



SHADY SHORES TOWN COUNCIL
REGULAR MEETING
FEBRUARY 8, 2016 7:00 PM
SHADY SHORES COMMUNITY CENTER
101 S. SHADY SHORES ROAD

1. CALL TO ORDER
2. ROLL CALL
Establish a quorum.
3. PLEDGE ALLEGIANCE TO THE UNITED STATES FLAG AND THE TEXAS FLAG.
(HONOR THE TEXAS FLAG; I PLEDGE ALLEGIANCE TO THEE, TEXAS, ONE STATE UNDER GOD, ONE AND INDIVISIBLE.)
4. COUNCILMEMBER/COMMITTEE/STAFF REPORTS:
 - 4.I. MONTHLY REPORTS:
 - A. Community Events (Mindy Grimes)
 - B. Keep Shady Shores Beautiful (Ashlea Grimes)
 - C. Animal Control (Grimes)
 - D. Code Enforcement (Grimes)
 - E. Police Report (Haines)
 - F. Fire Report (Woolworth)
 - G. Planning and Zoning Report (Lea)
 - H. Staff Report (Withers)
 - I. Road Repairs and Flooding Issues Update
 - J. Announcements
 1. Last day to sign up for a place on the ballot- February 19, 2016
 2. Town Hall Closed, Monday, February 15, 2016.

Documents: [FIRE DEPARTMENT REPORT JANUARY 2016.PDF](#), [COPY OF SS POLICE ACTIVITY 2015 \(11\).PDF](#)

5. CONSENT AGENDA
Each item listed on the consent agenda is considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.
 - A. January 2016 Financial Reports
 - B. Minutes of the January 11, 2016 Regular Town Council meeting
 - C. Approval of the January 11, 2016 Quarterly Investment Committee Report
 - D. Approval of a Resolution approving the Town of Shady Shores Investment

Policy.

Documents: [CC 1.11.2016.DOCX](#), [1ST QUARTER 2016.PDF](#), [RES2015-_____ INVESTMENT POLICY.DOCX](#), [RESOLUTION 675.PDF](#), [JANUARY 2016 FINANCIAL REPORTS.PDF](#)

6. CITIZENS COMMENTS-PURSUANT TO THE STATE OF TEXAS OPEN MEETINGS STATUTE:
The governing body of the Town of Shady Shores may not take action on items not posted on the agenda. Those items mentioned by citizens may be placed on a future agenda.
7. 2014-2015 AUDITOR'S REPORT
Jerry Eastup with Hankins, Eastup, Deaton, Tonn and Seay will be present to give the 2014/2015 Annual Audit Report for the Town of Shady Shores. Consider and take action on approval of the report.

Documents: [ANNUAL AUDIT 02.08.2016.DOCX](#), [DOC02523220160202075937.PDF](#)
8. CODE ENFORCEMENT SERVICES
Consider and take action relative to accepting a proposal for Code Enforcement Services.

Documents: [CODE ENFORCEMENT SERVICES.PDF](#), [NEC LIST OF SERVICES.PDF](#), [SAMPLE CONTRACT NEC.PDF](#)
9. OAKWOOD CIRCLE DRAINAGE PROJECT
Receive a report from the Town Engineer Richard Arvizu regarding drainage issues on Oakwood Circle. Consider and take action if necessary.

Documents: [OAKWOOD CIRCLE DRAINAGE ISSUES.PDF](#)
10. MEADOWLARK CULVERT
Receive recommendations regarding a culvert located near 303 Meadowlark Lane. Consider and take action relative to the resizing and or repair of the culvert.

Documents: [MEADOWLARK LANE CULVERT.PDF](#)
11. CALLING THE ELECTION
Consider and take action relative to approving an ordinance calling the May 7, 2016 General Election of City Officials.

Documents: [CALLING THE ELECTION 02.08.2016.PDF](#), [SHADYSHORESELECTIONORDER2016.PDF](#), [SPANISH ELECTION ORDER.PDF](#)
12. ELECTION CONTRACT
Consider and take action relative to approving a contract to conduct a joint election with Denton County for the May 7, 2016 General Election.

Documents: [JOINT ELECTION CONTRACT 02.08.2016.PDF](#), [JOINT CONTRACT MAY 2016.PDF](#)
13. FIRE DEPARTMENT CONTRACT
Discuss the Fire Department contract. Give staff direction relative to contract negotiations for Fire Department Services.
14. EXECUTIVE SESSION: Pursuant To The Provisions Of Chapter 551, Texas Government Code, Vernon's Texas Codes Annotated, The Town Council May Hold A Closed Meeting.
 - A. Government Code 551.071-Consultation with Attorney: legal advice and/or pending litigation
 1. Swanson vs Town of Shady Shores
 2. Tuscany Village

3. development regulations of existing lots as affected by zoning regulations, an town avoidance of liability issues.

B. Government Code 551.074- Personnel Matters
to deliberate the appointment, employment, evaluation, reassignment, duties,
discipline or dismissal of a public officer or employee; or to hear a
complaint
or charge against an officer or employee.

1. Discuss the position of the Mayor
ADJOURN

I, Wendy Withers, Town Secretary of the Town of Shady Shores do hereby certify that the above notice of the Regular Council Meeting was posted on the bulletin board at the Community Center, 101 S. Shady Shores Road, Shady Shores, Texas on _____DAY OF _____, AT _____ P.M.

Wendy Withers, Town Secretary

IN ADDITION, A QUORUM OF PLANNING AND ZONING MEMBERS MAY CHOOSE TO ATTEND THE COUNCIL MEETING POSTED ABOVE. THEREFORE, THIS IS A NOTICE OF A PLANNING AND ZONING MEETING AT THE SAME TIME AND PLACE, WITH THE SAME AGENDA AS THE COUNCIL. IN THE EVENT A QUORUM OF P&Z MEMBERS IS PRESENT AT THIS MEETING, NO ACTION OF THE MEMBERS WILL BE TAKEN. THIS NOTICE IS POSTED AT THE TIME STATED ABOVE.

The Town Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed on the agenda as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberation about Real Property), 551.073 (Deliberation about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic Development)



CORINTH POLICE DEPARTMENT



January 2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	0
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	2
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	1
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	0
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	0
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0
TOTAL REPORTED OFFENSES	3

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	75
COMMUNITY POLICING	
Vacation Watches	18
Community Services Programs Presented	-
Community Services Functions Attended	-
Direct Patrol / Park and Walk	145
ARRESTS	
Juvenile	0
Adult	0
Total Arrests	0
INVESTIGATIONS	
New Cases	3
Cases Cleared	2
Cases Declared Inactive	1
Cases Filed	0
TRAFFIC ENFORCEMENT	
Citations - Traffic	23
Citations - Non-Traffic	5
Total Citations	28
Warnings	13
Total Citations / Warnings	41
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	0
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	0
Complaints Received	0
Complaints Substantiated/Sustained	0
Complaints Unsubstantiated / Not Sustained	0



CORINTH POLICE DEPARTMENT



February 2015 Summary

OFFENSES

ACTIVITIES

OFFENSES	
ASSAULTS	
Misdemeanor	0
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	0
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	1
Business / Construction	0
THEFT	
General / Shoplifting	3
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	1
ALCOHOL RELATED	
Driving While Intoxicated	1
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES	
CALLS FOR SERVICE	
Total Calls for Service	87
COMMUNITY POLICING	
Vacation Watches	179
Community Services Programs Presented	0
Community Services Functions Attended	0
Direct Patrol / Park and Walk	153
ARRESTS	
Juvenile	0
Adult	2
Total Arrests	2
INVESTIGATIONS	
New Cases	7
Cases Cleared	1
Cases Declared Inactive	2
TRAFFIC ENFORCEMENT	
Citations - Traffic	22
Citations - Non-Traffic	0
Total Citations	22
Warnings	10
Total Citations / Warnings	32
MOTOR VEHICLE ACCIDENTS	
Offense Related	2
Traffic Accidents - Injury	1
Traffic Accidents - No Injury	1
Total Accidents	2
FALSE ALARMS	
False Alarms	2
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	2
Complaints Received	1
Complaints Substantiated/Sustained	1

TOTAL REPORTED OFFENSES

6

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



March 2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	1
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	0
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	0
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	2
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	69
COMMUNITY POLICING	
Vacation Watches	112
Community Services Programs Presented	0
Community Services Functions Attended	0
Direct Patrol / Park and Walk	144
ARRESTS	
Juvenile	0
Adult	1
Total Arrests	1
INVESTIGATIONS	
New Cases	5
Cases Cleared	1
Cases Declared Inactive	0
TRAFFIC ENFORCEMENT	
Citations - Traffic	12
Citations - Non-Traffic	2
Total Citations	14
Warnings	20
Total Citations / Warnings	34
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	3
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	1
Complaints Received	1
Complaints Substantiated/Sustained	1

TOTAL REPORTED OFFENSES

3

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



APRIL 2015 Summary

OFFENSES

ACTIVITIES

OFFENSES	
ASSAULTS	
Misdemeanor	1
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	0
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	1
Motor Vehicle	1
Business / Construction	1
THEFT	
General / Shoplifting	1
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	1
ALCOHOL RELATED	
Driving While Intoxicated	1
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	1
Poss of Drug Paraphernalia	2
Manuf./ Delivery of Drugs	0

ACTIVITIES	
CALLS FOR SERVICE	
Total Calls for Service	59
COMMUNITY POLICING	
Vacation Watches	31
Community Services Programs Presented	0
Community Services Functions Attended	0
Direct Patrol / Park and Walk	243
ARRESTS	
Juvenile	0
Adult	2
Total Arrests	2
INVESTIGATIONS	
New Cases	13
Cases Cleared	5
Cases Declared Inactive	5
TRAFFIC ENFORCEMENT	
Citations - Traffic	13
Citations - Non-Traffic	1
Total Citations	14
Warnings	19
Total Citations / Warnings	33
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	1
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	4
Complaints Received	1
Complaints Substantiated/Sustained	0

TOTAL REPORTED OFFENSES

10

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



MAY 2015 Summary

OFFENSES

OFFENSES	
ASSAULTS	
Misdemeanor	0
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	1
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	1
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	1
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

ACTIVITIES	
CALLS FOR SERVICE	
Total Calls for Service	114
COMMUNITY POLICING	
Vacation Watches	9
Community Services Programs Presented	0
Community Services Functions Attended	0
Direct Patrol / Park and Walk	185
ARRESTS	
Juvenile	0
Adult	0
Total Arrests	0
INVESTIGATIONS	
New Cases	5
Cases Cleared	1
Cases Declared Inactive	4
TRAFFIC ENFORCEMENT	
Citations - Traffic	11
Citations - Non-Traffic	3
Total Citations	14
Warnings	17
Total Citations / Warnings	0
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	6
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	5
Complaints Received	1
Complaints Substantiated/Sustained	0

TOTAL REPORTED OFFENSES

3

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



June 2015 Summary

OFFENSES

OFFENSES	
ASSAULTS	
Misdemeanor	0
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	2
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	1
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	0
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

ACTIVITIES	
CALLS FOR SERVICE	
Total Calls for Service	74
COMMUNITY POLICING	
Vacation Watches	13
Community Services Programs Presented	
Community Services Functions Attended	
Direct Patrol / Park and Walk	70
ARRESTS	
Juvenile	0
Adult	2
Total Arrests	2
INVESTIGATIONS	
New Cases	3
Cases Cleared	1
Cases Declared Inactive	1
TRAFFIC ENFORCEMENT	
Citations - Traffic	7
Citations - Non-Traffic	0
Total Citations	7
Warnings	5
Total Citations / Warnings	12
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	5
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	6
Complaints Received	1
Complaints Substantiated/Sustained	1

TOTAL REPORTED OFFENSES

3

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



July 2015 Summary

OFFENSES

ACTIVITIES

OFFENSES	
ASSAULTS	
Misdemeanor	0
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	0
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	2
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	1
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES	
CALLS FOR SERVICE	
Total Calls for Service	122
COMMUNITY POLICING	
Vacation Watches	96
Community Services Programs Presented	-
Community Services Functions Attended	-
Direct Patrol / Park and Walk	73
ARRESTS	
Juvenile	0
Adult	1
Total Arrests	1
INVESTIGATIONS	
New Cases	5
Cases Cleared	0
Cases Declared Inactive	2
TRAFFIC ENFORCEMENT	
Citations - Traffic	15
Citations - Non-Traffic	0
Total Citations	15
Warnings	15
Total Citations / Warnings	30
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	8
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	3
Complaints Received	0
Complaints Substantiated/Sustained	0

TOTAL REPORTED OFFENSES

3

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



August 2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	1
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	1
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	3
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	0
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	124
COMMUNITY POLICING	
Vacation Watches	142
Community Services Programs Presented	
Community Services Functions Attended	
Direct Patrol / Park and Walk	111
ARRESTS	
Juvenile	0
Adult	1
Total Arrests	1
INVESTIGATIONS	
New Cases	8
Cases Cleared	0
Cases Declared Inactive	5
TRAFFIC ENFORCEMENT	
Citations - Traffic	5
Citations - Non-Traffic	1
Total Citations	6
Warnings	17
Total Citations / Warnings	23
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	10
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	6
Complaints Received	2
Complaints Substantiated/Sustained	1

TOTAL REPORTED OFFENSES

5

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



September 2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	1
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	0
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	2
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	1
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	90
COMMUNITY POLICING	
Vacation Watches	76
Community Services Programs Presented	-
Community Services Functions Attended	-
Direct Patrol / Park and Walk	118
ARRESTS	
Juvenile	0
Adult	0
Total Arrests	0
INVESTIGATIONS	
New Cases	6
Cases Cleared	1
Cases Declared Inactive	1
TRAFFIC ENFORCEMENT	
Citations - Traffic	15
Citations - Non-Traffic	0
Total Citations	15
Warnings	6
Total Citations / Warnings	21
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	5
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	5
Complaints Received	0
Complaints Substantiated/Sustained	0

TOTAL REPORTED OFFENSES

4

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



October 2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	0
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	1
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	2
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	1
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	1
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	92
COMMUNITY POLICING	
Vacation Watches	1
Community Services Programs Presented	0
Community Services Functions Attended	0
Direct Patrol / Park and Walk	90
ARRESTS	
Juvenile	0
Adult	1
Total Arrests	1
INVESTIGATIONS	
New Cases	8
Cases Cleared	0
Cases Declared Inactive	4
TRAFFIC ENFORCEMENT	
Citations - Traffic	0
Citations - Non-Traffic	0
Total Citations	4
Warnings	3
Total Citations / Warnings	7
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	0
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	0
Complaints Received	0
Complaints Substantiated/Sustained	0

TOTAL REPORTED OFFENSES

4

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



November 2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	0
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	2
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	0
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	1
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	2
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	0
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	0
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	97
COMMUNITY POLICING	
Vacation Watches	116
Community Services Programs Presented	
Community Services Functions Attended	
Direct Patrol / Park and Walk	108
ARRESTS	
Juvenile	0
Adult	2
Total Arrests	2
INVESTIGATIONS	
New Cases	5
Cases Cleared	0
Cases Declared Inactive	1
TRAFFIC ENFORCEMENT	
Citations - Traffic	0
Citations - Non-Traffic	0
Total Citations	7
Warnings	5
Total Citations / Warnings	12
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	0
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	3
Complaints Received	0
Complaints Substantiated/Sustained	0

TOTAL REPORTED OFFENSES

5

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



December 2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	1
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	0
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	1
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	0
BURGLARY	
Residential	0
Motor Vehicle	0
Business / Construction	0
THEFT	
General / Shoplifting	0
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	0
ALCOHOL RELATED	
Driving While Intoxicated	0
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	1
Poss of Drug Paraphernalia	0
Manuf./ Delivery of Drugs	0

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	85
COMMUNITY POLICING	
Vacation Watches	151
Community Services Programs Presented	
Community Services Functions Attended	
Direct Patrol / Park and Walk	59
ARRESTS	
Juvenile	0
Adult	2
Total Arrests	2
INVESTIGATIONS	
New Cases	6
Cases Cleared	0
Cases Declared Inactive	2
TRAFFIC ENFORCEMENT	
Citations - Traffic	0
Citations - Non-Traffic	0
Total Citations	20
Warnings	11
Total Citations / Warnings	31
MOTOR VEHICLE ACCIDENTS	
Offense Related	0
Traffic Accidents - Injury	0
Traffic Accidents - No Injury	0
Total Accidents	0
FALSE ALARMS	
False Alarms	4
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	2
Complaints Received	2
Complaints Substantiated/Sustained	2

TOTAL REPORTED OFFENSES

3

Complaints Unsubstantiated / Not Sustained

0

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CORINTH POLICE DEPARTMENT



2015 Summary

OFFENSES

ASSAULTS	
Misdemeanor	5
Felony	0
FAMILY VIOLENCE ASSAULTS	
Misdemeanor	9
Felony	0
SEXUAL OFFENSES	
Total Sexual Offenses	1
DEATH - CRIMINAL (Homicide / Manslaughter)	
Total Criminal Deaths	0
MOTOR VEHICLE THEFTS	
Total Motor Vehicle Thefts	1
BURGLARY	
Residential	2
Motor Vehicle	2
Business / Construction	1
THEFT	
General / Shoplifting	17
ROBBERY	
Individual	0
Business	0
CRIMINAL MISCHIEF	
Vandalism / Graffiti	8
ALCOHOL RELATED	
Driving While Intoxicated	2
Driving Under Influence - Minor	0
Public Intoxication	0
Other Alcohol Related	0
DRUG RELATED	
Possession of Drugs	3
Poss of Drug Paraphernalia	2
Manuf./ Delivery of Drugs	0

ACTIVITIES

CALLS FOR SERVICE	
Total Calls for Service	600
COMMUNITY POLICING	
Vacation Watches	458
Community Services Programs Presented	-
Community Services Functions Attended	-
Direct Patrol / Park and Walk	1,013
ARRESTS	
Juvenile	0
Adult	14
Total Arrests	14
INVESTIGATIONS	
New Cases	74
Cases Cleared	12
Cases Declared Inactive	28
TRAFFIC ENFORCEMENT	
Citations - Traffic	123
Citations - Non-Traffic	12
Total Citations	166
Warnings	141
Total Citations / Warnings	276
MOTOR VEHICLE ACCIDENTS	
Offense Related	2
Traffic Accidents - Injury	1
Traffic Accidents - No Injury	1
Total Accidents	2
FALSE ALARMS	
False Alarms	44
JUVENILE CURFEW ENFORCEMENT	
Citations	0
Arrests	0
OFFICER CONDUCT	
Commendations Received	37
Complaints Received	9
Complaints Substantiated/Sustained	6

TOTAL REPORTED OFFENSES

52

Complaints Unsubstantiated / Not Sustained

0

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TOWN OF SHADY SHORES
REGULAR TOWN COUNCIL MEETING
JANUARY 11, 2016 7:00 PM
SHADY SHORES COMMUNITY CENTER
101 S. SHADY SHORES ROAD
SHADY SHORES, TX 76208

MINUTES

Cindy Spencer	Mayor	Absent
Cindy Aughinbaugh	Mayor Pro Tem	Present
Charles Grimes	Councilmember	Present
Matthew Haines	Councilmember	Present
Paula Woolworth	Councilmember	Present
Tom Newell	Councilmember	Present

1. CALL TO ORDER

2. ROLL CALL

Establish a quorum.

3. PLEDGE ALLEGIANCE TO THE UNITED STATES FLAG AND THE TEXAS FLAG. (HONOR THE TEXAS FLAG; I PLEDGE ALLEGIANCE TO THEE, TEXAS, ONE STATE UNDER GOD, ONE AND INDIVISIBLE.)

4. COUNCILMEMBER/COMMITTEE/STAFF REPORTS:

4.I. MONTHLY REPORTS:

- A. Community Events (Mindy Grimes)
- B. Keep Shady Shores Beautiful (Ashlea Grimes)
- C. Animal Control (Grimes)
- D. Code Enforcement (Grimes)
- E. Police Report (Haines)
- F. Fire Report (Woolworth)
- G. Planning and Zoning Report (Lea)
- H. Staff Report (Withers)
- I. Road Repairs and Flooding Issues Update
- J. Announcements
 - 1. First day to sign up for a place on the ballot (January 20, 2015)

2. Town Hall Closed, Thurs January 21st and Friday January 22 until noon
staff will be attending the Election Law Seminar.

Documents: [SHADY ANIMAL REPORT DEC 2015.PDF](#), [SHADY SHORES JAN-DEC 2015.PDF](#), [COPY OF SS POLICE ACTIVITY 2015 \(10\).PDF](#)

5. CONSTRUCTION UPDATE I-35 EXPRESS PROJECT

Kimberly Sims, Public Information Manager, AGL Constructors will be present to give an update on construction progress and road conditions.

6. CONSENT AGENDA

Each item listed on the consent agenda is considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

- A. December 2015 Financial Reports
- B. Minutes of the December 14, 2015, Regular Town Council Meeting

Documents: [CC 11.09.2015.PDF](#), [NOVEMBER CHECK REGISTER 2016.PDF](#), [NOVEMBER 2015 FINANCIAL REPORTS.PDF](#), [ORDINANCE REVOKING EMPLOYEE HANDBOOK ORDINANCE.PDF](#), [EMPLOYEE PAID TIME OFF EXHIBIT A.PDF](#), [AGENDA MEMO USACE ORDINANCE 12.14.2015.PDF](#), [ORD CORPPROP2015_FINAL1214.PDF](#)

7. CITIZENS COMMENTS-PURSUANT TO THE STATE OF TEXAS OPEN MEETINGS STATUTE:

The governing body of the Town of Shady Shores may not take action on items not posted on the agenda. Those items mentioned by citizens may be placed on a future agenda.

8. HAZARD MITIGATION

Consider and approve a resolution approving the Denton County Hazard Mitigation plan.

Documents: [AGENDA MEMO HAZARD MITIGATION 01.11.2016.PDF](#), [DENTON MUNICIPALITIES HAZMAP RESOLUTION EX \(2\).PDF](#), [DENTON COUNTY TDEM APA NOTICE .PDF](#), [SHADY SHORES ANNEX HAZARD MITIGATION PLAN.PDF](#)

9. OAKWOOD CIRCLE DRAINAGE PROJECT

Receive an update from the Town Engineer, regarding the Oakwood Circle drainage project. Consider and take action on approving improvements and or repairs to the the drainage on Oakwood Circle.

Documents: [OAKWOOD CIRCLE DRAINAGE ISSUES.PDF](#), [4 CROSS SECTIONS.PDF](#), [3 DRAINAGE ESMT PLAN AND PROFILE.PDF](#), [2 ROADWAY PLAN AND PROFILE.PDF](#), [1 DRAINAGE AREA MAP.PDF](#)

10. MEADOWLARK CULVERT

Consider and take action relative to approving the replacement of the 18' culvert located at approximately 303 Meadowlark Lane.

Documents: [MEADOWLARK LANE CULVERT.DOCX](#), [MEADOWLARK LANE CULVERT.PDF](#)

11. PRESERVE AT PECAN CREEK

Discuss the Preserve at Pecan Creek a proposed subdivision in the City limits of Denton Texas adjacent to the town of Shady Shores. Discuss the possibility of a crash gate installed at the

north end of Meadowlark lane. Consider and take action relative to the installation of a crash gate and other improvements to Meadowlark Lane.

Documents: [PRESERVE AT PECAN CREEK 01.11.2016.PDF](#), [PRESERVE AT PECAN CREEK EXHIBITS.PDF](#)

12. NORTH END OF GARZA ROAD

Consider and take action relative to no traffic enforcement and police enforcement on the North end of Garza lane.

Documents: [AGENDA MEMO NORTH END OF GARZA ROAD 01.11.2016.PDF](#)

13. SHADY SHORES CODE OF ORDINANCES

Consider and act on approval of an Ordinance adopting the code of Ordinances.

Documents: [AGENDA MEMO SHADY SHORES CODE OF ORDINANCES 01.06.2016.DOCX](#), [OAC.DOC](#), [SHADY SHORES CODE MEMORANDUM ADDENDUM.PDF](#), [SHADY SHORES CODE MEMORANDUM ADDENDUM.PDF](#), [SHADY SHORES DRAFT FOR ADOPTION.PDF](#)

14. CODE ENFORCEMENT SERVICES

Consider and act on seeking proposals for Code Enforcement services for the Town of Shady Shores.

Documents: [AGENDA MEMO CODE ENFORCEMENT SERVICES 01.06.2017.DOCX](#)

15. EXECUTIVE SESSION: Pursuant To The Provisions Of Chapter 551, Texas Government Code, Vernon's Texas Codes Annotated, The Town Council May Hold A Closed Meeting.

- A. Government Code 551.071-Consultation with Attorney: legal advice and/or pending litigation
 - 1. Swanson vs Town of Shady Shores
 - 2. Tuscany Village
 - 3. development regulations of existing lots as affected by zoning regulations, an town avoidance of liability issues.

- B. Government Code 551.074- Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
 - 1. Discuss the position of the Mayor

16. FUTURE AGENDA ITEMS AND STAFF DIRECTION

Discuss future agenda items and provide staff direction.

17. ADJOURN

**Investment Report
October 2015-December 2015**

	Total Investments	Northstar Reserve Account	Greenbank Reserve Account	TX Republic Reserve Account	CD 1 closed 2/11/14 funds transferred to Reserve Acct	CD 2 - Northstar	Northstar General Investment	General Fund (1200)
Beginning of the Period	\$ 2,169,114.14	\$ 325,193.96	\$ 246,738.58	\$ 247,712.66	\$ -	\$ 253,133.16	\$ 540,319.30	\$ 556,016.48
Additions	\$ 516,750.93	\$ -	\$ -	\$ 498.51	\$ -	\$ -	\$ -	516252.42
Withdrawals	\$ 292,723.56		\$ -		\$ -	\$ -	\$ -	\$ 292,723.56
Accumulated Interest	\$ 1,657.40	\$ 161.39	\$ 311.09	\$ 498.51	\$ -	\$ 201.30	\$ 268.15	\$ 216.96
End of Period	\$ 2,394,798.91	\$ 325,355.35	\$ 247,049.67	\$ 248,709.68	\$ -	\$ 253,334.46	\$ 540,587.45	\$ 779,762.30

Average Interest Rate								
1st Month of the Period - October	0.36%	0.13%	0.50%	0.80%	-	0.45%	0.13%	0.12%
2nd Month of the Period - November	0.36%	0.13%	0.50%	0.80%	-	0.45%	0.13%	0.12%
3rd Month of the Period - December	0.36%	0.13%	0.50%	0.80%	-	0.45%	0.13%	0.12%
					-			

Is this investment in compliance with:								
Investment Policy	Yes							
Relevant Provision of PFIA (Public Funds Investment Act)	Yes							

Total Investment	
Northstar - Total	\$ 1,899,039.56
Percentage of Investment	79.30%
Greenbank	\$ 247,049.67
Percentage of Investment	10.32%
TX Republic	\$ 248,709.68
Percentage of Investment	10.39%
Total Investments	\$ 2,394,798.91
Percentage of Investment	100.00%

Signature of Mayor	
Signature of Finance Officer	

RESOLUTION NO. _____-
(Public Funds Investment Policy Review)

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF SHADY SHORES, DENTON COUNTY, TEXAS, REVISING THE POLICY IN ACCORD WITH STATUTORY CHANGES IN THE TRAINING REQUIREMENTS; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256.005, Texas Government Code, the Town Council of the Town of Shady Shores, Texas by resolution adopted an Investment Policy; and

WHEREAS, Section 2256.005, Texas Government Code requires the Town Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, DENTON COUNTY, TEXAS AS FOLLOWS:

SECTION 1. The Town Council of the Town of Shady Shores has completed its annual review of the Investment Policy. A change was made to Article V, Responsibility and Control, at Section E, regarding Investment Training Requirements to comply with new state law. No other changes were made to either the investment policies or investment strategies of the Investment Policy.

SECTION 2. The Town of Shady Shores 2015-2016 Investment Policy attached hereto as Exhibit "A" be and the same is hereby adopted and shall govern the investment policies and investment strategies for the Town, and shall define the authority of the Investment Officer and any additional Investment Committee members, collectively referred to as "Investment Officials," from and after the effective date of this resolution.

SECTION 3. All provisions of the resolutions of the Town of Shady Shores, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 5. This resolution shall become effective immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the Town Council of the Town of Shady Shores, Texas, on this the ____ day of February, 2016.

TOWN OF SHADY SHORES, TEXAS

Cindy Aughinbaugh, Mayor Pro Tem

ATTEST:

Wendy Withers, Town Secretary

APPROVED AS TO FORM:

James E. Shepherd, Town Attorney

RESOLUTION NO. 675
(Investment Policy)

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, TEXAS. ADOPTING THE TOWN OF SHADY SHORES INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT "A"; DECLARING THAT THE TOWN COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE TOWN AND THAT EXHIBIT "A" RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Tex. Gov't Code, the Town Council of the Town of Shady Shores, Texas by resolution adopted an Investment policy; and

WHEREAS, Section 2256.005, Tex. Gov't Code requires the Town Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, TEXAS:

SECTION 1. That the Town of Shady Shores Investment Policy attached hereto as Exhibit "A" be and the same is hereby adopted and shall govern the investment policies and investment strategies for the Town, and shall define the authority of the investment official of the Town from and after the effective date of this resolution.

SECTION 2. That the Town Council of the Town of Shady Shores has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit "A" hereto.

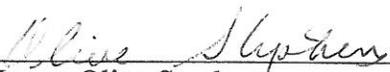
SECTION 3. That all provisions of the resolutions of the Town of Shady Shores, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 5. That this resolution shall become effective immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the Town Council of the Town of Shady Shores, Texas, on this the 4th day of DECEMBER, 2006.

TOWN OF SHADY SHORES, TEXAS



Mayor, Olive Stephens

ATTEST:

Town Secretary

APPROVED AS TO FORM:

TOWN ATTORNEY, Jim Shepherd

Exhibit A
Town of Shady Shores
Investment Policy

ARTICLE I
PURPOSE AND NEED FOR POLICY

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature ("Public Funds Investment Act") requires each city to adopt rules governing its investment practices and to define the authority of the investment official. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and prudent fiscal management of the Town of Shady Shores funds.

ARTICLE II
SCOPE

The Investment Policy applies to the investment and management of all funds under direct authority of the Town of Shady Shores.

- A. These funds are accounted for in the Town's Annual Financial Report and include the following:
- (1) the General Fund;
 - (2) Special Revenue Funds;
 - (3) Capital Project Funds;
 - (4) Enterprise Funds;
 - (5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
 - (6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and
 - (7) Any new fund created by the Town unless specifically exempted from this policy by the Town or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

- B. This policy excludes:
- (1) Employee Retirement and Pension Funds administered or sponsored by the Town.
 - (2) Defeased bond funds held in trust escrow accounts.

C. Review and Amendment

The Town Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution or an ordinance stating the review has been completed and recording any changes made to either the policy or strategy statements.

**ARTICLE III
PRUDENCE**

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with the written investment policy of the Town.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transaction that might impair public confidence in the Town's ability to govern effectively. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the Town recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Mayor and the Town Council of the Town of Shady Shores, and that appropriate action is taken by the Investment Official to control adverse developments.

ARTICLE IV OBJECTIVES

A. Preservation and Safety of Principal

Preservation of capital is the foremost objective of the Town. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.

B. Liquidity

The Town's investment portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

C. Yield

The investment portfolio of the Town shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the Town's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to maximize the yield of these funds in the same manner as all other Town funds. However, if the yield achieved by the Town is higher than the arbitrage yield, positive arbitrage income will be averaged over a five year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

ARTICLE V RESPONSIBILITY AND CONTROL

A. Delegation

Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Mayor Pro Tem. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Mayor Pro tem shall be the chief Investment Official, and the chair of the Investment Officers Committee and may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Investment Official and/or his or her representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.

B. Subordinates

No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the Town Council and the explicit authorization by the Investment Officer to withdraw, transfer, deposit and invest the Town's funds. The Town Council, by resolution, has authorized and appointed these individuals. The Mayor Pro Tem shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials, if any are appointed by the Town Council.

C. Internal Controls

Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy shall be performed by the Town's independent auditor.

D. Ethics and Conflicts of Interest

The investment officer of the Town who has a personal business relationship with a business organization offering to engage in an investment transaction with the Town shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the Town shall file a statement disclosing that relationship with the Texas Ethics Commission and the Town Council. For purposes of this section, an investment officer has a personal business relationship with a business organization if:

- (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- (3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

Investment officials of the Town shall refrain from personal and business activities involving any of the Town's custodians, depositories, broker/dealers or investment advisors which may influence the officer's ability to conduct his duties in an unbiased manner. Investment officials will not utilize investment advice concerning specific

securities or classes of securities obtained in the transaction of the Town's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the Town, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the Town and all transactions contemplated and completed by the Town confidential, except when disclosure is required by law.

E. Investment Training Requirements

The Investment official(s) shall attend at least one ten hour training session relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten hour requirement, each investment officer shall receive not less than ten hours of instruction in their investment responsibilities at least once during each two year period. The investment training session shall be provided by an independent source approved by the investment committee. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the Town of Shady Shores may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act. A list will be maintained of the number of hours and conferences attended for each investment official and a report of such information will be provided to the Town Council. Investment "officials" includes the Investment Officer, and may include the Mayor or other member of the Town Council selected by the Town Council as an alternate Budget or Investment Officer.

ARTICLE VI
AUTHORIZED INVESTMENTS

- A. Obligations of the United States or its agencies and instrumentalities.
- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent.
- E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas:

- (1) and such Certificates of Deposit are:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or
 - b. Secured by obligations described in Article VI, sections A through D above.
- (2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.101(b) of the Government Code (Public Funds Investment Act) as amended.

G. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by obligations of the United States or its agencies and instrumentalities pledged to the Town held in the Town's name by a third party selected by the Town. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 103 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the Town and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

H. No-load money market mutual funds if the mutual fund:

- (1) Is registered with and regulated by the Securities and Exchange Commission;
- (2) Has a dollar-weighted average stated maturity of 90 days or fewer; and
- (3) Includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.

I. Investment instruments not authorized for purchase by the Town of Shady Shores include the following:

- (1) Banker's Acceptances;
- (2) "Bond" Mutual Funds;
- (3) Collateralized Mortgage Obligations of any type; and
- (4) Commercial Paper, except that the Town can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.

**ARTICLE VII
PORTFOLIO AND INVESTMENT ASSET PARAMETERS**

A. Bidding Process for Investments

It is the policy of the Town to require competitive bidding for all investment transactions (securities and bank C.D.'s) except for:

- (1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
- (2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

B. Maximum Maturities

The Town of Shady Shores will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the Town will not directly invest in securities maturing more than five years from the date of purchase.

C. Maximum Dollar-Weighted Average Maturity

Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted average maturity. However, under certain market conditions, investment officials may need to shorten or lengthen the average life or duration of the portfolio to protect the Town. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the Town shall be three years.

D. Diversification

The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

- (1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- (2) To attain sufficient liquidity, the Town shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one year shall not

be greater than coupon interest and investment income received from the balance of the portfolio.

- (3) The following maximum limits, by instrument, are established for the Town's total portfolio:
- U.S Treasury Notes/Bills..... 100%
 - U.S. Government Agencies & Instrumentalities..... 100%
 - U.S. Treasury & U.S. Agency Callables 25%
 - Certificates of Deposit..... 25%
 - Repurchase Agreements (See D. (4) below)..... 50%
 - Money Market Mutual Funds (See D.(5) below) 100%
 - Local Government Investment Pools (See D.(5) below)..... 100%
 - State of Texas Obligations & Agencies 25%
 - Obligations of states, agencies, cities and other political subdivisions of any state 25%
- (4) The Town shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
- (5) The Town shall not invest more than 20% of the investment portfolio in any individual money market mutual fund or government investment pool.
- (6) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

**ARTICLE VIII
AUTHORIZED BROKER/DEALERS
AND FINANCIAL INSTITUTIONS**

A. Investment officials will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the Town. These firms may include:

- (1) all primary government securities dealers; and
- (2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The investment officials may select up to six firms from the approved list to conduct a portion of the daily Town investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this investment policy at least annually by the investment committee.

B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:

- (1) Audited financial statements;
- (2) Proof of National Association of Securities Dealers (N.A.S.D.) certification, unless it is a bank;
- (3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the Town; and
- (4) An executed written instrument, by the qualified representative, in a form acceptable to the Town and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the Town and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Town and the organization that are not authorized by the Town's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Town's entire portfolio or requires an interpretation of subjective investment standards.

ARTICLE IX SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the Town shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the Town's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the Town's designated funds for a given purchase. The security shall be held in the name of the Town or held on behalf of the Town in a bank nominee name. Securities will be held by a third party custodian designated by the investment officials and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the Town's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the Town. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

ARTICLE X COLLATERAL

The Town's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the Town's bank depository contract.

A. Market Value

The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized Town representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the Town will be sent reports monthly.

B. Collateral Substitution

Collateralized investments often require substitution of collateral. The Safekeeping bank must contact the Town for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

C. Collateral Reduction

Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the Town to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

**ARTICLE XI
INVESTMENT REPORTS**

A. Reporting Requirements

The investment officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the Town Council and the Investment Committee within 45 days following the end of the quarter.

B. Investment Records

An investment official designated by the Assistant Director of Finance shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

C. Auditor Review

The Town's independent external auditor must formally review the quarterly investment reports annually to insure compliance with the State of Texas Public Funds Investment Act and any other applicable State Statutes.

**ARTICLE XII
INVESTMENT COMMITTEE**

A. Members

An Investment Committee, consisting of the Mayor or his or her designee, the Mayor Pro Tem, and an appointed investment official, if any, shall review the Town's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.

B. Scope

The Investment Committee shall include in its deliberations such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the Town's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the Town Council of any future amendments to the investment policy that are deemed necessary or recommended.

C. Procedures

The investment policy shall require the Investment Committee to provide minutes of investment information discussed at any meetings held. The committee should meet at least annually to discuss the investment program and policies.

**ARTICLE XIII
INVESTMENT STRATEGY STATEMENTS**

The Town of Shady Shores portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by the investment policy.

The Town of Shady Shores maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

A. *Operating Funds*

Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less. Constant \$1 NAV investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds shall not exceed an 18-month period from date of purchase.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The Town's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

B. *Reserve and Deposit Funds*

Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The Town's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91 day Treasury bill.

C. Bond and Certificate Capital Project Funds and Special Purpose Funds

Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The Town's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91 day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

D. Debt Service Funds

Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service

obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The Town's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91 day Treasury bill.

Town of Shady Shores Balance Sheet As of January 31, 2016

	Jan 31, 16
ASSETS	
Current Assets	
Checking/Savings	
1040 · Petty cash	150.00
1200 · General Fund Checking-Northstar	885,890.70
1220 · Fund Balance (General)	540,587.45
1230 · Reserve Account	325,355.35
1231 · Reserve Acct - GreenBank	247,154.58
1232 · Reserve Acct - TX Republic Bank	252,666.23
1250 · CD's	253,324.58
Total Checking/Savings	2,505,128.89
Accounts Receivable	
1110 · Accounts receivable	-930.00
Total Accounts Receivable	-930.00
Other Current Assets	
1452 · INTEREST RECEIVABLE	164.67
1461 · Taxes Receivable	11,709.33
1463 · Rent Deposit	-200.00
Total Other Current Assets	11,674.00
Total Current Assets	2,515,872.89
TOTAL ASSETS	2,515,872.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts payable	14,618.20
Total Accounts Payable	14,618.20
Other Current Liabilities	
2100 · Payroll Liabilities	2,635.95
2101 · Payroll Liability	412.12
2111 · Direct Deposit Liabilities	206.24
2151 · Deferred Taxes	11,048.51
2160 · Municipal Court Technology Fund	770.26
2161 · Municipal Court Security Fund	661.92
2162 · Child Safety Fees	2,813.14
Total Other Current Liabilities	18,548.14
Total Current Liabilities	33,166.34
Total Liabilities	33,166.34

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Cash Basis

Town of Shady Shores
Balance Sheet
As of January 31, 2016

	<u>Jan 31, 16</u>
Equity	
3001 · Opening Bal Equity	300,000.00
3002 · General Reserve Account	848,505.77
3003 · Roads and Bridges Reserve Accou	100,000.00
3004 · Capital Improvements Reserve	1,248,505.77
Total 3001 · Opening Bal Equity	863,416.73
3010 · Unrestrict (retained earnings)	370,784.05
Net Income	2,482,706.55
Total Equity	<u>2,515,872.89</u>
TOTAL LIABILITIES & EQUITY	<u>2,515,872.89</u>

Town of Shady Shores

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Register: 1200 · General Fund Checking-Northstar

From 01/01/2016 through 01/31/2016

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
01/01/2016	9069	Angie Warner	7552 · Municipal Judge		175.00			733,670.97
01/04/2016			-split-	Deposit		X	3,691.50	737,362.47
01/04/2016			4130 · Permits/Variances	Deposit		X	1,225.00	738,587.47
01/04/2016			4010 · Ad ValoremTax	Deposit		X	21,093.53	759,681.00
01/05/2016			4130 · Permits/Variances	Deposit		X	180.00	759,861.00
01/05/2016			4010 · Ad ValoremTax	Deposit		X	14,157.52	774,018.52
01/05/2016	draft	Albertsons	8500 · Misc expenses		13.59	X		774,004.93
01/05/2016	draft	precision Roller	8110 · Office Supplies		71.78	X		773,933.15
01/06/2016			4130 · Permits/Variances	Deposit		X	130.00	774,063.15
01/06/2016			4010 · Ad ValoremTax	Deposit		X	62,680.56	836,743.71
01/07/2016			4130 · Permits/Variances	Deposit		X	130.00	836,873.71
01/07/2016			4010 · Ad ValoremTax	Deposit		X	2,836.75	839,710.46
01/07/2016	draft	Delux Business	8110 · Office Supplies		213.34	X		839,497.12
01/08/2016			-split-	Deposit		X	750.00	840,247.12
01/08/2016			-split-	Deposit			244.00	840,491.12
01/08/2016			4010 · Ad ValoremTax	Deposit		X	12,480.03	852,971.15
01/08/2016			4050 · Sales Tax	Deposit		X	4,455.06	857,426.21
01/08/2016	draft	ADOBE SYSTEMS	8130 · Computer Expe...		14.99	X		857,411.22
01/08/2016	draft	Texas Municipal Cle...	7663 · Staff Developm...		25.00	X		857,386.22
01/08/2016	9071	Texas Archives	8110 · Office Supplies		10.00	X		857,376.22
01/08/2016	9072	ATMOS	8210 · Utility Atmos E...		131.47	X		857,244.75
01/08/2016	9073	LCMUA	8215 · Utility LCMUA		89.11	X		857,155.64
01/11/2016			4130 · Permits/Variances	Deposit		X	90.00	857,245.64
01/11/2016			4010 · Ad ValoremTax	Deposit		X	15,698.25	872,943.89
01/11/2016			4800 · Municipal Cour...	Deposit		X	239.00	873,182.89
01/11/2016	9074	Steve Koehler	7430 · Building Inspec...		960.00	X		872,222.89
01/11/2016	9075	Binkley&Barfield	-split-		7,267.19	X		864,955.70
01/11/2016	9076	Amber Schuler	-split-		14.19	X		864,941.51
01/11/2016	9077	Comptroller of publi...	8550 · Municipal Cour...		3,062.94	X		861,878.57
01/11/2016	9078	Genny Jackson	8250 · Building Mainte...	VOID: GJE, R...		X		861,878.57
01/11/2016	9079	charter Business	-split-		173.95	X		861,704.62
01/11/2016	9080	City of Corinth	7420 · Fire Dept		25,581.16	X		836,123.46
01/11/2016	9081	City of Corinth	7460 · Police Patrol Svc		40,031.25	X		796,092.21
01/11/2016	9082	omnibase	8550 · Municipal Cour...		60.00	X		796,032.21
01/11/2016	9083	Denton Publishing C...	8120 · Legal Advertising		220.00	X		795,812.21
01/11/2016		QuickBooks Payroll ...	-split-	Created by Pay...	3,373.64	X		792,438.57
01/11/2016	CPA53	Genny Jackson	8250 · Building Mainte...	For CHK 9078 ...	75.00	X		792,363.57
01/12/2016			4010 · Ad ValoremTax	Deposit		X	12,916.62	805,280.19
01/12/2016	9084	Braden Flynn	4800 · Municipal Cour...		98.00	X		805,182.19
01/12/2016	9085	ALL AMERICAN D...	7410 · Animal Control		1,155.00	X		804,027.19

Town of Shady Shores

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From 01/01/2016 through 01/31/2016

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
01/12/2016	9086	Americas Code Enfor...	7415 · Code Enforcem...		600.00	X		803,427.19
01/12/2016	9087	Bill Bounds	-split-		2,233.90	X		801,193.29
01/12/2016	9089	Bailey Environmental	7430 · Building Inspec...		175.00	X		801,018.29
01/12/2016	To Print	Wendy S Withers	-split-	Direct Deposit		X		801,018.29
01/12/2016	To Print	Amber L Schuler	-split-	Direct Deposit		X		801,018.29
01/13/2016			4010 · Ad ValoremTax	Deposit		X	7,089.26	808,107.55
01/14/2016			-split-	Deposit		X	245.00	808,352.55
01/14/2016		Wendy S Withers	2111 · Direct Deposit ...	Returned Direc...		X	206.24	808,558.79
01/14/2016			4010 · Ad ValoremTax	Deposit		X	13,193.03	821,751.82
01/15/2016			4010 · Ad ValoremTax	Deposit		X	3,484.36	825,236.18
01/16/2016			-split-	Deposit		X	257.00	825,493.18
01/19/2016			4010 · Ad ValoremTax	Deposit		X	7,663.19	833,156.37
01/19/2016	draft	Fed Ex	8140 · Postage, shippin...		35.25	X		833,121.12
01/19/2016	9090	Wendy S Withers	7640 · Town Secretary		206.24	X		832,914.88
01/19/2016	9091	PONDEROSA SOU...	8250 · Building Mainte...		1,143.00	X		831,771.88
01/19/2016	9092	StarTex Power	8220 · Utility Electric		927.68	X		830,844.20
01/19/2016	9093	Keep Texas Beautiful	8518 · KSSB		100.00			830,744.20
01/19/2016	CPA52R	Albert N. Petty	-split-	Reverse of GJE...			1,523.04	832,267.24
01/20/2016			4130 · Permits/Variances	Deposit		X	130.00	832,397.24
01/20/2016			4010 · Ad ValoremTax	Deposit		X	4,702.10	837,099.34
01/21/2016			4130 · Permits/Variances	Deposit		X	130.00	837,229.34
01/21/2016			4010 · Ad ValoremTax	Deposit		X	6,931.11	844,160.45
01/22/2016			4010 · Ad ValoremTax	Deposit		X	3,743.64	847,904.09
01/22/2016		QuickBooks Payroll ...	-split-	Created by Pay...	3,373.61	X		844,530.48
01/25/2016			-split-	Deposit		X	530.00	845,060.48
01/25/2016			4010 · Ad ValoremTax	Deposit		X	7,219.60	852,280.08
01/25/2016	To Print	Amber L Schuler	-split-	Direct Deposit		X		852,280.08
01/25/2016	To Print	Wendy S Withers	-split-	Direct Deposit		X		852,280.08
01/26/2016			4010 · Ad ValoremTax	Deposit		X	8,792.35	861,072.43
01/26/2016	draft	holly's	8500 · Misc expenses	VOID: GJE, R...		X		861,072.43
01/26/2016	9094	Genny Jackson	8250 · Building Mainte...		150.00			860,922.43
01/26/2016	9095	Steve Koehler	7430 · Building Inspec...		1,140.00			859,782.43
01/26/2016	9096	Angie Warner	7552 · Municipal Judge		175.00			859,607.43
01/26/2016	9097	Amber Schuler	8140 · Postage, shippin...	postage reimbu...	55.59	X		859,551.84
01/26/2016	9098	QUILL CORPORAT...	8110 · Office Supplies	invoice #21967...	146.58			859,405.26
01/26/2016	9099	QUILL CORPORAT...	8110 · Office Supplies	invoice # 2317...	23.99			859,381.27
01/26/2016	CPA54	holly's	8500 · Misc expenses	For CHK draft ...	60.27	X		859,321.00
01/27/2016			4010 · Ad ValoremTax	Deposit		X	8,829.92	868,150.92
01/27/2016	9100	Shepherd Law Firm	7510 · Attorney fees	Invoice Decem...	2,750.00			865,400.92
01/28/2016			4010 · Ad ValoremTax	Deposit		X	5,290.51	870,691.43

Town of Shady Shores

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<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
01/28/2016	9101	Derall Weger	8070 · Public Works	two loads of gr...	700.00			869,991.43
01/29/2016			4130 · Permits/Variances	Deposit			90.00	870,081.43
01/29/2016			4010 · Ad ValoremTax	Deposit		X	15,632.25	885,713.68
01/31/2016			4400 · Interest Earned	Interest		X	177.02	885,890.70

Town of Shady Shores Profit & Loss Budget vs. Actual October 2015 through September 2016

	Oct '15 - Se...	Budget	\$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4000 · Town Services Revenue				
4010 · Ad Valorem Tax	621,586.54	773,377.00	-151,790.46	80.4%
4050 · Sales Tax	28,437.89	75,000.00	-46,562.11	37.9%
4130 · Permits/Variances	14,441.00	50,000.00	-35,559.00	28.9%
4140 · Inspections	1,440.00	12,000.00	-10,560.00	12.0%
4400 · Interest Earned	1,929.45	6,000.00	-4,070.55	32.2%
4540 · Local government grants	0.00			
4800 · Municipal Court Fines	13,258.96	20,000.00	-6,741.04	66.3%
4900 · Facility Rental	500.00	2,000.00	-1,500.00	25.0%
4901 · Reimbursements	0.00	100.00	-100.00	0.0%
4902 · Community Events Income	1,154.99	500.00	654.99	231.0%
Total 4000 · Town Services Revenue	682,748.83	938,977.00	-256,228.17	72.7%
5000 · Franchise Revenues				
5010 · TXU	80,049.27	80,000.00	49.27	100.1%
5020 · Atmos Energy	0.00	26,000.00	-26,000.00	0.0%
5030 · CoServe	0.00	50.00	-50.00	0.0%
5040 · Century Telephone	759.36	2,800.00	-2,040.64	27.1%
5050 · Charter Communication	6,277.00	20,000.00	-13,723.00	31.4%
5070 · Waste Management	2.92	1,500.00	-1,497.08	0.2%
Total 5000 · Franchise Revenues	87,088.55	130,350.00	-43,261.45	66.8%
6000 · Budgeted Fund Balance	0.00	301,462.00	-301,462.00	0.0%
Total Income	769,837.38	1,370,789.00	-600,951.62	56.2%
Expense				
7400 · Contract Labor expenses				
7410 · Animal Control	6,160.00	15,400.00	-9,240.00	40.0%
7415 · Code Enforcement Officer	3,000.00	14,000.00	-11,000.00	21.4%
7420 · Fire Dept	127,905.80	306,974.00	-179,068.20	41.7%
7430 · Building Inspector	7,685.00	25,000.00	-17,315.00	30.7%
7440 · Library	14,523.00	29,046.00	-14,523.00	50.0%
7460 · Police Patrol Svc	80,062.50	160,125.00	-80,062.50	50.0%
Total 7400 · Contract Labor expenses	239,336.30	550,545.00	-311,208.70	43.5%
7500 · Professional Svc expenses				
7510 · Attorney fees	15,437.50	65,000.00	-49,562.50	23.8%
7520 · Accounting/Audit fees	0.00	6,800.00	-6,800.00	0.0%
7530 · Engineer fees	20,615.57	50,000.00	-29,384.43	41.2%
7540 · Secretary	0.00	0.00	0.00	0.0%
7552 · Municipal Judge	875.00	2,100.00	-1,225.00	41.7%
7560 · Payroll Tax	0.00			
Total 7500 · Professional Svc expenses	36,928.07	123,900.00	-86,971.93	29.8%
7600 · Personnel Expenses				
7640 · Town Secretary	24,310.88	65,100.00	-40,789.12	37.3%
7650 · Office Clerk	0.00	0.00	0.00	0.0%
7655 · Municipal Court Clerk	16,720.00	45,645.00	-28,925.00	36.6%
7656 · Landscape Technician	474.50	5,000.00	-4,525.50	9.5%
7660 · Payroll Tax	4,080.02	9,000.00	-4,919.98	45.3%
7661 · TMRS	189.52	5,550.00	-5,360.48	3.4%
7662 · Misc/Other	0.00	5,000.00	-5,000.00	0.0%
7663 · Staff Development	1,541.58	10,000.00	-8,458.42	15.4%
Total 7600 · Personnel Expenses	47,316.50	145,295.00	-97,978.50	32.6%
8000 · Infrastructure				
8010 · Signs	99.00	1,500.00	-1,401.00	6.6%
8030 · Regional Storm Water Program	8,600.00	2,500.00	6,100.00	344.0%
8050 · Grants NCTCOG-FEMA CTP	28,000.00	30,000.00	-2,000.00	93.3%
8060 · Roads / Streets	113.12	350,000.00	-349,886.88	0.0%
8070 · Public Works				
8070a · public works materials	350.81			
8070 · Public Works - Other	10,826.20	30,000.00	-19,173.80	36.1%

Town of Shady Shores Profit & Loss Budget vs. Actual October 2015 through September 2016

	Oct '15 - Se...	Budget	\$ Over Bud...	% of Budget
Total 8070 · Public Works	11,177.01	30,000.00	-18,822.99	37.3%
Total 8000 · Infrastructure	47,989.13	414,000.00	-366,010.87	11.6%
8100 · Non-personnel expenses				
8110 · Office Supplies	785.95	2,500.00	-1,714.05	31.4%
8115 · Texas Municipal League	4,321.85	4,400.00	-78.15	98.2%
8120 · Legal Advertising	309.10	2,000.00	-1,690.90	15.5%
8130 · Computer Expenses	6,324.49	15,000.00	-8,675.51	42.2%
8140 · Postage, shipping, delivery	638.93	700.00	-61.07	91.3%
8180 · Books, subscriptions, reference	48.00	250.00	-202.00	19.2%
8185 · Codification	0.00	1,500.00	-1,500.00	0.0%
8190 · Election expenses	0.00	4,000.00	-4,000.00	0.0%
Total 8100 · Non-personnel expenses	12,428.32	30,350.00	-17,921.68	40.9%
8200 · Occupancy expenses				
8205 · Telephone - CenturyTel	357.88	1,300.00	-942.12	27.5%
8210 · Utility Atmos Energy	443.15	1,000.00	-556.85	44.3%
8215 · Utility LCMUA	314.55	1,200.00	-885.45	26.2%
8220 · Utility Electric	3,790.00	14,000.00	-10,210.00	27.1%
8250 · Building Maintenance				
8250a · materials	203.04			
8250 · Building Maintenance - Other	3,212.19	20,400.00	-17,187.81	15.7%
Total 8250 · Building Maintenance	3,415.23	20,400.00	-16,984.77	16.7%
Total 8200 · Occupancy expenses	8,320.81	37,900.00	-29,579.19	22.0%
8500 · Misc expenses				
8510 · Dues	500.00	500.00	0.00	100.0%
8515 · Promotional	0.00	1,500.00	-1,500.00	0.0%
8517 · Community Events	2,392.10	4,300.00	-1,907.90	55.6%
8518 · KSSB	1,420.86	6,000.00	-4,579.14	23.7%
8520 · Ad Valorem Tax Svc	1,258.89	7,500.00	-6,241.11	16.8%
8540 · Staff development	0.00	0.00	0.00	0.0%
8550 · Municipal Court Fines to State	4,967.84	10,000.00	-5,032.16	49.7%
8551 · Municipal Court Software Mnt	0.00	0.00	0.00	0.0%
8552 · Municipal Court Jury Service	0.00	500.00	-500.00	0.0%
8570 · Advertising expenses	0.00	500.00	-500.00	0.0%
8580 · Contingency provisions	0.00	33,649.00	-33,649.00	0.0%
8585 · Deliquent Ticket Collection Fee	192.00	2,000.00	-1,808.00	9.6%
8590 · Other expenses	0.00	200.00	-200.00	0.0%
8591 · Bank Service Charge	0.00	150.00	-150.00	0.0%
8592 · Building Deposit Refund	400.00	2,000.00	-1,600.00	20.0%
8500 · Misc expenses - Other	154.20			
Total 8500 · Misc expenses	11,285.89	68,799.00	-57,513.11	16.4%
Total Expense	403,605.02	1,370,789.00	-967,183.98	29.4%
Net Ordinary Income	366,232.36	0.00	366,232.36	100.0%
Net Income	366,232.36	0.00	366,232.36	100.0%

Town of Shady Shores Statement of Cash Flows January 2016

	Jan 16
OPERATING ACTIVITIES	
Net Income	154,146.24
Adjustments to reconcile Net Income to net cash provided by operations:	
2100 · Payroll Liabilities	1,721.10
2101 · Payroll Liability	412.12
2111 · Direct Deposit Liabilities	206.24
2160 · Municipal Court Technology Fund	67.00
2161 · Municipal Court Security Fund	52.00
Net cash provided by Operating Activities	<u>156,604.70</u>
Net cash increase for period	156,604.70
Cash at beginning of period	2,348,524.19
Cash at end of period	<u><u>2,505,128.89</u></u>

Town of Shady Shores Revenue & Expenditure Detail January 2016

Date	Memo	Amount
Ordinary Income/Expense		
Income		
4000 · Town Services Revenue		
4010 · Ad Valorem Tax		
01/04/2016	Deposit	21,093.53
01/05/2016	Deposit	14,157.52
01/06/2016	Deposit	62,680.56
01/07/2016	Deposit	2,836.75
01/08/2016	Deposit	12,480.03
01/11/2016	Deposit	15,698.25
01/12/2016	Deposit	12,916.62
01/13/2016	Deposit	7,089.26
01/14/2016	Deposit	13,193.03
01/15/2016	Deposit	3,484.36
01/19/2016	Deposit	7,663.19
01/20/2016	Deposit	4,702.10
01/21/2016	Deposit	6,931.11
01/22/2016	Deposit	3,743.64
01/25/2016	Deposit	7,219.60
01/26/2016	Deposit	8,792.35
01/27/2016	Deposit	8,829.92
01/28/2016	Deposit	5,290.51
01/29/2016	Deposit	15,632.25
Total 4010 · Ad Valorem Tax		234,434.58
4050 · Sales Tax		
01/08/2016	Deposit	4,455.06
01/11/2016	Deposit	4,455.06
Total 4050 · Sales Tax		8,910.12
4130 · Permits/Variances		
01/04/2016	Replat	1,225.00
01/05/2016	red tag fee 316 ...	180.00
01/06/2016	300 Cove Drive p...	130.00
01/07/2016	permit#2039 7 Hi...	130.00
01/08/2016	permit # 2038 Fe...	140.00
01/08/2016	permit # 2029 sp...	170.00
01/08/2016	Permit # 2035-P...	150.00
01/08/2016	Permit# 2037-ga...	130.00
01/08/2016	4 Hidden Valley ...	130.00
01/11/2016	316 w shady sho...	90.00
01/14/2016	permit # 2042 fe...	115.00
01/14/2016	permit# 2041 64...	130.00
01/20/2016	167 Chaparral	130.00
01/21/2016	504 Cove	130.00
01/25/2016	103 Moonlit Path	200.00
01/25/2016	3 Fox Hollow Run	200.00
01/25/2016	650 Cielo Lane	130.00
01/29/2016	312 West Shady ...	90.00
Total 4130 · Permits/Varia...		3,600.00
4400 · Interest Earned		
01/31/2016	Interest	177.02
01/31/2016	Interest	104.91
Total 4400 · Interest Earned		281.93
4800 · Municipal Court Fines		
01/04/2016	4008-01,02,03,04	1,320.00
01/04/2016	4153-01,02,03	811.00
01/04/2016	4153-01,02,03	50.10
01/04/2016	4008-01,02,03,04	31.40
01/04/2016	1020,1021,1022,....	1,215.00
01/04/2016	4657-01,02,03	79.00
01/08/2016	MC 4913-02,03	40.00
01/08/2016	MC3888-01,02	50.00
01/08/2016	MC4804-01,02	50.00
01/08/2016	MC4918	20.00
01/08/2016	mc5001	107.00

Town of Shady Shores
Revenue & Expenditure Detail
January 2016

Date	Memo	Amount
01/11/2016	Deposit	239.00
01/12/2016	overpayment of c...	-98.00
01/16/2016	mc4976	250.00
Total 4800 · Municipal Co...		4,164.50
4902 · Community Events Income		
01/04/2016	t-shirts	80.00
Total 4902 · Community E...		80.00
Total 4000 · Town Services R...		251,471.13
Total Income		251,471.13
Expense		
7400 · Contract Labor expenses		
7410 · Animal Control		
01/12/2016	January animal c...	1,155.00
Total 7410 · Animal Control		1,155.00
7415 · Code Enforcement Officer		
01/12/2016	january code enf...	600.00
Total 7415 · Code Enforce...		600.00
7420 · Fire Dept		
01/11/2016	Fire department ...	25,581.16
Total 7420 · Fire Dept		25,581.16
7430 · Building Inspector		
01/11/2016		960.00
01/12/2016	217 LAKESIDE ...	175.00
01/26/2016		1,140.00
Total 7430 · Building Insp...		2,275.00
7460 · Police Patrol Svc		
01/11/2016	police departmen...	40,031.25
Total 7460 · Police Patrol ...		40,031.25
Total 7400 · Contract Labor e...		69,642.41
7500 · Professional Svc expenses		
7510 · Attorney fees		
01/27/2016	Invoice Decemb...	2,750.00
Total 7510 · Attorney fees		2,750.00
7530 · Engineer fees		
01/11/2016	11744	3,158.08
01/11/2016	11743	3,620.58
01/11/2016	11742	225.00
01/11/2016	11741	263.53
Total 7530 · Engineer fees		7,267.19
7552 · Municipal Judge		
01/01/2016	January Court	175.00
01/26/2016		175.00
Total 7552 · Municipal Jud...		350.00
7560 · Payroll Tax		
01/12/2016	Direct Deposit	56.33
01/12/2016	Direct Deposit	-56.33
01/12/2016	Direct Deposit	38.46
01/12/2016	Direct Deposit	-38.46
01/25/2016	Direct Deposit	38.45
01/25/2016	Direct Deposit	-38.45
01/25/2016	Direct Deposit	56.33
01/25/2016	Direct Deposit	-56.33
Total 7560 · Payroll Tax		0.00

Town of Shady Shores Revenue & Expenditure Detail January 2016

Date	Memo	Amount
Total 7500 · Professional Svc...		10,367.19
7600 · Personnel Expenses		
7640 · Town Secretary		
01/12/2016	Direct Deposit	2,449.23
01/19/2016	reimburse for pa...	206.24
01/25/2016	Direct Deposit	2,449.23
Total 7640 · Town Secretary		5,104.70
7655 · Municipal Court Clerk		
01/12/2016	Direct Deposit	1,504.80
01/12/2016	Direct Deposit	167.20
01/25/2016	Direct Deposit	1,672.00
Total 7655 · Municipal Co...		3,344.00
7660 · Payroll Tax		
01/12/2016	Direct Deposit	151.85
01/12/2016	Direct Deposit	35.51
01/12/2016	Direct Deposit	103.66
01/12/2016	Direct Deposit	24.24
01/25/2016	Direct Deposit	103.67
01/25/2016	Direct Deposit	24.25
01/25/2016	Direct Deposit	151.85
01/25/2016	Direct Deposit	35.52
Total 7660 · Payroll Tax		630.55
7663 · Staff Development		
01/08/2016	amber final test	25.00
Total 7663 · Staff Develop...		25.00
Total 7600 · Personnel Expen...		9,104.25
8000 · Infrastructure		
8070 · Public Works		
8070a · public works materials		
01/12/2016	public works mat...	178.90
01/19/2016	Reverse of GJE ...	-203.04
Total 8070a · public w...		-24.14
8070 · Public Works - Other		
01/12/2016	November Tickets	2,055.00
01/19/2016	Reverse of GJE ...	-1,320.00
01/28/2016	two loads of gravel	700.00
Total 8070 · Public Wo...		1,435.00
Total 8070 · Public Works		1,410.86
Total 8000 · Infrastructure		1,410.86
8100 · Non-personnel expenses		
8110 · Office Supplies		
01/05/2016	staples for copier	71.78
01/07/2016	check order	213.34
01/08/2016	records destruction	10.00
01/11/2016	Fee for 2 direct d...	3.50
01/11/2016	Sales Tax for TX	0.23
01/22/2016	Fee for 2 direct d...	3.50
01/22/2016	Sales Tax for TX	0.23
01/26/2016	invoice #2196758	146.58
01/26/2016	invoice # 2317377	23.99
Total 8110 · Office Supplies		473.15
8120 · Legal Advertising		
01/11/2016		220.00
Total 8120 · Legal Adverti...		220.00
8130 · Computer Expenses		
01/08/2016		14.99

Town of Shady Shores
Revenue & Expenditure Detail
January 2016

<u>Date</u>	<u>Memo</u>	<u>Amount</u>
01/11/2016	internet service	93.96
	Total 8130 · Computer Ex...	108.95
	8140 · Postage, shipping, delivery	
01/11/2016	postage	7.74
01/19/2016	fed ex delivery	35.25
01/26/2016	postage reimbur...	55.59
	Total 8140 · Postage, ship...	98.58
	Total 8100 · Non-personnel e...	900.68
	8200 · Occupancy expenses	
	8205 · Telephone - CenturyTel	
01/11/2016	telephone	79.99
	Total 8205 · Telephone - ...	79.99
	8210 · Utility Atmos Energy	
01/08/2016	gas bill	131.47
	Total 8210 · Utility Atmos ...	131.47
	8215 · Utility LCMUA	
01/08/2016	water, sewer	89.11
	Total 8215 · Utility LCMUA	89.11
	8220 · Utility Electric	
01/19/2016	star tex power	927.68
	Total 8220 · Utility Electric	927.68
	8250 · Building Maintenance	
01/11/2016	replacement keys	6.45
01/11/2016	town hall cleaning	0.00
01/11/2016	For CHK 9078 v...	75.00
01/19/2016	building mainten...	1,143.00
01/26/2016		150.00
	Total 8250 · Building Main...	1,374.45
	Total 8200 · Occupancy expe...	2,602.70
	8500 · Misc expenses	
	8518 · KSSB	
01/19/2016	annual dues	100.00
	Total 8518 · KSSB	100.00
	8550 · Municipal Court Fines to State	
01/11/2016	1st quarter report	3,062.94
01/11/2016	failure to appear ...	60.00
	Total 8550 · Municipal Co...	3,122.94
	8500 · Misc expenses - Other	
01/05/2016	food for council ...	13.59
01/26/2016	flowers	0.00
01/26/2016	For CHK draft vo...	60.27
	Total 8500 · Misc expense...	73.86
	Total 8500 · Misc expenses	3,296.80
	Total Expense	97,324.89
	Net Ordinary Income	154,146.24
	Net Income	154,146.24



To: Mayor Pro-Tem Cindy Aughinbaugh and Town Council Members
From: Wendy Withers, Town Secretary
CC: Jim Shepherd, Town Attorney
Date: 02/08/2016
Re: Annual Auditor's Report

ACTION REQUESTED: Consider and take action relative to approval of the 2014/2015 Fiscal year Audit.

BACKGROUND INFORMATION: Jerry Eastup of Hankins, Eastup, Deaton, Tonn & Seay performed the annual audit for the Town of Shady Shores as required by the Local Government Code.

Financial Highlights of the Audit:

*The assets of the Town of Shady Shores exceeded its liabilities at September 30, 2015 by \$3,024,689.

*The Town's total net position increased by \$28,809 during the fiscal year.

*The Town of Shady Shores governmental fund reported an ending fund balance of \$2,087,158 an increase of \$110,663 at the end of September 2015

TOWN OF SHADY SHORES, TEXAS

FINANCIAL STATEMENTS
AND
ACCOUNTANTS' OPINION

SEPTEMBER 30, 2015

TOWN OF SHADY SHORES, TEXAS

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TOWN OF SHADY SHORES, TEXAS
PRINCIPAL TOWN OFFICIALS
SEPTEMBER 30, 2015

Mayor	Cindy Spencer
Mayor Pro-Tem	Cindy Aughinbaugh
Council Members:	Paula Woolworth
	Tom Newell
	Charles Grimes
	Matthew Haines
Town Secretary	Wendy Withers
Town Attorney	James E. Shepherd Shepherd Law Firm
Town Engineer	Richard Arvizu

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Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977
TEL. (940) 387-8563
FAX (940) 383-4746

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Council
Town of Shady Shores, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Shady Shores, Texas ("Town"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Shady Shores, Texas as of September 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2015, the Town adopted new accounting guidance prescribed by GASB #68 for its pension plan – an agent multiple-employer defined benefit pension plan that has a special funding situation. Because GASB #68 implements new measurement criteria and reporting provisions, significant information has been added to the Government Wide Statements. Page 15 discloses the Town's Net Pension Asset and some deferred resource outflows and deferred resource inflows related to the Town's pension plan. Page 16 discloses the adjustment to the Town's Beginning Net Position. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 7 through 12, the budgetary comparison information on page 36, and the Texas Municipal Retirement System Schedules on pages 37 and 38, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Shady Shores, Texas's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016 on our consideration of the Town of Shady Shores, Texas's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Shady Shores, Texas's internal control over financial reporting and compliance.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

January 29, 2016

MANAGEMENT'S DISCUSSION & ANALYSIS

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TOWN OF SHADY SHORES, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

As management of the Town of Shady Shores, we offer readers of the Town of Shady Shores' financial statements this narrative overview and analysis of the financial activities of the Town of Shady Shores for the year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements.

Financial Highlights

- The assets of the Town of Shady Shores exceeded its liabilities at September 30, 2015 by \$3,024,689. The unrestricted net position amount of \$2,098,502 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$28,809 during the fiscal year from the results of current year operations. However, total net position also increased by \$5,123 due to new standards that required recording of the Town's Texas Municipal Retirement Systems' net pension asset.
- As of September 30, 2015, the Town of Shady Shores' governmental fund reported an ending fund balance of \$2,087,159, an increase of \$110,663 in comparison with the beginning of the period. Approximately 40 percent of this total amount, \$834,325, is available for spending at the government's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Shady Shores' finances, in a manner similar to a private-sector business.

The statement of net position presents information on the entire Town of Shady Shores' assets and liabilities, with the difference reported as net position. Over time, increase or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Shady Shores is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent period. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the Town has one kind of activity:

- **Governmental activities.** All of the Town's basic services are reported here, including public works and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

TOWN OF SHADY SHORES, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

Governmental Funds. All of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at period-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Shady Shores' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town of Shady Shores does not currently have any fiduciary funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information highlighting budgetary information for the general fund.

Government-wide Financial Analysis

The Town's net position was \$3,024,689 as of September 30, 2015. This analysis focuses on the net position (Table 1) and changes in general revenues (Table 2) and significant expenses of the Town's governmental activities.

A portion of the Town's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

TOWN OF SHADY SHORES, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Table I

Net Position

	Governmental Activities	
	2014	2015
Current and other assets	\$2,007,243	\$2,141,863
Capital assets	1,003,212	921,859
Net pension asset	-	4,154
Total assets	<u>3,010,455</u>	<u>3,067,876</u>
Deferred outflows of resources	-	374
Other liabilities	19,698	43,074
Total liabilities	<u>19,698</u>	<u>43,074</u>
Deferred inflows of resources	-	487
Net position:		
Net investment in capital assets	1,003,212	921,859
Restricted	3,273	4,328
Unrestricted	1,984,272	2,098,502
Total net position	<u>\$2,990,757</u>	<u>\$3,024,689</u>

Governmental Activities. The Town's general revenues for governmental activities for the year ended September 30, 2015 are detailed below (Table 2).

Table 2
General Revenues

	2014	2015
Property taxes	\$689,832	\$725,978
Sales taxes	70,417	79,971
Franchise taxes	128,311	140,282
Investment earnings	4,932	6,128
Miscellaneous	2,895	2,398
	<u>\$896,387</u>	<u>\$954,757</u>

The following table provides a summary of the Town's operations for the year ended September 30, 2015. Governmental activities increased the Town's net position by \$28,809.

TOWN OF SHADY SHORES, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Table 3
Changes in Net Position

	Governmental Activities	
	2014	2015
Revenues:		
Program Revenues:		
Charges for Services	\$ 80,335	\$ 98,746
Operating Grants:		
Government grant	-	2,551
General Revenues:		
Property taxes	689,832	725,978
Sales taxes	70,417	79,971
Franchise taxes	128,311	140,282
Investment Earnings	4,932	6,128
Miscellaneous	2,895	2,398
Total Revenue	<u>976,722</u>	<u>1,056,054</u>
Expenses:		
General government	263,508	330,366
Public safety	442,438	530,872
Public works/other	162,891	166,007
Total Expenses	<u>868,837</u>	<u>1,027,245</u>
Increase (decrease) in net position	107,885	28,809
Net position – October 1 (beginning)	2,882,872	2,990,757
Prior period adjustment	-	5,123
Net position – September 30 (ending)	<u>\$2,990,757</u>	<u>\$3,024,689</u>

Financial Analysis of the Government's Funds

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

As of the end of the current period, the Town's governmental fund, the general fund reported an ending fund balance of \$2,087,159, an increase of \$110,663 in comparison with the beginning of the period. Approximately 40 percent of this total amount (\$834,325) constitutes unassigned fund balance, which is available for spending at the Town's discretion. A portion of the fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for court security and technology. The Town has also assigned a portion of the fund balance for capital projects, roads and bridges and emergencies.

The fund balance of the Town's general fund increased by \$110,663 during the current period.

Key factors in this increase are as follows:

- Decrease in expenditures
- Increase in revenues

TOWN OF SHADY SHORES, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

General Fund Budgetary Highlights

During the current year, the Town Council of the Town of Shady Shores did not amend the budget for the General Fund.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$921,859 (net of accumulated depreciation). This amount represents a net decrease of \$81,353, or 8 percent, below the beginning of the period. The investment in capital assets includes land, buildings, equipment, furniture and roads.

There were no major capital asset additions during the current period.

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities
Land	\$ 6,000
Buildings	482,745
Furniture and Equipment	24,725
Vehicle	-
Infrastructure - Roads	408,389
Totals	<u>\$ 921,859</u>

Additional information on the Town's capital assets can be found in Note 4 of this report.

Long-term Debt. At the end of the current period, the Town had no long-term indebtedness.

Economic Factors and Next Year's Budgets and Rates

- The fiscal year 2015-2016 budget is \$1,370,789 and increase of \$363,032 and leaves the tax rate at .314625 per \$100 valuation. \$350,000 of the budget is for roads and streets.
- Again this year we received an unmodified or good opinion from our auditing firm. It is just one more indication the Council is managing your tax dollars carefully.
- The Town continues to contract for the services of an animal control officer, police patrol services, fire and EMS services, and code enforcement officer.
- The Town plans to maintain a financial reserve with disciplined spending. The ending general fund balance for the fiscal year 2015 was \$2,087,159.

TOWN OF SHADY SHORES, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Shady Shores, P.O. Box 362, Lake Dallas, Texas 75065.

BASIC FINANCIAL STATEMENTS

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TOWN OF SHADY SHORES, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,876,448
Investments	253,143
Receivables (net of allowance for uncollectibles)	
Taxes - Ad Valorem	11,630
Other Receivables	642
Noncurrent Assets:	
Capital Assets (net of depreciation):	
Land	6,000
Buildings, net	482,745
Furniture and Equipment, net	24,725
Vehicles, net	-
Roads and Streets, net	408,389
Net Pension Asset	4,154
Total Assets	3,067,876
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to TMRS	374
Total Deferred Outflows of Resources	374
LIABILITIES	
Accounts Payable	42,874
Rent Deposit	200
Total Liabilities	43,074
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to TMRS	487
Total Deferred Inflows of Resources	487
NET POSITION	
Net Investment in Capital Assets	921,859
Restricted for:	
Court Technology & Security	4,328
Unrestricted Net Position	2,098,502
Total Net Position	\$ 3,024,689

The accompanying Notes are an integral part of this statement.

TOWN OF SHADY SHORES, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 330,366	\$ -	\$ 2,551	\$ (327,815)
Public Safety	530,872	32,572	-	(498,300)
Public Works/Other	<u>166,007</u>	<u>66,174</u>	-	<u>(99,833)</u>
Total Governmental Activities	<u>1,027,245</u>	<u>98,746</u>	<u>2,551</u>	<u>(925,948)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,027,245</u>	<u>\$ 98,746</u>	<u>\$ 2,551</u>	<u>(925,948)</u>

GENERAL REVENUES:

Taxes:	
Property Taxes	725,978
Sales Taxes	79,971
Franchise Taxes	140,282
Investment Earnings	6,128
Miscellaneous	<u>2,398</u>
Total General Revenues	<u>954,757</u>
Change in Net Position	28,809
NET POSITION - Beginning	2,990,757
Prior Period Adjustment "Required by GASB 68"	<u>5,123</u>
NET POSITION - Ending	<u>\$ 3,024,689</u>

The accompanying Notes are an integral part of this statement.

TOWN OF SHADY SHORES, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,876,448
Investments	253,143
Ad valorem Tax Receivable	11,630
Other Receivables	<u>642</u>
Total Assets	<u>\$2,141,863</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 42,874
Rent Deposit	<u>200</u>
Total Liabilities	43,074
Deferred Inflows of Resources:	
Unavailable Revenue-Property Taxes	<u>11,630</u>
Total Deferred Inflows of Resources	<u>11,630</u>
Fund Balance:	
Restricted:	
Court Technology & Security	4,328
Assigned Fund Balance:	
Capital Projects	100,000
Roads and Bridges	848,506
Emergencies	300,000
Unassigned Fund Balance	<u>834,325</u>
Total Fund Balance	<u>2,087,159</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$2,141,863</u>

The accompanying Notes are an integral part of this statement.

TOWN OF SHADY SHORES, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total Fund Balances – Governmental Funds	\$2,087,159
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	1,660,214
Accumulated depreciation is not reported in the fund financial statements.	(738,355)
Property tax revenue reported as unavailable revenues in the fund financial statements was recognized as revenue in the government-wide financial statements.	11,630
Included in the items related to debt is the recognition of the Town's net TMRS pension asset required by GASB 68 in the amount of \$4,154, a Deferred Outflows of Resources related to TMRS in the amount of \$374, and a Deferred Inflows of Resources related to TMRS in the amount of \$487. This amounted to an increase in Net Position in the amount of \$4,041.	<u>4,041</u>
Net Position of Governmental Activities	<u><u>\$3,024,689</u></u>

The accompanying Notes are an integral part of this statement.

TOWN OF SHADY SHORES, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>General Fund</u>
Revenues:	
Taxes	
General Sales and Use Taxes	\$ 79,971
Ad Valorem Taxes and Penalties	725,397
Franchise Tax	140,282
Building Permits & Fees	66,174
Municipal Court Fines	32,572
Government Grants	2,551
Interest Income	6,128
Miscellaneous & Other Revenue	2,398
Total Revenues	<u>1,055,473</u>
Expenditures:	
General Government Administration	317,694
Public Safety	529,273
Public Works/Other	97,843
Total Expenditures	<u>944,810</u>
Excess of Revenues Over Expenditures	<u>110,663</u>
Net Change in Fund Balance	110,663
Fund Balance – October 1 (beginning)	<u>1,976,496</u>
Fund Balance – September 30 (ending)	<u><u>\$ 2,087,159</u></u>

The accompanying Notes are an integral part of this statement.

TOWN OF SHADY SHORES, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

Total Net Change in Fund Balances – Governmental Funds \$ 110,663

Current year capital outlay is shown as an expenditure in the fund financial statements but are shown as capital assets in the government-wide financial statements. 3,711

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements. (85,064)

Revenues from property taxes are shown as unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed in the government-wide financial statements. 581

The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of 12/31/14 caused the change in ending net position to increase in the amount of \$250. Contributions made before the measurement date but during the 2015 FY were also de-expended and recorded as a reduction in the net position liability for the Town. This also caused an decrease in the change in net position in the amount of \$816. These contributions were replaced with the Town's pension expense for the year of \$516, which caused a decrease in the change in net position. The impact of all of these is to decrease the change in net position by \$1,082. (1,082)

Change in Net Position of Governmental Activities \$ 28,809

The accompanying Notes are an integral part of this statement.

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Shady Shores (the "Town") are presented in accordance with generally accepted accounting principles applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board ("GASB").

In fiscal year 2004, the Town implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, GASB Statement No. 38, *Certain Financial Statement Disclosures*, which changes note disclosures requirements for governmental entities, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, which clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where difference have arisen, or potentially could arise, in interpretation and practice of GASB Statement No. 34.

GASB Statements No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the use of account groups to the already required fund financial statements and notes. GASB Statement No. 37 provides additional guidance in reporting infrastructure, program revenues and major criteria.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that the government-wide financial statements are needed to allow users of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The following is a summary of the more significant accounting policies.

A. Reporting Entity

The Town of Shady Shores (Town) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

The Town had no discretely presented component units at September 30, 2015.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

General Fund - The General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Cash and Investments

The Town's cash and investments are considered to be cash on hand, demand deposits and certificates of deposit.

E. Property Taxes

Ad valorem taxes are levied from valuations assessed as of January 1 and recognized as revenue on the date of levy, on October 1. Property tax receivables are recognized when the Town has an enforceable claim against the property owner. In the governmental funds, property tax revenue is recognized in the fiscal period for which the taxes are levied, provided that they become available. Available means collected within the current period, or expected to be collected soon enough thereafter, to be used to pay current liabilities. The Town's availability period is sixty days. Taxes collected prior to the levy date to which they apply are recorded as unavailable revenues and recognized as revenue of the period to which they apply.

Current taxes are due on October 1 and become delinquent if unpaid on February 1. Taxes unpaid as of February 1 are subject to penalty and interest as the Town Council provides by ordinance. On January 1 of each year, a tax lien attaches to property to secure all taxes, penalties and interest ultimately imposed.

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

F. Bad Debts

No allowance is provided for uncollectible real property taxes, since all real property taxes will ultimately be collected when title to the property is transferred, except in rare instances in which the taxes are discharged in bankruptcy.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. The Town defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of governmental activities is not included as part of the capitalized value of the assets constructed.

Depreciation expense is calculated on the straight-line method. Depreciation methods are designed to amortize the cost of the assets over their estimated useful lives. Estimated useful lives of major categories of property are as follows:

<u>Category</u>	<u>Estimated Life</u>
Infrastructure	15-30 years
Buildings	50 years
Furniture and equipment	7-10 years

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Net Position

Net position represents the difference between assets, deferred outflows, deferred inflows and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

J. Budgets

The Town prepares an annual budget for the General Fund in order to provide appropriate budgetary control over revenues and expenditures through comparison of actual data to budgetary data. If a change in the approved budget is required due to unforeseen circumstances, the Council may approve amendments to the budget. All annual appropriations lapse at fiscal year-end.

K. IMPLEMENTATION OF NEW STANDARD

In the current fiscal year, the Town implemented the following new standards:

GASB Statement 68, *Accounting and Financial Reporting for Pensions* ("GASB 68") establishes accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or similar arrangements that meet certain criteria. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* ("GASB 71") amends the transition provisions of GASB 68. GASB 71 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Implementation is reflected in the financial statements and the notes to the financial statements.

2. FUND BALANCE

The Town has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town had no nonspendable fund balances.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Court security and technology fees are being restricted because their use is restricted pursuant to the regulations that allow the collection of those fees.

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council had not committed any resources as of September 30, 2015.
- Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Council or through the Council delegating this responsibility to other individuals in the Town. Under the Town's policy, only the council may assign amounts for specific purposes. The Town had assigned fund balance resources of the General Fund as of September 30, 2015, for capital projects, roads and bridges and emergencies.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

Beginning fund balances for the Town's governmental funds have been restated to reflect the above classifications. The details of the fund balances are included in the Governmental Funds Balance Sheet (page 17) and are described below:

General Fund

The General Fund has unassigned fund balance of \$834,325 at September 30, 2015. The fund balances of the Court Technology Fund and Court Security Fund (totaling \$4,328) are shown as restricted for those purposes. The Town had assigned fund balances of \$100,000 for capital projects, \$848,506 for roads and bridges and \$300,000 for emergencies.

3. DEPOSITS AND INVESTMENTS WITH FINANCIAL INSTITUTIONS

The Town's funds are required to be deposited and invested under the terms of a depository agreement. The depository bank deposits for safekeeping and trust with the Town's agent bank approved pledged securities in an amount sufficient to protect Town funds on a day-to-day basis during the period of the agreement. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. Cash Deposits:

At September 30, 2015, the carrying amount of the Town's deposits in checking accounts and interest-bearing savings accounts was \$1,876,448 and the bank balance was \$1,915,981. The Town's cash deposits at September 30, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Town to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the Town to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptance, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds.

The Act also requires the Town to have independent auditors perform test procedures related to investment practices as provided by the Act. The Town is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the Town has adopted a deposit and investment policy. That policy addresses the following risks:

- a. **Custodial Credit Risk – Deposits:** In the case of deposits, this is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. As of September 30, 2015, the Town's cash balances totaled \$1,876,448. This entire amount was either collateralized with securities held by the Town's financial institution's agent in the Town's name or covered by FDIC insurance. Thus, the Town's deposits are not exposed to custodial credit risk.
- b. **Custodial Credit Risk – Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2015, the Town's investments was a certificate of deposit.
- c. **Credit Risk:** This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. Credit risk is monitored and controlled by purchasing quality related instruments that have been evaluated by agencies such as Standards and Poor's or Moody's Investment Services.

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

- d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase.
- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At September 30, 2015, the Town was not exposed to foreign currency risk.
- f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the Town's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. The Town is subject to the concentration of credit risk, since more than 5 percent of all cash and investments are held at Northstar Bank.

The Town's investments at September 30, 2015, are shown below:

Name	Carrying Amount	Market Value
Certificate of Deposit	<u>\$ 253,143</u>	<u>\$ 253,143</u>
Total	<u>\$ 253,143</u>	<u>\$ 253,143</u>

4. CAPITAL ASSETS

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

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Total capital assets, not being depreciated	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Capital assets being depreciated:				
Roads & Streets	1,022,441	-	-	1,022,441
Buildings & Improvements	563,091	-	-	563,091
Vehicles	11,400	-	-	11,400
Furniture & Equipment	53,571	3,711	-	57,282
Total capital assets, being depreciated	<u>1,650,503</u>	<u>3,711</u>	<u>-</u>	<u>1,654,214</u>
Less accumulated depreciation for:				
Buildings & Improvements	68,910	11,436	-	80,346
Furniture & Equipment	28,962	3,595	-	32,557
Vehicles	11,400	-	-	11,400
Roads & Streets	544,019	70,033	-	614,052
Total accumulated depreciation	<u>653,291</u>	<u>85,064</u>	<u>-</u>	<u>738,355</u>
Total capital assets, being depreciated, net	<u>997,212</u>	<u>(81,353)</u>	<u>-</u>	<u>915,859</u>
Governmental activities capital assets, net	<u>\$1,003,212</u>	<u>\$ (81,353)</u>	<u>\$ -</u>	<u>\$ 921,859</u>

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

Governmental Activities:	
Administration	\$ 15,301
Public Safety	1,599
Public works	<u>68,164</u>
Total depreciation expense – Governmental activities	<u>\$ 85,064</u>

5. LITIGATION AND CONTINGENCIES

The Town Attorney (general legal counsel) expresses the opinion that there does not now exist any pending or threatened litigation, claim or assessment, or an unasserted claim and/or assessment which individually or collectively represent a potential loss exposure to the Town of Shady Shores, Texas.

6. RISK MANAGEMENT

Significant losses to which the Town is exposed are covered by insurance obtained primarily through the Texas Municipal League. This includes property and liability insurance. The Town retains no risk of loss except for small deductibles on some of the policies.

For insured programs, there have been no significant reduction in insurance coverage, and settlement amounts have not been exceeded insurance coverage for the current year or the three prior years.

7. DEFINED BENEFIT PENSION PLANS

Plan Description

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

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

Benefits Provided

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

TOWN OF SHADY SHORES, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

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

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS. Plan provisions for the Town were as follows:

	Plan Year 2014	Plan Year 2015
Employee deposit rate	5.0%	5.0%
Employer deposit rate	.02%	.33%
Matching ratio (Town to employee)	1 to 1	1 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5,0/20	60/5,0/20
Updated Service Credit	0%,	0%,
Annuity Increase (to retirees)	0% of CPI	0% of CPI

Employees covered by benefit terms.

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

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to buy not yet receiving benefits	1
Active employees	2
	3

Contributions

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

Employees for the Town of Shady Shores were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the Town of Shady Shores were .02% and 0.33% in calendar years 2014 and 2015, respectively. The town's contributions to TMRS for the year ended September 30, 2015 were \$836, and were equal to the required contributions.

TOWN OF SHADY SHORES, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

Net Pension Liability continued

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

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return*
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

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

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Changes in the Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/2013	\$ 8,201	\$12,223	\$(4,022)
Changes for the year:			
Service Cost	2,663	-	2,663
Interest	667	-	667
Change in benefit terms	-	-	-
Difference between expected and actual experience	(595)	-	(595)
Changes of assumptions	-	-	-
Contributions – employer	-	285	(285)
Contributions – employee	-	1,889	(1,889)
Net investment income	-	701	(701)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	-	(7)	7
Other changes	-	(1)	1
Net changes	\$ 2,735	\$ 2,867	\$ (132)
Balance at 12/31/2014	\$10,936	\$15,090	\$(4,154)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Town's net pension liability (asset)	\$(3,114)	\$(4,154)	\$(5,000)

Pension Plan Fiduciary Net Position

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

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

TOWN OF SHADY SHORES, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

For the year ended September 30, 2015, the Town recognized pension expense of \$1,082.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 487
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	124	-
Contributions subsequent to the measurement date	250	-
Total	\$ 374	\$ 487

\$250 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2016	\$(77)
2017	(77)
2018	(77)
2019	(77)
2020	(55)
Thereafter	0

12. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As such, the prior period adjustment was necessary to record the beginning pension asset of the Town. The following illustrates the effect of the prior period adjustment:

Beginning Net Position – As Originally Presented	\$2,990,757
Restatement due to:	
Net pension asset (measurement date as of December 31, 2013)	4,022
Deferred Outflows:	
Town contributions made to TMRS during fiscal year	<u>1,101</u>
Beginning Net Position – As Restated	<u>\$2,995,880</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SHADY SHORES, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts (GAAP BASIS)	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General Sales and Use Taxes	\$ 75,000	\$ 75,000	\$ 79,971	\$ 4,971
Ad Valorem Taxes and Penalties	721,289	721,289	725,397	4,108
Franchise Tax	137,350	137,350	140,282	2,932
Government Grants	-	-	2,551	2,551
Building Permits & Fees	51,100	51,100	66,174	15,074
Municipal Court Fines	17,850	17,850	32,572	14,722
Interest Income	2,568	2,568	6,128	3,560
Miscellaneous & Other Revenue	2,600	2,600	2,398	(202)
Total Revenues	<u>1,007,757</u>	<u>1,007,757</u>	<u>1,055,473</u>	<u>47,716</u>
Expenditures:				
General Government Administration	334,910	334,910	317,694	17,216
Public Safety	525,700	525,700	529,273	(3,573)
Public Works/Other	147,147	147,147	97,843	49,304
Total Expenditures	<u>1,007,757</u>	<u>1,007,757</u>	<u>944,810</u>	<u>62,947</u>
Excess (Deficiency) of Expenditures Over (Under)Revenues	<u>-</u>	<u>-</u>	<u>110,663</u>	<u>110,663</u>
Net Change in Fund Balance	-	-	110,663	110,663
Fund Balance – October 1 (Beginning)	<u>1,976,496</u>	<u>1,976,496</u>	<u>1,976,496</u>	<u>-</u>
Fund Balance – September 30 (Ending)	<u>\$ 1,976,496</u>	<u>\$ 1,976,496</u>	<u>\$ 2,087,159</u>	<u>\$ 110,663</u>

TOWN OF SHADY SHORES, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2014
Total pension liability	
Service Cost	\$ 2,663
Interest (on the Total Pension Liability)	667
Changes of benefit terms	0
Difference between expected and actual experience	(595)
Change of assumptions	0
Benefit payments, including refunds of employee contributions	-
Net Change in Total Pension Liability	2,735
Total Pension Liability – Beginning	8,201
Total Pension Liability – Ending (a)	\$ 10,936
Plan Fiduciary Net Position	
Contributions – Employer	\$ 285
Contributions – Employee	1,889
Net Investment Income	701
Benefit payments, including refunds of employee contributions	-
Administrative Expense	(7)
Other	(1)
Net Change in Plan Fiduciary Net Position	2,867
Plan Fiduciary Net Position – Beginning	12,223
Plan Fiduciary Net Position – Ending (b)	\$ 15,090
Net Pension Liability (Asset) – Ending (a) – (b)	\$ (4,154)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	137.98%
Covered Employee Payroll	\$ 37,788
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	(10.99%)

Note: GASB 68, Paragraph 81, 2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of December 31, 2014 – the period from January 1, 2014 – December 31, 2014.

Note: Only one year of data is presented in accordance with GASBS 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

TOWN OF SHADY SHORES, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEXAS MUNICIPAL RETIREMENT SYSTEM
 FOR FISCAL YEAR 2015

	2015
Contractually Required Contribution	\$ 836
Contribution in Relation to the Contractually Required Contribution	(836)
Contribution Deficiency (Excess)	\$ -0-
Town's Covered-Employee Payroll	\$ 100,115
Contributions as a Percentage of Covered-Employee Payroll	0.84%

Note: GASB 68, Paragraph 81, 2,b requires that the data in this schedule be presented as of the Town's current fiscal year as opposed to the time period covered by the measurement date of January 1, 2014 - December 31, 2014.

Note: Only one year of data is presented in accordance with GASBS 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

TOWN OF SHADY SHORES, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no changes of benefit terms or changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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OTHER SUPPLEMENTARY INFORMATION

TOWN OF SHADY SHORES, TEXAS
GENERAL FUND
STATEMENT OF REVENUES
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Property Taxes:			
Current Year Taxes and Penalties	\$ 721,289	\$ 725,397	\$ 4,108
Franchise Taxes:			
TXU Energy	95,000	79,036	(15,964)
Atmos Energy	20,000	26,265	6,265
CoServ Gas	50	71	21
Century Telephone	2,800	3,684	884
Charter Communications	18,000	29,562	11,562
Waste Management	1,500	1,664	164
Total	<u>137,350</u>	<u>140,282</u>	<u>2,932</u>
Other Revenues:			
Government Grants	-	2,551	2,551
Sales Taxes	75,000	79,971	4,971
Permits and Other Fees	51,100	66,174	15,074
Municipal Court Fines	17,850	32,572	14,722
Interest on Investments	2,568	6,128	3,560
Other Revenues	2,600	2,398	(202)
Total	<u>149,118</u>	<u>189,794</u>	<u>40,676</u>
 Total Revenues	 <u>\$ 1,007,757</u>	 <u>\$ 1,055,473</u>	 <u>\$ 47,716</u>

TOWN OF SHADY SHORES, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government Administration:			
Town Secretary	\$ 62,000	\$ 62,116	\$ (116)
Office Clerk	8,700	-	8,700
Court Clerk	30,000	41,021	(11,021)
Payroll Taxes	12,000	8,423	3,577
Retirement	3,100	432	2,668
Municipal Judge	1,800	1,800	-
Computer Expense	10,000	10,829	(829)
Attorney Fees	45,000	57,963	(12,963)
Accounting/Audit Fees	6,500	6,833	(333)
Postage/Mailing	700	460	240
Staff Development/Training	5,000	5,345	(345)
Advertising	2,500	2,214	286
Engineering Fees	35,000	51,284	(16,284)
Building/Maintenance	10,000	9,828	172
Telephone & Utilities	20,200	15,142	5,058
Dues & Subscriptions	700	658	42
Office/Insurance	9,660	8,091	1,569
Codification	10,000	6,705	3,295
Election Expense	4,000	3,481	519
Community Events	4,500	4,908	(408)
Promotional	1,500	1,000	500
Court Fines to State	10,000	10,754	(754)
Court Software	1,000	-	1,000
Jury Fees	500	-	500
Other Expenditures	21,050	1,918	19,132
Tax Collection	7,500	5,964	1,536
Contingency	10,000	-	10,000
Building Deposit Refund	2,000	525	1,475
Total Administration	<u>334,910</u>	<u>317,694</u>	<u>17,216</u>
Public Safety:			
Police Services	211,000	215,719	(4,719)
Animal Control	14,700	13,597	1,103
Fire and Ambulance	300,000	299,957	43
Total Public Safety	<u>525,700</u>	<u>529,273</u>	<u>(3,573)</u>
Public Works:			
Inspections	20,000	26,370	(6,370)
Code Enforcement	7,200	7,407	(207)
Roads & Streets	61,401	-	61,401
Street Signs	2,000	3,020	(1,020)
Library	29,046	29,046	-
Public Works	25,000	31,880	(6,880)
Regional Storm Water	2,500	120	2,380
Total Public Works	<u>147,147</u>	<u>97,843</u>	<u>49,304</u>
Total Expenditures	<u>\$ 1,007,757</u>	<u>\$ 944,810</u>	<u>\$ 62,947</u>

TOWN OF SHADY SHORES, TEXAS
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
SEPTEMBER 30, 2015

Tax Year	Balance September 30, 2014	Current Year Levy	Collections	Supplements/ Adjustments	Balance September 30, 2015
1999-2005	\$ 855	\$ -	\$ -	\$ -	\$ 855
2005-2006	306	-	-	-	306
2006-2007	238	-	11	-	227
2007-2008	623	-	-	-	623
2008-2009	893	-	40	-	853
2009-2010	909	-	79	-	830
2010-2011	966	-	109	(15)	842
2011-2012	1,044	-	201	(16)	827
2012-2013	1,388	-	354	(15)	1,019
2013-2014	3,827	-	1,893	(101)	1,833
2014-2015	<u>-</u>	<u>720,282</u>	<u>718,903</u>	<u>2,036</u>	<u>3,415</u>
Totals	<u>11,049</u>	<u>720,282</u>	<u>721,590</u>	<u>1,889</u>	<u>11,630</u>
Less allowance for uncollectible accounts					<u>-</u>
					<u>\$ 11,630</u>

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977
TEL. (940) 387-8563
FAX (940) 383-4746

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Town Council
Town of Shady Shores, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of Shady Shores, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise The Town of Shady Shores, Texas's basic financial statements, and have issued our report dated January 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

January 29, 2016



To: Mayor Pro-Tem Cindy Aughinbaugh and Town Council Members
From: Wendy Withers, Town Secretary
CC: Jim Shepherd, Town Attorney
Date: 02/08/2016
Re: Code Enforcement Services

ACTION REQUESTED: Consider and take action relative to approval of an individual to perform Code Enforcement Services for the Town of Shady Shores.

BACKGROUND INFORMATION: The town of Shady Shores has been using the services of America's Code Enforcement to provide Code Enforcement Services for the town. At the January 12, 2016 Town council meeting the council authorized the Town Secretary to seek RFP (request for proposals) for code enforcement services. The announcement was advertised in the Denton Record Chronicle. To date we have received one submission from NEC Code Enforcement Services.

FINANCIAL CONSIDERATIONS: The rate proposed by NEC Services is \$10 more than our current service provider and the minimum hours proposed are an increase of 5 to 10 hours. Additional funds were budgeted in code enforcement this year to cover additional services.

ALTERNATIVES:

1. Council could choose to seek a contract with NEC Services
2. Council could choose to continue with our current provider's America's Code Enforcement Services
3. Council could do nothing at this time and continue to seek proposals for service.

Neighborhood Enhancement Consulting

Menu of Services

Code Enforcement/Community Development

We offer full service code enforcement including research of ordinances, conducting field inspections, issuing notices, managing abatements, preparing Lien statements, issuing citations when necessary, and testifying in court. We have over twelve years' experience in Code Enforcement, planning and zoning, and community development. CE#2994

Drainage management and West Nile prevention.

We consult on drainage issues such as, standing water, bar ditches not draining properly, sink holes near underground storm water systems etc. etc. I am a Nationally Certified Storm Water Inspector. We identify drainage issues and offer possible resolutions. We work with existing city staff to resolve drainage issues, and to help minimize the West Nile threat. We will treat standing water with mosquito dunks and educate the public in West Nile prevention. We have over ten years' experience in drainage management, including MS4 permit experience, (BMP) best management practices, out flow testing, and SWP3.

Pavement management survey

We can do a complete inventory of all city owned and maintained pavement. This inventory will include condition rating, along with recommendations of pavement maintenance depending on condition. These maintenance recommendations may range from simple pothole repairs, to cut out and

replacements. We have extensive experience and training in pavement management including formal training in pavement maintenance, the TEEX 160 hour pavement management course, Cardigraph pavement management training, as well as 18 years of in the field experience.

Our price is \$40.00 per hour flat rate. In most cases we have a 5 hour per week minimum and a 10 hour per week maximum unless otherwise agreed upon. This price includes using my own vehicle, computer, doing my own research etc.

State of Texas §

County of Denton §

Agreement for Code Enforcement / CIP Inspection Services

This agreement for code enforcement services (hereinafter referred to as “agreement”) is entered into by and between the _____, Texas (hereinafter referred to as “Town”) and Don Strange, doing business as Neighborhood Enhancement Consulting (hereinafter referred to as “NEC”). In consideration of the mutual promises herein contained, the parties agree as follows.

Recitals

It is the desire of the city to engage the services of NEC as its agent to provide code enforcement and Capital Improvement Inspection services, as that term is defined in Chapter 1952 of the Occupations Code, as amended. NEC shall provide services in its capacity as an independent contractor acting as the agent of the Town for the identification, notification and abatement of violations of the City codes and ordinances identified by the City Administrator. As and when requested by the City Administrator, code enforcement services shall be provided by NEC at the agreed hourly rate set out in this agreement. Such services shall include but not be limited to inspecting properties in the Town, issuing notices of violation to property owners and occupants, sending letters seeking abatement of such violations, issuing citations, and if necessary, assisting with testimony and documentary evidence in the prosecution of municipal court cases or civil action by the Town to abate code violations on such properties and other services necessary for the performance of NEC’s obligations under this agreement (hereinafter referred to as the “services”).

Terms

1. **Term/termination.** This agreement shall be for an initial period of one year commencing on the ____ day of _____ 2016 and may be extended for five additional one year periods by mutual written agreement of the parties. NEC may terminate this agreement at any time for any reason upon furnishing the Town at least thirty days’ prior written notice. The Town may terminate this agreement at any time for any reason upon furnishing NEC at least thirty days’ prior written notice.

2. **Scope of Work/Compensation.** NEC shall inspect properties which have been identified by it or by the Town, by observation or complaint, as having code violations, shall issue notices to the owners and occupants of such properties, shall send letters with regard to the abatement of such violations, shall issue citations to municipal court if the violations are not timely abated, and shall take such other action as may be necessary to abate the violations, including if necessary, assisting the Town attorney with testimony and documentary evidence in the prosecution of municipal court cases and/or civil action by the Town to abate the code violations on such properties. Citations used will be from numbered Town citation books issued by the municipal court. Letters will be prepared and emailed to support staff for mailing. NEC shall be compensated in accordance with the following fee schedule for services provided hereunder. Such fees shall be full and complete compensation for the services performed:

A. NEC will perform code enforcement and CIP inspection services for the City at a rate of \$40.00 per hour.

B. The hours spent in the performance of the services shall not be less than five (5) hours per week and shall not exceed ten (10) hours per week without the prior written authorization of the Mayor.

C. A summary of work done and hours worked will be provided on a invoice to the Town Secretary bi weekly.

3. **Independent contractor.** It is expressly understood and agreed that NEC will perform the code enforcement services hereunder as an independent contractor. NEC has the right to control the day to day details of the services under this agreement. The manner and means of the performance of the services by NEC hereunder are at the discretion of NEC. In performing its services hereunder, NEC will abide by all codes and ordinances of the City and all applicable state and federal law with regard to its code enforcement activities. The doctrine of respondeat superior shall not apply as between the Town and NEC in that nothing herein shall be construed as creating a partnership or joint enterprise between the Town and NEC. NEC will have no authority to bind the Town or otherwise incur liability on behalf of the Town. Further, the Town will have no obligation to provide insurance to NEC or other benefits. All taxes due on compensation received by NEC hereunder shall be the sole responsibility of NEC.

4. **Indemnification/Remedies Cumulative.** NEC, Its officers, agents, employees and other legal representatives do hereby agree to fully release, indemnify, defend and hold harmless the Town and its officials, officers, employees, agents, contractors, and subcontractors (“indemnities”) from and against losses, demands and costs, including court costs and reasonable attorney’s fees, related to, arising out of, resulting from, or accruing as a result of code enforcement services performed by NEC, except for the negligence or willful conduct of the indemnities. NEC’s indemnification obligation shall be in addition to all rights, remedies, and privileges available at law or in exercise of one or more of such rights, remedies, or privileges. Likewise, one or more instances of forbearance by the Town in the exercise of its rights, remedies or privileges hereunder shall in no way to constitute a waiver of the exercise of any such rights remedies or privileges. No third party rights are created by this agreement. The Town reserves to itself all defenses it has as a matter of law, including governmental immunity, for its actions in enforcing the codes and ordinances of the Town.

5. **Insurance.** At its own cost and expense NEC shall purchase and maintain automobile liability insurance coverage for its motor vehicles and employees in at least the minimum amounts required by state law.

6. **Qualified.** NEC represents and warrants that all persons performing services for the Town hereunder are qualified code enforcement officers as that term is used in Occupations Code, Chapter 1952, as amended, to perform such services as agents for the City, and have current licenses and certifications to perform such services as required by applicable law, and are in good standing with the appropriate regulatory authorities governing the services performed by each such person under this agreement.

7. **Entire agreement.** This agreement contains the entire agreement between the parties hereto with respect to the services described herein. All prior agreements and understandings with regard to these matters are hereby superseded. No amendments to this agreement shall be effective unless in writing and signed by the parties hereto.

8. **Notice.** Any notice required or desired to be given under this agreement shall be in writing and signed by the party giving the same and shall be personally delivered or sent by registered or certified mail, return receipt requested, to the other party hereto at the address of that party set forth below or at such other address designated in writing by that party

City: Town of Shady Shores

47789

PO Box 362
Lake Dallas, TX 75065

NEC: Neighborhood Enhancement Consulting

18030 Cheshier

Justin Texas 76247

9. **Successors and assigns; agents or assistants.** The Town and NEC bind themselves, their heirs, executors, successors, and assigns, to the other party to this agreement. Neither the Town nor NEC shall assign, sublet, subcontract or transfer any interest in this agreement without the written consent of the other party. Subject to the provision regarding assignment, this agreement shall be binding on the heirs, executors, successors and assigns of the respective parties.

Subject to the foregoing, to the extent reasonably necessary for NEC to perform its duties hereunder, NEC may engage the services of any agents or assistants which it may deem proper and it may further employ engage or retain the services of such other persons or corporations to aid or assist it in the proper performance of its duties. The cost of the services of such agents or assistants shall be borne by NEC at its sole cost and expense. NEC further agrees that retaining the services of agents or assistants for any portion or feature of the work or material required in the performance of this agreement shall not relieve NEC from its full obligations to the Town as provided by this agreement.

10. **Venue.** This agreement shall be construed defined and interpreted under the laws of the State of Texas. All obligations of the parties created hereunder are performable in the County of Denton, State of Texas. Exclusive venue of any legal action with regard hereto shall lie in Denton County Texas.

EXECUTED AND EFFECTIVE THIS _____ DAY OF _____ 2015.

Town of Shady Shores, Texas

NEC Consulting

Mayor

Don Strange, Owner

Attest:

Wendy Withers, Town Secretary

SAMPLE



To: Mayor Pro-Tem Cindy Aughinbaugh and Town Council Members
From: Wendy Withers, Town Secretary
CC: Jim Shepherd, Town Attorney
Date: 02/08/2016
Re: Oakwood Circle Drainage Issues

ACTION REQUESTED: Receive an update from the Town Engineer Richard Arvizu on the status of the review of Oakwood Circle drainage issues.

BACKGROUND INFORMATION: There appear to be some significant drainage issues on Oakwood Circle due to the fact that many homeowners have filled in their culverts or ditches along their front yards. Many of the culverts in the area appear to be undersized and not constructed at the proper elevation impeding efficient drainage. During significant storm events water overloads the roadway ditches causing water to flow on to homeowner's property. Council members reviewed a video presented by Mr. Larry Byers that showed drainage problems that property owners have experienced in the past at the October 12, 2015 Town Council Meeting. The Town Engineer was directed to review the project and develop alternative solutions that would address the issue. The Council directed the Town Engineer to perform a survey of the existing drainage and make preliminary decisions based on the findings of that survey.



To: Mayor Pro-Tem Cindy Aughinbaugh and Town Council Members
From: Wendy Withers, Town Secretary
CC: Jim Shepherd, Town Attorney
Date: 02/08/2016
Re: Meadowlark Lane Culvert

ACTION REQUESTED: Consider and take action relative to the upgrade of an undersized culvert at Meadowlark Lane.

BACKGROUND INFORMATION: In December of 2014 Council approved a request for a replat of the “Simone Addition” on Meadowlark Drive. At that time Richard Arvizu, Town Engineer noted that the current culvert crossing under Meadowlark Lane was inadequate to carry the flow and the town might want to consider resizing of this culvert in the future. Mr. Doug Barber is currently building his home at 303 Meadowlark and has concerns about the current drainage coming from that culvert.

Council directed the Town Engineer Richard Arvizu to review the situation at the January 12, 2016 Town Council meeting. Receive an update from Mr. Arvizu regarding the Meadowlark culvert situation.



To: Mayor Pro Tem Cindy Aughinbaugh and Council Members
From: Wendy Withers, Town Secretary
CC: Jim Shepherd, Town Attorney
Date: 02/08/2016
Re: Ordinance Ordering the Election

ACTION REQUESTED: Consider approval of an Ordinance ordering the May 7, 2016 General Election of City Officials.

BACKGROUND INFORMATION: The Election Code recommends that the Governing Body call the general election between January 25 and February 9th, 2016.

STAFF RECCOMENDATION: Approve the Ordinance as presented.

FINANCIAL CONSIDERATIONS: None

SUPPORTING DOCUMENTS:

1. Draft Ordinance Calling the May 9, 2015 General Election of City Officials.

ORDINANCE NO. _____
(Order and Notice of May 7, 2016 Election)
(Aldermen Places 1,4 and 5)

AN ORDINANCE OF THE TOWN OF SHADY SHORES, DENTON COUNTY, TEXAS, CALLING FOR AN ELECTION TO BE HELD ON MAY 7, 2016 TO ELECT THE TOWN COUNCIL MEMBERS FOR PLACES 1,4 and 5; PROVIDING FOR EARLY VOTING; PROVIDING FOR ORDER AND NOTICE OF THE ELECTION; AND PROVIDING FOR OTHER MATTERS RELATING TO THE ELECTION, AND PROVIDING A REPEALER CLAUSE

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, DENTON COUNTY, TEXAS:

SECTION 1. The Mayor of the Town of Shady Shores, Texas, with the concurrence of the Town Council, orders an election to be held on May 7, 2016, for the purpose of electing the Town Council Members for Places 1,4, and 5. All of the elected Council Members will serve two-year terms.

SECTION 2. The polling place in the Town of Shady Shores for this election is as follows:

Shady Shores Town Hall
101 S. Shady Shores Road
Shady Shores, Texas 75065

SECTION 3. The polls on Election Day, May 7, 2016 shall be open from 7:00 a.m. until 7:00 p.m

SECTION 4. The election shall be conducted in accordance with the Texas Election Code and only registered qualified voters of the Town of Shady Shores will be entitled to vote. The Council does approve and the Mayor Pro Tem is authorized to the contract with Denton County Elections Department entitled: JOINT ELECTION AGREEMENT AND CONTRACT FOR ELECTION SERVICES.

SECTION 5. Early voting by personal appearance shall be available at the Denton County Elections Office, 701 Kimberly, Suite A101, Denton, Texas, 76208 and at locations to be designated by the Elections Office at a later date, on the following dates and during the hours shown:

Monday,	April 25, 2016	8:00 a.m. - 5:00 p.m.
Tuesday,	April 26, 2016	8:00 a.m. - 5:00 p.m.
Wednesday,	April 27, 2016	8:00 a.m. - 5:00 p.m.
Thursday,	April 28, 2016	8:00 a.m. - 5:00 p.m.
Friday,	April 29, 2016	8:00 a.m. - 5:00 p.m.
Saturday,	April 30, 2016	8:00 a.m. - 5:00 p.m.
Monday,	May 2, 2016	7:00 a.m. - 7:00 p.m.
Tuesday,	May 3, 2016	7:00 a.m. - 7:00 p.m.

Applications for ballot by mail shall be requested from and mailed to:

Lannie Noble, Early Voting Clerk
Denton County Elections
PO Box 1720
Denton, TX 76202

Applications for ballots by mail must be **received** no later than the close of business on April 22, 2016.

SECTION 6. Candidates must adhere to the filing deadlines accordingly. Candidate packets are available in the City Secretary’s office. The candidate filing deadlines for the General Election for Council Members are as follows:

January 20, 2016 through February 19, 2016 at 5:00 p.m.

Candidates must file in the City Secretary’s office located at 101 S. Shady Shores Road, Shady Shores, Texas.

SECTION 7. The Town Secretary is hereby authorized and directed to publish and/or post, in the time and manner prescribed by law, all notices required to be so published and/or posted in connection with the conduct of this election. The Denton County Elections Department is authorized by contract to administer the election process and designate the election judges and voting clerks for the election. Shady Shores, as participating authority by contract with the Denton County Elections Department does hereby, in accordance with Sections 127.002, 127.003, and 127.005 of the Texas Election Code, appoint the following central counting station officials:

Counting Station Manager:	Lannie Noble, Denton County Elections Administrator
Tabulation Supervisor:	Brandy Grimes, Denton County Technical Operations Manager
Presiding Judge:	Kerry Martin, Deputy Elections Administrator
Alternate Judge:	Paula Paschal, Contract Manager

SECTION 8. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such

conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordered herein.

DULY PASSED AND APPROVED by the Town Council of the Town of Shady Shores, Texas, this ____ day of February, 2016.

APPROVED:

Cindy Aughinbaugh, Mayor Pro Tem

ATTEST:

Wendy Withers, Town Secretary

APPROVED AS TO FORM:

James E. Shepherd, Town Attorney

TOWN OF SHADY SHORES
ORDER AND NOTICE OF GENERAL ELECTION
(ORDEN Y AVISO DE ELECCION GENERAL)

To the Registered Voters of Shady Shores, Texas:
 (A los votantes registrados del Shady Shores Texas;)

An election is hereby ordered to be held on May 7, 2016 for the purpose to elect three (3) Councilmembers for Places 1,4 and 5

(Por la presente se ordena que se llevara a cabo una eleccion el 7 de Mayo de 2016 con el proposito para elegir tres (3) miembro del concillo.)

Notice is hereby given that the polling places listed below will be open from 7:00 a.m. to 7:00 p.m., on May 7, 2016, for voting in a general election, to elect three (3) Councilmembers for Places 1,4 and 5

(Notifquese, por las presente, que las casillas electorales sitados abajo se abriran desde las 7:00 a.m. hasta las 7:00 p.m. el 7 de Mayo de 2015 para votar en la Eleccion General para elegir tres (3) miembro del concillo.)

LOCATION(S) OF POLLING PLACES
 (DIRECCION(ES) DE LAS CASILLAS ELECTORALES)

SHADY SHORES TOWN HALL
 101 SHADY SHORES ROAD
 SHADY SHORES, TEXAS 75065

Early voting by personal appearance will be conducted each weekday at
 (La votacion adelantada en persona se llevara a cabo de lunes a viernes en)

SHADY SHORES TOWN HALL
 101 SHADY SHORES ROAD
 SHADY SHORES, TEXAS 75065

DENTON COUNTY ELECTIONS OFFICE
 701 KIMBERLY, SUITE A101
 DENTON, TEXAS 76208

Polling Place		Address				City	
Denton County Election Office (Main Early Voting Location)		701 Kimberly, Suite A101				Denton	
Shady Shores Town Hall		101 Shady Shores Road				Shady Shores	
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
<i>April 26</i>	<i>April 25</i> 8am – 5pm	<i>April 26</i> 8am – 5pm	<i>April 22</i> 8am – 5pm	<i>April 28</i> 8am - 7pm	<i>April 29</i> 8am - 5pm	<i>April 30</i> 8am - 5pm	
<i>May 1</i>	<i>May 2</i> 7am – 7pm	<i>May 3</i> 7am – 7pm	<i>May 4</i>	<i>May 5</i>	<i>May 6</i>	<i>May 7</i> 7am – 7pm Election Day	

Applications for ballot by mail shall be mailed to:

(Las solicitudes para boletas que se votaran en ausencia por correo deberan enviarse a:)

LONNIE NOBLE, EARLY VOTING CLERK DENTON COUNTY ELECTIONS
(Name of Early Voting Clerk) (Nombre del Secretario de la Votacion En Adelantada)

DENTON COUNTY ELECTIONS, P.O. BOX 1720, DENTON, TX 76202
(Address) (Direccion) (City) (Ciudad) (Zip Code) (Zona Postal)

Applications for ballots by mail must be received no later than the close of business on April 22, 2016.

(Las solicitudes para boletas que se votaran en ausencia por correo debean recibirse para el fin de las horas de negocio el)

(date) (fecha) : de 22, abril, 2016.

Issued this the 8th day of February, 2016.

(Esitada este dia 8 de febrero, 2016.)

Signature of Mayor
Firma Del Alcalde

Instruction Note: A copy of this election order must be delivered to the County Clerk/Elections Administrator and Voter Registrar not later than 60 days before election day.

Nota de instrucción: Se deberá entregar una copia de esta orden de elección al/a la Secretario(a) del Condado/Administrador(a) de Elecciones y el/la Registrador(a) de Votantes a más tardar 60 días antes del día de elección.



To: Mayor Pro Tem Cindy Aughinbaugh and Council members
From: Wendy Withers, Town Secretary
CC: Jim Shepherd, Town Attorney
Date: 02/08/2016
Re: Joint Election Contract

ACTION REQUESTED: Consider approval of a contract with Denton County Election Administrator for the May 7, 2016 General Election of City Officials.

BACKGROUND INFORMATION: The Town of Shady Shores contracts with Denton County Elections Administration each year to hold the May general election. The deadline to submit the signed contract is February 19, 2016. The last day to file is February 19, 2016. The contract does provide a clause that states the Town would be eligible to withdraw from the contract in the event we are able to cancel our election. Final costs and early voting locations will be determined as the finally number of participating entities is determined.

STAFF RECCOMENDATION: Approve the contract as presented

FINANCIAL CONSIDERATIONS: The Town has budgeted \$4,000 to cover election expenses. The total cost of the last election held was \$3,480.69 (2015 General Election). If the Town cancels the election we would be responsible for 10% of the contract costs according to the contract.

SUPPORTING DOCUMENTS:

1. Draft document for Joint Election

THE STATE OF TEXAS
COUNTY OF DENTON

JOINT ELECTION AGREEMENT AND CONTRACT FOR ELECTION SERVICES

THIS CONTRACT for election services is made by and between the Denton County Elections Administrator and the following political subdivisions located entirely or partially inside the boundaries of Denton County:

Insert entities

This contract is made pursuant to Texas Election Code Sections 31.092 and 271.002 and Texas Education Code Section 11.0581 for a joint May 7, 2016 election to be administered by Lannie Noble, Denton County Elections Administrator, hereinafter referred to as "Elections Administrator."

RECITALS

Each participating authority listed above plans to hold a general and/or special election on May 7, 2016.

The County owns an electronic voting system, the Hart InterCivic eSlate/eScan Voting System (Version 6.2.1), which has been duly approved by the Secretary of State pursuant to Texas Election Code Chapter 122 as amended, and is compliant with the accessibility requirements for persons with disabilities set forth by Texas Election Code Section 61.012. The contracting political subdivisions desire to use the County's electronic voting system and to compensate the County for such use and to share in certain other expenses connected with joint elections in accordance with the applicable provisions of Chapters 31 and 271 of the Texas Election Code, as amended.

NOW THEREFORE, in consideration of the mutual covenants, agreements, and benefits to the parties, IT IS AGREED as follows:

I. ADMINISTRATION

The parties agree to hold a "Joint Election" with each other in accordance with Chapter 271 of the Texas Election Code and this agreement. The Denton County Elections Administrator shall coordinate, supervise, and handle all aspects of administering the Joint Election as provided in this agreement. Each participating authority agrees to pay the Denton County Elections Administrator for equipment, supplies, services, and administrative costs as provided in this agreement. The Denton County Elections Administrator shall serve as the administrator for the Joint Election; however, each participating authority shall remain responsible for the decisions and actions of its officers necessary for the lawful conduct of its election. The Elections Administrator shall provide advisory services in connection with decisions to be made and actions to be taken by the officers of each participating authority as necessary.

At each polling location, joint participants shall share voting equipment and supplies to the extent possible. The participating authorities shall share a mutual ballot in those polling places where jurisdictions overlap. However, in no instance shall a voter be permitted to receive a ballot containing an office or proposition stating a measure on which the voter is ineligible to vote.

II. LEGAL DOCUMENTS

Each participating authority shall be responsible for the preparation, adoption, and publication of all required election orders, resolutions, notices, and any other pertinent documents required by the Texas Election Code and/or the participating authority's governing body, charter, or ordinances, except that the Elections Administrator shall be responsible for the preparation and publication of all electronic voting equipment testing notices that are required by the Texas Election Code. Election orders should include language that would not necessitate amending the order if any of the Early Voting and/or Election Day polling places change.

Preparation of the necessary materials for notices and the official ballot shall be the responsibility of each participating authority, including translation to languages other than English. Each participating authority shall provide a copy of their respective election orders and notices to the Denton County Elections Administrator.

III. VOTING LOCATIONS

The Elections Administrator shall select and arrange for the use of and payment for all **Early Voting** and Election Day voting locations. Voting locations will be, whenever possible, the usual voting location for each election precinct in elections conducted by each participating city, and shall be compliant with the accessibility requirements established by Election Code Section 43.034 and the Americans with Disabilities Act (ADA). **All Early Voting and Election Day locations shall be located in Denton County.** The proposed voting locations are listed in Attachment A of this agreement. In the event that a voting location is not available or appropriate, the Elections Administrator will arrange for the use of an alternate location. **with the approval of the affected participating authorities.** The Elections Administrator shall notify the participating authorities of any changes from the locations listed in Attachment A.

If polling places for the May 7, 2016 joint election are different from the polling place(s) used by a participating authority in its most recent election, the authority agrees to post a notice no later than May 7, 2016 at the entrance to any previous polling places in the jurisdiction stating that the polling location has changed and stating the political subdivision's polling place names and addresses in effect for the May 7, 2016 election. This notice shall be written in both the English and Spanish languages.

IV. ELECTION JUDGES, CLERKS, AND OTHER ELECTION PERSONNEL

Denton County shall be responsible for the appointment of the presiding judge and alternate judge for each polling location. The Elections Administrator shall make emergency appointments of election officials if necessary.

Upon request by the Elections Administrator, each participating authority agrees to assist in recruiting polling place officials who are bilingual (fluent in both English and Spanish). In compliance with the Federal Voting Rights Act of 1965, as amended, each polling place containing more than 5% Hispanic population as determined by the 2010 Census shall have one or more election official who is fluent in both the English and Spanish languages. If a presiding judge is not bilingual, and is unable to appoint a bilingual clerk, the Elections Administrator may recommend a bilingual worker for the polling place. If the Elections Administrator is unable to recommend or recruit a bilingual worker, the participating authority or authorities served by that polling place shall be responsible for recruiting a bilingual worker for translation services at that polling place.

The Elections Administrator shall notify all election judges of the eligibility requirements of Subchapter C of Chapter 32 of the Texas Election Code, and will take the necessary steps to insure that all election judges appointed for the Joint Election are eligible to serve.

The Elections Administrator shall arrange for the training and compensation of all election judges and clerks. Election judges and clerks who attend voting equipment training and/or procedures training shall be compensated at the rate of **\$9** per hour.

The Elections Administrator shall arrange for the date, time, and place for presiding election judges to pick up their election supplies. Each presiding election judge will be sent a letter from the Elections Administrator notifying him of his appointment, the time and location of training and distribution of election supplies, and the number of election clerks that the presiding judge may appoint.

Each election judge and clerk will receive compensation at the hourly rate established by Denton County (\$11 an hour for presiding judges, \$10 an hour for alternate judges, and \$9 an hour for clerks) pursuant to Texas Election Code Section 32.091. The election judge, or his designee, will receive an additional sum of \$25.00 for picking up the election supplies prior to Election Day and for returning the supplies and equipment to the central counting station after the polls close.

The Elections Administrator may employ other personnel necessary for the proper administration of the election, including such part-time help as is necessary to prepare for the election, to ensure the timely delivery of supplies during early voting and on Election Day, and for the efficient tabulation of ballots at the central counting station. Part-time personnel working as members of the Early Voting Ballot Board and/or central counting station on election night will be compensated at the hourly rate set by Denton County in accordance with Election Code Sections 87.005, 127.004, and 127.006.

V. PREPARATION OF SUPPLIES AND VOTING EQUIPMENT

The Elections Administrator shall arrange for all election supplies and voting equipment including, but not limited to, the County's electronic voting system and equipment, sample ballots, voter registration lists, and all forms, signs, maps and other materials used by the election judges at the voting locations. Any additional required materials (required by the Texas Election Code) must be provided by the entity, and delivered to the Elections Office 22 days prior to Election Day. If this deadline is not met, the materials must be delivered by the entity, to all Early Voting and Election Day locations affected, prior to voting commencing. The Elections Administrator shall ensure availability of tables and chairs at each polling place and shall procure rented tables and chairs for those polling places that do not have tables and/or chairs. The Elections Administrator shall be responsible for conducting all required testing of the electronic equipment, as required by Chapters 127 and 129 of the Texas Election Code.

At each polling location, joint participants shall share voting equipment and supplies to the extent possible. The participating parties shall share a mutual ballot in those precincts where jurisdictions overlap. Multiple ballot styles shall be available in those shared polling places where jurisdictions do not overlap. The Elections Administrator shall provide the necessary voter registration information, maps, instructions, and other information needed to enable the election judges in the voting locations that have more than one ballot style to conduct a proper election.

Each participating authority shall furnish the Elections Administrator a list of candidates and/or propositions showing the order and the exact manner in which the candidate names and/or proposition(s) are to appear on the official ballot (including titles and text in each language in which the authority's ballot is to be printed). Said list must be in a Word document, the information must be in an upper and lower case format, be in an Arial 10 point font, and contain candidate information for the purposes of verifying the pronunciation of each candidate's name. Each participating authority shall be responsible for proofreading and approving the ballot and the audio recording of the ballot, insofar as it pertains to that authority's candidates and/or propositions.

The joint election ballots that contain ballot content for more than one joint participant because of overlapping territory shall be arranged in the following order: Independent School District, City, Water District(s), and other political subdivisions.

Early Voting by Personal Appearance and voting on Election Day shall be conducted exclusively on Denton County's eSlate electronic voting system.

The Elections Administrator shall be responsible for the preparation, testing, and delivery of the voting equipment for the election as required by the Election Code.

The Elections Administrator shall conduct criminal background checks on relevant employees upon hiring as required by Election Code Section 129.051(g).

VI. EARLY VOTING

The participating authorities agree to conduct joint early voting and to appoint the Election Administrator as the Early Voting Clerk in accordance with Sections 31.097 and 271.006 of the Texas Election Code. Each participating authority agrees to appoint the Elections Administrator's permanent county employees as deputy early voting clerks. The participating authorities further agree that the Elections Administrator may appoint other deputy early voting clerks to assist in the conduct of early voting as necessary, and that these additional deputy early voting clerks shall be compensated at an hourly rate set by Denton County pursuant to Section 83.052 of the Texas Election Code. Deputy

early voting clerks who are permanent employees of the Denton County Elections Administrator or any participating authority shall serve in that capacity without additional compensation.

Early Voting by personal appearance will be held at the locations, dates, and times listed in Attachment "B" of this document. Any qualified voter of the Joint Election may vote early by personal appearance at any of the joint early voting locations.

As Early Voting Clerk, the Elections Administrator shall receive applications for early voting ballots to be voted by mail in accordance with Chapters 31 and 86 of the Texas Election Code. Any requests for early voting ballots to be voted by mail received by the participating authorities shall be forwarded immediately by fax or courier to the Elections Administrator for processing. The address for the Denton County Early Voting Clerk is:

Lannie Noble, Early Voting Clerk
Denton County Elections
PO Box 1720
Denton, TX 76202
Elections@dentoncounty.com

Any requests for early voting ballots to be voted by mail, and the subsequent actual voted ballots, that are sent by a contract carrier (ie. UPS, FedEx, etc.) should be delivered to the Early Voting Clerk at the Denton County Elections Department physical address as follows:

Lannie Noble, Early Voting Clerk
Denton County Elections
701 Kimberly Drive, Suite A101
Denton, TX 76208
Elections@dentoncounty.com

The Elections Administrator shall post on the county website each participating authority's early voting report on a daily basis and a cumulative final early voting report following the close of early voting. In accordance with Section 87.121(g) of the Election Code, the daily reports showing the previous day's early voting activity will be posted to the county website no later than 8:00 a.m. each business day.

VII. EARLY VOTING BALLOT BOARD

Denton County shall appoint an Early Voting Ballot Board (EVBB) to process early voting results from the Joint Election. The Presiding Judge, with the assistance of the Elections Administrator, shall appoint two or more additional members to constitute the EVBB. The Elections Administrator shall determine the number of EVBB members required to efficiently process the early voting ballots.

VIII. CENTRAL COUNTING STATION AND ELECTION RETURNS

The Elections Administrator shall be responsible for establishing and operating the central counting station to receive and tabulate the voted ballots in accordance with the provisions of the Texas Election Code and of this agreement.

The participating authorities hereby, in accordance with Sections 127.002, 127.003, and 127.005 of the Texas Election Code, appoint the following central counting station officials:

Counting Station Manager:	Lannie Noble, Denton County Elections Administrator
Tabulation Supervisor:	Brandy Grimes, Denton County Technical Operations Manager
Presiding Judge:	Kerry Martin, Deputy Elections Administrator
Alternate Judge:	Paula Paschal, Contract Manager

The counting station manager or his representative shall deliver timely cumulative reports of the election results as precincts report to the central and remote counting stations and are tabulated by posting on the Elections website. The manager shall be responsible for releasing unofficial cumulative totals and precinct returns from the election to the joint participants, candidates, press, and general public by distribution of hard copies at the central counting station (if requested) and by posting to the Denton County web site. To ensure the accuracy of reported election returns, results printed on the tapes produced by Denton County's voting equipment will not be released to the participating authorities at the remote collection sites or by phone from individual polling locations.

The Elections Administrator will prepare the unofficial canvass reports after all precincts have been counted, and will deliver a copy of the unofficial canvass to each participating authority as soon as possible after all returns have been tabulated. The Elections Administrator will include the tabulation and precinct-by-precinct results that are required by Texas Election Code Section 67.004 for the participating entities to conduct their respective canvasses. Each participating authority shall be responsible for the official canvass of its respective election(s), and shall notify the Elections Administrator, or his designee, no later than three days after Election Day of the date of the canvass.

The Elections Administrator shall prepare and deliver by email to each participating entity, the electronic precinct-by-precinct results reports for uploading to the Secretary of State as required by Section 67.017 of the Election Code. The Elections Administrator agrees to upload these reports for each participating authority, unless requested otherwise.

The Elections Administrator shall be responsible for conducting the post-election manual recount required by Section 127.201 of the Texas Election Code unless a waiver is granted by the Secretary of State. Notification and copies of the recount, if waiver is denied, will be provided to each participating authority and the Secretary of State's Office.

IX. PARTICIPATING AUTHORITIES WITH TERRITORY OUTSIDE DENTON COUNTY

Each participating authority with territory containing population outside Denton County agrees that the Elections Administrator shall administer only the Denton County portion of those elections.

X. RUNOFF ELECTIONS

Each participating authority shall have the option of extending the terms of this agreement through its runoff election, if applicable. In the event of such runoff election, the terms of this agreement shall automatically extend unless the participating authority notifies the Elections Administrator in writing within 3 business days of the original election.

Each participating authority shall reserve the right to reduce the number of early voting locations and/or Election Day voting locations in a runoff election.

Each participating authority agrees to order any runoff election(s) at its meeting for canvassing the votes from the May 7, 2016 election and to conduct its drawing for ballot positions at or immediately following such meeting in order to expedite preparations for its runoff election.

Each participating authority eligible to hold runoff elections agrees that the date of the runoff election, if necessary, shall be Saturday, June 18, 2016. This date may be negotiable based on the Secretary of State's calendar for elections in 2015.

XI. ELECTION EXPENSES AND ALLOCATION OF COSTS

The participating authorities agree to share the costs of administering the Joint Election. Allocation of costs, unless specifically stated otherwise, is mutually agreed to be shared according to a formula which is based on the average cost per election day polling place (unit cost) as determined by adding together the overall expenses and dividing the expenses equally among the total number of polling places. Costs for polling places shared by more than one participating authority shall be pro-rated equally among the participants utilizing that polling place.

It is agreed that charges for Election Day judges and clerks and Election Day polling place rental fees shall be directly charged to the appropriate participating authority rather than averaging those costs among all participants.

If a participating authority's election is conducted at more than one election day polling place, there shall be no charges or fees allocated to the participating authority for the cost of election day polling places in which the authority has fewer than 50% of the total registered voters served by that polling place, except that if the number of registered voters in all of the authority's polling places is less than the 50% threshold, the participating authority shall pay a pro-rata share of the costs associated with the polling place where it has the greatest number of registered voters.

Costs for Early Voting by Personal Appearance shall be allocated based upon the actual costs associated with each early voting site. Each participating authority shall be responsible for a pro-rata portion of the actual costs associated with the early voting sites located within their jurisdiction. Participating authorities that do not have a regular (non-temporary) early voting site within their jurisdiction shall pay a pro-rata portion of the nearest regular early voting site.

Costs for Early Voting by mail shall be allocated according to the actual number of ballots mailed to each participating authority's voters.

Each participating authority agrees to pay the Denton County Elections Administrator an administrative fee equal to ten percent (10%) of its total billable costs in accordance with Section 31.100(d) of the Texas Election Code.

The Denton County Elections Administrator shall deposit all funds payable under this contract into the appropriate fund(s) within the county treasury in accordance with Election Code Section 31.100.

The Denton County Elections Administrator reserves the right to adjust the above formulas in agreement with any individual jurisdiction if the above formula results in a cost allocation that is inequitable.

If any participating authority makes a special request for extra Temporary Branch Early Voting by Personal Appearance locations **as provided for by the Texas Election Code**, that entity agrees to pay the entire cost for that request.

Participating authorities having the majority of their voters in another county, and fewer than 500 registered voters in Denton County, and that do not have an election day polling place or early voting site within their Denton County territory shall pay a flat fee of \$400 for election expenses. **This paragraph will be deleted as of July 1, 2016.**

XII. WITHDRAWAL FROM CONTRACT DUE TO CANCELLATION OF ELECTION

Any participating authority may withdraw from this agreement and the Joint Election should it cancel its election in accordance with Sections 2.051 - 2.053 of the Texas Election Code.

The withdrawing authority is fully liable for any expenses incurred by the Denton County Elections Administrator on behalf of the authority plus an administrative fee of ten percent (10%) of such expenses. Any monies deposited with the Elections Administrator by the withdrawing authority shall be refunded, minus the aforementioned expenses and administrative fee, if applicable.

It is agreed that any of the joint election early voting sites that are not within the boundaries of one or more of the remaining participating authorities, with the exception of the early voting site located at the Denton County Elections Building, may be dropped from the joint election unless one or more of the remaining participating authorities agreed to fully fund such site(s). In the event that any early voting site is eliminated under this section, an addendum to the contract shall be provided to the remaining participants within five days after notification of all intents to withdraw have been received by the Elections Administrator.

XIII. RECORDS OF THE ELECTION

The Elections Administrator is hereby appointed general custodian of the voted ballots and all records of the Joint Election as authorized by Section 271.010 of the Texas Election Code.

Access to the election records shall be available to each participating authority as well as to the public in accordance with applicable provisions of the Texas Election Code and the Texas Public Information Act. The election records shall be stored at the offices of the Elections Administrator or at an alternate facility used for storage of county

records. The Elections Administrator shall ensure that the records are maintained in an orderly manner so that the records are clearly identifiable and retrievable.

Records of the election shall be retained and disposed of in accordance with the provisions of Section 66.058 of the Texas Election Code. If records of the election are involved in any pending election contest, investigation, litigation, or open records request, the Elections Administrator shall maintain the records until final resolution or until final judgment, whichever is applicable. It is the responsibility of each participating authority to bring to the attention of the Elections Administrator any notice of pending election contest, investigation, litigation or open records request which may be filed with the participating authority.

XIV. RECOUNTS

A recount may be obtained as provided by Title 13 of the Texas Election Code. By signing this document, the presiding officer of the contracting participating authority agrees that any recount shall take place at the offices of the Elections Administrator, and that the Elections Administrator shall serve as Recount Supervisor and the participating authority's official or employee who performs the duties of a secretary under the Texas Election Code shall serve as Recount Coordinator.

The Elections Administrator agrees to provide advisory services to each participating authority as necessary to conduct a proper recount.

XV. MISCELLANEOUS PROVISIONS

1. It is understood that to the extent space is available, other districts and political subdivisions may wish to participate in the use of the County's election equipment and voting places, and it is agreed that the Elections Administrator may contract with such other districts or political subdivisions for such purposes and that in such event there may be an adjustment of the pro-rata share to be paid to the County by the participating authorities.
2. The Elections Administrator shall file copies of this document with the Denton County Judge and the Denton County Auditor in accordance with Section 31.099 of the Texas Election Code.
3. Nothing in this contract prevents any party from taking appropriate legal action against any other party and/or other election personnel for a breach of this contract or a violation of the Texas Election Code.
4. This agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas.
5. In the event that one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
6. All parties shall comply with all applicable laws, ordinances, and codes of the State of Texas, all local governments, and any other entities with local jurisdiction.
7. The waiver by any party of a breach of any provision of this agreement shall not operate as or be construed as a waiver of any subsequent breach.
8. Any amendments of this agreement shall be of no effect unless in writing and signed by all parties hereto.
9. Failure for a participating authority to meet the deadlines as outlined in this contract or on the calendar (Attachment C) may result in additional charges, including but not limited to, overtime charges, etc.

XVII. SIGNATURE PAGE (separate page)

Revised 1.26.2016 (3:36 p.m.)

DRAFT