mid-Tex 2007 Statement of Intent to increase rates. This is the fourth annual RRM filing.

The Atmos Mid-Tex RRM filing sought a \$15.7 million rate increase. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. The ordinance and attached rate and RRM tariffs are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC

during the review and evaluation of ACSC's RRM filing. The ordinance resolves the Company's RRM filing by authorizing supplemental revenue of \$6.6 million to be recovered through the customer charge component of rates to cover direct incremental costs associated with a steel service line replacement program approved as part of last year's rate adjustment. All other relief requested by Atmos Mid-Tex is denied.

The ACSC Settlement Committee and ACSC legal counsel recommend that all ACSC Cities adopt the ordinance implementing the rate change.

Considerations

- **Operational** – This is a request for the adoption of attached ordinance for the approval of rate tariffs that reflect the negotiated rate change pursuant to the RRM process and to ratify a Settlement Agreement recommended by the ACSC Settlement Committee and Executive Committee.
- **Legal** – A copy of the ordinance was prepared by Lloyd Gosselink Rochelle & Townsend, P.C. council for ACSC member cities.
- **Financial** – The Settlement Agreement contemplated that incremental revenue to cover future steel service line replacement costs would be recovered through customer charges. Consistent with that approach, the \$6.6 million in additional revenues to be recovered following passage of the ordinance is accomplished by increasing customer charges. The tariffs to be approved by the ordinance set monthly customer charges at \$7.50 for residential customers and \$16.75 for commercial customers.
- **Public Information** - This meeting was properly noticed and is being held in accordance with the Texas Open Meetings Act.

Options/Alternatives

1. Approve the ordinance as presented.
2. Deny the ordinance.

Recommendation

Staff recommends approval of the ordinance as presented.

Attachments

- Ordinance

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 10, 2011

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC” OR “STEERING COMMITTEE”) AND ATMOS ENERGY CORP., MID-TEX DIVISION (“ATMOS MID-TEX” OR “COMPANY”) REGARDING THE COMPANY’S FOURTH ANNUAL RATE REVIEW MECHANISM (“RRM”) FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE’S LEGAL COUNSEL.

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

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC” or “Steering Committee”), a coalition of approximately 154 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area (such participating cities are referred to herein as “ACSC Cities”); and

WHEREAS, pursuant to the terms of the agreement settling the Company’s 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to

develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company’s 2007 rate case and authorizing the RRM Tariff; and

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities’ reasonable expenses associated with RRM applications; and

WHEREAS, the Steering Committee and Atmos Mid-Tex agreed to extend the RRM process in reaching a settlement in 2010 on the third RRM filing; and

WHEREAS, on or about April 1, 2011, the Company filed with the city its fourth annual RRM filing, requesting to increase natural gas base rates by \$15.7 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex’s RRM filing by designating a Settlement Committee made up of ACSC representatives, assisted by ACSC attorneys and consultants, to resolve issues identified by ACSC in the Company’s RRM filing; and

WHEREAS, independent analysis by ACSC’s rate expert concluded that Atmos Mid-Tex is unable to justify an increase over current rates except for undisputed costs of \$6.6 million to cover the steel service line replacement program initiated in 2010; and

WHEREAS, the ACSC Settlement Committee, as well as ACSC lawyers and consultants, recommend that ACSC Cities approve the attached rate tariffs (“Attachment A” to this Ordinance), which will increase the Company’s revenue requirement by \$6.6 million to extend current recovery of incremental direct costs of the steel service line replacement program authorized by ACSC Cities in ordinances passed in 2010; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and in the public interest.

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

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

Section 2. That the City Council finds the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 3. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's rate application.

Section 4. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 5. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 6. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 7. That this Ordinance shall become effective from and after its passage with rates authorized by attached Tariffs to be effective for bills rendered on or after September 1, 2011.

Section 8. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 22ND day of August, 2011.

APPROVED:

Marcus E. Knight, Mayor

ATTEST:

Dolle K. Downe, City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 7.50 per month
Commodity Charge – All Mcf	\$ 2.5116 per Mcf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C -- COMMERCIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 3,000 Mcf.

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 16.75 per month
Commodity Charge - All Mcf	\$ 1.0217 per Mcf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2750 per MMBtu
Next 3,500 MMBtu	\$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0433 per MMBtu

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

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

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

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

Curtailment Overpull Fee

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Replacement Index

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

Special Conditions

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2750 per MMBtu
Next 3,500 MMBtu	\$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0433 per MMBtu

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

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

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

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

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

Imbalance Fees

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Monthly Imbalance Fees

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

Curtailment Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

4

AG11-005

Conduct a public hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Boardwalk Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 2: Quality Development

Goal 3: Healthy, Safe & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Lancaster Boardwalk is an established subdivision consisting of approximately 38.002 acres in Phase 1 and 43.237 acres in Phase 2 totaling 80.239 acres generally located on the (North, South, East or West) side of Cedardale Road and on the east side of Dallas Avenue. This subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features approved by Council at its August 8, 2011 regular meeting.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present a five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The attached service plan was prepared by the PID petitioners and developers. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City will maintain these funds in accordance with the "Act" and will disperse the income on a reimbursement basis according to the approved budget.

The Lancaster Boardwalk subdivision is proposing an annual assessment of \$0.276 per \$100 assessed value.

Considerations

- **Operational** - All PID's require the Finance Department to maintain a separate account where the funds will be dispersed following invoice submittals. The PID should also help ensure that common areas will be maintained without assistance or code compliance action.

Local Government Code Section 372.008 states the governing body of the municipality appoints an advisory body with the responsibility of developing and recommending a service plan. Five property owners from the Lancaster Boardwalk subdivision have exhibited interest in serving as the advisory body to be referred to as the Lancaster Boardwalk PID Board. Council's practice has been that initial board appointments include five individuals. In previous communities this has been the petition organizers, which has typically been the homeowners' association board. With respect to this practice, the property owners requesting consideration are as follows: Pete Flowers, Dean Flowers, Khadijah Jannah, Venita Harris, and Nahsechay Dipo. Following this initial appointment the neighborhoods hold at minimum an annual PID meeting to prepare a service plan and elect a board for council approval.

- **Legal** - The notice of public hearing was posted in accordance with the provisions of Chapter 372 in the Texas Local Government Code on August 11, 2011. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and the ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for neighborhoods. They are considered to be a more equitable means of collecting dues. The 2011/2012 proposed service plan is \$81,617.55 and assessments are proposed at \$0.276 per one hundred dollars assessed valuation.
- **Public Information** – City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The public hearing was posted in the local publication of record (Focus Daily News) as required by Local Government Code Chapter 372 on Thursday, August 11, 2011 and notices were mailed to all property owners in the identified subdivision.

Options

1. Close the public hearing and place the item on the September 12, 2011 meeting for consideration.
2. Continue the public hearing to the September 12, 2011 meeting.

Recommendation

Staff recommends closing the public hearing and placing the item on the September 12, 2011 regular meeting agenda for consideration.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 15, 2011

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE LANCASTER BOARDWALK PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2011-08-68 passed on August 8, 2011, after the conduct of a duly notified public hearing, the City Council established the Lancaster Boardwalk Public Improvement District (the "District"); and

WHEREAS, on August 22, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 22nd day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the

property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **All residential lots**, for these lots the assessment shall not exceed \$0.276 per \$100 of assessed valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 12th day of September 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

5

AG11-006

Conduct a public hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Millbrook East Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.

This request supports the City Council 2010-2011 Policy Agenda

Goal 2: Quality Development

Goal 3: Healthy, Safe & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Millbrook East is an established subdivision consisting of approximately 46.265 acres in Phase 1 and 17.572 acres Phase 2A and 13.540 acres Phase 2B for a total of 77.377 acres generally located on the south side of Pleasant Run Road east of Houston School Road and west of Bluegrove Road. This subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features approved by Council at its August 8, 2011 regular meeting.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The attached service plan was prepared by the PID petition organizers and developers. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City will maintain these funds in accordance with the "Act" and will disperse the income on a reimbursement basis according to the approved budget.

The Millbrook East subdivision is proposing an annual assessment of \$0.2653 per \$100 assessed value.

Considerations

- **Operational** - All PID's require the Finance Department to maintain a separate account where the funds will be dispersed following invoice submittals. The PID should also help ensure that common areas will be maintained without assistance or code compliance action.

Local Government Code Section 372.008 states the governing body of the municipality appoints an advisory body with the responsibility of developing and recommending a service plan. Five property owners from the Millbrook East subdivision have exhibited interest in serving as the advisory body to be referred to as the Millbrook East PID Board. Council's practice has been that initial board appointments include five individuals. With previous communities this has been the petition organizers, which has typically been the homeowners' association board. With respect to this practice, the property owners requesting consideration are as follows: Pete Flowers, Dean Flowers, Sharon Scott, Lashonjia Harris, and Kewisha Gray. Following this initial appointment the community will hold at minimum an annual meeting to update the service plan and elect a board for council approval.

- **Legal** - The notice of public hearing was posted in accordance with the provisions of Chapter 372 in the Texas Local Government Code on August 11, 2011. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and the ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for neighborhoods. They are considered to be a more equitable means of collecting dues. The 2011/2012 proposed service plan budget is \$72,926.37 and assessments are proposed at \$0.2653 per one hundred dollars assessed valuation.
- **Public Information** – City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The public hearing was posted in the local publication of record (Focus Daily News) as required by Local Government Code Chapter 372 on Thursday, August 11, 2011 and notices were mailed to all property owners in the identified subdivision.

Options

1. Close the public hearing and place the item on the September 12, 2011 meeting for consideration.
2. Continue the public hearing to the September 12, 2011 meeting.

Recommendation

Staff recommends closing the public hearing and placing the item on the September 12, 2011 regular meeting agenda for consideration.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 15, 2011

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE MILLBROOK EAST PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2011-08-69 passed on August 8, 2011, after the conduct of a duly notified public hearing, the City Council established the Millbrook East Public Improvement District (the "District"); and

WHEREAS, on August 22, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 22nd day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the

property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **All residential lots**, for these lots the assessment shall not exceed \$0.2653 per \$100 of assessed valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 12th day of September 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

6

AG11-006

Conduct a public hearing and discuss an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Meadowview Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and an effective date.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 2: Quality Development

Goal 3: Healthy, Safe & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Meadowview is an established subdivision consisting of approximately 215.262 total acreage including 50.614 acres in Phase 1, 36.907 acres in Phase 2, 36.493 in Phase 3, 2.864 acres in Phase 4 and 88.384 acres in Phase 5. This subdivision is generally located east of Ames Road, west of Dizzy Dean Drive and north of Wintergreen Road. This subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features approved by Council at its August 8, 2011 regular meeting.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The attached service plan was prepared by the PID petition organizers. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City will maintain these funds in accordance with the "Act" and will disperse the income on a reimbursement basis according to the approved budget.

The Meadowview subdivision is proposing an annual assessment of \$0.10 per \$100 assessed value.

Considerations

- **Operational** - All PID's require the Finance Department to maintain a separate account where the funds will be dispersed following invoice submittals. The PID should also help ensure that common areas will be maintained without assistance or code compliance action.

Local Government Code Section 372.008 states the governing body of the municipality appoints an advisory body with the responsibility of developing and recommending a service plan. Council's practice has been that initial board appointments include five individuals. With previous communities this has been the petition organizers, which has typically been the homeowners' association board. The process for Meadowview has been different in that initially there was limited interest as some residents were not interested in serving on the board. Initially there were only 3-4 homeowners that expressed an interest. However, after approval of the PID eleven property owners have expressed interest. Staff recommends the initial board be the first five individuals that have expressed interest: Diana Melcher, Cassandra Pitts, Erisa Bates-Brown, Frank Hayes, and Amos Williams. Following the initial appointment the community will hold at minimum an annual meeting to update the service plan and elect a board for Council approval.

- **Legal** - The notice of public hearing was posted in accordance with the provisions of Chapter 372 in the Texas Local Government Code on August 11, 2011. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and the ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for neighborhoods. They are considered to be a more equitable means of collecting dues. The 2011/2012 proposed service plan budget is \$81,600.00 and assessments are proposed at \$0.10 per one hundred dollars assessed valuation.
- **Public Information** – City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The public hearing was posted in the local publication of record (Focus Daily News) as required by Local Government Code Chapter 372 on Thursday, August 11, 2011 and notices were mailed to all property owners in the identified subdivision.

Options

1. Close the public hearing and place the item on the September 12, 2011 meeting for consideration.
2. Continue the public hearing to the September 12, 2011 meeting.

Recommendation

Staff recommends closing the public hearing and placing the item on the September 12, 2011 regular meeting for consideration.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared By and Submitted By:
Opal Mauldin Robertson, City Manager

Date: August 22, 2011

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE MEADOWVIEW PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2011-08-67 passed on August 8, 2011, after the conduct of a duly notified public hearing, the City Council established the Meadowview Public Improvement District (the "District"); and

WHEREAS, on August 22, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 22nd day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the

property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots**, for these lots the assessment shall not exceed \$0.10 per \$100 of assessed valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 12th day of September 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

Meadowview Estates
LANCASTER PUBLIC IMPROVEMENT DISTRICT

revision date: 08-17-2011

Five Year Service Plan 2011-2015 Budget

	2011	2012	2013	2014	2015	2016
Total Values	\$86,247,550					
Number Properties	810					
Service Year	0.001					
Assessment Rate	95%					
Collection Rate	0					
Opening Balance		\$0	\$835	\$1,032	\$1,354	\$1,665
REVENUES						
Annual Assessment Revenue		\$81,935	\$82,755	\$83,582	\$84,418	\$85,262
Interest Earnings		\$0	\$0	\$0	\$0	\$0
City Contributions		\$0	\$0	\$0	\$0	\$0
Total Income		\$81,935	\$82,755	\$83,582	\$84,418	\$85,262

EXPENSES

Description	2011	2012	2013	2014	2015	2016
Administrative Fees / Prof. Services	\$30,000		\$30,900	\$31,827	\$32,782	\$33,765
Landscaping/Irrigation	\$6,000		\$1,500	\$1,500	\$1,000	\$1,500
Wall / Fence Repairs	\$1,500		\$1,500	\$1,000	\$1,000	\$1,000
Mowing contractor	\$16,000		\$16,480	\$16,974	\$17,484	\$18,008
Communications	\$1,500		\$2,500	\$4,000	\$4,500	\$5,000
Electric Utilities	\$1,100		\$1,133	\$1,167	\$1,202	\$1,238
Water Utilities	\$4,000		\$4,000	\$4,000	\$4,000	\$4,000
General maintenance	\$1,500		\$1,545	\$1,591	\$1,639	\$1,688
GL/D&O Insurance	\$4,500		\$4,500	\$4,500	\$4,500	\$4,500
Graffiti cleanup (deductibles, not insured)	\$1,500		\$1,000	\$1,000	\$1,000	\$1,000
Dentention runoff engineering / maintenance	\$5,000		\$2,000	\$1,200	\$500	\$500
Improvement Project	\$0	\$0	\$0	\$0	\$14,000	\$0
Ex: New Street Lighting	\$0	\$0	\$5,000	\$0	\$0	\$0
Ex: Monument Lighting	\$6,000	\$0	\$0	\$0	\$0	\$0
Ex: Wall/Fence Improvements	\$0	\$0	\$0	\$14,000	\$0	\$0
Ex: Cover Bus Bench	\$0	\$0	\$10,000	\$0	\$0	\$12,000
Ex: More Trees / Sod	\$0	\$0	\$0	\$0	\$0	\$0
Social Events	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$500	\$500	\$500	\$500	\$500	\$1,000
Total Expenses	\$81,100	\$82,558	\$83,260	\$84,107	\$85,200	\$86,200
Reserve	\$835	\$197	\$322	\$311	\$62	\$62
Balance	\$835	\$1,032	\$1,354	\$1,665	\$1,728	\$1,728

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

7

AG11-007

Conduct a public hearing on the proposed Fiscal Year 2011-2012 budget and discuss an ordinance of the City of Lancaster, Texas, approving and adopting a budget for the fiscal year beginning October 1, 2011 and ending September 30, 2012; providing that expenditures for said fiscal year shall be in accordance with said budget; providing for the repeal of all ordinances in conflict; providing a severability clause; and providing an effective date.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 1: Financially Sound City Government

Background

City Charter requires the City to conduct a public hearing on the proposed annual budget for FY 2011-2012, the proposed total tax rate required to provide revenue for maintenance and operations and interest and sinking fund requirements is \$0.8675 cents per \$100 assessed valuation. The approval of the proposed ordinance will adopt the FY 2011-2012 budget and appropriate necessary funds for the City's operation, maintenance and debt service requirements.

The proposed budget was presented to City Council at work sessions held Monday August 1, 2011 and August 15, 2011.

This is the first of two public hearings on the proposed budget. The second and final public hearing and consideration of adoption of the proposed budget is scheduled on September 12, 2011. A copy of the proposed budget is available for public review in the City Secretary's office.

Considerations

- **Operational** - The proposed tax rate is \$0.8675 per \$100 assessed valuation to be assessed on taxable property to generate revenues for the maintenance, operations and interest and sinking fund requirements. The proposed budget will decrease the maintenance and operations apportionment of the tax rate from \$0.6502 to \$0.6002 and will increase the interest and sinking fund requirements from \$0.2173 to \$0.2673.
- **Legal** - Notice regarding the public hearing was published in accordance with state law in the *Focus Daily News*, the City's newspaper of record on August 7, 2011. The ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The proposed budget is a plan for revenues and expenditures related to the operations of the City.

The proposed tax rate of \$0.8675 is less than the effective tax rate of \$0.8719 per \$100 assessed valuation.

- **Public Information** - Notice regarding the public hearings was posted in accordance with state law, in the *Focus Daily News*, the City's newspaper of record on August 7, 2011, and posted on the City's website.

Options/Alternatives

Close the public hearing and announce date, time, and location of the final public hearing and vote on the proposed FY 2011-2012 budget.

Recommendation

Staff recommends closing the public hearing and announcing the final public hearing will be held on Monday, September 12, 2011 at 7:00 p.m. The proposed budget will be considered for adoption on Monday, September 12, 2011 at 7:00 p.m. in the Council Chambers at the Municipal Center, 211 North Henry Street, Lancaster, Texas.

Attachments

- Ordinance
- Proposed Budget (fund summaries)

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 17, 2011

ORDINANCE NO. 2011- 09-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE IN ACCORDANCE WITH SAID BUDGET; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Lancaster has submitted to the City Council a proposed budget of the revenues and expenditures for conducting the affairs of the City and providing a complete financial plan for fiscal year 2011-2012; and

WHEREAS, the City Council has received the City Manager's proposed budget, a copy of which proposed budget has been filed with the City Secretary of the City of Lancaster;

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

SECTION 1. That the Budget of the revenues and expenditures necessary for conducting the affairs of the City of Lancaster and providing a financial plan for the ensuing fiscal year beginning October 1, 2011 and ending September 30, 2012, as submitted by the City Manager, be and the same is hereby adopted as the Budget of the City of Lancaster for the fiscal year beginning October 1, 2011 and ending September 30, 2012.

SECTION 2. That the appropriation for the fiscal year including the budgets of the Lancaster Economic Development Corporation (Type A) and Lancaster Recreational Development Corporation (Type B), which are hereby approved beginning October 1, 2011, and ending September 30, 2012, for the various funds and purposes of the City of Lancaster, which is attached hereto and incorporated herein as Exhibit A and is summarized as follows:

Fund	2011-2012 Budget Expenditures
General	\$19,415,522
G.O. Debt Service	\$4,066,241
Water/Wastewater	\$12,922,146
Airport	\$396,082
Hotel Motel Tax	\$54,619
LEDC (Type A)	\$904,117
LRDC (Type B)	\$2,626,639
Golf Course	\$47,550
Sanitation	\$1,562,433
Housing	\$8,310,829
E911	\$142,727
Stormwater	\$952,810
Total	\$51,401,715

SECTION 3. That expenditures during the fiscal year shall be made in accordance with the budget approved by this ordinance and made part hereof for all purposes unless otherwise authorized by a duly enacted ordinance of the City.

SECTION 4. That all notices and public hearings required by law have been duly completed.

SECTION 5. That all provisions of the ordinances of the City of Lancaster in conflict with the provisions of this ordinance be and the same are hereby repealed, and all other provisions of the ordinances of the City of Lancaster not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 6. That should any sentence, paragraph, subdivision, clause, ~~phase~~ or section of this ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 12th day of September 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

CITY-WIDE OPERATING FUND TOTALS

TOTAL REVENUES		2009	2010	2011		2012
Fund Number	Fund	Actual	Actual	Year to Date	Budget	Proposed
1	General Fund	20,977,477	21,082,672	18,049,480	20,162,526	19,447,368
2	G.O. Debt Service	3,392,644	3,701,576	3,238,590	3,254,063	4,005,537
5	Water/Wastewater	11,783,208	12,569,330	9,723,588	11,716,343	13,971,763
9	Airport	302,983	701,432	306,553	336,670	380,127
14	Hotel/Motel	115,251	88,506	57,511	88,677	77,137
16	LEOC/4A	778,804	909,484	670,662	901,000	874,000
17	LROC/4B	2,006,358	2,292,815	2,334,694	2,817,308	2,732,769
18	Golf Course	80,974	72,743	76,965	76,431	78,164
19	Sanitation	1,511,867	1,886,125	1,833,995	1,564,999	1,739,999
20	HAP	8,241,019	8,814,631	8,119,560	8,392,270	8,392,270
21	E911	517,257	305,193	271,671	256,984	256,984
30	DHAP	215,647	1,726	-	-	-
53	Stormwater	924,929	1,379,096	1,775,994	1,250,000	1,260,000
Total		\$ 50,848,418	\$ 53,805,330	\$ 46,459,264	\$ 50,817,271	\$ 53,216,118

TOTAL EXPENDITURES		2009	2010	2011		2012
Fund Number	Fund	Actual	Actual	Year to Date	Budget	Proposed
1	General Fund	19,745,935	21,203,289	16,282,794	20,161,881	19,415,522
2	G.O. Debt Service	3,101,865	3,332,364	3,729,140	3,903,782	4,066,241
5	Water/Wastewater	11,298,457	12,647,843	8,573,379	11,765,550	12,922,146
9	Airport	632,993	527,685	364,320	431,101	396,082
14	Hotel/Motel	47,800	93,499	48,363	54,619	54,619
16	LEDC/4A	1,828,528	521,632	447,740	996,650	904,117
17	LROC/4B	2,827,931	2,713,966	2,190,783	2,648,487	2,626,639
18	Golf Course	138,276	152,855	10,139	52,000	47,550
19	Sanitation	1,293,727	1,856,423	1,824,287	1,661,588	1,562,433
20	HAP	8,285,804	8,588,582	7,888,239	8,416,901	8,310,829
21	E911	1,015,407	640,181	88,253	133,565	142,727
30	DHAP	272,631	151,588	-	-	-
53	Stormwater	918,629	1,356,590	1,423,889	1,501,993	952,810
Total		\$ 51,407,983	\$ 53,786,497	\$ 42,871,326	\$ 51,728,117	\$ 51,401,715

Net Gain (Loss)		\$ (559,564)	\$ 18,833	\$ 3,587,938	\$ (910,846)	\$ 1,814,403
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GENERAL FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	PROPERTY TAX	10,904,885	9,706,144	9,762,958	9,788,992	9,048,294
	SALES TAX	3,881,711	4,564,501	3,338,810	4,500,000	4,500,000
	FRANCHISE TAX	1,822,233	1,722,967	1,226,180	1,890,628	1,890,628
	OTHER TAXES	34,080	37,893	40,625	39,835	40,000
	LICENSES AND PERMITS	651,514	618,563	497,160	548,882	571,934
	INTERGOVERNMENTAL	168,715	204,679	31,837	212,000	212,000
	CHARGES FOR SERVICES	655,234	634,834	490,987	628,592	650,339
	FINES AND FORFEITURES	855,979	721,503	655,999	682,058	702,089
	INTEREST	15,629	7,073	4,442	6,000	6,000
	MISCELLANEOUS	525,993	316,279	242,007	273,623	227,848
	OPERATING TRANSFERS IN	1,461,504	2,548,236	1,598,236	1,591,916	1,598,236
	GRANT & Other Income	-	-	160,240	-	-
Total		\$ 20,977,477	\$ 21,082,672	\$ 18,049,480	\$ 20,162,526	\$ 19,447,368

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
1	City Council	23,739	59,874	66,920	86,890	71,095
2	City Manager's Office	763,999	626,932	576,606	584,956	562,886
5	Legal	238,846	149,172	86,765	175,000	150,000
6	Building Services	1,007,885	1,037,407	716,355	1,000,036	892,891
8	Municipal Court	512,763	359,029	380,364	362,754	426,774
9	Building Inspections	351,702	310,122	233,500	332,313	333,045
10	Fleet Maintenance	257,322	50,931	212,270	257,024	245,540
12	Streets Operations	823,692	2,119,957	616,559	883,786	813,684
13	Parks	662,550	750,195	450,728	463,157	552,173
14	Police	5,498,708	5,946,511	4,628,703	5,678,277	5,710,604
15	Fire	5,405,257	6,049,028	4,709,641	5,432,060	5,435,800
16	Non-Departmental	576,346	745,467	701,326	1,040,215	735,717
17	Planning	257,985	129,201	77,893	92,156	80,146
18	City Secretary	170,494	173,505	141,854	182,583	176,726
19	Finance	688,410	762,198	426,312	604,699	496,646
24	Animal Services	117,628	132,096	119,831	152,185	142,532
29	Purchasing	96,575	112,920	90,599	109,427	109,059
31	Human Resources	390,591	318,630	275,136	356,654	328,541
32	Civil Service	7,031	6,117	5,563	6,050	5,850
34	Emergency Communications	700,681	333,873	547,441	745,909	803,526
35	Code Compliance	372,451	281,881	210,465	373,809	281,981
36	Development Services	304,401	153,686	129,278	161,036	155,023
37	Information Technology	356,201	434,419	290,878	393,681	382,300
38	Fire Marshal	159,024	159,494	87,566	87,224	72,983
80	Transfers Out	-	-	500,000	600,000	450,000
Total		\$ 19,745,935	\$ 21,203,289	\$ 16,282,794	\$ 20,161,881	\$ 19,415,522

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	1,231,542	(120,617)	1,766,687	645	31,846
	Beginning Balance	2,536,841	3,717,084	3,596,467	3,596,467	3,597,112
	Ending Balance	3,768,384	3,596,467	5,363,154	3,597,112	3,628,958
Ending Balance as % of Expenditures		19.08%	16.96%	32.94%	17.84%	18.69%

DEBT SERVICE FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	Property Taxes	2,255,817	2,555,547	3,237,225	3,251,477	4,002,951
	Interest	2,931	2,061	1,365	2,550	2,550
	Transfers In	1,133,508	1,143,968	-	-	-
	Other Revenue	388	-	-	36	36
	Bond Proceeds	-	-	-	-	-
	Total	\$ 3,392,644	\$ 3,701,576	\$ 3,238,590	\$ 3,254,063	\$ 4,005,537

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
50	Debt Service	3,101,865	3,332,364	3,729,140	3,903,782	4,066,241
80	Transfers Out	-	-	-	-	-
	Total	\$ 3,101,865	\$ 3,332,364	\$ 3,729,140	\$ 3,903,782	\$ 4,066,241

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	290,778	369,212	(490,550)	(649,719)	(60,704)
	Beginning Balance	295,933	586,712	955,923	955,923	306,204
	Ending Balance	586,712	955,923	465,373	306,204	245,500
	Ending Balance as % of Expenditures	18.91%	28.69%	12.48%	7.84%	6.04%

WATER AND WASTEWATER FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	Water	4,921,300	5,099,428	4,331,204	5,487,000	6,485,731
	Wastewater	5,737,835	5,424,205	4,695,358	5,645,000	6,897,295
	Fees	147,827	167,620	313,486	173,985	180,307
	Impact Fees	116,736	107,631	94,155	93,463	93,463
	Other Revenue	829,692	1,754,840	276,278	297,413	295,485
	Interest	29,819	15,607	13,106	19,482	19,482
	Transfers In	-	-	-	-	-
	Total	\$ 11,783,208	\$ 12,569,330	\$ 9,723,588	\$ 11,716,343	\$ 13,971,763

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
2	Public Works Administration	749,807	742,982	625,585	836,415	782,131
20	Utility Billing	405,513	435,510	385,364	506,046	472,540
21	Water Operations	559,041	586,405	544,182	863,217	802,455
22	Non-Departmental	1,697,228	1,562,036	7,057	175,200	178,540
27	Meter Reading	197,395	369,731	104,720	184,994	178,481
30	Wastewater Operations	499,897	446,449	417,431	635,104	643,219
42	Wholesale Costs	5,390,833	5,718,055	4,703,892	5,960,000	6,308,448
50	Debt Service	474,507	412,248	360,912	1,180,338	2,132,096
80	Transfers Out	1,324,236	2,374,236	1,424,236	1,424,236	1,424,236
	Total	\$ 11,298,457	\$ 12,647,843	\$ 8,573,379	\$ 11,765,550	\$ 12,922,146

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	484,751	(78,514)	1,150,210	(49,207)	1,049,617
	Beginning Balance	10,063,512	10,989,149	11,533,607	11,533,607	11,484,400
	Ending Balance	10,548,263	10,910,635	12,683,816	11,484,400	12,534,017
	Ending Balance as % of Expenditures	93.36%	86.26%	147.94%	97.61%	97.00%

AIRPORT FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	Airport Operations	210,699	219,775	194,312	266,161	228,281
	Net Fuel Sale	10,050	47,750	63,108	23,813	100,710
	Other Revenue	51,529	433,908	49,133	46,696	51,136
	Total	\$ 302,983	\$ 701,432	\$ 306,553	\$ 336,670	\$ 380,127

EXPENDITURES		2009	2010	2011		2012
Departments No		Actual	Actual	Year to Date	Budget	Proposed
40	AIRPORT	602,273	504,202	351,099	394,955	359,936
50	DEBT SERVICE	30,720	23,417	12,993	36,146	36,146
	Total	\$ 632,993	\$ 527,685	\$ 364,320	\$ 431,101	\$ 396,082

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	(330,010)	173,748	(57,766)	(94,431)	(15,955)
	Beginning Balance	32,954	(300,450)	(505,910)	(505,910)	(600,341)
	Ending Balance	(297,056)	(126,702)	(563,676)	(600,341)	(616,296)
	Ending Balance as % of Expenditures	-46.93%	-24.01%	-154.72%	-139.26%	-155.60%

HOTEL/MOTEL TAX FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	HOTEL/MOTEL TAX	112,890	78,641	42,967	72,802	61,262
	RENTAL INCOME	-	9,190	14,300	15,600	15,600
	INTEREST	367	276	244	275	275
	Total	\$ 115,251	\$ 88,506	\$ 57,511	\$ 88,677	\$ 77,137

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
34	HISTORIC PRESERVATION	7,800	-	-	-	-
46	HOTEL/MOTEL	40,000	43,035	33,707	40,000	40,000
52	Visitor Center	-	50,464	14,655	14,619	14,619
80	TRANSFERS OUT	-	-	-	-	-
	Total	\$ 47,800	\$ 93,499	\$ 48,363	\$ 54,619	\$ 54,619

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	67,451	(4,992)	9,148	34,058	22,518
	Beginning Balance	158,085	225,535	220,543	220,543	254,601
	Ending Balance	225,535	220,543	229,691	254,601	277,119
	Ending Balance as % of Expenditures	471.83%	235.88%	474.94%	466.14%	507.37%

SALES TAX 4A-ECONOMIC DEVELOPMENT

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	SALES TAXES	776,342	906,511	667,762	900,000	873,000
	INTEREST	2,462	2,973	2,900	1,000	1,000
	Total	\$ 778,804	\$ 909,484	\$ 670,662	\$ 901,000	\$ 874,000

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
2	ECON DEV ADMINISTRATION	213,903	226,215	154,165	248,800	188,382
50	4A DEBT SERVICE	226,650	227,350	227,750	227,750	455,800
60	MARKETING AND ADVERTISING	7,975	8,066	5,825	40,100	35,100
63	INCENTIVE PROGRAMS	1,365,000	10,000	10,000	430,000	170,000
80	TRANSFERS OUT	15,000	50,000	50,000	50,000	54,835
	Total	\$ 1,828,528	\$ 521,632	\$ 447,740	\$ 996,650	\$ 904,117

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	(1,049,723)	387,852	222,922	(95,650)	(30,117)
	Beginning Balance	3,139,408	2,083,875	2,477,535	2,477,535	2,381,885
	Ending Balance	2,089,684	2,471,727	2,700,457	2,381,885	2,351,768
	Ending Balance as % of Expenditures	114.28%	473.85%	603.13%	238.99%	260.12%

SALES TAX 4B-CULTURAL/RECREATIONAL

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	0 SALES TAXES	1,552,684	1,814,922	1,335,524	1,800,000	1,746,000
	56 RECREATION	387,546	410,491	428,033	402,965	527,000
	54 LIFE CENTER	13,499	13,734	15,440	8,343	7,769
	7 LIBRARY	49,424	53,169	55,414	4,000	-
	0 OTHER	1,592	491	283	-	-
	0 TRANSFERS IN	-	-	500,000	600,000	450,000
	0 INTEREST	1,612	7	-	2,000	2,000
Total		\$ 2,006,358	\$ 2,292,815	\$ 2,334,694	\$ 2,817,308	\$ 2,732,769

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
	2 REC ADMINISTRATION	288,850	220,795	157,036	201,358	201,534
	7 LIBRARY	503,602	475,514	386,109	579,010	539,116
	50 48 DEBT SERVICE	906,958	906,616	909,299	909,299	906,140
	54 SENIOR LIFE CENTER	155,079	142,170	75,381	112,347	109,430
	56 RECREATION CENTER	929,445	907,601	648,757	818,473	842,419
	57 COMMUNITY PARK	33,499	47,937	387	15,000	15,000
	80 TRANSFERS OUT	10,500	13,000	13,000	13,000	13,000
Total		\$ 2,827,931	\$ 2,713,966	\$ 2,190,783	\$ 2,648,487	\$ 2,626,639

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	(821,574)	(421,151)	143,911	168,821	106,130
	Beginning Balance	928,057	94,864	(314,670)	(314,670)	(145,849)
	Ending Balance	106,483	(326,287)	(170,759)	(145,849)	(39,719)
Ending Balance as % of Expenditures		3.77%	-12.02%	-7.79%	-5.51%	-1.51%

GOLF COURSE FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	GOLF COURSE REVENUE	80,974	72,743	76,965	76,431	78,164
	Total	\$ 80,974	\$ 72,743	\$ 76,965	\$ 76,431	\$ 78,164

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
39	GOLF COURSE	135,276	145,855	3,139	45,000	40,550
80	TRANSFERS OUT	3,000	7,000	7,000	7,000	7,000
	Total	\$ 138,276	\$ 152,855	\$ 10,139	\$ 52,000	\$ 47,550

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	(57,302)	(80,112)	66,826	24,431	30,614
	Beginning Balance	94,505	37,204	(42,896)	(42,896)	(18,465)
	Ending Balance	37,204	(42,908)	23,929	(18,465)	12,149
	Ending Balance as % of Expenditures	26.91%	-28.07%	236.01%	-35.51%	25.55%

SANITATION FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	Garbage Collection	1,511,231	1,884,439	1,832,638	1,561,158	1,736,158
	Other	603	1,523	1,230	3,841	3,841
	Interest	32	163	126	-	-
	Total	\$ 1,511,867	\$ 1,886,125	\$ 1,833,995	\$ 1,564,999	\$ 1,739,999

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
	2 ADMINISTRATION	6,200	68,557	35,470	51,588	42,433
	11 REFUSE SERVICE	1,229,759	1,717,361	1,548,401	1,250,000	1,250,000
	12 STREET MAINTENANCE	-	-	146,253	300,000	200,000
	43 NON-DEPARTMENTAL	57,769	70,504	94,163	60,000	70,000
	Total	\$ 1,293,727	\$ 1,856,423	\$ 1,824,287	\$ 1,661,588	\$ 1,562,433

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	218,140	29,702	9,708	(96,589)	177,566
	Beginning Balance	(130,160)	87,980	117,682	117,682	21,093
	Ending Balance	87,980	117,682	127,390	21,093	198,659
	Ending Balance as % of Expenditures	6.80%	6.34%	6.98%	1.27%	12.71%

E-911 FUND

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	E911 INCOME	250,181	305,005	271,645	256,000	256,000
	INTEREST	1,086	188	26	984	984
	LEASE REVENUE	265,987	-	-	-	-
	Total	\$ 517,257	\$ 305,193	\$ 271,671	\$ 256,984	\$ 256,984

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
47 9-1-1-E		1,015,407	640,181	88,253	133,565	142,727
50 DEBT SERVICE		-	-	-	-	-
80 TRANSFERS OUT		-	-	-	-	-
	Total	\$ 1,015,407	\$ 640,181	\$ 88,253	\$ 133,565	\$ 142,727

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	(498,151)	(334,987)	183,417	123,419	114,257
	Beginning Balance	862,966	364,815	29,828	29,828	153,247
	Ending Balance	364,815	29,828	213,245	153,247	267,504
	Ending Balance as % of Expenditures	35.93%	4.66%	241.63%	114.74%	187.42%

LANCASTER HOUSING AGENCY-HUD

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
0	ADMINISTRATIVE REVENUE	992,143	871,533	760,549	892,270	892,270
25	ADMINISTRATIVE REVENUE	-	-	33,300	-	-
71	HAP PAYMENT REVENUE	7,248,876	7,943,098	7,325,711	7,500,000	7,500,000
Total		\$ 8,241,019	\$ 8,814,631	\$ 8,119,560	\$ 8,392,270	\$ 8,392,270

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
25	HOUSING ADMINISTRATION	766,301	805,338	589,855	854,901	748,829
71	HOUSING ASSISTANCE PAYMENTS	7,458,536	7,721,244	7,236,384	7,500,000	7,500,000
80	TRANSFERS OUT	60,967	62,000	62,000	62,000	62,000
Total		\$ 8,285,804	\$ 8,588,582	\$ 7,888,239	\$ 8,416,901	\$ 8,310,829

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	(44,784)	226,049	231,321	(24,631)	81,441
	Beginning Balance	662,587	609,454	960,292	960,292	935,661
	Ending Balance	617,802	835,503	1,191,613	935,661	1,017,102
Ending Balance as % of Expenditures		7.46%	9.73%	15.11%	11.12%	12.24%

LANCASTER HOUSING AGENCY-DHAP

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	0 Administrative Revenue	54,047	1,726	-	-	-
	71 HAP Payment Revenue	161,600	-	-	-	-
	Total	\$ 215,647	\$ 1,726	\$ -	\$ -	\$ -

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
	25 DHAP ADMINISTRATION	119,646	94,091	-	-	-
	71 DHAP HOUSING ASSISTANCE PMTS	146,785	57,497	-	-	-
	80 TRANSFERS OUT	6,200	-	-	-	-
	Total	\$ 272,631	\$ 151,588	\$ -	\$ -	\$ -

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	(56,984)	(149,862)	-	-	-
	Beginning Balance	339,409	282,425	(27)	(27)	(27)
	Ending Balance	282,425	132,563	(27)	(27)	(27)
	Ending Balance as % of Expenditures	103.59%	87.45%	#DIV/0!	#DIV/0!	#DIV/0!

STORM WATER DRAINAGE

REVENUES		2009	2010	2011		2012
Department No	Revenue Source	Actual	Actual	Year to Date	Budget	Proposed
	0 Drainage Fee	923,124	1,079,539	1,091,856	1,250,000	1,260,000
	4 Grant Income	-	299,500	684,138	-	-
	Total	\$ 924,929	\$ 1,379,096	\$ 1,775,994	\$ 1,250,000	\$ 1,260,000

EXPENDITURES		2009	2010	2011		2012
Department No		Actual	Actual	Year to Date	Budget	Proposed
	2 ADMINISTRATION	-	3,440	59,528	-	-
	4 STORMWATER OPERATIONS	798,426	1,073,855	1,273,348	1,409,980	862,797
	22 NON-DEPARTMENTAL	29,485	187,257	-	-	-
	50 STORM WATER DEBT SERVICE	51,038	50,038	49,013	50,013	48,013
	80 TRANSFERS OUT	39,680	42,000	42,000	42,000	42,000
	Total	\$ 918,629	\$ 1,356,590	\$ 1,423,889	\$ 1,501,993	\$ 952,810

BALANCES		2009	2010	2011		2012
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	6,300	22,506	352,106	(251,993)	307,190
	Beginning Balance	238,224	244,525	267,031	267,031	15,038
	Ending Balance	244,525	267,031	619,136	15,038	322,228
	Ending Balance as % of Expenditures	26.62%	19.68%	43.48%	1.00%	33.82%

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

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AG11-008

Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Mills Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and effective date.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 2: Quality Development

Goal 3: Healthy, Safe, & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Lancaster Mills is a subdivision of approximately 60.59 acres located north of Beltline Road and east of the Homestead Addition, south of Redbud Drive and west of the Pecan Hollow Estates Addition. These subdivisions have an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a maintenance budget. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. As this district is currently undeveloped, the PID board has proposed an assessment plan at a rate of \$0.00 per \$100 assessed valuation as there are no budgeted expenses for the 2011/2012 fiscal year.

Considerations

- **Operational** - All PID's require the Finance Department maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code compliance action.

- **Legal** - The public hearing was noticed and conducted in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and have been reviewed by the City Attorney. The ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for homeowner's associations. They are considered to be a more equitable means of collecting homeowners' association dues. The 2011/2012 proposed service plan budget is \$0.00 and assessments are proposed to be at \$0.00 per \$100 assessed valuation. There are currently no homes constructed at this time.
- **Public Information** - City Council conducted the required public hearing on August 8, 2011. The public hearing was posted in the local publication of record as required by Local Government Code Chapter 372 on Sunday, July 24, 2011.

Options/Alternatives

1. Council may adopt the ordinance as presented.
2. Council may deny the ordinance and direct staff.

Recommendation

Staff recommends adoption of the ordinance as presented.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared and submitted by:

Opal Mauldin Robertson, City Manager

Date: August 9, 2011

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE LANCASTER MILLS PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2007-02-17 passed on February 12, 2007, after the conduct of a duly notified public hearing, the City Council established the Glendover Estates Public Improvement District (the "District"); and

WHEREAS, on August 8, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 8th day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the

property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment shall not exceed \$0.00 per \$100 of valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 22nd day of August 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

Lancaster Mills PID Proposed Service and Assessment Plan

Service Plan	Item	Budget For FY Ending Sept. 30, 2012				
		2012	2013	2014	2015	
Administrative services	Management fees	\$0	\$0	\$14,000	\$15,500	
	Professional fees	\$0	\$0	\$3,500	\$3,500	
	Supplies	\$0	\$0	\$1,000	\$1,100	
	Insurance	\$0	\$0	\$3,200	\$3,600	
	Taxes	\$0	\$0	\$200	\$200	
	Miscellaneous	\$0	\$0	\$1,400	\$1,500	
	Landscaping	General maintenance	\$0	\$0	\$25,000	\$27,000
		Utilities	\$0	\$0	\$18,000	\$19,000
		Irrigation maintenance and repair	\$0	\$0	\$600	\$700
		Service plan total budget	\$0	\$0	\$66,900	\$72,100
					\$721	\$74,263

Assessment Plan	For Tax Year Based on Appraisals as of August 1, 2012			
	2012	2013	2014	2015
Lots with completed homes				
Est. mean appraised market value per home	N.A.	\$162,000	\$166,860	\$171,866
Market appraisal	\$0	\$0	\$5,005,800	\$17,186,580
Assessment rate per \$100 of market	N.A.	N.A.	\$0.2900	\$0.2500
Assessment	N.A.	\$0	\$14,517	\$42,966
<i>Estimated mean assessment per home</i>	N.A.	N.A.	\$484	\$430
Lots without completed home				
Est. mean appraised market value per lot	N.A.	\$25,000	\$25,750	\$26,523
Market appraisal (DCAD actual for 2012)	\$1,092,240	\$1,085,580	\$6,875,250	\$5,224,933
Assessment rate per \$100 of market	N.A.	\$0	\$0.8000	\$0.7000
Assessment	N.A.	\$0	\$55,002	\$36,575
<i>Estimated mean assessment per lot</i>	N.A.	\$0	\$206	\$186
Common areas or parks				
Assessment rate per \$100 of market	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Assessment	\$0	\$0	\$0	\$0
Total assessments and installments this FY	N.A.	\$0	\$69,519	\$79,541
Estimated collection factor	98%	98%	98%	98%
Collected assessments	N.A.	\$0	\$68,128	\$77,950
Plus reserve carried forward				
Total available funds	\$0	\$0	\$0	\$1,228
Less service plan total budget	\$0	\$0	\$68,128	\$79,179
Reserve carried to next year	\$0	\$0	\$66,900	\$72,100
	\$0	\$0	\$1,228	\$7,079
				\$8,700

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

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AG11-009

Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Rolling Meadows Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and effective date.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 2: Quality Development

Goal 3: Healthy, Safe, & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Rolling Meadows is an established subdivision consisting of approximately 38.8 acres generally located on the east and west side of Rolling Hills Place and on the North side of Beltline Road. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a maintenance budget. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City will maintain these funds in accordance with the "Act" and disperse the income on a reimbursement basis according to the approved budget.

The Rolling Meadows PID is proposing an annual assessment of \$0.23 per \$100 assessed value.

Considerations

- **Operational** - All PID's require the Finance Department maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code compliance action.
- **Legal** - The public hearing was noticed and conducted in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and have been reviewed by the City Attorney. The ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for homeowner's associations. They are considered to be a more equitable means of collecting homeowners' association dues. The 2011/2012 proposed service plan budget is \$30,867.40 and assessments are proposed at \$0.23 per one hundred dollars assessed valuation.
- **Public Information** - City Council conducted the required public hearing on August 8, 2011. The public hearing was posted in the local publication of record as required by Local Government Code Chapter 372 on Sunday, July 24, 2011.

Options/Alternatives

1. Council may adopt the ordinance as presented.
2. Council may deny the ordinance and direct staff.

Recommendation

Staff recommends adoption of the ordinance as presented.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 9, 2011

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE ROLLING MEADOWS PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2008-08-77 passed on August 25, 2008, after the conduct of a duly notified public hearing, the City Council established the Rolling Meadows Public Improvement District (the "District"); and

WHEREAS, on August 8, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 8th day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the

property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment shall not exceed \$0.23 per \$100 of valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 22nd day of August 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

Rolling Meadows HOA 2012-2016 PID Budget

	2012	2013	2014	2015	2016
Revenues					
Assessments	34,043.60	34,043.60	34,043.60	34,043.60	34,043.60
Income totals	34,043.60	37,219.80	40,396.00	43,572.20	46,748.40
EXPENSES					
Administration					
Less: Bad Debt	600.00	600.00	600.00	600.00	600.00
Dallas County Collection Services	410.00	410.00	410.00	410.00	410.00
Tax Return	50.00	50.00	50.00	50.00	50.00
Legal Fees	500.00	500.00	500.00	500.00	500.00
Newsletter	120.00	120.00	120.00	120.00	120.00
Copies	240.00	240.00	240.00	240.00	240.00
WebHosting	240.00	240.00	240.00	240.00	240.00
Postage	600.00	600.00	600.00	600.00	600.00
Post Office Box	60.00	60.00	60.00	60.00	60.00
Supplies	600.00	600.00	600.00	600.00	600.00
Meeting Expenses	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00
Storage	385.00	385.00	385.00	385.00	385.00
Administration totals	4,885.00	4,885.00	4,885.00	4,885.00	4,885.00
Taxes & Insurance					
Income Taxes	0.00	0.00	0.00	0.00	0.00
Property Tax	0.00	0.00	0.00	0.00	0.00
Property & Liability	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00
Directors & Officers	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Taxes & Insurance totals	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00
Community Relations					
Social Events/Holiday	950.00	950.00	950.00	950.00	950.00
Donations	390.00	390.00	390.00	390.00	390.00
Subscriptions	200.00	200.00	200.00	200.00	200.00
Education	200.00	200.00	200.00	200.00	200.00
Travel	200.00	200.00	200.00	200.00	200.00
Community Relations totals	1,940.00	1,940.00	1,940.00	1,940.00	1,940.00
Landscaping					
Landscape Contract	7,800.00	7,800.00	7,800.00	7,800.00	7,800.00
Irrigation Repairs	900.00	900.00	900.00	900.00	900.00
Non-Contract Mowing	1,525.00	1,525.00	1,525.00	1,525.00	1,525.00
Landscaping totals	10,225.00	10,225.00	10,225.00	10,225.00	10,225.00
Common Area Repairs/Upgrades					
Lighting/Misc Repairs	475.00	475.00	475.00	475.00	475.00
Community Improvement Projects	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Pest Control	302.40	302.40	302.40	302.40	302.40
Common Area Repairs totals	4,777.40	4,777.40	4,777.40	4,777.40	4,777.40
Utilities					
Electric	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
Water	3,340.00	3,340.00	3,340.00	3,340.00	3,340.00
Utilities totals	5,740.00	5,740.00	5,740.00	5,740.00	5,740.00
Total expenses	30,867.40	30,867.40	30,867.40	30,867.40	30,867.40
Cash short/extra	3,176.20	6,352.40	9,528.60	12,704.80	15,881.00

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

10
AG11-010

Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Tribute at Mills Branch and Tribute East at Mills Branch Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and effective date.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 2: Quality Development

Goal 3: Healthy, Safe, & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Tribute at Mills Branch is a subdivision of approximately 42.7 acres located south of Beltline Road and east of Southwood Drive and Tribute East at Mills Branch (291 North Blue Grove Road); of approximately 4.64 acres, located south of Beltline Road on the west side of North Bluegrove Road. These subdivisions have an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a maintenance budget. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. As this district is not completed, the PID board has proposed an assessment plan for lots with completed homes at a rate of \$.30 per \$100 assessed valuation and lots without completed homes at \$.80 per \$100 assessed valuation.

Considerations

- **Operational** - All PID's require the Finance Department maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code compliance action.
- **Legal** - The public hearing was noticed and conducted in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and have been reviewed by the City Attorney. The ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for homeowner's associations. They are considered to be a more equitable means of collecting homeowners' association dues. The 2011/2012 proposed service plan budget is \$35,478.38 and assessments are proposed at \$0.30 (lots with homes) per one hundred dollars assessed valuation and \$0.80 (lots without homes) per one hundred dollars assessed valuation.
- **Public Information** - City Council conducted the required public hearing on August 8, 2011. The public hearing was posted in the local publication of record as required by Local Government Code Chapter 372 on Sunday, July 24, 2011.

Options/Alternatives

1. Council may adopt the ordinance as presented.
2. Council may deny the ordinance and direct staff.

Recommendation

Staff recommends adoption of the ordinance as presented.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 9, 2011

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE TRIBUTE AT MILLS BRANCH AND TRIBUTE EAST AT MILLS BRANCH PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2006-03-28 passed on March 27, 2006, after the conduct of a duly notified public hearing, the City Council established the Glendover Estates Public Improvement District (the "District"); and

WHEREAS, on August 8, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 8th day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said

final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment shall not exceed \$0.30 (lots with homes) per \$100 of assessed valuation and \$0.80 (lots without homes) per \$100 assessed valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 22nd day of August 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

11

AG11-011

Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Glendover Estates Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and effective date.

This request supports the City Council 2010-2011 Policy Agenda

Goal 2: Quality Development

Goal 3: Healthy, Safe, & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Glendover Estates is an established subdivision of approximately 29.56 acres generally located south of Pleasant Run Road and west of Houston School Road. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a maintenance budget. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City will maintain these funds in accordance with the "Act" and will disperse the income on a reimbursement basis according to the approved budget.

The Glendover Estates PID is proposing an annual assessment of \$0.22 per \$100 assessed value.

Considerations

- **Operational** - All PID's require the Finance Department maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code compliance action.
- **Legal** - The public hearing was noticed and conducted in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and have been reviewed by the City Attorney. The ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for homeowner's associations. They are considered to be a more equitable means of collecting homeowners' association dues. The 2011/2012 proposed service plan budget is \$36,813.26 and assessments are proposed at \$0.22 per one hundred dollars assessed valuation.
- **Public Information** - City Council conducted the required public hearing on August 8, 2011. The public hearing was posted in the local publication of record as required by Local Government Code Chapter 372 on Sunday, July 24, 2011.

Options/Alternatives

1. Council may adopt the ordinance as presented.
2. Council may deny the ordinance and direct staff.

Recommendation

Staff recommends adoption of the ordinance as presented.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 9, 2011

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE GLENDOVER ESTATES PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2006-09-76 passed on September 25, 2006, after the conduct of a duly notified public hearing, the City Council established the Glendover Estates Public Improvement District (the "District"); and

WHEREAS, on August 8, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 8th day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the

property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment shall not exceed \$0.22 per \$100 of valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 22nd day of August 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

Glendover Estates PID

DESCRIPTION	2012	2013	2014	2015	2016
INCOME					
PID Assessment Income	23,284.00	29,353.08	32,030.00	33,373.00	33,523.00
Previous Year Surplus (funds not spent)	5,548.00				
Tax Rebate 'roll over'	7,981.86	2,490.92			
Total Income:	36,813.86	31,844.00	32,030.00	33,373.00	33,523.00
OPERATING EXPENSES					
Professional & Administrative					
Management Fees	6,900.00	6,900.00	6,900.00	6,900.00	6,900.00
Professional Fees	300.00	330.00	363.00	399.00	399.00
Legal Fees	500.00	500.00	500.00	500.00	500.00
Bank Charges	0.00	200.00	0.00	200.00	0.00
Storage	180.00	180.00	180.00	180.00	180.00
Office Supplies, Postage	525.00	525.00	525.00	525.00	525.00
Copies	180.00	198.00	218.00	240.00	240.00
Community Mailing	105.00	116.00	127.00	140.00	140.00
Annual Meeting or Misc.	250.00	250.00	250.00	250.00	250.00
Total Professional & Admin:	8,940.00	9,199.00	9,063.00	9,334.00	9,134.00
Insurance					
Package	1,821.00	1,876.00	1,932.00	1,990.00	2,050.00
Crime					
Tax - Property, Franchise, Income	50.00	50.00	50.00	50.00	50.00
Total Taxes & Insurance:	1,871.00	1,926.00	1,982.00	2,040.00	2,100.00
Utilities					
Electric	900.00	945.00	992.00	1,042.00	1,094.00
Water & Sewer	2,925.00	2,966.00	3,115.00	3,270.00	3,434.00
Total Utilities:	3,825.00	3,911.00	4,107.00	4,312.00	4,528.00
Landscape & Common Area Maintenance					
Landscape Maintenance	10,875.00	11,419.00	11,419.00	11,990.00	11,990.00
Common Area mows	2,271.00	2,339.00	2,409.00	2,482.00	2,556.00
Irrigation Repair	2,500.00	1,650.00	1,650.00	1,815.00	1,815.00
Landscape Improvement	200.00	200.00	200.00	200.00	200.00
Landscape Repair & Replacement	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Electrical Repairs	300.00	200.00	200.00	200.00	200.00
Wall Repairs	5,031.26				
Total Landscape & Common Area:	22,177.26	16,808.00	16,878.00	17,687.00	17,761.00
TOTAL OPERATING EXPENSES:	36,813.26	31,844.00	32,030.00	33,373.00	33,523.00

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

12

AG11-012

Discuss and consider an ordinance of the City of Lancaster, Texas, making certain findings in connection with the proposed supplemental services ordered in connection with the Beltline Ashmoore Public Improvement District, providing for: findings of benefits accrued, accepting five year service plan, recording final assessment onto tax roll, setting the assessment levy, establishing a method of payment, assessment due, and providing clauses for conflict, severability and effective date.

This request supports the City Council 2010-2011 Policy Agenda

Goal 2: Quality Development

Goal 3: Healthy, Safe, & Vibrant Neighborhoods

Goal 6: Civic Engagement

Background

Beltline Ashmoore is an established subdivision consisting of approximately 19.42 acres generally located on the north side of Beltline Road between Houston School Road and Blue Grove. These subdivisions have an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a maintenance budget. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City will maintain these funds in accordance with the "Act" and will disperse the income on a reimbursement basis according to the approved budget.

The Beltline Ashmoore PID is proposing an annual assessment of \$0.15 per \$100 assessed value.

Considerations

- **Operational** - All PID's require the Finance Department maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code compliance action.
- **Legal** - The public hearing was noticed and conducted in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and have been reviewed by the City Attorney. The ordinance has been reviewed and approved as to form by the City Attorney.
- **Financial** - The PID is not expecting to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for homeowner's associations. They are considered to be a more equitable means of collecting homeowners' association dues. The 2011/2012 proposed service plan budget is \$18,587.00 and assessments are proposed at \$0.15 per one hundred dollars assessed valuation.
- **Public Information** - City Council conducted the required public hearing on August 8, 2011. The public hearing was posted in the local publication of record as required by Local Government Code Chapter 372 on Sunday, July 24, 2011.

Options/Alternatives

1. Council may adopt the ordinance as presented.
2. Council may deny the ordinance and direct staff.

Recommendation

Staff recommends adoption of the ordinance as presented.

Attachments

- Ordinance
- Service and Assessment Plan

Prepared and submitted by:
Opal Mauldin Robertson, City Manager

Date: August 9, 2011

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE BELTLINE ASHMOORE PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, by Resolution No. 2010-12-96 passed on December 13, 2010, after the conduct of a duly notified public hearing, the City Council established the Glendover Estates Public Improvement District (the "District"); and

WHEREAS, on August 8, 2011 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 8th day of August, 2011, the City Council closed the public hearing; and levied assessments against property and the owners thereof in the District; and

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

SECTION 1 - BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2 - ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3 - RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and his designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the

property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4 – PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment shall not exceed \$0.15 per \$100 of valuation through the assessment established for 2011/2012; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5 - ASSESSMENT LEVY: That for 2011/2012 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6 - METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7 - ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8 - CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9 - SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 22nd day of August 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT "A"
SERVICE AND ASSESSMENT PLAN

Beltline Ashmoore Estates Public Improvement District Service and Assessment Plan

	2011 - 2012	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016
Rate per \$100.00	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Revenues					
Assessments	\$ 18,748.49	\$ 18,748.49	\$ 18,748.49	\$ 18,748.49	\$ 18,748.49
Less: Bad Debts	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital Assessments	\$ -	\$ 161.49	\$ 322.98	\$ 484.47	\$ 645.96
Income Totals	\$ 18,748.49	\$ 18,909.98	\$ 19,071.47	\$ 19,232.96	\$ 19,394.45
Expenses/Administration					
Tax Return	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Legal Fees	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Newsletter	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Copies	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Web Hosting	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Postage	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Post Office Box	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00
Supplies	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Meeting Expenses	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00
Admininstration Totals	\$ 3,360.00				
Taxes and Insurance					
Income Taxes	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Property Tax	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Property & Liability	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Directors & Officers	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
Taxes and Insurance Totals	\$ 2,402.00				
Landscaping					
Landscaping Contract	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00
Irrigation Repairs	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Landscaping Totals	\$ 5,800.00				
Common Area Repairs					
Light/Misc Repairs					
Brick Wall Repairs	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Common Area Repairs Totals	\$ 1,500.00				
Utilities					
Electric	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00
Water	\$ 1,865.00	\$ 1,865.00	\$ 1,865.00	\$ 1,865.00	\$ 1,865.00
Utilities Totals	\$ 2,825.00				
Neighborhood Committee Events					
Beautification Committee	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Special Events	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Neighborhood Committee Events Tot	\$ 2,700.00				
Total Expenses	\$ 18,587.00				
Cash short/extra	\$ 161.49	\$ 322.98	\$ 484.47	\$ 645.96	\$ 807.45

LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

13

AG11-013

Receive a presentation from First Southwest Company on funding options; discuss and consider a resolution of the City Council of the City of Lancaster, Texas, approving and authorizing publication of a Notice of Intention to Issue Certificates of Obligation in an amount not to exceed \$8,000,000; providing a repealing clause; providing a severability clause; and providing an effective date.

This request supports the City Council 2010-2011 Policy Agenda.

Goal 1: Financially Sound City Government
Goal 5: Sound Infrastructure

Background

During the 2010 Texas Commission on Environmental Quality (TCEQ) water system inspection, it was noted that we failed to meet the required elevated storage in relation to our current service connections. The prior inspection performed by TCEQ was in 2006. During the years of 2006 through 2009, the City of Lancaster experienced extreme growth adding approximately 3,000 additional connections to our existing system. In doing so, this put our system in violation of the TCEQ's Minimum Water System Capacity Requirements. The requirement states there must be an elevated storage capacity of 100 gallons per connection for each pressure plane. Our system failed for the Upper Pressure Plane. The system has 1.0 million gallons (MG) elevated storage tank capacity. The system is required to provide at least 1.178 MG of elevated storage tank capacity based on the number of connections on the day of the investigation (11,782 connections X 100 = 1.178MG).

In 2007, the City of Lancaster adopted a Water Master Plan which identifies the need to build an elevated storage tank. Funding the Master Plan has been challenging. Based on the violation issued, the City must construct the required elevated storage tank capacity to provide 100 gallons per connection in the Upper Pressure Plane. The project must be completed and functional by October, 2013. In an effort to meet the required timeline, staff contacted First Southwest to begin the process for obtaining funding.

Considerations

- **Operational** – Approving the resolution is the first step in the process of selling Certificate of Obligation bonds. When approved, staff will work with First Southwest to compile information for the Official Statement.

- **Legal** - The resolution has been prepared by our bond council, West & Associates, LLP.
- **Financial** – The bond sale is required to fulfill obligations and commitments of the City for the water/waste water project. Certificates of Obligation in an amount not to exceed \$8,000,000 should cover all related costs and fees for issuance.
- **Public Information** – Publishing the Notice of Intention to Issue Certificates of Obligations is required and will be advertised in the newspaper of record in accordance with applicable Local Government Code.

Options/Alternatives

1. Approve the resolution as presented.
2. Reject the resolution.

Recommendation

Staff recommends approval of the resolution authorizing the Notice of Intention to Issue Certificates of Obligation with the project language inserted.

Attachments

- Resolution with Notice of Intent
- First Southwest's presentation on funding options
- Timetable

Prepared and submitted by:
Sheree Haynes, Finance Director

Date: August 15, 2011

RESOLUTION NO. 2011-08-71

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING AND AUTHORIZING PUBLICATION OF A NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION IN AN AMOUNT NOT TO EXCEED \$8,000,000; PROVIDING FOR THE REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT; PROVIDING FOR SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lancaster, Texas, has determined that certificates of obligation should be issued under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271 (the 'Act'), for the purpose of paying contractual obligations to be incurred; to pay all or any part of the contractual obligations to be incurred for the construction of public works, and for the purchase of materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes, to wit: (a) expanding and improving the water and wastewater system; (b) design, construction and the equipping thereof of an elevated storage tank, including drainage improvements incidental thereto, and the acquisition of land and rights-of-way in connection therewith, to be located in the 792 Pressure Plane as described in the City's Water Master Plan which is available for public inspection at City Hall; (c) construction, improvements and replacement of certain waterlines throughout the city, including the Martin Berry Waterline, the 3rd Street Water Line and the Lexington Waterline; (d) certain water and sewer design, construction, renovation, and improvements within the City, and the equipping thereof, including the Keller Branch interceptor; and (2) payment for professional services rendered in connection with the above listed projects; and such certificates shall be payable from ad valorem taxes and a limited (in an amount not to exceed \$1,000) junior and subordinate pledge of the surplus net revenues of the City's combined Waterworks and Sewer System (the "System") remaining after payment of operating and maintenance expenses of the System and payments for "Prior Lien Obligations" (as defined in said ordinance). The certificates are to be issued, and this notice is given, under and pursuant to the Act; and

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in accordance with the provisions of the Act;

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

SECTION 1. The City Secretary is hereby authorized and directed to cause notice to be published of the Council's intention to issue certificates of obligation during a meeting scheduled to begin at 7:00 P.M. on the 26th day of September, 2011, which certificates of obligation shall be issued in a principal amount not to exceed \$8,000,000 for the purpose of paying contractual obligations to be incurred (1) to pay all or any part of the contractual obligations to be incurred for the construction of public works, and for the purchase of materials, supplies, equipment, machinery, buildings, land and rights-of-

way for authorized needs and purposes, to wit; (a) expanding and improving the water and wastewater system; (b) design, construction and the equipping thereof of an elevated storage tank, including drainage improvements incidental thereto, and the acquisition of land and rights-of-way in connection therewith, to be located in the 792 Pressure Plane as described in the City's Water Master Plan which is available for public inspection at City Hall; (c) construction, improvements and replacement of certain waterlines throughout the city, including the Martin Berry Waterline, the 3rd Street Water Line and the Lexington Waterline; (d) certain water and sewer design, construction, renovation, and improvements within the City, and the equipping thereof, including the Keller Branch interceptor; and (2) payment for professional services rendered in connection with the above listed projects; and such certificates shall be payable from ad valorem taxes and a limited (in an amount not to exceed \$1,000) junior and subordinate pledge of the surplus net revenues of the City's combined Waterworks and Sewer System (the "System") remaining after payment of operating and maintenance expenses of the System and payments for "Prior Lien Obligations" (as defined in said ordinance). The certificates are to be issued, and this notice is given, under and pursuant to the Act. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

SECTION 2. The City Secretary shall cause the aforesaid notice to be published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of the first publication to be before the 30th day before the date tentatively set for the passage of the ordinance authorizing the issuance of the certificates of obligation.

SECTION 3. It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by V.T.C.A., Government Code, Chapter 551, as amended.

SECTION 4. All resolutions of the City of Lancaster heretofore adopted which are in conflict with the provisions of this resolution are hereby repealed, and all resolutions of the City of Lancaster not in conflict with the provisions hereof shall remain in full force and in effect.

SECTION 5. If any article, paragraph, subdivision, clause or provision of this resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

SECTION 6. This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY ORDERED and approved by the City Council of the City of Lancaster, Texas, this the 22nd day of August 2011.

APPROVED:

MARCUS E. KNIGHT, MAYOR

ATTEST:

DOLLE K. DOWNE, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CITY OF LANCASTER, TEXAS CERTIFICATES OF OBLIGATION

TAKE NOTICE that the City Council of the City of Lancaster, Texas (the "City"), shall convene at 7:00 o'clock P.M. on the 26th day of September, 2011, at City Hall, 211 North Henry, Lancaster, Texas, and during such meeting, the City Council will consider the passage of an ordinance authorizing the issuance of certificates of obligation in an amount not to exceed \$8,000,000 for the purpose of paying contractual obligations to be incurred; (1) to pay all or any part of the contractual obligations to be incurred for the construction of public works, and for the purchase of materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes, to wit; (a) expanding and improving the water and wastewater system; (b) design, construction and the equipping thereof of an elevated storage tank, including drainage improvements incidental thereto, and the acquisition of land and rights-of-way in connection therewith, to be located in the 792 Pressure Plane as described in the City's Water Master Plan which is available for public inspection at City Hall; (c) construction, improvements and replacement of certain waterlines throughout the city, including the Martin Berry Waterline, the 3rd Street Water Line and the Lexington Waterline; (d) certain water and sewer design, construction, renovation, and improvements within the City, and the equipping thereof, including the Keller Branch interceptor; and (2) payment for professional services rendered in connection with the above listed projects; and such certificates shall be payable from ad valorem taxes and a limited (in an amount not to exceed \$1,000) junior and subordinate pledge of the surplus net revenues of the City's combined Waterworks and Sewer System (the "System") remaining after payment of operating and maintenance expenses of the System and payments for "Prior Lien Obligations" (as defined in said ordinance). The certificates are to be issued, and this notice is given, under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271.

Dolle K. Downe
City Secretary
City of Lancaster, Texas



David Medanich

Vice Chairman

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Vice President

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Funding Options and Financing Overview

August 22, 2011

City of Lancaster, Texas

Funding Options – Revenue Bonds

- Revenue Bonds – City pledges to repay bonds with Utility System revenues. Since utility revenues are the only repayment source, investors require covenants such as the following:
 - Debt Service Reserve Fund – Fund which City maintains that is equal to one year's debt service requirement.
 - Rate Covenant – Set utility rates so that net revenues are at least 1.20.
 - Additional Bond Test – Net Revenues will need to be 1.20x coverage of maximum debt service requirements when issuing new bonds.
 - Generally sale at rates 0.15% higher than tax supported debt, however, due current market conditions and the 'bank-qualified' nature of City's upcoming bond issue, the difference is greater than 0.15%.

Funding Options – Certificates of Obligation

- Certificates of Obligation– City pledges to repay bonds with a property tax pledge. Investors view this as the most stable source of repayment. City can repay debt with any lawfully available revenue (Utility Revenues).
 - **Certificates of Obligation (and voted General Obligation Bonds) are the cheapest source of funding for the City.**
 - No Debt Service Reserve Fund is required.
 - No other revenue or additional bond covenants are required.
 - Certificates of Obligation require publication of notice to issue in newspaper of general circulation.
 - Certificates of Obligation can be forced to a vote if at least 5% of the registered voters petition the debt issuance during the required publication period.

Comparison of Funding Options

A FYE	B Certificates of Obligation, Series 2011		C Interest - 4.21%		D Total		E Water and Sewer Revenue Bonds, Series 2011		F Interest - 4.45%		G Total		H Annual Difference
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Annual Difference
2012	\$ 300,000	\$ 267,380	\$ 267,380	\$ 567,380	\$ 335,000	\$ 292,184	\$ 627,184	\$ 335,000	\$ 292,184	\$ 627,184	\$ 59,803		
2013	280,000	285,688	285,688	565,688	300,000	327,953	627,953	300,000	327,953	627,953	62,265		
2014	285,000	280,088	280,088	565,088	305,000	321,653	626,653	305,000	321,653	626,653	61,565		
2015	290,000	274,388	274,388	564,388	315,000	312,198	627,198	315,000	312,198	627,198	62,810		
2016	300,000	265,688	265,688	565,688	325,000	303,220	628,220	325,000	303,220	628,220	62,533		
2017	310,000	256,688	256,688	566,688	330,000	293,958	623,958	330,000	293,958	623,958	57,270		
2018	320,000	247,388	247,388	567,388	340,000	283,728	623,728	340,000	283,728	623,728	56,340		
2019	330,000	237,788	237,788	567,788	355,000	272,338	627,338	355,000	272,338	627,338	59,550		
2020	340,000	225,413	225,413	565,413	365,000	258,670	623,670	365,000	258,670	623,670	58,258		
2021	355,000	211,813	211,813	566,813	380,000	244,618	624,618	380,000	244,618	624,618	57,805		
2022	370,000	197,613	197,613	567,613	395,000	229,988	624,988	395,000	229,988	624,988	57,375		
2023	385,000	183,553	183,553	568,553	410,000	213,793	623,793	410,000	213,793	623,793	55,240		
2024	400,000	168,345	168,345	568,345	430,000	196,368	626,368	430,000	196,368	626,368	58,023		
2025	415,000	151,945	151,945	566,945	450,000	177,663	627,663	450,000	177,663	627,663	60,718		
2026	430,000	134,515	134,515	564,515	470,000	157,413	627,413	470,000	157,413	627,413	62,898		
2027	450,000	115,810	115,810	565,810	490,000	135,793	625,793	490,000	135,793	625,793	59,983		
2028	470,000	95,560	95,560	565,560	515,000	112,273	627,273	515,000	112,273	627,273	61,713		
2029	490,000	73,940	73,940	563,940	540,000	87,295	627,295	540,000	87,295	627,295	63,355		
2030	515,000	50,910	50,910	565,910	565,000	59,755	624,755	565,000	59,755	624,755	58,845		
2031	540,000	26,190	26,190	566,190	595,000	30,940	625,940	595,000	30,940	625,940	59,750		
Totals	\$ 7,575,000	\$ 3,750,698	\$ 3,750,698	\$ 11,325,698	\$ 8,210,000	\$ 4,311,794	\$ 12,521,794	\$ 8,210,000	\$ 4,311,794	\$ 12,521,794	\$ 1,196,096		

Assumptions:

- Both scenarios assume funding \$7.5 million in spendable proceeds.
- Based on interest rates of 8/1/2011 + 0.25% (to allow for interest rate changes between now and expected sale date).
- Water and Sewer Revenue Bond scenario also assumes funding a debt service reserve fund of \$628,000 which is equal to the maximum annual debt service requirement.



Preliminary Timetable

Complete By	Day	Aug-11							Sep-11							Oct-11							Event
		S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
18-Aug-11	Thursday																						Distribute Preliminary Official Statement to City and Bond Counsel
22-Aug-11	Monday																						City Council passes resolution authorizing Notice of Intent Publication for Certificates of Obligation
26-Aug-11	Friday																						First Publication of Notice of Intent to Issue Certificates no later than August 26, 2011 (first publication must be at least 31 days before sale date)
31-Aug-11	Wednesday																						Receive Official Statement information from City and Bond Counsel
2-Sep-11	Friday																						Second Publication of Notice of Intent to Issue Certificates (same day of the week following 1st publication; one week later)
5-Sep-11	Week of																						Rating Agency Conference Calls
14-Sep-11	Wednesday																						Finalize Preliminary Official Statement and distribute through i-Deal Prospectus
26-Sep-11	Monday																						Bond Sale: City Council adopts Bond Ordinance and approves Sale
27-Oct-11	Thursday																						Bond closing and delivery of funds



LANCASTER CITY COUNCIL
Agenda Communication for
August 22, 2011

14
AG11-014

**Discuss and consider appointment of council liaisons to City
Boards and Commissions.**

This request supports the City Council 2010-2011 Policy Agenda.

Goal 6: Civic Engagement

Background

At the July 26, 2011 Special Council meeting, Council tabled the selection of council liaisons to boards and commissions to the August 22 meeting.

Annually, following board and commission appointments, Councilmembers select the boards/commissions that they would like to serve as Council liaison. City Council made board and commissions appointments at the August 8, 2011 meeting.

In accordance with Resolution 2007-09-105, appointments are based on seniority with the most tenured member choosing from the boards/commissions first. Following is a list of councilmembers by seniority:

Councilmember James Daniels
Deputy Mayor Pro Tem Nina Morris
(tie) Councilmembers Walter Weaver, Marco Mejia and Mayor Pro Tem Clyde Hairston
Councilmember Stanley Jaglowski

Prior to council making selections for liaisons, it will be necessary to break the tie to determine the order in which councilmembers will select the board/commission they desire to serve as council liaison.

Considerations

Currently serving as liaisons are the following:

Board/Commission

Airport Board

Animal Shelter Advisory Committee

Councilmember

vacant (formerly Love)

vacant (formerly Love)

Civil Service Commission	Mejia
Economic Development Corporation	Hairston
Historic Landmark Preservation Committee	Weaver
Property Standards and Appeals Board	Mejia
Library Advisory Board	Hairston
Parks and Recreation Advisory Board/ Recreational Development Corp.	Daniels
Planning & Zoning Commission	Daniels
Youth Advisory Committee	Morris
Zoning Board of Adjustment	Morris

Council may break the tie by the method of their choosing or the City Secretary will be prepared with a tie breaking method such as drawing a number. Once the order is determined, each councilmember may pick the board/commission they wish to serve until all boards and commissions have been selected.

Once the slate of council liaisons is formed, a motion (and a second) to approve the appointments as selected, followed by a vote, is appropriate to formalize the selections.

Options/Alternatives

1. Council may formulate a slate of council liaisons and take action to formally appoint said council liaisons.
2. Council may postpone selection of council liaisons and direct staff.

Recommendation

Selection of Council liaisons to boards and commissions is solely at Council's pleasure.

Attachments

- Resolution 2007-09-105

Prepared and submitted by:
Dolle K. Downe, City Secretary

Date: July 28, 2011

RESOLUTION NO. 2007-09-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ESTABLISHING A POLICY FOR COUNCILMEMBERS TO SERVE AS LIAISONS TO ALL BOARDS AND COMMISSIONS OF THE CITY; REPEALING ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is the intention of the City Council of the City of Lancaster to provide effective communication to all the boards and commissions; and

WHEREAS, Councilmembers serving as liaisons to the various City's boards and commissions will be able to provide necessary resources and information to the boards and commissions.

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

Section 1. All City Councilmembers, with the exception of the Mayor, will serve as Council liaisons to all the boards and commissions of the City for a period of one year. Councilmembers will select different boards and/or commissions to serve as liaisons after or around the completion of the boards and commissions appointments in July.

Section 2. Each Councilmember will be allowed to select the board or commission they would like to serve as liaisons to by order of seniority.

Section 3. Each Councilmember may submit a quarterly report to the entire council through the City Secretary on their respective board and/or commission's activity.

Section 4. Councilmembers are strongly encouraged, rather than required, to attend all meetings of their selected boards and/or commissions.

Section 5. Any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed or revoked.

Section 6. Should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

Section 7. This Resolution shall take effective immediately from and after its passage, and it is accordingly so resolved.

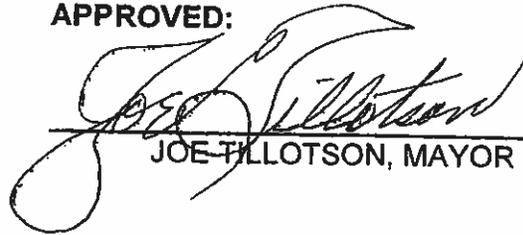
DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 24th day of September 2007.

ATTEST:



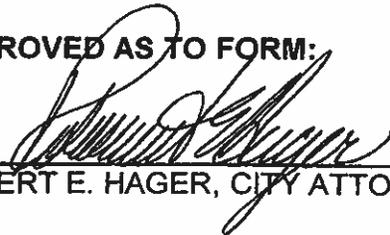
DOLLE K. SHANE, CITY SECRETARY

APPROVED:



JOE TILLOTSON, MAYOR

APPROVED AS TO FORM:



ROBERT E. HAGER, CITY ATTORNEY