*** * * * PUBLIC NOTICE * * * ***

NOTICE OF A CITY COUNCIL REGULAR SESSION AT 7:00 P.M. IMMEDIATELY FOLLOWING A WORKSHOP SESSION
OF THE CITY OF CORINTH
Thursday, March 17, 2016, 5:30 P.M.
CITY HALL - 3300 CORINTH PARKWAY

CALL TO ORDER:

WORKSHOP BUSINESS AGENDA

1. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of executive/closed session items as set forth in the Executive/Closed Session agenda items below.

2. Receive a presentation and hold a discussion regarding the authority and responsibility of the Corinth Economic Development Corporation.

ADJOURN WORKSHOP SESSION

***NOTICE IS HEREBY GIVEN** of a Regular Session of the Corinth City Council to be held at Corinth City Hall located at 3300 Corinth Parkway, Corinth, Texas. The agenda is as follows:

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

CONSENT AGENDA
All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on minutes from the February 4, 2016 Workshop Session.

2. Consider and act on minutes from the February 4, 2016 Regular Session.

3. Consider and act on minutes from the February 11, 2016 Workshop Session.

4. Consider and act on minutes from February 18, 2016 Workshop Session.

5. Consider and act on minutes from the February 18, 2016 Regular Session.

6. Consider and act on an ordinance renaming portions of South Corinth Street and Meadows Oak Drive.

7. Consider and act on an Ordinance of the City of Corinth, Texas approving an amendment to the Fiscal Year 2015-16 City of Corinth Budget and Annual Program of Services to provide for the expenditure of funds from the General Fund for additional legal services as a result of unanticipated and unforeseeable events.

CITIZENS COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

BUSINESS AGENDA

8. Accept the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended September 30, 2015, as presented by Davis Kinard & Co, PC.

9. Consider and act on a sign variance for DATCU-Corinth Addition, Lot 1, Block A in the City of Corinth, Denton County, Texas having a physical address of 5940 I-35E, Corinth, TX 76210 in order to allow more than one attached wall sign per street frontage as specified in the current sign regulations.

10. Consider and act on a sign variance for DATCU-Corinth Addition, Lot 1, Block A in the City of Corinth, Denton County, Texas having a physical address of 5940 I-35E, Corinth, TX 76210 in order to allow an attached wall sign that exceeds the maximum letter height as specified in the current sign regulations.

11. Receive a presentation, hold a discussion, and give staff direction on an architectural, structural, mechanical, electrical, civil, and environmental building assessment of Lot 1R-1, Block One, Pinnell Addition in the City of Corinth, Denton County, Texas.

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

EXECUTIVE/CLOSED SESSION
If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council Meeting, the City Council will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

a.First Glendora Partners, Ltd. dba Impact Outdoor Advertising Co. v. City of Corinth.

b.Consultation with the City Attorney regarding legal issues associated with the matters listed under Section 551.072.

c.Consider legal advice regarding Ordinance No. 02-06-20-16 abandoning right-of-way.

d.Consider legal advice regarding appeal of award of unemployment benefits to Rick Chaffin.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

a.Receive information and discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property located in Corinth on the west side of I-35 and abutting Cliff Oaks Drive.

Section 551.074. 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.

a.Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Manager.

b.Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Attorney.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive/closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Executive/Closed Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE/CLOSED SESSION ITEMS.

Posted this _____ day of _____, 2016 at _____ on the bulletin board at Corinth City Hall.

_____
Kimberly Pence, City Secretary
City of Corinth, Texas

WORKSHOP BUSINESS ITEM 2.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: Corinth Economic Development Corporation Scope of Authority and Responsibility

Submitted For: Jason Alexander, Director **Submitted By:** Jason Alexander, Director

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Receive a presentation and hold a discussion regarding the authority and responsibility of the Corinth Economic Development Corporation.

AGENDA ITEM SUMMARY/BACKGROUND

The purpose of this presentation is to provide City Council with a broad overview of the authority and responsibility of the Corinth Economic Development Corporation. In this presentation, staff will discuss the influence of sales tax on economic development; the types of projects that economic development corporations may fund; and the authority and responsibility of economic development corporations.

RECOMMENDATION

N/A.

Attachments

PowerPoint Presentation

ECONOMIC DEVELOPMENT:

Scope of Authority and Responsibility

PRESENTATION AGENDA

- Influence of sales tax on economic development
- Projects economic development corporations may fund
- Powers and duties of economic development corporations
- Key takeaways

3

SALES TAX

THE INFLUENCE OF SALES TAX ON ECONOMIC DEVELOPMENT

SALES TAX HISTORY

1979

- **Development Corporation Act of 1979**
  - Municipality can promote industry/manufacturing

1987

- **Texas voters approve amendment to State Constitution**
  - Economic development expenditures can serve a public purpose

1989

- **Development Corporation Act of 1979 amended to include Section 4A**
  - Section 4A corporation funded by sales tax for economic development

SALES TAX HISTORY (CONT'D)

1991

- **Development Corporation Act of 1979 amended to broaden availability**
  - Cities in counties with less than 500,000 residents eligible to participate

1991

- **Legislature authorized a new type of sales tax, Section 4B**
  - Cities allowed to promote civic and commercial projects

1993

- **Legislature allows cities to adopt Section 4A or 4B sales tax [1]**
  - Cities in counties with less than 500,000 residents could approve either tax

[1] In 2009, Legislature required economic development corporations to be identified as Type A or Type B

6 PROJECTS

PROJECTS ECONOMIC DEVELOPMENT CORPORATIONS MAY FUND

WHAT IS A PROJECT?

- Funding the provision of land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements for the creation or retention of primary jobs; and found to be suitable for the development of the following:

WHAT IS A PROJECT? (CONT'D)

- Manufacturing / Industrial
- Research and Development
- Military
- Transportation
- Sewage / Solid Waste Disposal
- Recycling Facility
- Air or Water Pollution Control
- Furnishing water to the public
- Distribution Center
- Small Warehouse
- Corporate Headquarters
- Primary Job Training [2]

[2] **The facility must be for use by an institution of higher learning**

WHAT IS A PROJECT? (CONT'D)

- Type B corporations may also fund quality of life projects:
  - Recreational or community facilities (e.g., parks, stadiums)
  - Affordable Housing (as described by 42 U.S.C. Section 12745)
  - Water supply facilities and water conservation programs
  - New and expanded business development (population of 20,000 or less) [3]

[3] **Cities with a population of 20,000 or less may fund projects related to commercial development.**

WHAT IS A PRIMARY JOB?

- A job that is "available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy" [4]

[4] The job must meet a specific list of sector numbers of the North American Industry Classification System (NAICS)

PUBLIC HEARINGS AND FUNDING

- A public notice of a project must be issued; and a public hearing must be held prior to pursuing a project, as the public has 60 days to petition for an election on whether to pursue a project
- Sales tax may only be used to fund projects as defined by state law; public hearings are as required by state law and bylaws

12

DUTIES AND POWERS

ECONOMIC DEVELOPMENT CORPORATIONS POWERS AND DUTIES

DUTIES

- Economic development corporations are charged with promoting business development and expansion; however the use of any sales tax proceeds in support of such, is limited to those projects as defined by State law

POWERS

- Expend sales tax proceeds
- Exercise all rights as a non-profit
- Make secure and unsecured loans
- Exemption from taxes at all levels
- Status as a non-stock corporation
- Limited eminent domain power
- Limited tort claims protection act
- Limited power to own or operate a project (generally as a lessor, seller or lender, except military installations)

KEY LIMITATIONS

- May not incur a financial obligation that cannot be repaid
- May not expend more than 10% of sales tax on promotions
- May not provide gifts of sales tax (i.e., must enter into a written performance agreement) [5]

[5] Performance agreements must include number of jobs to be created, capital investments and repayment terms if business fails to meet terms

OVERSIGHT

- Section 501.073 of the Act provides that the city shall approve all programs and expenditures of the economic development corporation annually; and that the powers shall be subject at all times to the control of the city's governing body

OVERSIGHT (CONT'D)

- City may not lend any credit or public money to an economic development corporation unless the city is fully reimbursed
- Economic development corporations must comply with the Open Meetings Act and Public Information Act

18

KEY TAKEAWAYS

KEY TAKEAWAY NO. 1

- The Corinth Economic Development Corporation is charged with attracting and retaining businesses that will grow Corinth's tax base and create meaningful employment opportunities; but the use of sales tax is limited to projects as defined by State law

KEY TAKEAWAY NO. 2

- Although the Corinth Economic Development Corporation has a wide range of powers to promote economic development within Corinth, those powers have limitations, and all activities of the corporation are subject to approval of City Council

ECONOMIC DEVELOPMENT:

Scope of Authority and Responsibility

CONSENT ITEM 1.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: February 4, 2016 Workshop Session Minutes

Submitted By: Kim Pence, City Secretary

Finance Review: N/A **Legal Review:** N/A

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from the February 4, 2016 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

City Council discussion and action from the February 4, 2016 Workshop Session.

RECOMMENDATION

Staff recommends approval of the February 4, 2016 Workshop Session minutes.

Attachments

Minutes

Exhibit

Exhibit

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this the 4th day of February 2016 the City Council of the City of Corinth, Texas met in a Workshop Session at 5:30 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:
Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Scott Garber
Lowell Johnson
Don Glockel
Sam Burke

Members Absent:
None

Staff Members Present:
Lee Ann Bunselmeyer, Acting City Manager
Fred Gibbs, Director of Planning and Development Services
Jason Alexander, Economic Development Director
Kim Pence, City Secretary
Debra Drayovitch, City Attorney
Cody Collier, Acting Director of Public Works, Parks and Utility Operations
Curtis Birt, Fire Chief
Chief Walthall, Police Chief
Caryn Riggs, Assistant Director of Finance
Shea Rodgers, Technology Services Manager

CALL TO ORDER FOR WORKSHOP:

Mayor Heidemann called the meeting to order at 5:30 pm.

1. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of executive session items as set forth in the Executive Session agenda items below.

Mayor Heidemann – No discussion held at this time.

2. Receive a presentation, hold a discussion and give staff direction regarding Upper Trinity Regional Water District future plans.

Cody Collier, Acting Director of Public Works, Parks and Utility Operations- Introduced Tom Taylor, Executive Director, Lance Van Zandt, Board President and Larry Patterson, Deputy Executive Director from Upper Trinity Regional Water District. They have short presentation of the history of what's happening with Upper Trinity in Corinth and some future as to where we're going and why we do the things we do.

Tom Taylor, Upper Trinity Regional Water District – The City of Corinth is one of the founding members of Upper Trinity, for 25 years we've had a relationship in affect, you are the stock holders and you have a seat on the board. We feed the Corinth board member, Cody Collier, information and he brings it back to you. If you need more information than he brings back, we would be glad to come back and talk to you at any time. At this time, Mr. Taylor went over his presentation. (See attachment)

Councilmember Johnson – How are we progressing with the Lake Lewisville/Denton County greenbelt plan?

Tom Taylor, Upper Trinity Regional Water District – It's coming along, we just received the 1st draft, we'll be looking at it and in about a month we'll send it out to all our members to get feedback. We need to preserve these green belts as much as we can to protect our lakes, we aren't doing green belts just to do green belts, we need to protect the lakes and the way you do that is to protect the streams just above the lakes. Those green belts help filter out any pollutants that get into the water. We've partnered with Denton County, who's helping pay for it, once we're finished we'll turn it over to Denton County to administer. We're not permanently in the business of administering green belts, but we're trying to serve as a vision for it, an urgency for it before it's too late, it costs so little to save them, it costs a fortune to try to restore them. Have you been able to contribute something to it already?

Councilmember Johnson – I've been to a stakeholders meeting and one the other meetings after that, it's been real interesting to see how this is developing. I don't think they had an idea of how all the communities were going to be whether they liked it or not. It's created a lot of interesting situations.

Tom Taylor, Upper Trinity Regional Water District – Ever town has already been doing something without a master plan to go by, everybody depends on something to save some part of the green belt. Hopefully this will give a little bit of organized vision to it.

Councilmember Johnson – On our agenda tonight, we're approving our contract with the Corp of Engineers for the Elm Fork Trail.

Councilmember Harrison – Where do we stand, do you have the permits and everything done?

Tom Taylor, Upper Trinity Regional Water District – We were issued the 1st water rights permit for a new reservoir, the 1st one issued in nearly 30 years, it's been appealed on limited environmental grounds by an environmental group. It's pending before the Court of Appeals, if we lose that appeal, it goes back to the commission for some additional hearings on the environmental question being challenged. We don't think it will be sent back to the commission, that's where that stands. We're expecting a decision out of the Court of Appeals within a month. The construction permit is issued by the Federal Government, we have to get a construction permit if we're interrupting or affecting natural waters. We're pending with them, we're working on a construction permit for about 8 years. It will probably take another 2 years to finish it. We're deep into the environmental impact statement, even though there's no environment to impact, it's all been washed away. They find something that needs to be protected so we're working with the Corp of Engineers to get the construction permit.

Councilmember Harrison – The funding for the lake, will that come from the members?

Tom Taylor, Upper Trinity Regional Water District - The citizens of the state two years ago voted proposition 6, which is a master plan of the state to help fund projects like this. We have already received money through that program to carry this project up to construction, finish the permitting, finish the engineering, finish the land acquisition, we already have that money committed out of that program recorded by the citizens under very favorable terms. We've gotten about $44 million so far, once we get to that point we go back in and get construction money, the state's already committed to put up 80% of the construction money and we put up 20%. A very long stretched out payment period, no payments on the front end, money we have right now is about $27 million to finish the engineering and design and the

permitting, no payments for 8 years. They totally absorb the cost for 8 years, 28 years from now we'll have to start making payments on that. On the land and construction we'll have to start making interest payments gradually and in 12 or 15 years we'll be paying all the interest gradually working up to 0 spreading it out with no compounding of interest, delaying the payment on interest, so we don't start paying interest for 20 years. The scheme of things is let's phase it out according to how customers are coming along, we get more customers the payments kick in. We've already purchased about 45% of the land and we haven't had to raise the rates 1 penny to pay for that land. We're leasing the land back to farmers and the other people for hunting and so forth, making all the payments, there has been no payment at all even though we've bought 5300 acres of land. We're being smart to make it affordable by the members and the members are not having to front any of the cost.

Councilmember Harrison – So 80% is 20% of what?

Tom Taylor, Upper Trinity Regional Water District - The total project is going to be north of $300 million. They will be an equity partner with us, board participation, they administer the money. They call it Board Participation where the State of Texas takes an equity interest in the project, they put up 80% of the money we put up 20%, we buy it back from the state as we use it, as we grow and as we have revenue coming in to pay for it, then we buy it back.

Councilmember Glockel – I noticed you talk about hazardous waste recycle, how do we do that?

Tom Taylor, Upper Trinity Regional Water District – We have a mobile trailer that goes to a designated site that on a certain day, citizens are advised to bring household hazardous material then we charge the city what it costs for us to dispose of that safely. We don't charge residents. Spring is the proper time to do that.

Councilmember Glockel – I get asked a lot of times where to take paint and I don't have an answer.

Councilmember Burke – Our waste disposal does that, you just have to call them and they'll send you the form in the mail with the packaging, you set it out separately.

Tom Taylor, Upper Trinity Regional Water District – We offer this service only until your waste provider will usually pick it up and do it for you, when we started doing this, they weren't offering it.

3. Receive a report on amendments to the City Charter and conduct a discussion and give staff direction on an ordinance ordering a special election to submit amendments to the City Charter.

Debra Drayovitch, City Attorney – When I started working on this, I found a book, that I borrowed, that needs to be scanned into the permanent collection of city documents. Mr. Glockel and Mr. Johnson are mentioned throughout this book. The City was incorporated in 1960 and until 1999 it operated under a Type A Municipality, that means there's a specific set of laws a chapter in the local government code that sets forth all the rules of the city. That Charter has served us well, the voters approved it in 1999 and here we are 16 or 17 years later and we've gotten along really well.

There are three reasons why Councils decide to submit to the voters changes in the Charter.

1. Policy changes-wanting to implement term limits for the Councilmembers, initiative and referendum, issues of this nature, term limitations, and terms of office. When you go 3 years you have different election requirements.
2. There has been a State Supreme Court decision that puts your Charter out of sync with the new law. You can go ahead and comply with the state law or you can go ahead and amend it to conform.

3. To do “housekeeping" amendments. Which cleans up some stuff that either a change in the law or stuff that is susceptible to more than one interpretation.

The process for an amendment:

1. City Council determines amendments to submit to the voters of Corinth.
2. City Council appoints committee to study amendments to the Charter and make recommendations to the Council. Once you receive those recommendations, you’ll decide and review them and decide which ones you want to submit to the voters.

I’ve gone ahead and written most of these and sent to you earlier this year but as most lawyers would do I’ve gone back through and added a few more that I feel compelled to bring to your attention. I’m bringing to you things that we have spent time on and that I think are worthy of your consideration to clean up these housekeeping matters.

Section 3.03: QUALIFICATIONS

The election code provides that a candidate for City Council must live in the city for 6 months except that a home rule city can adopt a provision requiring a candidate to live in the city for up to 12 months immediately preceding Election Day. Ours just says for one year.

Potential Amendment:
Add language that tracks the Election Code, i.e. that a candidate must have resided in the City for 12 months
immediately preceding Election Day.

Section 3.06: QUORUM

This next one simply says that a quorum of the Council is 3 Councilmembers. What is the City Council? Is the City Council the Mayor and 5 Councilmembers? Yes. We actually have language in the Charter that treats the Mayor differently and distinguishes the Mayor’s position from that of the Councilmembers and later on in the Charter, it actually refers to the governing body, the entire City Council. We actually adopted, several years ago, an amendment to the rules of procedure to clarify that it means 3 Councilmembers and it does not include the Mayor. I think this is a holdover from when we were a Type A City. Because a Type A Municipality the Mayor is the City Manager and not included in the quorum and only votes in the instance of a tie.

Potential Amendment:
To clarify that you would simply add a sentence that says the Mayor is not include in determination of a quorum.

Section 3.oiC: MAYOR

This one I think the former committee members can shed more light on. There is a provision, there is not an entry on this provision, but the Mayor has 5 or 6 responsibilities. One of them says the Mayor shall recommend appointments to Boards and Commissions. There has been some conflict regarding interpretation of that provision to the degree of some incumbents felt like they were compelled to make it and the no one could be appointed without the Mayor’s recommendation. You may want to consider changing that one word.

Potential Amendment:
Change the word "shall" to "may".

Section 9.04B: ADOPTION OF THE BUDGET

For the past couple of years we've had some resignations and the Councilmembers that leave a vacant seat. You can see that your Charter section says that the budget and the tax rate must be adopted by a majority vote of a 2/3 quorum, it doesn't say a 2/3 vote, so what is that? The problem is, we have these vacancies. The original proposed amendment, after 2/3 they crossed it out and said a super quorum. If it were a general law city, the 2/3 quorum would be 2/3 of 5, 3 members. A majority vote of a 2/3 quorum means your budget and tax rate could pass by 2 votes, we're not sure that's what the council meant. If you use 2/3 of the governing body, which includes the Mayor and the Councilmembers, that's going to be a fraction and you can't have a fraction so you round off to 4. Which a majority of 4 is 3. When we were faced with this before, I visited with several of the Attorneys at TML and they had no conclusive answer. In 2015 the Texas Legislature meets and they adopt an amendment to section 2605 of the tax code. Now, starting this year, if you adopt a tax rate that exceeds the effective tax rate, it's got to be a record vote, which it already is, but it's got to pass by 60% of the members of the governing body. I called TML again and asked what is the 60%, they say it depends. We respect your judgement and we're not going to attempt to advise you on this. So, here is what I say, you have options, it takes 3 votes to pass the budget or you can say what Allen did. They changed their Charter, they amended it to say a favorable vote of all members of the City Council. This still leaves what if it's a vacancy? My opinion, the best way is to set a number or to say as provided by state law. Otherwise, if there's conflict on the Council or you have a different City Attorney, or City Manager, you might end up having a budget and a tax rate on a 2 votes out of 6.

Councilmember Burke – We could say 3 or if greater the number required by state law.

Councilmember Garber – I like the number 3 in there. When we had the vacant seat or someone was out sick we were quite concerned about how that would turn out.

Councilmember Johnson – Do we want to leave the words "of Governing Body" in there? Did we determine the governing body was the Council and the Mayor, you have 60% of the governing body that would be 4.

Debra Drayovitch, City Attorney – That's in the statute, we can't do anything about the statute, what we can do is about your budget and we can say 3 or use the language that Sam said because that's going to be covered by state law anyway. At least that solves half your equation and they actually have issued and internal paper saying they think in a type A city that they won't count the Mayor in that members of the governing body.

Councilmember Glockel – Are you saying 60% is the statute?

Debra Drayovitch, City Attorney – Yes, Sir.

Councilmember Glockel - You think when there was only 4 of us, 3 people would be 75%. If there was only 3 of us here that night and you had 2 people voted yes, you're still looking at 60%, so it's just a majority. Three's a majority of 4? Two's a majority of 3?

Debra Drayovitch, City Attorney - Unless you count the Mayor.

Councilmember Johnson – He's not a member of the quorum, I don't quite understand why you accept him.

Debra Drayovitch, City Attorney – In a vote of a tie.

Councilmember Garber – Didn't we already mention him as not being a part of a quorum?

Debra Drayovitch, City Attorney – Correct, that has been our interpretation. That's been critical over the years.

Councilmember Burke – We are just talking about if we want to raise it above the affective rate, right?

Debra Drayovitch, City Attorney – For the statute, yes. The other would be just for you 'all, so it would eliminate possible disagreement and allow staff to plan more efficiently as well.

Those are the amendments that I shared with you last summer off the top of my head that I had experienced. When you asked a couple of weeks ago about going through and just double checking everything else, I came across 3 or 4 more and I want to share those with you for just a few minutes.

Section 2.03 of the City Charter: EMINENT DOMAIN

A very strong feeling amongst your founding fathers that we were not to use eminent domain to benefit a private business. At that time we didn't have a 4B, 505 of the local government code, now we do and that statute allows your Type B to exercise eminent domain for those purposes. If it's allowed by statute for the city. The constitutional amendment in 2005 and the statue that you can only use eminent domain for economic development purposes if it's a secondary purpose resulting from municipal community development or municipal urban renewal. Your Type B is part of the purpose is for community development for parks, so depending on how strictly this provision were construed you may want to add except as provided by statute or in accordance with state law. I wouldn't recommend an election just on this proposition but if you are considering housekeeping matters it's something worthy of your consideration.

Section 6.03: DUTIES (of the City Attorney)

This one I think has happened over the years, the City Attorney also employed the City Prosecutor. The City Attorney reported to the Council and since the City Prosecutor worked for the City Attorney's law firm that was that relationship. When Mike Bucek was the on staff Attorney, he prosecuted. He reported to the Council. Then the Parks Director started supervising Municipal Court and supervising the Prosecutor and that was switched. If we want to continue that practice, it needs to be reflected in the Charter.

Councilmember Glockel – We're talking about general litigation, proceedings and so on. That type of litigation and representation, in my opinion, should come to the Council, because as an Attorney what you're doing, not just the prosecutor in court during that day. I haven't got any real problem with the Prosecutor that's doing the day to day court sessions reporting to anybody. I have a problem with somebody in your position reporting to anybody but the Council because you represent the City as a whole. Are we mixing the 2 or are we keeping them separate? The City Manager appoints the Prosecutor?

Debra Drayovitch, City Attorney – If you end up hiring a City Attorney, full time, I don't know if there will still be a contract City Prosecutor or if the City Attorney will carry that responsibility. I don't know of any city that has a full time City Attorney that the Prosecutor reports to somebody other than the City Attorney. I know of a lot of smaller municipalities that retain a law firm, they don't provide prosecutorial services. Richardson actually had a Charter amendment on this measure to allow the Prosecutor to report to the City Manager. I think if we're going to keep doing it the way we're doing it, you're documents should reflect the practice.

Section 12.09 PUBLIC MEETINGS AND RECORDS

Debra Drayovitch, City Attorney – The Pubic Information Act and the Open Meetings Act are both in Chapter 551 and one is 552 of the Government Code. There is another provision in your Charter about the budget records it refers to the Texas Government Code. I really think this is a typo, I think you may be even could get back, it may have been transcribed incorrectly. I don't know.

Councilmember Burke – I would just make it to the fullest extent allowed by the state, federal law. I wouldn't tie it to any particular code. Pull it out, you have the discretion to do this exempt as much as possible. You can always choose to disclose. Can we talk about Eminent Domain? That is just a trap waiting for the unwary, that limitation on the ability to condemn and get raised when you least expect it, some Council 10 years from now will do something that they may or may not think violates that they won't even know about it and some lawyer may stumble on it and end up fighting over whether or not the city the rights to take the property in the first place. It's a nightmare from the city's point, it drives up the costs. The state, now that you are a home rule city you have all the power of eminent domain that the state would have and you ought to reflect that, you can always restrain yourself, if you have this sitting there it's one of those things, I didn't know what was going to hurt me.

Mayor Heidemann – Are you saying we should eliminate this completely out of the Charter?

Councilmember Burke – Yes, I would not have any limitations on the power of eminent domain in the Charter.

Mayor Heidemann – As long as you're home rule and that goes by state law, right?

Councilmember Burke – Yes, if I was going to say anything about it, I would say we have the power of eminent domain to the fullest extent provided by state law.

Councilmember Harrison – And not specify any development, just the city itself?

Councilmember Burke – Yes, as a litigator this kind of thing is what keeps me up at night. What do I not know is lurking for me?

Councilmember Glockel – The law on eminent domain has changed since it was originally written. If you just stayed the way you did you're always current with what the state law is.

Mayor Heidemann – So, you're looking for direction from us tonight?

Debra Drayovitch, City Attorney – Yes, because we have to call the election at your next Council meeting, it's a special election. I've basically written the language that would change in the Charter as Sam has amended, but there's a couple of extra steps, you've got to put this in the questions and that takes a little bit of time. Those questions that you're fraying for the voters have to be in the ordinance that you adopt. Then you have to have it all translated into Spanish and notice be given.

Mayor Heidemann – Do you want to do it in this session, just get a consensus from the group to go forward? Or do you need to have a motion in the regular session?

Debra Drayovitch, City Attorney – We've got to have to have anticipated fiscal impact in our notice. We'd work with Lee Ann and Caryn, I don't think there's any on any of these, but I'm not the finance person. I would like to go down this list real quick.

Councilmember Harrison – On eminent domain, if we agree, if all of us are like mind to change that, that means you have to call an election, right? Just for one regardless if we agree on anything else.

Debra Drayovitch, City Attorney – Not necessarily, all we're voting on tonight is whether to bring an ordinance, or all you're doing is giving me direction to bring an ordinance to you. Yes, it is true.

Councilmember Harrison – Can you change it all with ordinance and not change any Charter amendment?

Debra Drayovitch, City Attorney – No, I'm talking about the ordinance.

Councilmember Harrison – I'm saying is the only way you can change this, the eminent domain, is through a Charter amendment?

Debra Drayovitch, City Attorney – Yes Sir. Is everyone ok with the one year, that the election code, preceding the Election Day?

Council – yes.

Debra Drayovitch, City Attorney - Do we want to clarify if we're doing the other amendments, do you want to add a sentence that the Mayor is not included in a quorum?

Council – yes.

Debra Drayovitch, City Attorney - Do we want 3 or 4, a majority?

Council – 3 and that language.

Debra Drayovitch, City Attorney – Eminent Domain to the fullest extent of the law?

Council – yes.

Debra Drayovitch, City Attorney – 6.03 Prosecutor?

Council – Appointed by the City Manager.

Debra Drayovitch, City Attorney – 12.09 to the fullest extent of the law?

Council – yes

Councilmember Burke – On the Mayor, I don't have a strong feeling, is it just to allow more flexibility in appointments where it says may instead of shall?

Mayor Heidemann – Yes.

Councilmember Garber – On the eminent domain, I agree that is something that needs to be changed, I see that could be an issue in the future. Is that something, because eminent domain is quite a hot topic, and what we're doing is unrestricting it, is that going to cause us to potentially have an issue getting the rest of these things through because of the sticky eminent domain? Can you separate them?

Debra Drayovitch, City Attorney – Each one is its own. In response to your question, the local government code says a Type B corporation may only exercise eminent domain with consent of the City Council.

Councilmember Garber – I understand it's just that people get really antsy and we're on the verge of a huge economic development push in Corinth, before we start moving forward with this maybe there's an opportunity for education on items like this, we'll probably end up with phone calls just over eminent domain.

Debra Drayovitch, City Attorney – It's very clear in here, private property rights. What I'm thinking though you may want to, if you get the same effect as allowed by the state law I don't know…

Councilmember Garber – I'm question the full extent statement, as described in the state law.

Councilmember Burke – Fullest is the safest, my personal opinion. Texas Supreme Court is going to take of private property owners. What do you think the backlash would be on it?

Councilmember Garber – I just think people get antsy over that wording in the domain. I think it's just one of those topics and it may be nothing and I think it does need to be changed.

Debra Drayovitch, City Attorney – If there was some language was a little bit softer.

Mayor Heidemann – You're going to bring back and do the ordinances for all these and bring them back to us to review right?

Debra Drayovitch, City Attorney – Yes Sir.

Mayor Heidemann – And then we can either accept or reject them.

Debra Drayovitch, City Attorney - I would welcome any suggestions to make it so it is what we perceive it as a housekeeping and not as a major policy changes. I think that is the intent.

Mayor Heidemann adjourned the Workshop Session at 6:45 pm.

Approved by Council on the____day of_____, 2016

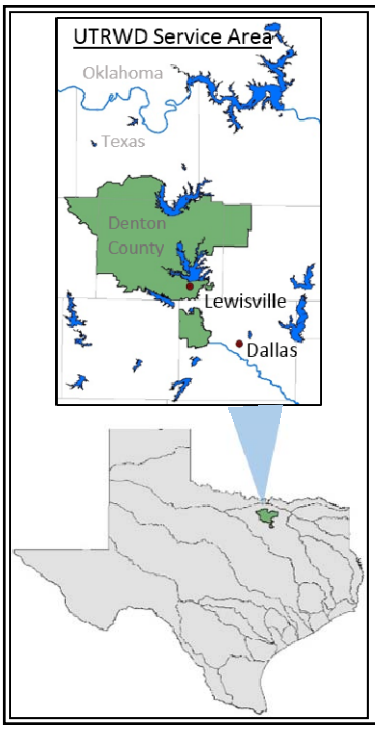
_____
Kimberly Pence, City Secretary
City of Corinth, Texas

Overview of the Upper Trinity Regional Water District

UPPER TRINITY
REGIONAL WATER DISTRICT

Presentation to: Corinth City Council

February 4, 2016



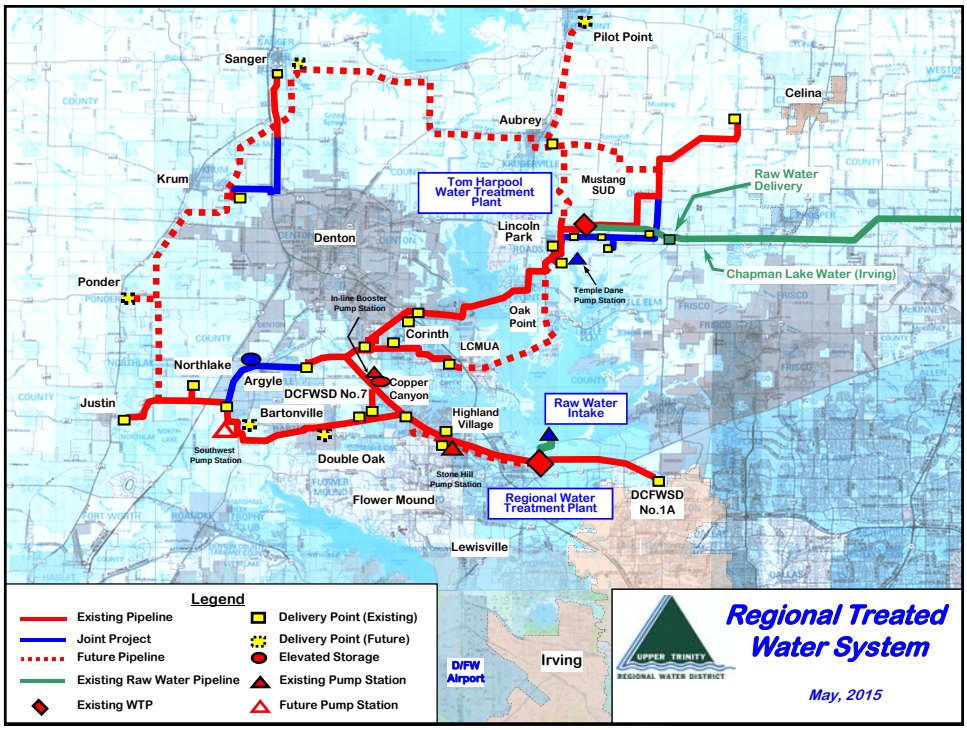
Upper Trinity Regional Water District Members & Customers

Argyle	Hickory Creek
Argyle WSC	Highland Village
Aubrey	Irving
Bartonville	Justin
Celina	Krum
Copper Canyon	Lake Cities MUA
Corinth	Lake Dallas
Cross Timbers WSC	Lewisville
Denton	Mustang SUD
Denton County	Northlake
DCFWSD # 1A	Oak Point
DCFWSD # 7	Pilot Point
DCFWSD # 8A	Ponder
DCFWSD # 9	Prosper
DCFWSD # 10	Sanger
DCFWSD # 11	Shady Shores
Double Oak	
Flower Mound	

Regional Water System

By joining together in a regional water system, we can achieve more - - than if each city worked separately - - and do so at less cost.

- **Economy of Scale**
- **Technical Capability**
- **Security / Reliability**
- **Planning Ahead**



Regional Water Treatment Plant

Location: Lewisville, Texas

Harpool Water Treatment Plant

Location: Providence Village

Water Reclamation Plants

Existing:

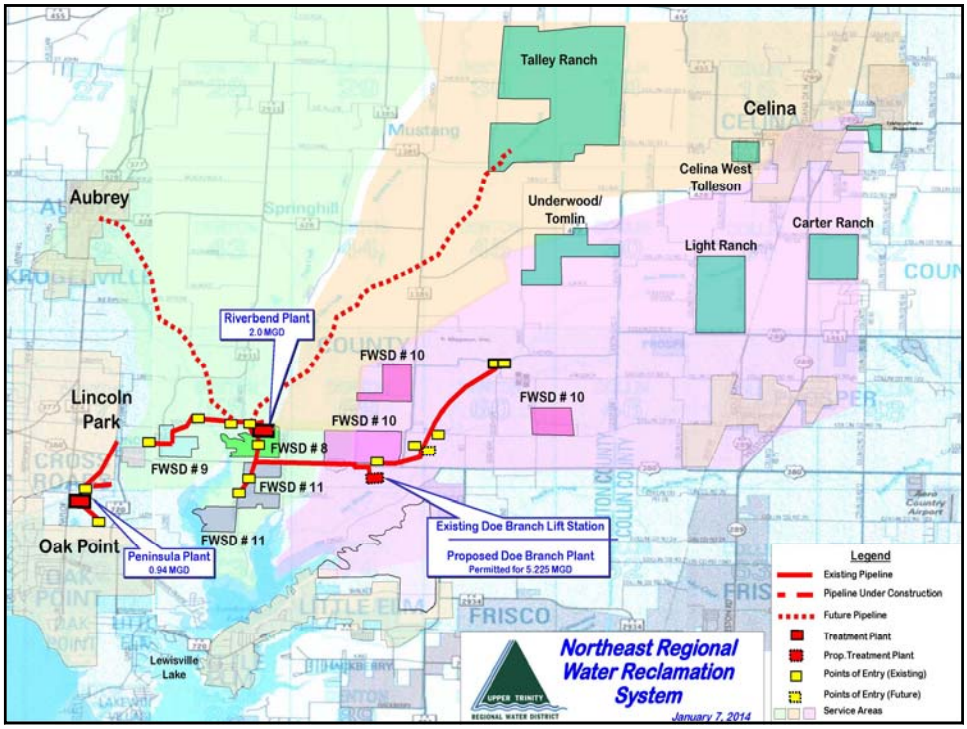
- Lakeview WRP – 5.5 mgd
- Riverbend WRP – 2.0 mgd
- Peninsula WRP – 0.94 mgd

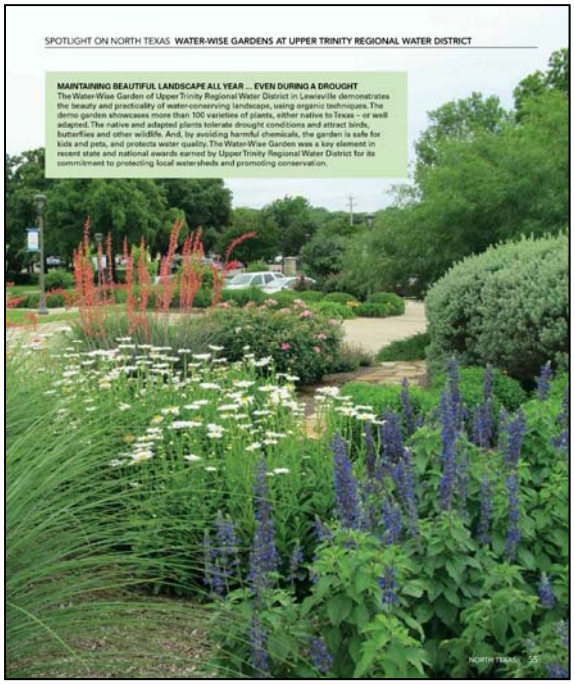
Under Construction (service to begin 1st Qtr 2016):

- Doe Branch WRP – 2.0 mgd

Lakeview Regional Water Reclamation Plant

Location: City of Lake Dallas



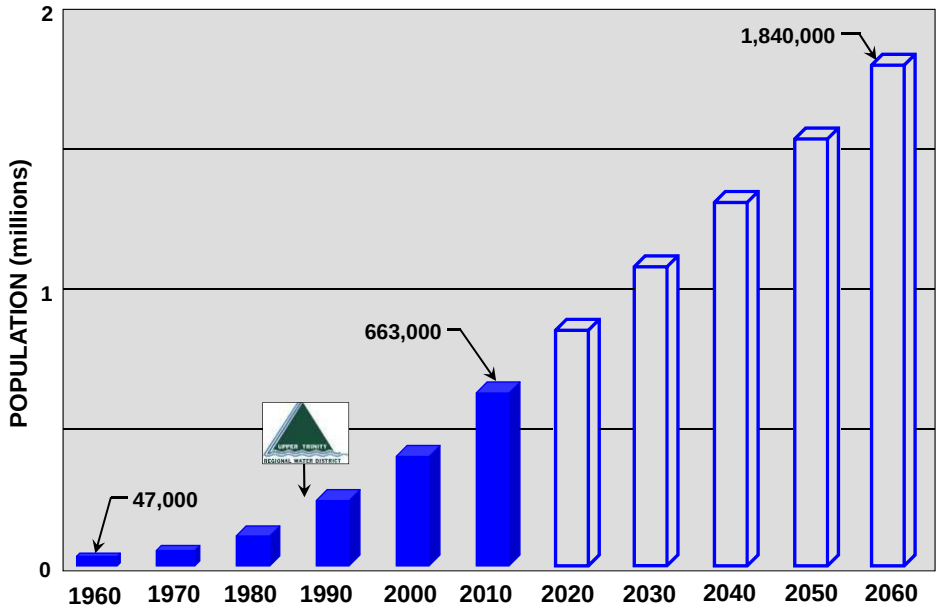


Water Conservation & Watershed Protection Program

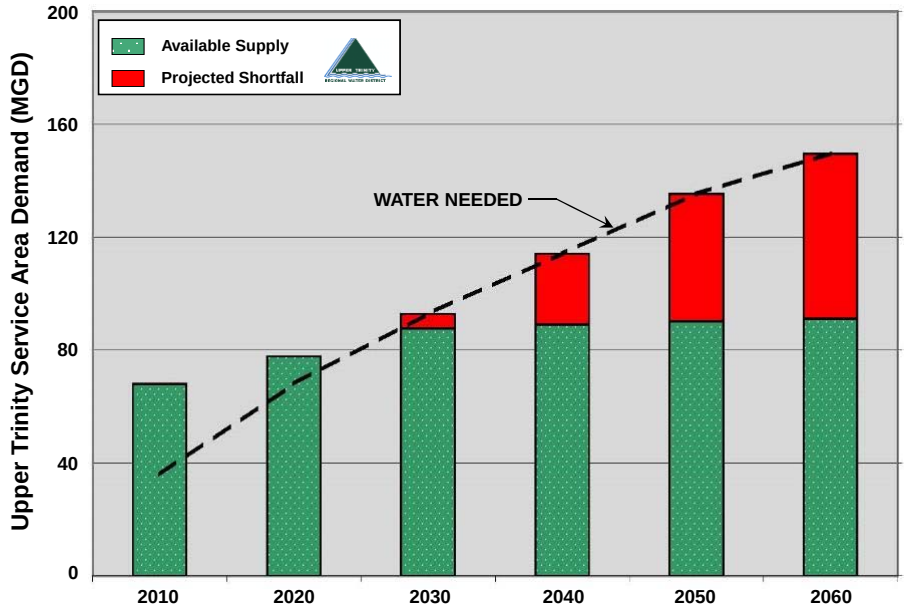
Featured in *North Texas* Magazine

UPPER TRINITY
REGIONAL WATER DISTRICT

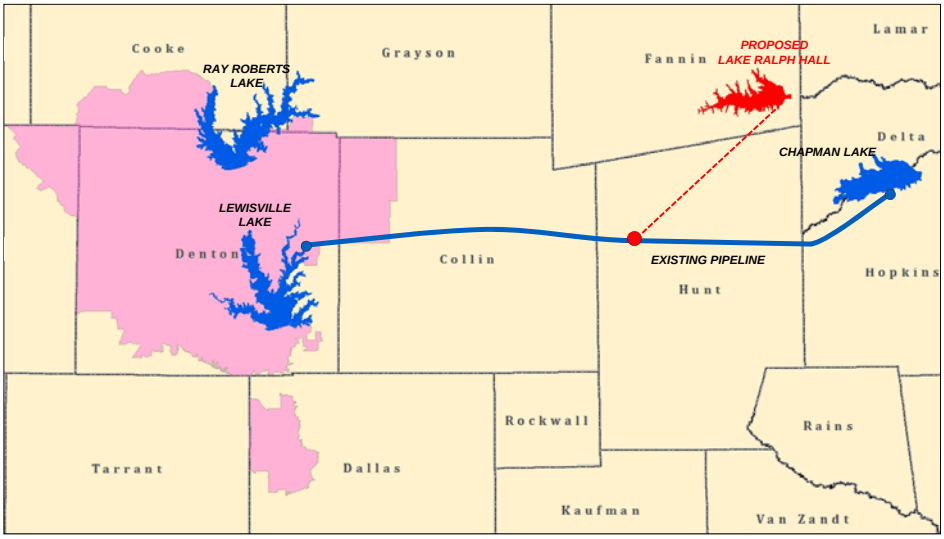
Denton County Population Growth



Water Resources Projections

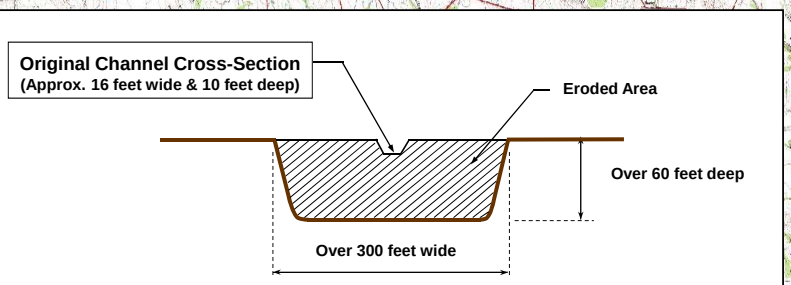


Upper Trinity Regional Water District
Water System Service Area & Sources



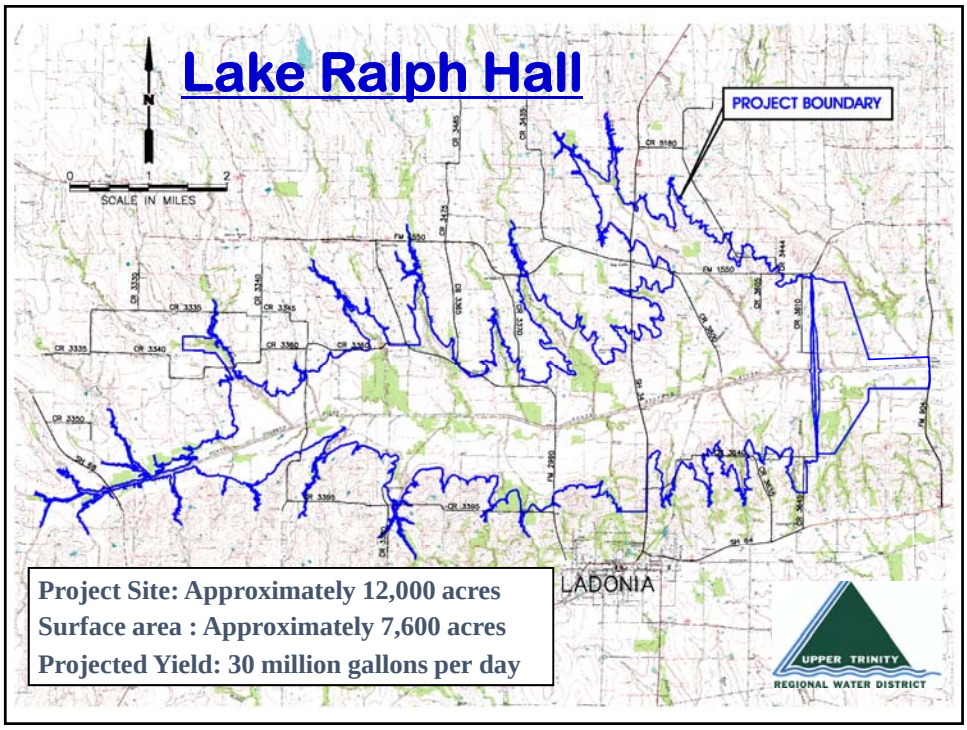
North Sulphur River

- River channelized in the late 1920's
- Agricultural Project
- Intended to improve drainage



Current Channel Cross-Section

Channel Upstream of State Highway 34 Bridge – Nov. 2008



Project Site: Approximately 12,000 acres
Surface area : Approximately 7,600 acres
Projected Yield: 30 million gallons per day

With Vision and Courage, We Plan

QUESTIONS

UPPER TRINITY
REGIONAL WATER DISTRICT

www.utrwd.com

(972) 219-1228

Amendments to the Corinth City Charter

Presentation for consideration of
special election to consider City Charter amendments
February 4, 2016

SUMMARY/BACKGROUND

At the January 14 City Council meeting, the City Council requested briefing regarding a special election to submit to the voters amendments to the Home Rule City Charter. The citizens of Corinth have been well served by the City Charter approved by the voters in 1999. City Councils typically submit Charter amendments to the voters for three reasons:

- To submit amendments to the voters so as to implement policy changes, such as changes in councilmember terms of office or term limitations.
- To submit amendments to conform Charter provisions with court decisions and changes in federal and state.
- To submit minor amendments to clarify wording that has proven susceptible to more than one interpretation. These types of amendments are generally referred to as "housekeeping" amendments.

PROCEDURES FOR AMENDMENTS

1. City Council determines amendments to submit to the voters of Corinth.
2. City Council appoints committee to study amendments to the Charter and make recommendations to the Council.
3. Following are slides of various provisions of the City Charter that have been interpreted in more than one manner or would benefit from "housekeeping" changes. Each slide also contains a potential amendment to the current provision.

Section 3.03: QUALIFICATIONS

This section requires a candidate for Council to have resided in the City for one year.

Potential Amendment:

Add language that tracks the Election Code, i.e. that a candidate must have resided in the City for 12 months immediately preceding election day.

Section 3.06: QUORUM

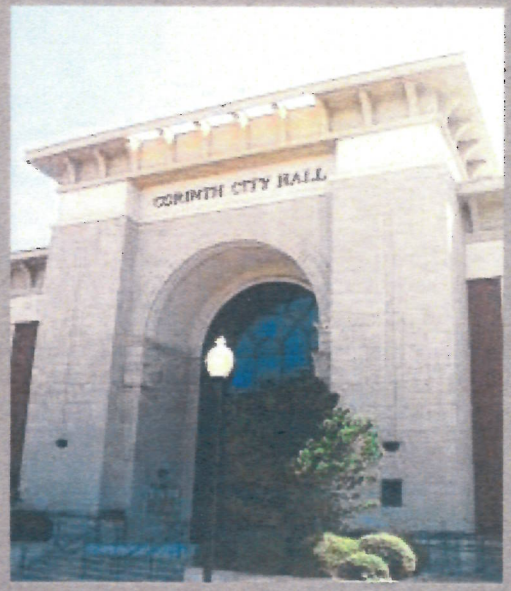
This provision states a quorum of the Council is three Councilmembers. In the past, there has been disagreement as to whether the Mayor is included in the three. The Council clarified this in the City Council Rules of Procedure, but the question still arises from time to time.

Potential Amendment:

Add language that the Mayor is not included in determination of a quorum.

Section 3.01C: MAYOR

This provision provides that the Mayor shall recommend appointments to boards and commissions. In the past, this has been interpreted by some to mean the Mayor must recommend all board appointments. This has not been the practice in recent years.



Potential Amendment:

Change the word "shall" to "may."

Section 9.04B: ADOPTION OF THE BUDGET

The budget and tax rate may be adopted at any regular or special meeting of the Council prior to the beginning of the budgeted fiscal year by a majority vote of a two thirds quorum.

Calculation of the two thirds quorum has been subject to interpretation by Texas courts. This provision may have been based on a similar provision in the Allen City Charter. In 2001, the City of Allen amended its City Charter to provide that the Council shall adopt the budget by a favorable majority vote of all members of the Council.

Potential Amendment:

Specify the required number of votes to adopt a budget or tax rate, or incorporate the language in the statute that passed last year, which requires a vote of 60% of the members of the governing body to adopt a tax rate that exceeds the effective tax rate.

Section 2.03 of the City Charter: EMINENT DOMAIN

This section provides that "neither the Council nor the City Administration shall participate in any form for the purpose of exercising eminent domain on behalf of private development."

A Type B corporation such as the Corinth Economic Development Corporation may exercise the power of eminent domain only with approval of the action by the City Council and in accordance with and subject to the laws applicable to the City. Tex. Local Gov't Code sec. 505.105. After 2005, eminent domain for economic development purposes is prohibited unless the economic development is a secondary purpose resulting from municipal community development or municipal urban renewal. If the City anticipates that eminent domain may be necessary for one or more of these purposes in the future, the amendment of this section should be considered.

Potential Amendment:

Authorize limited consent for approvals of the CEDC to exercise eminent domain proceedings in accordance with state statutes.

Section 6.03: DUTIES (of the City Attorney)

This section provides that the City Attorney shall . . . represent the City in any and all litigation and legal proceedings, provided however, that the Council may retain special counsel at any time it deems appropriate and necessary. It has been the practice of the City for at least eight years for the City Manager to appoint the prosecutors for the Corinth Municipal Court.

Potential Amendment:

Add language that the City Manager may appoint the prosecutor for Municipal Court.

Section 12.09: PUBLIC MEETINGS AND RECORDS

This section provides that the City may except from public disclosure information as provided by the Texas Local Government Code. This was probably a typographical mistake, as the Public Information Act is contained in the Texas Government Code.

Potential Amendment:

Delete the word "Local".

SUMMARY

Should the City Council determine to order a special election to submit any or all of the forgoing amendments at the May election, it must do so by adopting an ordinance calling a special election for charter amendments by February 19.

The ordinance ordering the special election must include the proposed Charter amendments and the ballot language. So if the Council desires to proceed with an election, it is necessary for the Council to direct whether all of the foregoing amendments should be submitted to the voters. The Council may also determine not to proceed with an election at this time.

Timeline for Special Election

- 02/04/2016 – Receive presentation and give staff directions
- 02/18/2016 – Consider ordinance ordering special election to submit Charter amendments
- 04/25/16 or before - Publish notice of proposed amendments, including estimate of anticipated fiscal impact
- 04/25/16 to 5/3/16 – Early Voting
- 05/07/2016 – Conduct election

Questions?

RECAP OF POSSIBLE AMENDMENTS

Section 3.03: QUALIFICATIONS

Section 3.06: QUORUM

Section 3.01C: MAYOR

Section 9.04B: ADOPTION OF THE BUDGET

Section 2.03: EMINENT DOMAIN

Section 6.03: DUTIES (of the City Attorney)

Section 12.09: PUBLIC MEETINGS AND RECORDS

DEBRA A. DRAYOVITCH

620 W. Hickory Street
Denton, TX 76201-9032
PH: (940) 898-8016
FAX: (866) 755-7585
Email: dd@drayovitch.com

CONSENT ITEM 2.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: February 4, 2016 Regular Session Minutes

Submitted By: Kim Pence, City Secretary

Finance Review: N/A **Legal Review:** N/A

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from the February 4, 2016 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND

City Council discussion and action from the February 4, 2016 Regular Session.

RECOMMENDATION

Staff recommends approval of the February 4, 2016 Regular Session minutes.

Attachments

Minutes

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this the 4th day of February 2016 the City Council of the City of Corinth, Texas met in Regular Session at 7:00 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:
Bill Heidemann, Mayor
Sam Burke
Joe Harrison, Mayor Pro-Tem
Scott Garber
Lowell Johnson
Don Glockel

Members Absent:
None

Staff Members Present:
Lee Ann Bunselmeyer, Acting City Manager
Fred Gibbs, Director of Planning and Development Services
Jason Alexander, Economic Development Director
Cody Collier, Acting Public Works Director
Curtis Birt, Fire Chief
Debra Walthall, Police Chief
Caryn Riggs, Asst. Finance Director
Kim Pence, City Secretary
Shea Rogers, Technology Services Manager
Debra Drayovitch, City Attorney

***NOTICE IS HEREBY GIVEN** of a Regular Session of the Corinth City Council to be held at Corinth City Hall located at 3300 Corinth Parkway, Corinth, Texas. The agenda is as follows:

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor Heidemann called the meeting to order at 7:00 P.M.

CONSENT AGENDA:
All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on a resolution reviewing and adopting the Investment Policy for the City of Corinth.

Councilmember Glockel – pulled item #1 for discussion.

2. Consider and act on a resolution reviewing and adopting the Investment Policy for the Corinth Crime Control & Prevention District.

3. Consider and act on a resolution reviewing and adopting the Investment Policy for funds for the Corinth Economic Development Corporation.

MOTION made by Councilmember Johnson to approve items #2, #3 of the Consent Agenda as presented. Seconded by Councilmember Burke.

Councilmember Glockel – what I am going to talk about on Consent item #1 somewhat applies to all.

AYES: Johnson, Harrison
NOES: Burke, Garber, Glockel
ABSENT: None

MOTION FAILED

Council discussed all 3 items on the Consent Agenda.

Councilmember Glockel – if you go to Sections 1, 2, 3 and 4 of the Resolution, in Section 2 it states "the Director of Finance is hereby designated as the City's primary investment officer to perform the functions required of her". "The investment officer is hereby authorized to perform the functions required of her under the Investment Policies and Chapter 2256". This sentence is referring to one of the same person and I would like to recommend to remove under Section 2 "the functions required of her" in the first sentence. Remove the second sentence "The investment officer is hereby authorized to perform" and for Section 2 to state the following: "That the Director of Finance is hereby designated as the City's primary investment officer to perform the functions require of the primary investment officers under the investment policies of Chapter 2256". It is one person and is designating what their title is and what their requirements are and whether it be he or she is not important.

So with those changes recommended it should read as the Director of Finance is hereby designated as the City's primary investment officer to perform the functions required of the primary investment officer under the investment policies and Chapter 2256.

Councilmember Burke – agrees but would like to change to add "as hereby authorized" to perform and finish as Councilmember Glockel suggested.

That the Director of Finance is hereby designated as the City's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the investment policies and Chapter 2256.

MOTION made by Councilmember Glockel to adopt the policy for the City of Corinth. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED AS AMENDED

Councilmember Glockel made a Friendly Amendment to make Section 2 state the following: That the Director of Finance is hereby designated as the City's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the investment policies and Chapter 2256. Seconded by Councilmember Burke.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

Councilmember Glockel – in Section 6 Part C, Section C is very fragmented. It talks about the different players in the finance committee and who is responsible for what and I don't think that was the intent here.

Lee Ann Bunselmeyer, Acting City Manager - I agree it does seem a bit fragmented. The intent for this paragraph is the Director of Finance is the primary responsibility and is your investment officer, as the Director of Finance I do have a staff member that handles all the day to day activities for the investment portfolio but I am still responsible for everything that individual does. When this was written even though I am the primary investment officer, I report to the City Manager and therefore they also have some responsibility over that. I am not sure why we put in there "or the City Manager's designated representative" I do not believe that needs to be there and we can strike the last sentence in there because ultimate responsibility for those transactions lies with the staff. We do provide the reports to an investment committee but that investment committee does not have decisions on those investments, their decisions are what we are allowed to invest. All I need in here is the authority to delegate the investment authority to a secondary staff member for the day to day activities and strike the last sentence.

Councilmember Glockel – I think what the intent was the Director of Finance or a designated representative may just be in the wrong place.

Lee Ann Bunselmeyer, Acting City Manager – should read as "That the Director of Finance shall be designated as the primary investment officer for the City and shall be responsible for any investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase in the investment program to a secondary investment officer". Both the Director of Finance and the designated secondary investment officer are responsible for daily investment decisions and activities.

Councilmember Glockel – I believe if you take out everything in red in Section 6 C and drop the last sentence it will be close. It still will be a little fragmented but you are not going to have oversite that has no control on the policy.

Councilmember Glockel made a Friendly Amendment to read as it is written with the exception of the red will be deleted "or the City Manager's designated representative" and also delete the entire last sentence. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None

ABSENT: None

MOTION CARRIED

MOTION made by Councilmember Johnson to approve items #2 and #3 on the Consent Agenda with the same amendments as placed on Consent Agenda item #1. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

CITIZENS COMMENTS:
In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

There were no Citizens Comments made.

4. Consider and act on a Joint Election Agreement and Contract for Election Services with Denton County for the May 7, 2016 General Election.

Lee Ann Bunselmeyer, Acting City Manager – this is a contract for Election Services with Denton County for roughly around $4,000. We are asking for approval of the contract.

MOTION made by Councilmember Garber to approve the Joint Election Agreement and Contract for Election Services with Denton County for the May 7, 2016 General Election. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

5. Consider and act on a Resolution ordering a Joint General Election with Denton County to be held on May 7, 2016 to fill the offices of Councilmember Places, 1, 3, and 4; and establishing procedures for that election and providing an effective date.

MOTION made by Councilmember Glockel to approve a Resolution ordering a Joint General Election with Denton County to be held on May 7, 2016 to fill the offices of Councilmember Places, 1, 3, and 4; and establishing procedures for that election and providing an effective date. Seconded by Councilmember Johnson.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None

ABSENT: None

MOTION CARRIED

6. Consider and act on an Ordinance for the City of Corinth ordering a Special Election to be held on May 7, 2016 allowing voters to determine the reauthorization and levy of a sales and use tax for street maintenance; as well as designating a polling place, providing for notice, providing for early voting, and providing an effective date.

Item #6 was pulled from the Agenda.

7. Consider and act on the Elm Fork Trail Lease Agreement (Lease No. DACW63-1-10-0523) between the City of Corinth and the Lake Lewisville Army Corps of Engineers.

Cody Collier, Acting Director of Public Works - The City of Corinth entered into a Lease Agreement with the Lake Lewisville Army Corps of Engineers for the use of the Elm Fork Trail on February 8, 2010 (Lease No. DACW63-1-10-0523). The Lease was set to be renewable for a term of four (4), five (5) year option periods (totaling 20 years).

The lease expired and was not renewed in December of 2014. In late 2015, staff began working for the renewal of the lease and met with representatives from the Army Corps to discuss concerns and terms within the lease pertaining to maintenance and projects outlined within the scope of the lease.

The Lewisville Lake Army Corps representatives agreed the lease was far more than was actually needed for use of a trail and agreed to work on a new lease over the course of the 2016 year with Corinth staff.

The renewal of the current lease is with the terms of Executive Order 13658 pertaining to paying the applicable minimum wage for contractors or employees who may be hired to work on the trail, and changing the renewable terms of the lease which is now set to expire on December 31, 2016. This has been done to grant Corinth legal access to utilize the Elm Fork Trail for the remainder of this calendar year while a new and more appropriate lease is created granting a structural easement for the equestrian bridge (located near Oak Bluff Drive) and the limits of the actual trail. The Lease being created this year, appropriately represents the needs of the trail, and removes the work and maintenance requirements on Army Corps property and is scheduled to be ready by December 2016 to continue uninterrupted continuity and use of the trail in the future.

Staff recommends approval of the Elm Fork Trail Lease Agreement (Lease No. DACW63-1-10-0523) between the City of Corinth and the Lewisville Lake Army Corps of Engineers for the remainder of the 2016 calendar year.

MOTION made by Councilmember Johnson to approve the Elm Fork Trail Lease Agreement (Lease No. DACW63-1-10-0523) between the City of Corinth and the Lake Lewisville Army Corps of Engineers as presented. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

8. Consider and act on a Resolution authorizing the Texas Coalition for Affordable Power, Inc. (TCAP) to negotiate an electric supply agreement for five years for deliveries of electricity effective January 1, 2018; Authorizing TCAP to act as an agent on behalf of the City to enter into a contract for electricity authorizing the City Manager, City Manager's Designated Representative, or Mayor to execute an electric supply agreement for deliveries of electricity effective January 1, 2018 and committing to budget for energy purchases in 2018 through 2022 and to honor the City's commitments to purchase power for its electrical needs in 2018 through 2022 through TCAP.

Lee Ann Bunselmeyer, Acting City Manager - This resolution is designed to support the second of several opportunities for TCAP members to contract for electricity for the post-2017 time period. If interested in contracting for a five-year term (2018-2022) during 2016, the authorizing resolution must be passed by the governing body of the interested TCAP member by February 25, 2016. The deadline will allow definition of the load to be served under each of three different electric supply options, which must be at least a minimum of 50 megawatts. Also, the deadline will give the wholesale provider ample opportunity to lock a fixed-price, equal to or less than a specific benchmark for each ERCOT zone, before June 30, 2016. When that supply scenario is locked, each member that passed the authorizing resolution must immediately sign a contract for that power. Please Note: The draft resolution is in Word and blanks must be filled in to identify the member, the preferred supply option and several individuals by name or position who will sign the contract when the appropriate price point is reached.

Explanation of Whereas Clauses:

1) **What is TCAP?** As reflected in the fourth and seventh Whereas clauses, TCAP is a non-profit, political subdivision corporation, owned and controlled by its 171 political subdivision members, the vast majority of whom are cities. TCAP was formed in 2011 from the merger of Cities Aggregation Power Project ("CAPP") and South Texas Aggregation Project ("STAP"), both of which were created in 2001, shortly before retail deregulation became effective on January 1, 2002. TCAP is governed by a 15 member board of directors, all of whom must be city employees or elected city officials. Typically, board members have been mayors, city managers, assistant city managers, finance directors or city attorneys.

2) Market Benefits of TCAP: An individual city, citizen or commercial customer can only purchase power directly from a Retail Electric Provider ("REP") which under Texas law exists to give the impression of a competitive market. REPs cannot generate electricity, nor can they own wires. REPs are unnecessary middlemen between the wholesale and retail markets. As reflected in the second and fourth Whereas clauses, TCAP, as a political subdivision corporation, uniquely can go directly to the wholesale market. CAPP and STAP, prior to their merger into TCAP, separated contracts between a wholesale supplier and an independent REP, providing TCAP consultants with greater insight into the margins of various market participants than would be possible for most consumers. A broker or a REP would hand a form contract to an individual consumer. In the case of TCAP, no form contract is acceptable and, because of the size of TCAP's load, both wholesale suppliers and REPs are willing to negotiate contract terms that are beneficial to TCAP members, enabling the refunds members have consistently received, special terms for adds and deletes, including an ability to add new loads at current market prices even if the market price is lower than the price of the master agreement.

3) TCAP's benefits regarding pricing: TCAP's membership consumes approximately 1.4 billion kWh annually which amounts to approximately $100 million in revenue for the wholesale provider at current contract prices. The value of the aggregated load is extremely appealing to wholesale market participants, enabling TCAP to get the market competitive pricing at any particular moment. As reflected in the third Whereas clause, in addition to the size of its load, TCAP derives benefit from geographic

diversity. TCAP members reside in all four ERCOT zones and are spread between the entire length and breadth of Texas, from Wichita Falls to Harlingen and Fort Stockton to Palestine. Since consumption is influenced by weather and since weather conditions are seldom the same across all of Texas, it is unlikely that all TCAP members are reaching peak consumption simultaneously. If the peaks of all TCAP members were totaled, the sum would equal 313.1 MW. But a wholesale supplier looks at the peak consumption of TCAP as an aggregated load rather than the sum of the peaks of all members. TCAP's peak demand is 246.9 MW. That reduction in peak is a specific and unique benefit of aggregation. And unlike other aggregation groups that accept counties and school districts as members, TCAP has focused its membership on cities and other political subdivisions that have a relationship with cities to maintain the very favorable load factor of cities with high off peak consumption from street lights which provides favorable pricing terms.

4) History of CAPP, STAP, TCAP pricing: As reflected in the fifth and eighth Whereas clauses, aggregated cities have historically been interested in flat, fixed-price, full-requirements contracts and price stability. The resolution under consideration maintains that goal for a five-year period at a price much lower than the current contract price. In 2002, CAPP and STAP were able to obtain prices for energy at 4 cents per kWh. Very quickly after retail deregulation was implemented, natural gas prices started to rise, and they continued on an upward trend until late 2008. In late 2008, CAPP cities were paying approximately 13.5 cents per kWh. Fear that natural gas price volatility would continue to result in high electricity rates, CAPP cities were excited to lock-in long term rates beginning in 2009 that were significantly lower than prices experienced in the 2007-2008 time frame. STAP cities experienced their highest rate in 2006 at slightly more than 9 cents per kWh. STAP cities saw prices drop to around 7.8 cents per kWh in 2008 and were happy to find a contract that would stabilize prices in the 7 to 8 cent range for an extended period. When CAPP and STAP members signed new contacts in late 2008, no one could have predicted that the economy was about to enter a multi-year recession and that fracking would bring a glut of natural gas to a market with reduced demand, putting natural gas and electricity prices into a downward trend. Fortunately, gas prices have continued to drop and now TCAP members have an opportunity to again capture rates in the range of, and hopefully below, 4 cents per kWh.

5) Contract Requirements: As explained in the tenth Whereas clause, there is no legal requirement that a city engage in a competitive bidding process prior to contracting for electricity. The primary expectation of contracting for wholesale energy in a deregulated energy market is that a purchaser sign a contract accepting a particular offered price within 24 hours of receipt of the offer. NYMEX gas futures prices change daily, and since gas prices drive electricity prices, it is unlikely that any given price quote for wholesale electricity during a given period will remain open for more than a day. As explained in the ninth Whereas clause, TCAP members are expected to immediately execute a contract once TCAP's supplier is able to lock in a price at or below the benchmark prices specified in the resolutions for a five-year period commencing January 1, 2018. That is why Section 2 of the resolution requires the naming of specific individuals with whom TCAP can correspond and provide a contract for signing when appropriate.

6) Resolution's Objective: As explained in the eleventh thru fourteenth Whereas clauses, after the size of the load for the 2015 contract opportunity is defined by February 25, 2016, TCAP's supplier will look for an opportunity to lock prices for the five-year term at or below specified benchmarks (4.1 – 4.25 cents per kWh). That may happen by the second week of March, but if it appears that prices are trending downward, TCAP will direct its designated supplier, NextEra, to daily monitor the market to hopefully capture a price under lower than benchmarked prices. The window of opportunity for capturing a reasonable price at or below the benchmarks will expire by June 30, 2016. TCAP will develop another supply opportunity in the fall of 2016 for any members not contracting in this offering.

7) TCAP benefits to the consuming public: Whereas clause six references TCAP becoming a forceful

voice for consumer protections and market reform to benefit the public as well as political subdivisions. When CAPP and STAP merged in 2011, one of the guiding principles established in meetings with members and through subsequent board priority-setting meetings was that TCAP should advocate for reforms in the market that would enhance competition and benefit the general public. TCAP has become the closest thing to a consumer advocate that exists in the deregulated marketplace on both the wholesale and retail sides of the business. TCAP membership not only provides political subdivisions with resources to monitor markets, capture reasonable prices and best available terms, stabilize budgets, address problems with invoices and help with governmental reports, provide best of class portals to understand consumption patterns, membership also affords an opportunity to represent to constituents that they have an advocate on their behalf.

Choice of Supply Option

Whereas Clause 13 identifies three different supply options that TCAP has arranged as choices for each member.

Option 1 is a fixed price for all consumption regardless of time of day. The price will not exceed 4.1 cents per kWh in the North and West ERCOT zones. It will not exceed 4.25 cents per kWh in the Houston and South zones. The actual price is likely to be less than the benchmark prices. The prices will become effective January 1, 2018. Given that these prices are to be locked in 2016 and will not expire until December 31, 2022, they are reflective of the lowest prices for electricity experienced since the retail market was deregulated January 1, 2002. Generally speaking, there ought to be an expectation that the price of energy will climb marginally for each year of the contract term beyond two years. The possibility of locking-in energy prices at or below 4 cents per kWh for a period that terminates in seven years is truly remarkable based upon the history of deregulation.

In the spring of 2015, TCAP consultants received indicative fixed-prices around 4.5 cents per kWh. They then developed two supply options to the fixed price full requirements contract that offered attractive savings opportunities. Both Options 2 and 3 have variable components related to the energy spot market. While the average spot price in the past three years has been $32.14/Mwh (2013), $38.50/Mwh (2014), $25.53/Mwh (2015), respectively, it is important to note that spot market prices can change every 15 minutes, therefore it is impossible to provide members a precise price for Options 2 and 3. While they provide an opportunity for savings off of the benchmarked prices for Option 1, savings cannot be guaranteed, and thus Option 2 and 3 involve risk to that does not exist with Option 1. A TCAP member that is completely risk adverse should select Option 1.

Option 2 fixes a price for the peak usage period and then turns to the spot market for all off-peak usage. When TCAP was developing these products in 2014, there was a large enough gap between fixed price options and spot prices that this option looked very attractive. Now, with market prices at historic recent term lows, both spot prices and fixed prices have fallen and their price differential has shrunk to the point that future savings from the spot market may not be as great as the risk of future price increases.

Option 2 was developed with the anticipation that spot prices during the off peak period would be in the range of $10/MWh to $40/MWh ($0.01-$0.04/kWh) over time for spot purchases. Our latest quotes for fully fixed priced products (Option 1) includes off peak pricing fixed at under $20/MWh. These low Option 1 fixed prices for off peak usage may make it harder for future off peak spot prices to create additional savings under Option 2 over time even though the customer will be incurring market price risk.

Option 3 begins with the purchase of a block of power to cover the base use of all members who commit to this option. Block power, since it is a firm commitment 24 hours a day, is the cheapest form of energy

available in the wholesale market. Daytime peak consumption will be partly covered by a fixed price for solar power with all other consumption supplied by the spot market.

In considering Option 2, TCAP consultants would tell you that with current prices about a half cent less than the price that existed when Option 2 was conceptualized last spring, it will be difficult for Option 2 to generate savings sufficient to justify its selection. Option 3 with its majority reliance on the cheapest form of energy has a greater probability than Option 2 of producing savings over Option 1. But again, with such low Option 1 fixed priced products now available to TCAP members, and since there are no guarantees that Options 2 or 3, which utilize spot market pricing, will remain as attractive as they were even a few months ago.

Explanation of "Be It Resolved" Sections

Section 1. Authorizes TCAP to submit the members load, along with the load of other authorizing members, to be aggregated into a pool by TCAP's wholesale supplier for a contract commencing January 1, 2018 and terminating December 31, 2022 with the understanding that the fixed, full-requirements price under Option 1 must not exceed 4.1 cents per kWh in the North and West zones and must not exceed 4.25 cents in the Houston and South zones.

Section 2. Sets conditions precedent that the aggregated load exceed 50 MW, that the resolution be passed before February 25, 2016, and that NextEra has until June 3, 2016 to lock in a fixed price for the aggregated load that does not exceed benchmark prices. It also requires the designation of a specific individual, by name or title, who are authorized to sign a contract within 24 hours of submittal, assuming the conditions have been met.

Section 3. Consistent with the last two Whereas clauses, this section commits the member to budget for and approve funds necessary to pay for the member's proportionate share of the aggregated load that TCAP commits to with NextEra. TCAP will contract with NextEra based upon representations of authorizing members, each of whom will be provided with a Commercial Electric Service Agreement ("CESA") with GEXA, the current REP, that extends current retail service terms with the lower wholesale price arranged with NextEra for the 2018-2020 time period.

Section 4. In order for TCAP to be informed of the passage of the resolution so that the member's load can be aggregated by NextEra, this section specifies that a copy of the resolution should be sent to TCAP's Executive Director and General Counsel.

Staff recommends approval of the Resolution authorizing the Texas Coalition for Affordable Power, Inc. to negotiate an electric supply agreement and the City Manager, City Manager's Designated Representative, or Mayor to execute an electric supply agreement for five years for delivery of electricity effective January 1, 2018 and participating in supply Option 1.

Councilmember Glockel – the 4.1 is per kilowatt hours then is delivery on top of that? Most power bills have a delivery fee.

Lee Ann Bunselmeyer, Acting City Manager – you are correct, you are going to have your regular delivery charges on top of that. The actual kilowatt charge would go down from 7.5 to less than 4 and that is where your savings are is on the charges per your kilowatt hours.

Debra Drayovitch, City Attorney – that is correct. Oncor will still have a delivery component and this contract will not affect that.

Councilmember Glockel – and we are reasonable sure the 7.5 we are paying today is strictly kilowatt hours and not kilowatt plus delivery?

Lee Ann Bunselmeyer, Acting City Manager – yes.

MOTION made by Councilmember Burke to approve a Resolution authorizing the City Manager and the Mayor to sign a contract as negotiated by TCAP within the 24 hours under Option #1 as presented by the City Manager. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED AS AMENDED

Debra Drayovitch, City Attorney - The Resolution also says the City Manager's representatives so if you would like to add that to your motion that should be clarified.

Councilmember Johnson made a Friendly Amendment to add the City Manager's designated representatives. Seconded by Councilmember Garber.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

9. Consider and act on a resolution directing publication of notice of intention to issue combination tax and revenue certificates of obligation.

Lee Ann Bunselmeyer, Acting City Manager – this item will allow our bond rating attorneys and our Financial Advisors to publish a Notice of Intent to issue a 2016 Certificates of Obligation for $15 million. The $15 million is the highest amount that the City Council can authorize, however when you actually go to authorize the debt in April 21, 2016 you can choose an amount below that amount. The $15 million is just the maximum that you can consider.

The projects that the City Council has identified are as follows:

Police Facility
Fire Facility
Street Improvements to Lake Sharon
Replacement of the HVAC to the City Hall Building

In order to allow our Council to have some flexibility with those bond fund monies we have done the Notice of Intent to be a little broader so that in case you do not utilize the full $15 million for the projects identified it will give you the authority to move it to other projects that you have prioritized. We have included the following language in the Notice of Intent.

(i) constructing and improving streets, roads, alleys and sidewalks, and related utility relocation,

drainage, signalization, landscaping, lighting and signage;
(ii) constructing and equipping improvements and renovations to City Hall;
(iii) acquiring, improving and equipping a public safety facility for the police and fire departments;
(iv) constructing and equipping a new fire station and improvements to existing fire stations;
(v) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system; and
(vi) paying legal, fiscal and engineering fees in connection with such projects.

Mayor Heidemann – you said that our maximum is $15 million and in the Certificate of Obligation you have $15,310,000.

Lee Ann Bunselmeyer, Acting City Manager - There is issuance cost associated with the issuance of the debt and so the $15 million plus any issuance costs is included in the notice.

MOTION made by Councilmember Burke to resolution directing publication of notice of intention to issue combination tax and revenue certificates of obligation as presented. Seconded by Councilmember Johnson.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

10. Hold a discussion and give staff direction regarding the Lake Cities Fire Department future projects.

Item was pulled from the agenda.

11. Consider and act on nominations, appointments, resignations of Place 2 and Alternate 2 of the Planning and Zoning Commission.

Lee Ann Bunselmeyer, Acting City Manager – Mr. Velde was appointed to Place 2 of the Planning and Zoning Commission in November and he has submitted his resignation from that position and has requested consideration for an Alternate position if Council chooses. As discussed in a recent Workshop with the Council the process would be to consider your alternates first for that position and then any new applicants at that point.

Mayor Heidemann opened nominations for Place 2 to the Planning and Zoning Commission.

Councilmember Johnson nominated Haven Hendrik to Place 2 on the Planning and Zoning Commission. Seconded by Councilmember Glockel

Mayor Heidemann closed nominations.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

Mayor Heidemann opened nominations for Alternate #2 to the Planning and Zoning Commission.

Councilmember Johnson nominated Breien Velde for the Alternate 2 position on the Planning and Zoning Commission. Seconded by Councilmember Garber
Mayor Heidemann closed nominations.

AYES: Burke, Garber, Johnson, Harrison, Glockel
NOES: None
ABSENT: None

MOTION CARRIED

12. Receive updates on Corinth Economic Development Corporation projects.

Councilmember Burke asked Mr. Alexander if he had any new information to present to the Council.

Jason Alexander, Economic Development Director – an update from the February1, 2016 Economic Development Corporation meeting, one of the things that we did discuss was the Buxton Retail Strategy and part of that was understanding the demographics that are in our community as well as understanding how we can use that to help us move forward in terms of attracting businesses and a restaurant front. As it stands right now is that the census perceives the City of Corinth and that is having a population of less than 20,000. Because of that we can actually go after retail and restaurants. Once the census comes back in on 2020 our population will be over 20,000 meaning that in accordance with the Texas Local Government Code, we will be limited in the projects that we can go after in terms of Economic Development.

The second item was on the Polikov Zone Ordinance, we feel that we are close as a staff and working closely with the Planning and Development Department to put together a code that we think will be ready for presentation to City Council, Planning and Zoning Commission as well as Corinth Economic Development Corporation and hope to have something within the next two weeks that should be presentable and then staff will get together internally and figure out an appropriate date to have a joint session with the Planning and Zoning Commission, Economic Development and City Council.

Another key item was that staff was giving direction to move forward with preparing a request for proposal for revamping the City's Municipal Brand and we are working on that. Part of the rationale behind that was to go ahead and start on the request for proposal so that when funding came in for next fiscal year we will already have that part of the process competed and we can move forward with selecting a consultant to help us on those efforts. Finally, the Corinth Economic Development Corporation did approve a Performance Fund for $150,000 for DATCU unfortunately we did not have enough funding in our budget for incentives. Part of the Performance package for DATCU is that upon the issuance of Certificate of Occupancy the Economic Development Corporation would have to expend $150,000 and that is to help alleviate some of the permitting costs in association with that project and so with that I will stop there.

Councilmember Burke – one of the other thoughts of doing the branding study are seeing what the costs to do a branding study now is in addition to the Economic date Buxton is providing us with psychographic which tells us a lot about what the likes and dislikes of our populace are which may tie in nicely with branding.

To clarify we have $150,000 in the Economic Development Corporation we just did not have it in the budget and that is probably partly a function of not having an acting director for several months.

COUNCIL COMMENTS & FUTURE AGENDA ITEMS:
The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

Councilmember Johnson – the Lake Cities Chamber of Commerce has their upcoming annual banquet I believe is on February 25 and would encourage all the people to come out to this event. The event will be held at the Global Spheres Center this year.

Mayor Heidemann recessed the Regular Session at 8:12 P.M. * See Executive/Closed Session.

EXECUTIVE SESSION:
If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council Meeting, the City Council will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Council met in Executive Session from 8:30 P.M until 9:15 P.M.

- **First Glendora Partners, Ltd. dba Impact Outdoor Advertising Co. v. City of Corinth.**

Consultation with the City Attorney regarding legal issues associated with the matter listed under Section 551.072.

- **Receive information and discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property located in Corinth along the west side of I-35 on FM 2181.**

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. 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.

- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Manager and Chief of Police.**

- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Attorney.**

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

There was no action taken from Executive Session.

Mayor Heidemann adjourned the meeting at 9:16 P.M.

AYES: All

Meeting adjourned

Approved by Council on the _____day of _____, 2016.

_____
Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 3.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: February 11, 2016 Workshop Session minutes.

Submitted By: Kim Pence, City Secretary

Finance Review: N/A **Legal Review:** N/A

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from the February 11, 2016 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

City Council discussion and action from the February 11, 2016 Workshop Session.

RECOMMENDATION

Staff recommends approval of the February 11, 2016 Workshop Session minutes.

Attachments

Minutes

Exhibit

Exhibit

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this the 11th day of February 2016 the City Council of the City of Corinth, Texas met in a Workshop Session at 6:30 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:
Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Scott Garber
Lowell Johnson
Sam Burke

Members Absent:
Don Glockel

Staff Members Present:
Lee Ann Bunselmeyer, Acting City Manager
Curtis Birt, Fire Chief
Fred Gibbs, Director of Planning and Development Services
Barbara Cubbage, Planning and Development Manager
Garrett Skrehart, GIS Analyst
Jason Alexander, Economic Development Director
Kim Pence, City Secretary
Cody Collier, Acting Director of Public Works, Parks and Utility Operations
Shea Rodgers, Technology Services Manager

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 6:30 P.M.

PRESENTATION:

1. Receive a presentation, hold a discussion and give staff direction regarding Internet Service Provider offerings to the citizens of Corinth.

Lee Ann Bunselmeyer, Acting City Manager – one of the questions staff always gets asked is what are our internet options? And why we don't have more providers here in Corinth. I asked Shea Rodgers to research this and pull together all our internet providers.

Shea Rodger, Technology Services Manager – in looking to alleviate confusion and answer several questions about the City's Internet options, I have a brief presentation centered on Internet Service Providers and their offerings to the citizens of Corinth. *See Exhibit A
The City of Corinth is largely serviced by these two Internet Service Providers:
◆ CenturyLink
◆ Charter

Some portions of the city that border the City of Denton are able to receive Verizon FiOS. A late-comer to the game, Grande Communications, offers service to a portion of the city. 100% of the city is available to receive CenturyLink's service.

According to a company official, recent complaints of lackluster internet performance have been corrected by a massive overhaul of their infrastructure: increasing the bandwidth of their backbone, replacing aging switching equipment, and building additional redundancy.

Charter, according to a company official, admittedly does not provide service to the entire city, rather only to portions.

When a request for service is made (by a resident) in an area not serviced, the company runs a "Construction and Viability Survey" to determine the feasibility of investing the capital to extend the infrastructure. It is significantly easier and cheaper for the company to lay its infrastructure in areas of new development, such as new subdivisions.

Areas bordering the City of Denton are able to receive the FiOS offering from Verizon.

Verizon recently had a 5 year obligation to shareholders to extend its infrastructure to where it was possible, but that contract has since ended. Because of the high cost and no guarantee of a return-on-investment, Verizon has stated that it has no intentions of expanding its FiOS service.

Formed in 1999, Grande Communications, based in San Marcos, Texas, has recently expanded into the DFW region, by acquiring the now defunct CoServ telecommunications operation.

Their service does not extend to the entire city, but portions of the city nearer to Denton may be eligible for service. The company is slowly expanding, but does so on an area-by-area basis. It too runs a viability study to determine its return-on- investment for expanding into a region.

There is an assumption that the City of Corinth has some sort of exclusivity deal with CenturyLink and/or Charter. This is not true. While the FCC and Texas Public Utilities Commission have some say to the boundaries of Internet Service Providers, the government, specifically the City of Corinth, does not prevent ISPs from doing business in Corinth.

Each ISP pays a Franchise Agreement in each city they serve, which gives them the right to use our city streets for their service vehicles and to use our rights-of-way to upgrade or repair their lines.

The current lines in place are under private ownership – occasional agreements notwithstanding, Company A will not let Company B use their infrastructure to do business.

The incumbent, CenturyLink is legally obligated to provide some service, but other companies such as Charter, Grande, etc. are not bound by the same law. Each Internet Service Provider determines economic

feasibility for its own expansion. Just as the City of Corinth does not prevent any ISPs from doing business in the city, it cannot force them to come.

Generally speaking, each ISP logs when a citizen of a certain region outside of their coverage calls – the more demand for service, the more likely an ISP will extend to that region. Ultimately it comes down to the citizens expressing a desire to the companies to say I would like your service.

Mayor Heidemann – How many franchises do we have approved other than the ones that were mentioned?

Lee Ann Bunselmeyer, Acting City Manager – we do not have a franchise agreement with any of the telecoms because it is all governed by the Public Utility Commission (PUC). We get payments from AT&T, Grande, and Century-Link, there is a handful but we don't specifically contract with each one it is just if a customer uses them then we get a little bit of revenue from it.

Councilmember Garber – what can a City do to keep up with this because we don't want to do is be known as the black hole for internet connectivity. So what does a City do to protect themselves from that?

Shea Rodgers, Technology Services Manager – from my perspective I don't have those answers other than expressing to those companies that we would really like your services here.

Councilmember Garber – I think we can begin to educate the folks that there is not a secret agreement and Century-Tel does not have a lock on Corinth it is actually Corinth has a lock on Century-Tel and they have to provide service to us and encourage the citizens if they want Verizon FiOS or they want faster Charter to start calling them. Are we able to put some information on Facebook or the city website?

Shea Rodgers, Technology Services Manager – yes we can do that.

Councilmember Burke – from a nuts and bolts standpoint, the next time we have a major development come in and we know whatever they are going to bring is there something that we can do to participate in bringing that there that would enable them to put in equipment or connections that would more easily be extendable to neighborhoods surrounding that?

Lee Ann Bunselmeyer, Acting City Manager – you could always ask and put it on the table.

Jason Alexander, Economic Development Director – I was wondering if that would fall under infrastructure so that we could fund that through the Economic Development Corporation. I do know of instances where there are zoning ordinances that actually require you to put in certain types of infrastructure for technology and so forth and that may be something we consider in key areas.

Fred Gibbs, Planning and Development Director – one thing we could do is coordinate with the utility providers to provide them with the right-of-way in which to put those facilities in to provide that service. To have a better coordination during road projects or other type of improvements with those type of providers could allow them the ability to put those lines to service the residents and the businesses.

Councilmember Burke – I think maybe to keep the problem from spreading we could coordinate it with our zoning to at least encourage them to secure some level of service.

Mayor Heidemann – investigate if there is something we could put in the zoning ordinance.

2. Receive a presentation, hold a discussion, and give staff direction on the Action Plan for the Operational Review of the Planning and Development Department.

Fred Gibbs, Planning and Development Director – On August 13, 2015, the City Council received a presentation from Brad Remp of Zucker Systems that included recommendations for improving the Planning and Development Department and related functions. Staff has developed a comprehensive response and action plan to the findings identified in the operational review. Staff has made significant progress towards full implementation of the identified recommendations made during the comprehensive review.

Approximately 43 of the 103 recommendations or 42%, have been completed since September 2015. The action plan is divided into eight (8) sections: Organizational Issues, Code Enforcement, Geographic Information System, Building Division (Community Development), Planning, Other Departments, Boards and Commissions, and Perception. The action plan includes the assigned project manager, start and estimated completion date, status of the recommendation and budget impact. The presentation will highlight each section within the action plan. *See Exhibit B

Organizational Issues:
11 out of 27 completed. This section is technology driven with development software, scanning and online permitting. Staff is currently working on a RFP to solicit vendors for software. All departments are in the process as well as Technology Services will be included in the implementation.

Building Division:
12 out of 36 completed. New building Official was hired and begins on February 15th. We have to look at adopting new building code and local amendments. Right now we operate under the 2009 building code and we will start looking at adopting the 2015 building codes sometime this year and along with that we will adopt the fire codes as well and any type of local amendments that may just apply in any region. The Building Official is a key member in the development process and they will be an important person in the particular realm of the technology implementation. Our Permit Technician just retired not too long ago and was here for 20 plus years. We were able to hire a new employee starting in January and we are in training for that individual and also provide some additional training for the Building Division Staff.

Code Enforcement:
1 out of 1 completed. This one was basically was to continue the current level of staff we have with one Code Officer. A few years ago we used to have two Code Enforcement Officers as the years have changed and budget restraints have changed we are down to one. However, one good one has been able to be really effective. Every year we still evaluate if one is still keeping the city up to the standard that the Council wants.

Geographic Information Systems:
1 out of 4 completed. We are currently soliciting bids on upgrading our GIS license. It will be implemented into the development software. The GIS is a power mapping tool and over time we have been able to build that program. We have what we call concurrent license and you can only have so many users on it at one time and as this gets more popular more people use it and you have to wait until someone gets out of the system. So we are wanting to move on to a more standard type of license or a server approach. It is around $12,000 for the software.

Planning:
9 out of 19 completed. We have refined our DRC meetings and basically DRC is the Development Review Committee and made up of everybody that is involved in the development review process. Any applicant can come in and talk to us and we use this to educate the community and educate the

developers. We refined those meetings by giving out more handouts, manuals, guides, templates, checklists, business cards, we take minutes for that meeting in case of any confusion or decisions that were made and we will continue to refine these meetings as things change. We strive to keep our review times as low as we can and more accurate. The DRC Group is planning on reviewing our codes for possible recommendations and present any recommendations to the Planning and Zoning Commission and City Council.

Other Departments:
1 out of 6 are completed. There are 6 total recommendations and 3 of them are software related. Our big thing on this one is really to be able to build some ownership and consensus within the other departments that are involved in the process to make sure that everyone has an ownership in their piece of the process. You also want to be able to coordinate those processes in the different departments to make sure we are all on the same page.

Boards and Commissions:
6 out of 6 completed. We had the new member training on Robert's Rules and requires the Texas Open Meetings Training. We just recently had the Joint City Council. Planning and Zoning Commission, and Economic Development Corporation meeting regarding the Use Chart and the Zoning Code and we will have more of those in the future as we get closer to adoption of that code.

Perceptions:
2 out of 3 completed. When they did the Zucker Report they did a customer survey to developers, people that has worked through our process and we had a very positive response out of that survey and was told it was some of the best ever seen out of all the reports that have been done. Recently we moved down stairs to group all of the development related functions together. You always hear one-stop-shop and that is what we have created so you don't have to go back and forth from upstirs to downstairs.

We will continue to implement the rest of the recommendations and move forward.

Mayor Heidemann – do you foresee anything at this point that will hinder you from completing the Zucker Report?

Fred Gibbs, Planning and Development Director – as we get closer to some of these we may decide well that may not work for this City I have not gotten that far with what those are and identifying those but if that happens I will sit with the City Manager and come up with a plan on what those potentially could be. Right now I have not seen any major issues besides maybe a budgetary item associated with some of these and that is a bridge we will have to cross at that point. Right now a lot of these are doable with time.

3. Hold a discussion and give staff direction on sales tax use options.

Lee Ann Bunselmeyer, Acting City Manager – right now our sales tax is 8.25%, 6.25% goes to the State and we have the option to have sales tax up to 2%. Currently we are max, we have 1.00% that goes to our general fund, 0.50% that goes to the Economic Development, 0.25% goes to Street Maintenance and 0.25% that goes to the Crime Control and Prevention District.

The Economic Development sales was established in 2002 tax is our oldest sale tax. There is no limitation on your EDC tax, once it is established it does not lapse unless it is repealed by the voters. The tax can be increased or decreased and can be done by Ordinance that is initiated by the governing body or by petition of 10% of registered voters. We currently have a .50% you can levy anything for your sales tax in increments of 1.25% and there are two types of sales tax for the EDC, Type A and Type B and we are

currently Type B and those uses are pretty broad as far as projects for business development and public parks and then some programs that are listed in Type A.

The Crime Control Sates Tax was established in 2004 and is required to be re-authorized every 5 years. The governing body has an option when it goes out to sales tax that you choose to get voters to approve a 5, 10, 15 or 20 year tax. In 2019 we will come to Council to see if you want us to go to the voters and what is the duration that you want us to go for that tax. In the past the Council has kept that at 5 years. This tax can only be used for projects that are for crime control and prevention, police projects. We were able to use that for police vehicles, policemen and various programs throughout the year.

The Street Maintenance Sales Tax can only be used to repair and maintain existing streets and sidewalks and cannot be used to create new streets. This is reauthorized very 4 years and was established in 2004 and the last reauthorization was in May 2012 so it is currently up for reauthorization this year. If you want us to re-authorize this sales tax this year we have the option of doing it during the May election or in the November election.

One tax that we do not use for sales tax is a Fire Control, Prevention, and Emergency Medical Services District tax and we have never qualified for this in the past. You had to have a municipal population that was greater than 25,000 and we never fit that criteria.

In 2015 there was an amendment to the law that gave some other criteria that you could qualify for to actually be able to tax under the Fire District. In the Tax Code it says that you have to have a municipality of 5,000 or more and less than 25,000 if you look at the census the Corinth population was 19,935 while our estimate right now for COG is well over 20,000 so we meet that criteria. The second one is that it is located in the County with a population of 750,000 or more, during the census that was done in 2010 the population for Denton County was 662,000 the estimates currently are well within that 750,000 population.

I was trying to get with the Comptroller to see if we go by census or do you go by current estimates and what is that barometer that you measure that for and I was unable to get that information and we are hoping that they go on current estimates.

Councilmember Burke – isn't it true that typically the Legislature every two year will pass some kind of legislation essentially ratifies actions taken by cities? In other words if we did this who would have the ability to challenge whether or not we correctly interpreted the statute? And what would be their mechanism for challenging?

Lee Ann Bunselmeyer, Acting City Manager – the Texas Comptroller.

Councilmember Burke – ok so they would be the ones that would say if we could or not?

Lee Ann Bunselmeyer, Acting City Manager – yes, they are the governing body so to speak of your sales tax. Whenever we go up for an election they are the ones that monitor it our ballots to make sure they are worded correctly. We would make sure that they agreed that we meet all the criteria.

The third component of this section says that the part of a municipality with a population of million or more is located in the County, we do have a small area of Dallas that is located in Denton County so hat would qualify. During the census their population was 1.1 almost 1.2 million.

The last restriction is that it is adjacent to a county with a population of two million or more and Dallas County has a population of 2,368,139.

In order to create a Fire District if the Council wanted to do that you have to create a 7 member board and that board would be the one to propose to create the district and put it on the ballot. That board would serve just like out Crime Control board serves and so the Council can elect that board to be the Council. You would have to call an election once you decided to do that as soon as you could have sufficient time to go through the election process. Right now you probable could not call it for the May election because there is just not enough time to get everything together to be able to do that.

The reason I bring this up at this point in time is that your street maintenance sales tax is up for re-authorization, once you pass an ordinance for that re-authorization then it goes to your voters. If your voters approve it then you have to continue that sales tax for four years. Since we are already at the cap of 2% we cannot introduce any other local sales tax options for the City. If we want to consider this sales tax and you would staff to research this further to see if we do qualify under the criteria with the State Comptrollers then we would take the next few months to research this and see if we qualify to move that ¼ cent sales tax over and possibly bring it up in the November election.

There is some impact to your general fund. Right now on the street maintenance sales tax we generate about $325,000 a year, we don't budget the full $325,000, we generally budget somewhere between $100,000 and $150,000 a year for asphalting the streets, seals and so forth. It is very restrictive and speaking with Cody Collier he would prefer having the street maintenance money on the general fund side just because of the flexibility that you could use it for to repair and do some things and so it would have an impact on your general fund and you would probably have to increase the funding for the street but it would provide some opportunities for some relief on your fire costs because you could utilize the full $325,000 to offset some of your operating costs for the fire department.

The State Statute is very liberal on the uses for fire, you can use it for anything, wages, benefits, operating cost, equipment, and infrastructure, whatever you want to use it basically if it is for the fire department you can use it and so it allows us to have more flexibility with the funding. I have it on the agenda tonight to see if this is something the Council would like for us to keep researching or if you want us to go ahead and continue the street maintenance sales tax and putting that on the ballot in May.

Mayor Heidemann – Because we are Lake Cities and we have four cities that we share with our fire department, is there any restrictions on that? This would be sales tax just in the City of Corinth right? Would that have any impact on our fire department servicing those other three cities using some of these monies for that?

Lee Ann Bunselmeyer, Acting City Manager – I don't think so and the reason is that we allocate those expenditures to all of us and each city decides how they are going to come up with that revenue via sales tax or property tax and if the City opted to find a portion of their fire expenditures with the sales tax instead of property tax I think that would be our decision because it would not be taxing their residents it would only be taxing ours.

Councilmember Johnson – do we have the ability to define the size of the district say Shady Shores wants in or Lake Dallas wants in, is it possible to get with the other cities and say ok we are going to make a district out of all of this do you any of you want to come along? Is that possible?

Lee Ann Bunselmeyer, Acting City Manager – I think that is a possibility. In looking at the statue it might require a specific change in the statute to allow it but that is something I can look into.

Councilmember Johnson – can that district also include unincorporated parts of the County?

Lee Ann Bunselmeyer, Acting City Manager – that is a good question also.

Councilmember Johnson – because we our serving not only our ETJ but Hickory Creeks ETJ and if they can be included in that district.

Mayor Heidemann – would each city have to pass that on a ballot?

Lee Ann Bunselmeyer, Acting City Manager – yes.

Councilmember Johnson – I don't know if type A cities can play with Charter Cities in that situation. Can they all play together in the same fire district and then the unincorporated parts of the County as well?

Councilmember Garber – is this a four year commitment like the street fund or is this something more perpetual?

Lee Ann Bunselmeyer, Acting City Manager – no it is not perpetual. It operates just like the Crime Control so it is like five years. I am not sure if you can go 10, or 15 but I know it is at least every five years.

Councilmember Burke – the street maintenance funds if you dissolve that for instance and did this, do the fund in the street maintenance fund go back into the general fund or do they maintain their restrictions until they are spent?

Lee Ann Bunselmeyer, Acting City Manager – they maintain their restrictions until they are spent. I believe we have about $800,000 of fund balance in that fund.

Councilmember Garber – the fund balance that is in the street maintenance fund right now will keep us running for six to eight years if we are running at $100,000 to $150,000 a year in street maintenance.

Lee Ann Bunselmeyer, Acting City Manager – correct.

Councilmember Garber – so we are over funded.

Councilmember Harrison – that is not always a bad thing because if you have a complete collapse of something you would have the money.

Councilmember Garber – I understand that. My impression was you mentioned we may have to take $100,000 out of the general fund but that may not happen for six to eight years if we chose to go this way.

Lee Ann Bunselmeyer, Acting City Manager – correct.

Councilmember Harrison – you have initiatives that comes up periodically for election for example like the DCTA, if the Council decides for economic development that we need to bring the train station over here you will not be able to do that because you have tied that 2 cent because their requirement was to give 1 cent to join it. Let's say it is 1 cent then that train is going to take up all three of those portions.

Councilmember Burke – if you have your whole 2 cents committed you might miss an opportunity.

Councilmember Harrison – right.

Councilmember Johnson –the increments are .125% and you have your street maintenance at .125% and choose to keep it then you still have a 0.25 that is unused and that gives us that cushion maybe to start DCTA.

Lee Ann Bunselmeyer, Acting City Manager - would you like us to move forward for next Thursday to have the item on the agenda moving forward with the street maintenance sales tax or just hold off and research this more and come back with answers to your questions and sometime in July or August you can make a decision on which way you want to go forward as far as that November election? Or you can wait until the following May.

It was the Consensus of the Council to wait until the November election in order to research the Fire Control, Prevention, and Emergency Medical Services District sales tax.

There was no Executive Session.

CLOSED/EXECUTIVE SESSION
If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council Meeting, the City Council will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

- **First Glendora Partners, Ltd. dba Impact Outdoor Advertising Co. v. City of Corinth.**

Consultation with the City Attorney regarding legal issues associated with the matter listed under Section 551.072.

- **Receive information and discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property located in Corinth along the west side of I-35 on FM 2181.**

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. 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.

- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Manager.**

- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Attorney.**

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

ADJOURN

Mayor Heidemann adjourned the meeting at 7:45 P.M.

AYES: All

Meeting adjourned

Approved by Council on the ____day of_____, 2016

_____
Kimberly Pence, City Secretary
City of Corinth, Texas

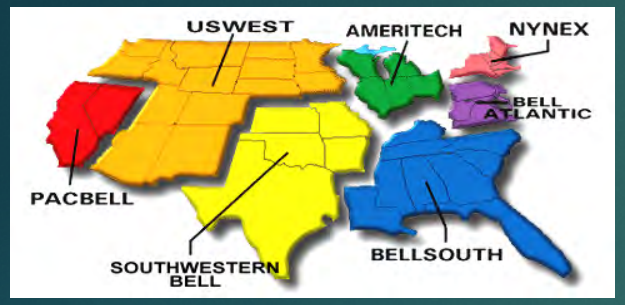
City of Corinth Residential Internet

THE WHO, WHAT, WHERE, AND WHY OF INTERNET SERVICE PROVIDERS

A Brief History of Telecommunications in Corinth

- The Communications Act of 1934 is signed into law.
- Among other things, this Act transferred regulation of major, interstate telephone service to the Federal Communications Commission, allowing select companies (namely AT&T) to operate effectively as monopolies in exchange for letting the FCC dictate prices and expansion.

A Brief History of Telecommunications in Corinth



- The 1940s ushered in an era of regulated monopolies.
- The DFW area was serviced for local telephone by GTE, which had a protected general service area in the region. Corinth specifically was serviced by various independent companies. For long distance calling, the providers relied on the interstate infrastructure of Southwestern Bell, a subsidiary of AT&T, whose FCC-regulated region was Texas, Oklahoma, Arkansas, Kansas, and Missouri.

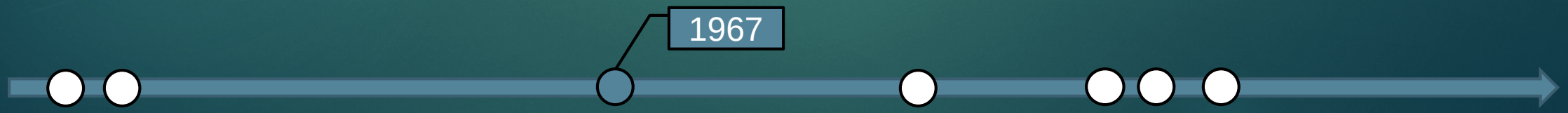
Southwestern Bell

GTE

1940s-1990s

A Brief History of Telecommunications in Corinth

- Century Telephone and Electronics, predecessor to CenturyLink, is incorporated.
- CT&E would continue to grow. After several acquisitions, it would change its name to CenturyTel in 1999.
- 10 years later, the company name would change again to CenturyLink.
- CenturyLink is currently the third-largest telecommunications company in the US in terms of lines served, after AT&T and Verizon.



A Brief History of Telecommunications in Corinth

- Based on an antitrust lawsuit by the US Department of Justice, AT&T had to break up its monopoly – allowing the previously controlled subsidiary Bell companies (the so-called Baby Bells) to operate independently.
- The settlement was finalized January 8, 1982.
- Each local carrier that existed in the era of regulation, known as the incumbent, is legally required to provide a degree of service in their territory, regardless of financial return. The incumbent in Corinth is CenturyLink.

A Brief History of Telecommunications in Corinth

- Charter Communications is founded in St. Louis, Missouri.
- It began expanding significantly through the 1990s, eventually getting into the DFW market by merging with Marcus Cable in 1999.
- Currently, Charter Communications is the fourth-largest cable operator in the US, behind Comcast, Time Warner Cable, and Cox Communications.

A Brief History of Telecommunications in Corinth

- The Telecommunications Act of 1996, amending the Communications Act of 1934, was signed into law.
- Some of its chief functions were to formalize telecommunication divestiture, and further de-regulation, seeking to foster competition between companies that offered telephone, cable, and internet services.

A Brief History of Telecommunications in Corinth

- GTE/Bell Atlantic merged and named the new entity Verizon Communications.
- Verizon sold off much of its infrastructure to various telecommunications companies, including 70,500 access lines in the DFW region to CenturyLink.

Present Day Offerings

- The City of Corinth is largely serviced by these two Internet Service Providers:
  - CenturyLink
  - Charter
- Some portions of the city that border the City of Denton are able to receive Verizon FiOS.
- A late-comer to the game, Grande Communications, offers service to a portion of the city.

CenturyLink

- Nearly 100% of the city is available to receive CenturyLink's service.
- According to a company official, recent complaints of lackluster internet performance have been corrected by a massive overhaul of their infrastructure: increasing the bandwidth of their backbone, replacing aging switching equipment, and building additional redundancy.

Charter

- Charter, according to a company official, admittedly does not provide service to the entire city, rather only to portions.
- When a request for service is made (by a resident) in an area not serviced, the company runs a “Construction and Viability Survey” to determine the feasibility of investing the capital to extend the infrastructure.
- It is significantly easier and cheaper for the company to lay its infrastructure in areas of new development, such as new subdivisions.

Verizon

- Areas bordering the City of Denton are able to receive the FiOS offering from Verizon.
- Verizon recently had a 5 year obligation to shareholders to extend its infrastructure to where it was possible, but that contract has since ended.
- Because of the high cost and no guarantee of a return-on-investment, Verizon has stated that it has no intentions of expanding its FiOS service.

Grande Communications

- Formed in 1999, Grande Communications, based in San Marcos, Texas, has recently expanded into the DFW region, by acquiring the now defunct CoServ telecommunications operation.
- Their service does not extend to the entire city, but portions of the city nearer to Denton may be eligible for service.
- The company is slowly expanding, but does so on a area-by-area basis. It too runs a viability study to determine its return-on-investment for expanding into a region.

GRANDE COMMUNICATIONS®
INTERNET · TV · PHONE

Misconception

- There is an assumption that the City of Corinth has some sort of exclusivity deal with CenturyLink and/or Charter. This is not true.
- While the FCC and Texas Public Utilities Commission have some say to the boundaries of Internet Service Providers, the government, specifically the City of Corinth, does not prevent ISPs from doing business in Corinth.
- Each ISP pays a Franchise Agreement in each city they serve, which gives them the right to use our city streets for their service vehicles and to use our rights-of-way to upgrade or repair their lines.

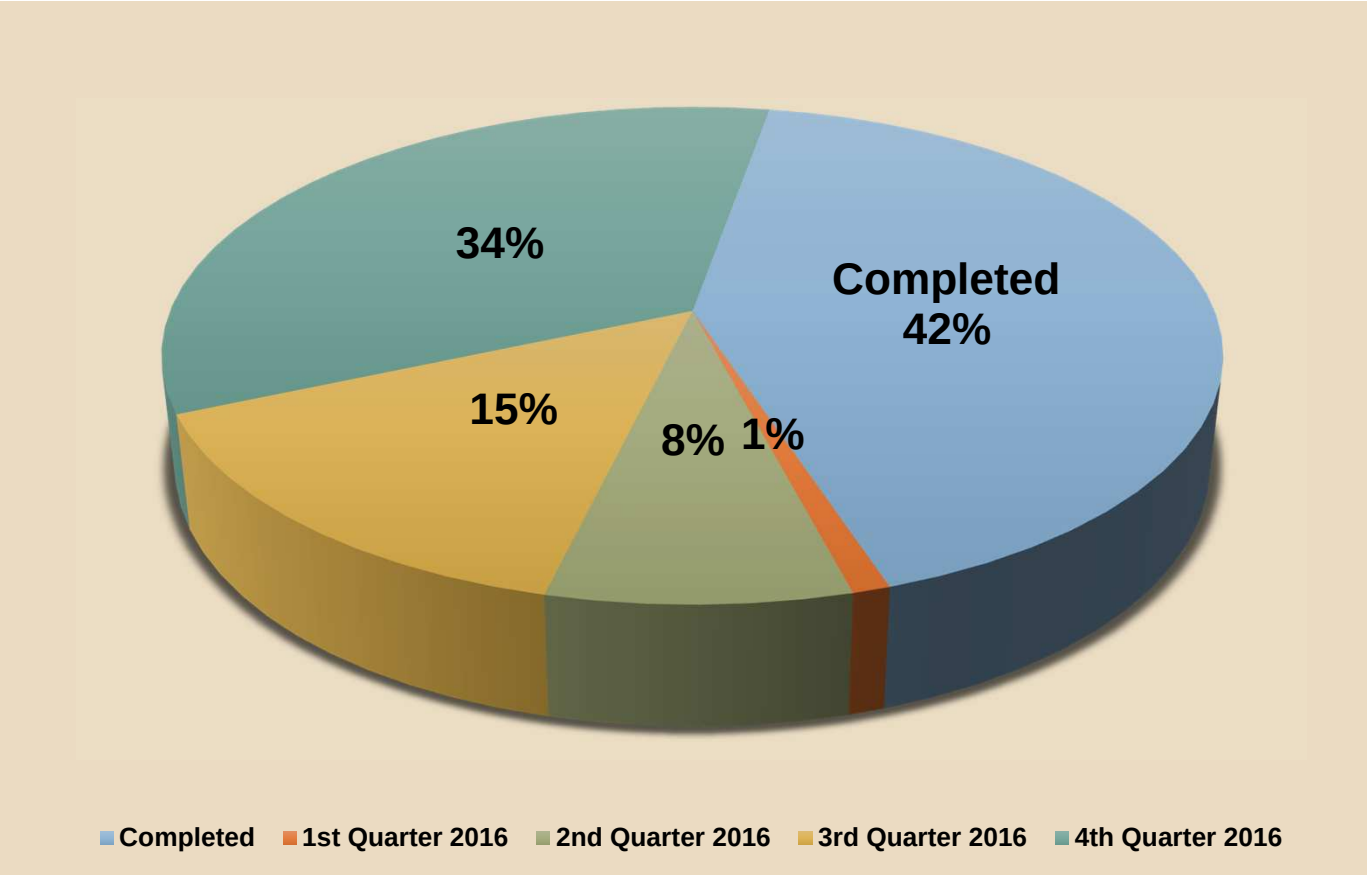
What Does This Boil Down To?

- The current lines in place are under private ownership – occasional agreements notwithstanding, Company A will not let Company B use their infrastructure to do business.
- The incumbent, CenturyLink is legally obligated to provide some service, but other companies such as Charter, Grande, etc. are not bound by the same law.
- Each Internet Service Provider determines economic feasibility for its own expansion.
- Just as the City of Corinth does not prevent any ISPs from doing business in the city, it cannot force them to come.
- Generally speaking, each ISP logs when a citizen of a certain region outside of their coverage calls – the more demand for service, the more likely an ISP will extend to that region.

PLANNING AND DEVELOPMENT ACTION PLAN

FEBRUARY 2016

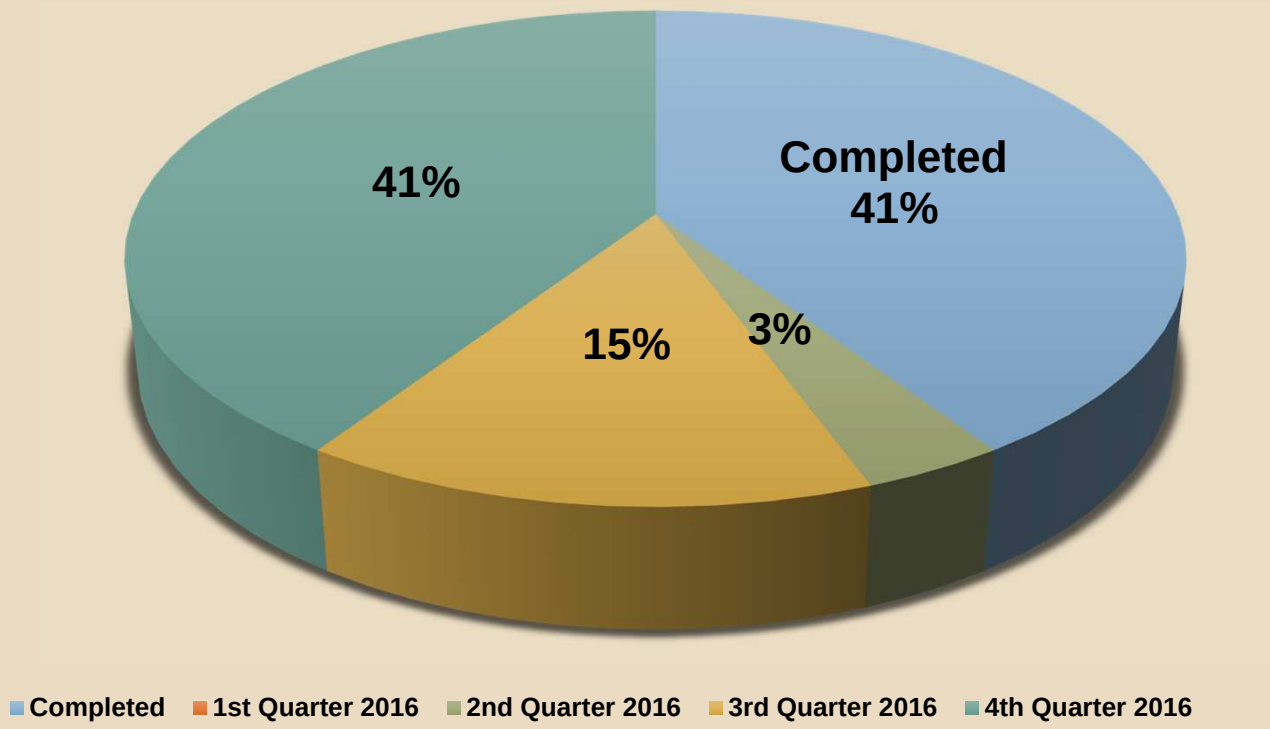
TOTAL RECOMMENDATIONS



Highlights

- Started implementation in September 2015.
- **43** out of **103** complete.
- Recommendations phased in by quarter.
- Broken up in 8 sections.
- Next phase will be Technology focused that covers 20 recommendations.

ORGANIZATIONAL ISSUES

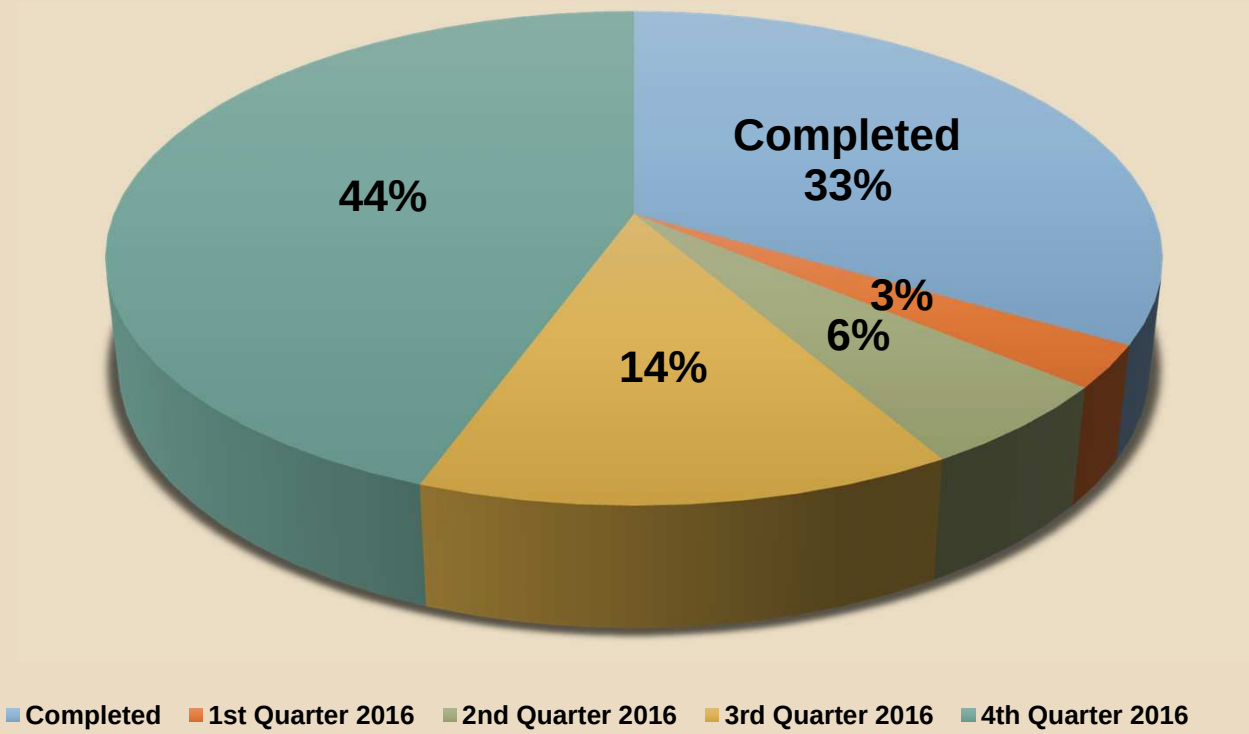


Highlights

All Divisions, Technology, Terminology and Training

- **11** out of **27** completed.
- This section is technology driven with development software, scanning, and online permitting.
- Staff is currently working on a RFP to solicit vendors for software.
- All departments in the process as well as Technology Services will be included in the implementation.

BUILDING DIVISION

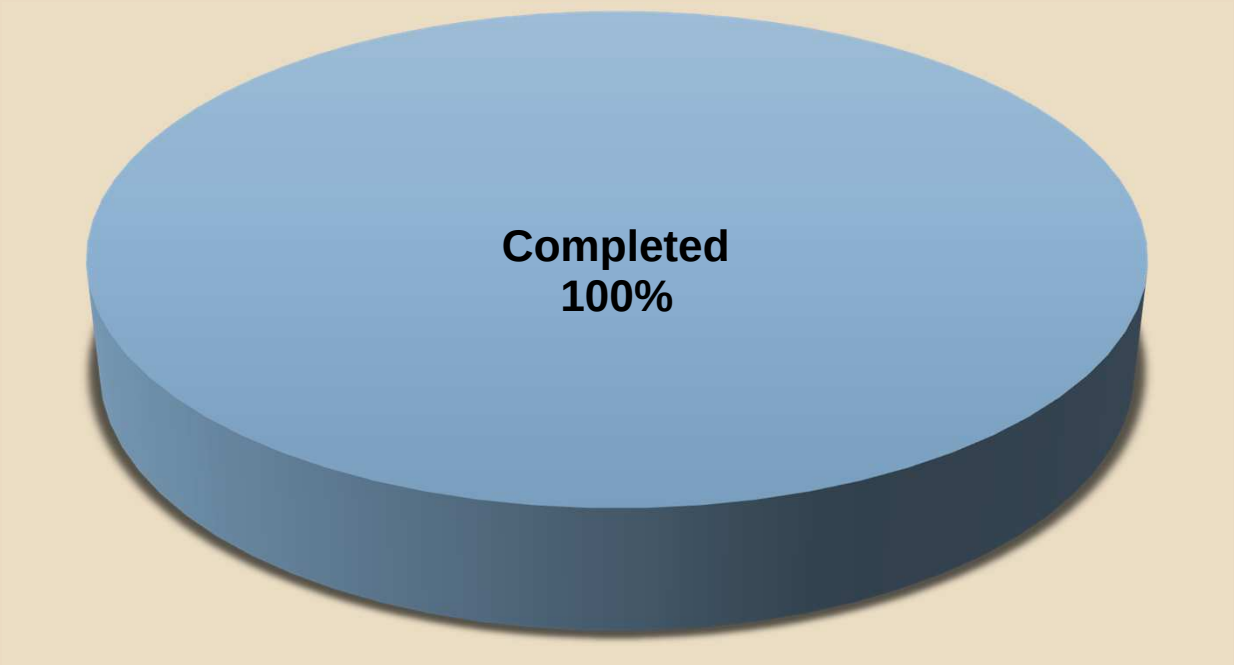


Highlights

Building Official, Communication, Staffing, Plan Review, Process, Training

- **12** out of **36** completed.
- New Building Official hire starts Feb. 15.
- Adoption of new building codes and local amendments.
- A key member to help implement development software.
- New Permit Technician started January 2016.
- Provide additional training opportunities for the Building Division staff.

CODE ENFORCEMENT

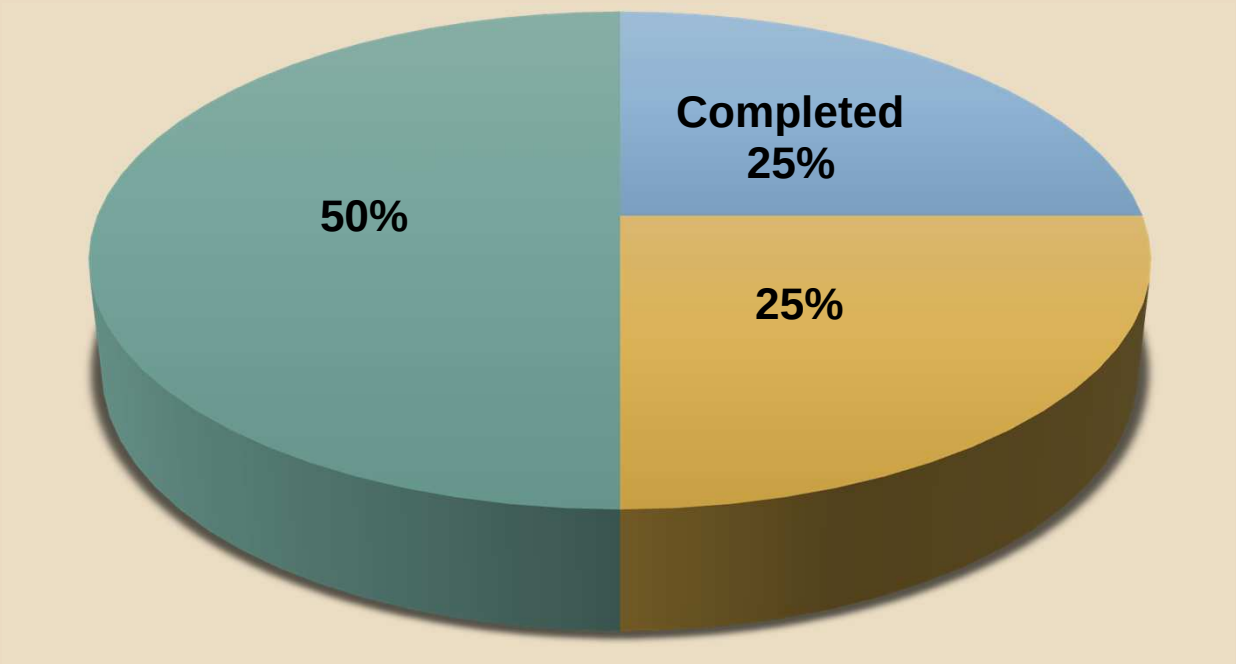


Highlights

Code Enforcement

- **1** out of **1** completed.
- Completed and we will continue to evaluate staffing levels as necessary.

GEOGRAPHIC INFORMATION SYSTEMS



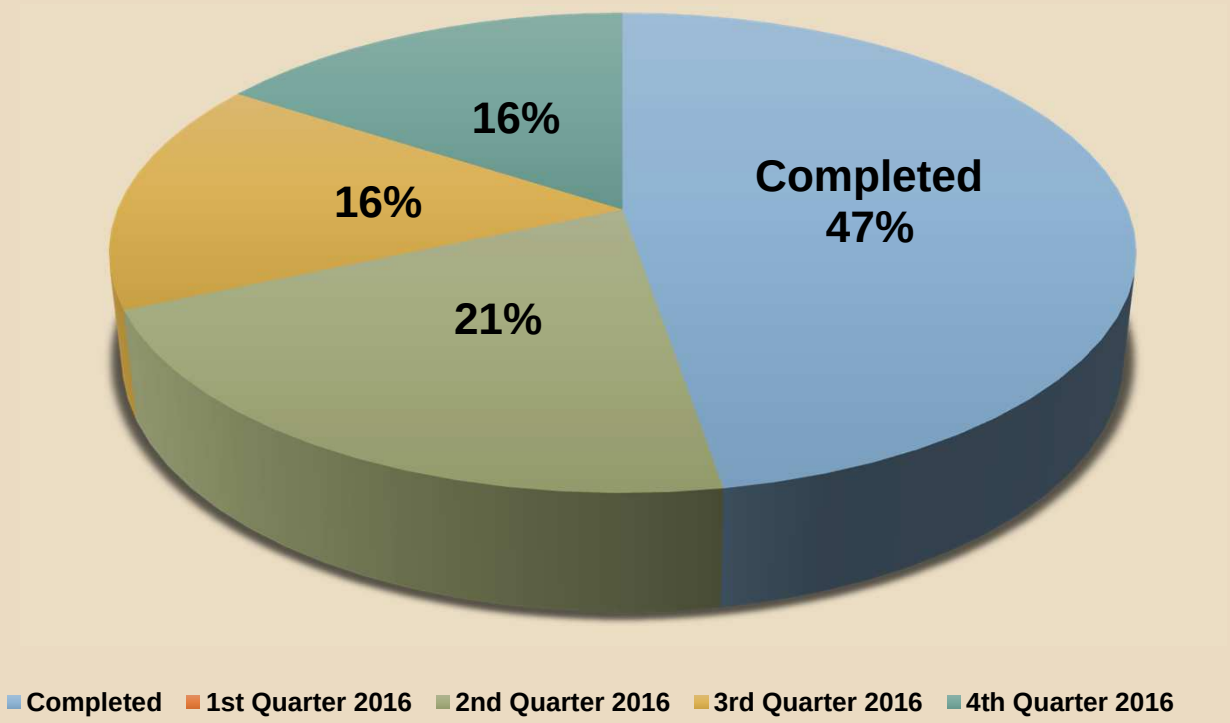
Completed | 1st Quarter 2016 | 2nd Quarter 2016 | 3rd Quarter 2016 | 4th Quarter 2016

Highlights

GIS

- **1** out of **4** completed
- We are currently soliciting bids on upgrading our GIS license.
- It will be implemented into the development software.

PLANNING

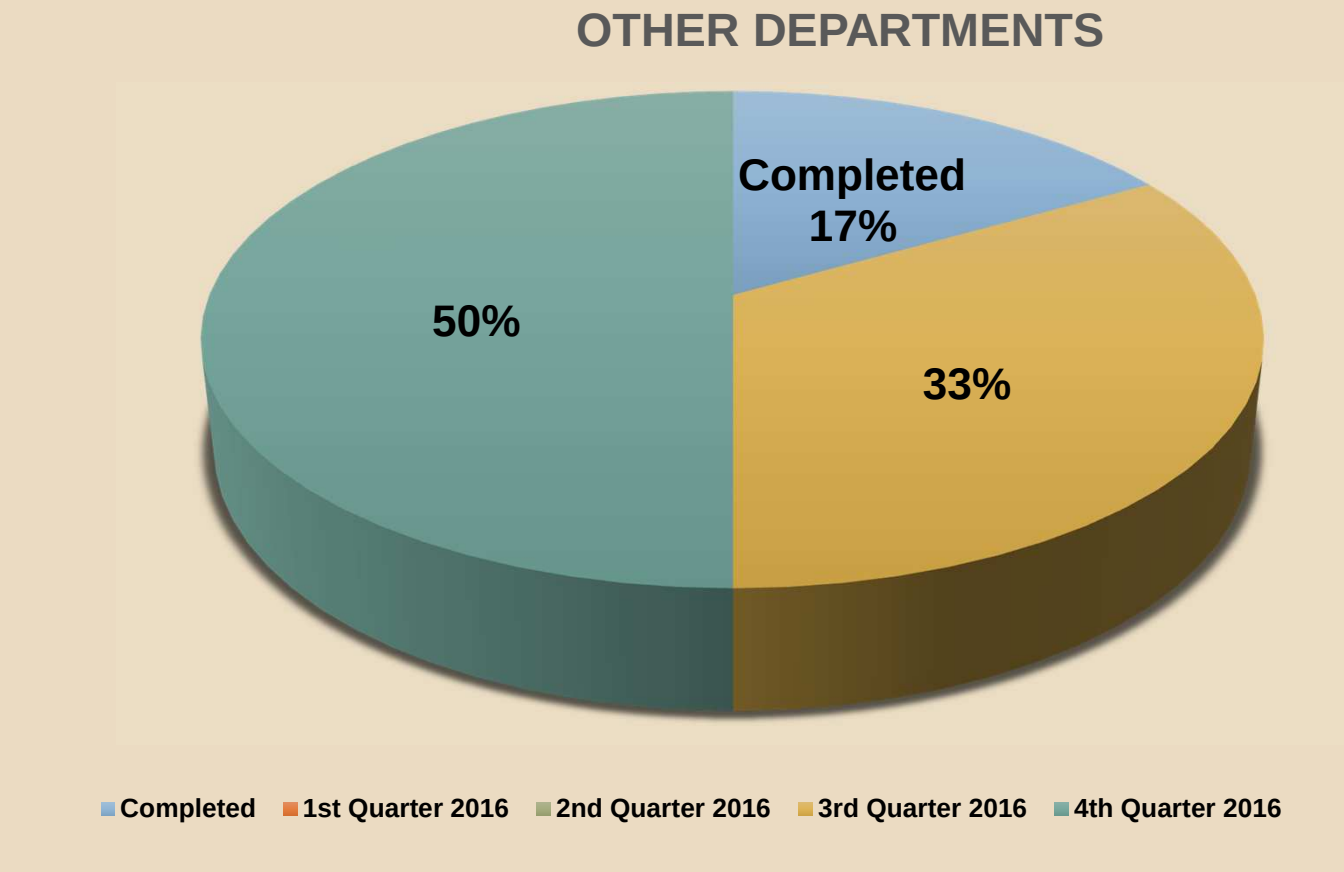


Highlights

Processes, Long Range

- **9** out of **19** completed.
- DRC meetings have been refined.
- Review times and completeness checks have been more comprehensive and timely.
- Staff reports clear recommendations on projects.
- Currently DRC group are reviewing the codes for possible amendments.

OTHER DEPARTMENTS



Highlights

Other Departments

- **1** out of **6** completed.
- Build consensus and create ownership of each facet of the process across all involved Departments.
- Coordinate with all Departments to implement their development process.
- 6 total recommendations 3 are development software related.
- Fire Department designated an additional Fire Marshall.

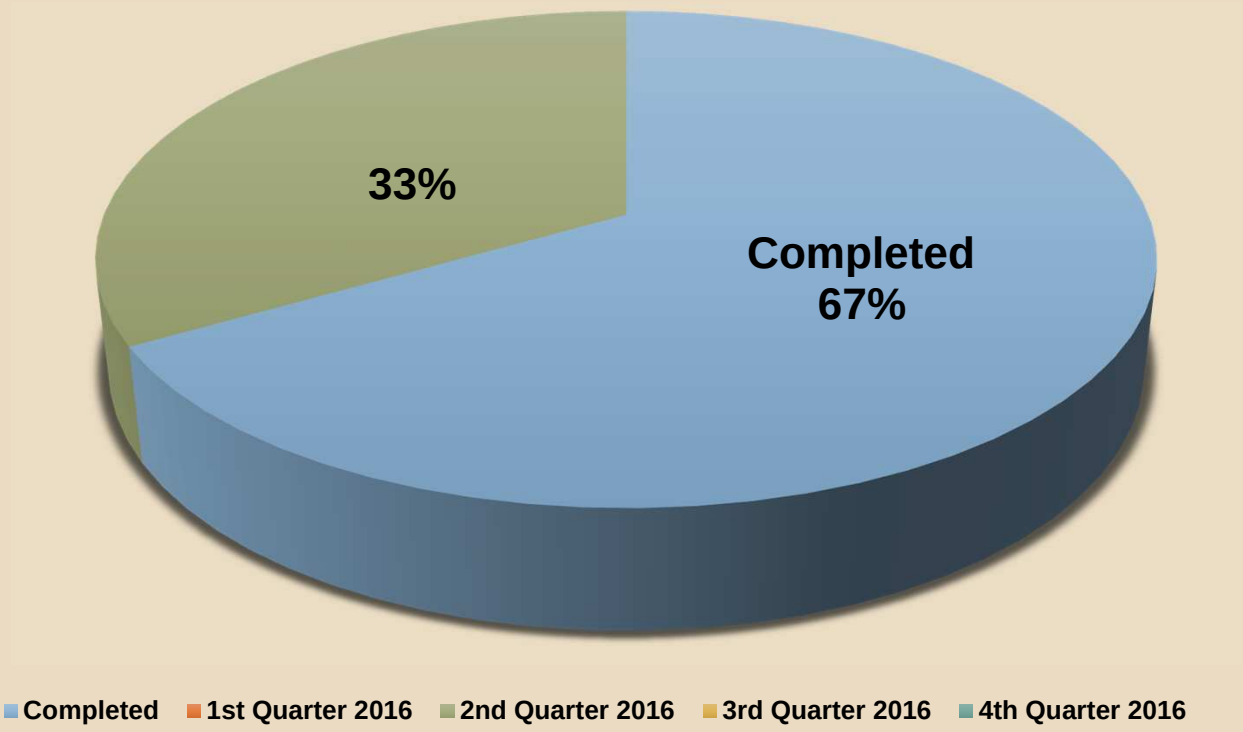
BOARDS AND COMMISSIONS

Highlights

Boards and Commissions

- **6** out of **6** completed.
- New Member Training
- Roberts Rules Training
- Texas Open Meeting Training
- Joint Council, P&Z and CEDC regarding use chart and zoning.

PERCEPTIONS



Highlights

Employee and Customer Perceptions

- **2** out of **3** completed.
- We have reviewed the customer survey and the concerns will be addressed in the recommendations.
- All development related departments are located in the same suite.

QUESTIONS

CONSENT ITEM 4.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: February 18, 2016 Workshop Minutes

Submitted By: Kim Pence, City Secretary

Finance Review: N/A **Legal Review:** N/A

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on minutes from February 18, 2016 Workshop Session.

AGENDA ITEM SUMMARY/BACKGROUND

City Council discussion and action from the February 18, 2016 Workshop Session.

RECOMMENDATION

Staff recommends approval of the February 18, 2016 Workshop minutes.

Attachments

Minutes

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this the 18th day of February 2016 the City Council of the City of Corinth, Texas met in a Workshop Session at 5:30 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:
Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Scott Garber
Don Glockel
Sam Burke

Members Absent:
Lowell Johnson

Staff Members Present:
Lee Ann Bunselmeyer, Acting City Manager
Fred Gibbs, Director of Planning and Development Services
Jason Alexander, Economic Development Director
Kim Pence, City Secretary
Debra Drayovitch, City Attorney
Curtis Birt, Fire Chief
Chief Walthall, Police Chief
Jeremy Booker, Certified Building Official
Brenton Copeland, Technology Services

CALL TO ORDER FOR WORKSHOP:

Mayor Heidemann called the meeting to order at 5:30 pm.

1. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of executive session items as set forth in the Executive Session agenda items below.

Business Item #6

Councilmember Glockel – The pages aren't numbered in your stuff, but if you can find "Performance Base Standards", it's 1, 2, 3, 4. That's the same as page 18. The next page is 5-8 in the "Performance Base Standards", I guess it's overall, same as page 19. When you get to page, what I think is 13, and it talks about I-35, it has a yellow stripe across the top, is that the 1st of I-35? I'm assuming that's just generalities.

Fred Gibbs, Director of Planning and Development Services – The Performance Base applies to either 35 or 2181, 2499 monument signs. They have the ability to pick out of these eight performance standards to apply to any of those signs and the monument signs.

Councilmember Glockel – So if you look at the first thing that talks about I-35, it's got kind of a greenish pop and yellow page 13, if you look at 20, it is also monument signs performance based I-35, but it's different. Is it by any chance 2499?

Fred Gibbs, Director of Planning and Development Services – They are both correct, they have two different types of signs. On one page I can approve, under my authority, I can go from 9-15 foot with four performance standards.

Councilmember Glockel – This is with three performance standards from the Council. If you go to window signs, which is page 26, what does this sentence mean? This material, what is that referring to?

Fred Gibbs, Director of Planning and Development Services – It keeps people from going in and buying a piece of poster board, handwriting a sign and put it up on the window. Sometimes we have the individuals that like to get the cardboard, write something on it and say "for sale", it's for those types of things.

Councilmember Glockel – When it says no cardboard or posters, most of our city and Denton, that's how they advertise, with cardboard posters. Is this prohibited?

Fred Gibbs, Director of Planning and Development Services – I'd have to go and ask the tenant what those particular signs are made of.

Councilmember Glockel - They're made out of cardboard. Most all that I've looked at, there are pages I've looked at and they're cardboard.

Fred Gibbs, Director of Planning and Development Services – My interpretation would be a piece of cardboard from a box not that particular sign.

Councilmember Glockel – Poor such materials are prohibited, paper signs, posters, foil, newspapers, cardboard and other such materials are prohibited.

Fred Gibbs, Director of Planning and Development Services - Cardboard to me is a pizza box. We can be more specific with that if we need to.

Councilmember Garber – My interpretation of what these signs are if they're cardboard, perhaps maybe they're card stock board and not corrugated. Cardboard vs. corrugated board.

Councilmember Glockel – I agree, or other such materials. That covers it all. When you go to your proposed window sign regulation your examples, you use 7-11, you have 3 windows here and the legend depicts a window, there are 4 pieces of glass in it, you chose that as a window, in your example is that glass below it?

Fred Gibbs, Director of Planning and Development Services - Yes, typically on a store front. Yes, this entire is the glass. Since the bottom third in this example there's nothing that's allowed in the bottom third.

Councilmember Glockel – Your example right over here to the right, I thought that for a while until I read your example and it talks about that Texas Two Step is exactly, almost exactly by math, the bottom third vacant then it fills the next third and the top third is open. It's almost a 4' window and that's only 1 square out of those 4. So it looks to me like you're using each window as a bottom third. Each piece of glass, the bottom third must be clear according to your example.

Fred Gibbs, Director of Planning and Development Services – Our intent is anything of this whole face, the bottom third of this area cannot have a sign placed. We're reserving the bottom portions of this elevation to not have any signs and the calculation would start above that bottom third of this particular area. Then you do the aggregate of the entire area as well.

Councilmember Glockel – The intent I understood was the visibility for both your officers, the general public could see in and say I'm not going into this, I'm going home. Your officers can see in. If in this example, if you have 3.5' to 4' on the bottom, and that you want to leave open. The window in a car is about 40 inches. Now the part that's open is below the window of the car, I can see in a very few feet because of the angle, where you're allowing the next 1/3 to be covered. I think there's too many tangibles, I really think that we should not dictate by so many inches from the bottom of this window up because if you look in this conglomeration of things, the window design varies so drastically. You go to Harley-Davidson, their windows go all the way to the plate. You go to Discount Tires same deal. You go to 3 different CVSs and all 3's window designs are different. If we say that the bottom 1/3 of something needs to open and the next 1/3 can be a sign, we're defeating the purpose. I think we need to have something more general saying we need an ability to see in and see what's going on in your building, whether or not that is 4 ft. from the ground. Our CVS windows are 8 ft., so you're dictating up there that 8 ft. above that, 1/3 of that can be open, there's no purpose. But if it was glass down here then maybe we ought to be saying something between 40" and 6' needs to be open so if an officer walks up they can see in and a person can see out, a customer can see a conflict going on? I applied your scale to these buildings and they don't fit any of them. There are 2 7-11s in the packet and almost all of them stack merchandise down below. In this 7-11 it doesn't have a sign in it, it has cokes and firewood stacked against it. I don't know how we can enforce.

Fred Gibbs, Director of Planning and Development Services – I totally agree, whenever the 7-11 project came before Council, Council directed us at that time to look at some window signage for it. It was a challenge to try and come up with something that is applicable for everybody.

Councilmember Glockel - I agree, it fits that window. If you look at an 8' window, so why would you not consider the bottom part of this window like Discount Tire, it's just one piece of glass. When you go to Discount Tire, you can dictate that they can't put anything in the window, but the bigger buildings all have curtains? They pull the curtains on the east side on 35. You still can't see in. I don't know how you can enforce it.

Fred Gibbs, Director of Planning and Development Services- I don't disagree, it will be very challenging for us. You're going to be driving by and looking, is that lower 1/3 covered? It is going to be very difficult to enforce.

Councilmember Glockel – Debra, there's an officer in Denton on the Crime Control group and what they're doing is, they're going to the new places and they work with the person and try to get them to leave something open so they can see in. Every one of these is different.

Chief Walthall – We talk to new businesses owner or current business owners about crime prevention tips. That is one of the things we discuss with them is not drawing curtains where we can't see in the business when somebody is coming in. Somebody should be able to see a portion of the business where people are at all the time. Nobody enforces the signage to my knowledge.

Fred Gibbs, Director of Planning and Development Services- It will be difficult to enforce that with the amount of businesses, the amount of store fronts that the city has and that the city is going to have. If Council wants to scrap that whole idea of the window signage, I'm perfectly fine with it. We just try to come up with a good solution based on the direction we were given at the time.

Councilmember Glockel – If we had some wordage, that gave us a view for safety, in their facility wherever it failed based on the design of that building, work with them on that.

Fred Gibbs, Director of Planning and Development Services- If Council wants to us to get rid of that and approach it in a different way, we certainly can look at that as well.

Mayor Heidemann – I think we're talking more about safety here than anything else.

Councilmember Glockel – And this one includes the windows above the door. We talked about that in last session.

Fred Gibbs, Director of Planning and Development Services- This is the slideshow we did in the workshop, these are the different options we proposed to Council. We set it on the 25/10% scenario. That's what those are. We wanted to get that old information so you could refer back to it.

Councilmember Glockel – When we talk about the number of signs, page 11 of 44. A warehouse could very easily take up a small block and have a business that has three streets and we say in this ordinance, the site may have no more than one sign on each street in which the site has frontage with a maximum of two. I don't know why we have the maximum of two because you could very easily have something with three sides. I would strike that myself. The number of signs under 5A.

Councilmember Glockel – When you go to page 40 of 44 is the same as 41 of 44, just laid out different.

Fred Gibbs, Director of Planning and Development Services – We were just trying to give them some guidelines, some examples, so when they ask what you mean by the performance standards we give them pictures so they can understand how they're incorporated.

Councilmember Harrison – I don't see CVS Pharmacy putting anything in their window. We gave them 4' signs out on the wall and we gave them all entrances around the building there's "prescriptions" here and there. I don't know why they would put anything on the window in the 1st place.

Fred Gibbs, Director of Planning and Development Services – We're not tied to any of these, if Council wants to revisit the window signage, it was a challenge trying to come up with what fits the best we could. The 7-11 site is really what brought up the window signage in the Council meeting, we had a really difficult time trying to come up with what's applicable for everybody and there really isn't. There's so many different designs of store fronts. There's going to be some discretion in there.

Councilmember Burke – What would the enforceability issues be with when you just have the window signs could not so obscure the interior of the stores to affect public safety or to prevent law enforcement from affectively patrolling the area? Is that so vague it's unenforceable? Is that really the heart of the matter? We don't want to micromanage the how people layout their window signs.

Fred Gibbs, Director of Planning and Development Services – It would be hard on Code Enforcement. The amount of businesses that have store fronts that try to have the sign companies find them a calculation of each sign and how it's broken up per window.

Debra Drayovitch, City Attorney – Those ordinance violations are Class C misdemeanors and a lot of times, there are easier ways. If you just want to leave the top, however many feet, but again, I see the pictures you have really illustrate it well. Might I suggest if the goal is crime prevention and it's not intended as a punitive measure that wording along those lines might be easy just to work with the businesses to achieve the goal of safety. It's pretty vague if I were to prosecute it.

Councilmember Burke – A Class C misdemeanor is not putting anybody in jail. It's vague.

Councilmember Harrison – Is there anything critical on this that has to be done immediately? Why don't we just table it and get some questions answered and look at it a different way rather than going into Council and developing it on the fly behind the podium.

Councilmember Burke – I'm sorry I was late, did anybody have any issues with the rest of it? Other than the window?

Debra Drayovitch, City Attorney – Yes.

Fred Gibbs, Director of Planning and Development Services – I would urge if Council feels comfortable with the rest of it to move forward with that and we can certainly come back and revisit that if Council wants to because we're having to process a lot of variances and some of these can be addressed. I have some businesses that are waiting for this type of ordinance to be approved, this way I can limit some of the variances that may come before Council. If Council feels comfortable with the rest of it, I would ask if they consider at least those, we can come back and strike that and come back and revisit it.

Mayor Heidemann – Table the window signs?

Councilmember Burke – We can make a motion to approve the whole thing and make an amendment to strike out the sections with regards to window signs. Strike the whole thing out, pass the rest of it and come back and deal with them.

Councilmember Garber – Can someone bring these pictures back to that workshop? It's very good work.

Mayor Heidemann - Do you pretty much have your answers on what we're going to do?

Fred Gibbs, Director of Planning and Development Services – Yes.

Business Item #8

Councilmember Glockel – Section 3.03 of the City Charter, Qualifications. The section required the candidate of Council to have a residency in the City for 1-year. That's the minimum requirement. The date of which the residency is measured and thus may exceed the maximum length of the residence required? Or minimum? If we don't know when it starts, we may exceed the maximum that the state requires?

Debra Drayovitch, City Attorney – The maximum that the state allows. It's where you start the measurement day. I can see on exhibit A, there's a strike through missing. Right now what we have is the section 3.03 states that you have to have, as a candidate, you have to have resided in the City for 1 year; The question is where do you start measuring that one year? Where do you stop? Is it a runoff election? Is it Election Day? Is it from when you file? We actually had a candidate that it was unclear as to whether or not he satisfied that. The statute, the election code says, the default is 6 months, but if you are a home-ruled city, you can adopt a residency requirement for up to 12 months immediately preceding Election Day. Does that help?

Councilmember Glockel – I don't have a problem. I think we ought to have a date set so we know what it is. So we can qualify somebody or disqualify somebody. I'm looking at the term maximum length of residency requirements set forth in the Texas Election Code, the maximum?

Councilmember Burke – It's confusing because it's the maximum of the minimum. In other words, you can only set the minimum requirement of residency for so long, you can't make it 5 years, you can only make it 12 months preceding the election. That makes it confusing. The minimum requirements can only be so long. We're trying to make ours consistent with the state law.

Debra Drayovitch, City Attorney – If it didn't say anything, it would be six months.

Councilmember Glockel - Ok, that makes sense. Thank you. On the City Mayor, we talked about in the past, it says "Mayor must recommend all board appointments", we chose to use the words "shall" or

"may". If you go over to what's in the Charter, what got written in the Charter under the Mayor is "If desired".

Debra Drayovitch, City Attorney – That's the proposed amendment, because we would have to re-write, and I'll be happy to do so, but right now the 3.01C of your Charter says "the Mayor shall", The elected at large be presiding officer "shall" only vote in the event of a tie, the Mayor "shall" require a vote of a majority of all members if the Mayor objects to an ordinance and the Mayor "shall" recommend appointments to boards and commissions.

Councilmember Glockel – That's the old way and I'm sorry I misread it. It's "shall" to "may", he doesn't have to appoint somebody, but he can. That's what we're trying to change.

Debra Drayovitch, City Attorney – If desired, he may.

Councilmember Glockel – The potential amendment was to change the word "shall" to "may", when we go over here, it says, Mayor to recommend appointments to the board and commission if desired. It's different than what this is. Go to the ballot proposition, proposition 2, Mayor Recommendations, "if desired" and here we said the word was supposed to be "may".

Debra Drayovitch, City Attorney – I thank you for pointing that out. Actually the staff report is the same for when I gave my presentation and then after that I drafted the ballet and the proposition and the wording and did not conform them.

Mayor Heidemann – What should it be?

Debra Drayovitch, City Attorney – If desired. It's in the ordinance, the staff report is from that meeting before you all had given authorization to prepare the amendments.

Mayor Heidemann recessed the Workshop Session at 6:05 p.m.

Mayor Heidemann convened into Executive Session at 6:06 p.m. The Mayor and City Council met in Executive Session from 6:06 p.m. until 6:45 p.m.

ADJOURNED:

Mayor Heidemann adjourned the meeting at 6:47 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the____day of_____, 2016

_____
Kimberly Pence, City Secretary
City of Corinth, Texas

CONSENT ITEM 5.

City Council Regular and Workshop Session
Meeting Date: 03/17/2016
Title: February 18, 2016 Minutes
Submitted By: Kim Pence, City Secretary
Finance Review: N/A **Legal Review:** N/A
Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM
Consider and act on minutes from the February 18, 2016 Regular Session.

AGENDA ITEM SUMMARY/BACKGROUND
City Council discussion and action from the February 18, 2016 Regular Session.

RECOMMENDATION
Staff recommends approval of the February 18, 2016 Regular Session minutes.

Attachments

Minutes

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this the 18th day of February 2016 the City Council of the City of Corinth, Texas met in a Regular Session at 7:00 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:
Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Scott Garber
Don Glockel
Sam Burke

Members Absent:
Lowell Johnson

Staff Members Present:
Lee Ann Bunselmeyer, Acting City Manager
Fred Gibbs, Director of Planning and Development Services
Jason Alexander, Economic Development Director
Kim Pence, City Secretary
Debra Drayovitch, City Attorney
Debra Walthall, Chief of Police
Curtis Birt, Fire Chief
Brenton Copeland, Technology Services Asst. Manager

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE:

Mayor Heidemann called the meeting or order at 7:00 P.M., Pastor Rodney Whitfield, Faith United Methodist Church delivered the invocation and led in the Pledge of Allegiance.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on Minutes from the January 7, 2016 Workshop Session.

2. Consider and act on Minutes from the January 7, 2016 Regular Session.

3. Consider and act on Minutes from the January 14, 2016 Workshop Session.

4. Consider and act on Minutes from the January 21, 2016 Workshop Session.

5. Consider and act on Minutes from the January 21, 2016 Regular Session.

MOTION made by Councilmember Harrison to approve the Consent Agenda as presented. Seconded by Councilmember Burke.

AYES: Burke, Garber, Harrison, Glockel
NOES: None
ABSENT: Johnson

MOTION CARRIED

CITIZENS COMMENTS
In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

Jim Wallace, 1404 Park Place – I have noticed a dramatic increase in our street traffic and the speed of traffic on our street over the course of the last couple of months. Since Shady Rest is finishing up the traffic would subside but it has not. I drove Shady Rest the other day and I noticed the speed is the same as the speed on Park Place. The homes are set back several feet more from the street on Shady Rest as opposed to Park Place. I believe people do not want to travel down Shady Rest because of the speed bumps so the traffic has moved over to Park Place which is a narrower street and I can tell you someone is going to get hurt. Some of the people are traveling 40 and 45 mph down our street. I don't thing patrolling our street will do any good it may for a while but then when the police are not there it will go back to the same thing again. I really need help here and my children do not feel safe playing outside anymore.

Lisa Clawson, 1411 Park Place – our board reached out to the City Manager's office and one of the board members and myself went on the website and filed a report of concern. Basically the traffic issue was sent to Sergeant Tepfer and he said all they could do was put a patrol out and that is it that we would have to come back to the City Manager's office for any kind of help with speed bumps, stop signs, or no truck signs which brings me to another point, we have the Parkside Farms going in and they came to Council to ask for a variance to place more houses behind us and we came to Council and expressed concern regarding fences for the people that butt up to the property and you have to get that in writing to get them to honor their word because they get what they want and then they disappear which is exactly what has happened to us. After they got their variance he has not returned one phone call to any member of the board or home owner and now it has gone to the homebuilder and they know nothing about an agreement for them to build fences so they said originally that they would defer their big construction trucks to Fritz and Saturday I saw about 20 tricks that came down our street. Once again the only thing we can do is park on the road so we need some kind of help. There is a ton of kids that live on that street and I am here to ask for help before someone gets hurt.

Jim Wallace, 1404 Park Place – in the beginning we were told that the developer that moved behind our subdivision would help pay for a deteriorating retaining walls that were in front of Parks of Corinth and that did not happen. We were told that any construction traffic would need to use Shady Rest and Fritz Lane for access to the development and that is not happening. We have had construction trucks, sod trucks and recently about 20 concrete trucks down and back on our street. We were told fences would be installed along the perimeter of the development and that has not happened. Several weeks ago lights were installed in the new development and one was installed approximately 8-10 feet from the back of our fences and our bedroom is in the back of our house and the light is so bright we are having a hard time sleeping at night.

I am wondering if the UDC Corinth adopted a year or so ago includes for cut of lighting or dark skies compliant lighting and if so, I am wondering how or why this made it through the city without any red flags. I can sit in my

living room and not have a single light on in my house and literally see everything. I am asking for help to get the fence built behind my house and others that are in our development and also asking for an alternative location for the light pole from my house and other people's homes in the neighborhood.

BUSINESS AGENDA

6. Consider and act on an ordinance amending Article 4 of the Unified Development Code, Sign and Fence/Screening Regulations in order to amend various sections of the Sign Ordinance.

Fred Gibbs, Planning and Development Director – On October 1, 2015, during the City Council Workshop, the Council authorized City staff to amend the Sign Ordinance. The ordinance includes amendments to various definitions, provides additional definitions, revises the requirements for applications, revises regulations for monument signs, multi-tenant signs, electronic message center signs, wall signs, window signs, and provides design guidelines that includes performance based enhancements for monument signs.

Since the Council Workshop, staff revised the maximum allowable height of monument signs that are required to go to Council for consideration along I-35E for signs over 15' up to a maximum height of 20' with performance based enhancements to a maximum height of 30' with performance based enhancements in order to provide greater visibility and flexibility for commercial businesses along the freeway.

We had a workshop previous to this meeting regarding the window signage which we will strike and come back to discuss that at a future date as well.

MOTION made by Councilmember Harrison to approve the Ordinance amending Article 4 of the Unified Development Code, Sign and Fence/Screening Regulations in order to amend various sections of the Sign Ordinance. Seconded by Councilmember Burke.

AYES: Burke, Garber, Harrison, Glockel
NOES: None
ABSENT: Johnson

MOTION CARRIED AS AMENDED

Councilmember Garber made a Friendly Amendment in Section 4.01.15 Item D Window Signs to strike that from the Ordinance. Seconded by Councilmember Glockel.

AYES: Burke, Garber, Harrison, Glockel
NOES: None
ABSENT: Johnson

MOTION CARRIED

Debra Drayovitch, City Attorney – it would be also appropriate to amend Section 4.01.23 to delete Exhibit 2, Which is the picture of the 7-11 that was discussed in the Workshop.

Councilmember Burke made a Friendly Amendment to delete Section 4.01.23 Exhibit 2. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Harrison, Glockel
NOES: None

ABSENT: Johnson

MOTION CARRIED

Mayor Heidemann recused himself from discussing item #7.

7. Consider and act on an Ordinance of the City of Corinth, Texas approving an amendment to the Fiscal Year 2015-16 City of Corinth Budget and Annual Program of Services to provide for the expenditure of funds from the Economic Development Corporation Fund for the performance agreement for (DATCU).

Jason Alexander, Director of Economic Development - the request for the Ordinance to amend the budget is to assure that we have $150,000 to provide DATCU for the performance agreement. We do have funds in the Economic Development Corporation but as budgeted we did not budget for that performance bond and this ordinance will allow for the Economic Development Corporation to have the appropriate funds to make sure that we can provide you incentive from the Economic Development Corporation for DATCU and to make sure that we are still able to carry out our duties and responsibilities as the EDC to go ahead and attract and recruit businesses.

MOTION made by Councilmember Garber to approve the Ordinance of the City of Corinth, Texas approving an amendment to the Fiscal Year 2015-16 City of Corinth Budget and Annual Program of Services to provide for the expenditure of funds from the Economic Development Corporation Fund for the performance agreement for (DATCU).

AYES: Burke, Garber, Harrison, Glockel
NOES: None
ABSENT: Johnson

MOTION CARRIED

8. Consider an ordinance ordering a special election to submit amendments to the City Charter.

Debra Drayovitch, City Attorney – in January you asked to discuss proposed housekeeping amendments to the City Charter and that took place at the February 4th Council meeting. During that meeting Council directed staff to proceed with an Ordinance calling a Special Election to amend the City Charter. The amendments are primarily housekeeping in nature, there are 7 amendments

Section 2.03 EMINENT DOMAIN

The City shall have the full power, authority, and rights to exercise the power of eminent domain when necessary to carry out any of the powers conferred upon it by this Charter, or by the Constitution and laws of the State of Texas. ~~Neither the Council nor the City Administration shall participate in any form for the purpose of exercising eminent domain on behalf of private development.~~

Section 3.01.C. NUMBER, SELECTION AND TERM

C. The Mayor shall:

1. Be elected at large:

2. Be presiding officer of the council:

3. Vote only in the cases of ties:

4. Require a vote of a majority of all members of the Council if the Mayor objects to a proposed ordinance;

5. Recommend appointments to boards and commissions if desired; and

6. Represent the City in ceremonial functions.

Section 3.03 QUALIFICATIONS

Each candidate for an elective office shall meet the following qualifications:

A. Shall be a qualified voter;

B. Shall be at least twenty-one (21) years old;

C. Shall have resided in the City for 12 months immediately one (1) year preceding the election;

D. Shall not be employed by the City: and

E. Shall meet all other eligibility requirements of the Texas Election Code.

Section 3.06 QUORUM

At all meetings, three (3) Councilmembers shall constitute a quorum for the purpose of transaction of business. The Mayor shall not be counted in the determination of a quorum.

Section 6.03 DUTIES (OF THE CITY ATTORNEY)

The City Attorney shall be the legal advisor of, and attorney for, all of the offices and departments of the City, and shall represent the City in any and all litigation and legal proceedings, provided however, that the Council may retain special counsel at any time it deems appropriate and necessary, and that the City Manager may appoint the prosecutor for Municipal Court.

Section 9.04B. CITY COUNCIL ACTION

B. ADOPTION OF THE BUDGET

The budget and tax rate may be adopted at any regular or special meeting of the Council prior to the beginning of the budgeted fiscal year by a vote of three Councilmembers, or such number of votes as is required by state law The council may amend the proposed budget by increasing, decreasing, or removing any programs or amounts for expenditures required by law, for debt service or for estimated cash deficit. No amendment to the budget shall increase the authorized expenditures to an amount greater than the estimated income plus funds available from prior years.

Section 12.09 PUBLIC MEETINGS AND RECORDS

All meetings of the Council and all boards appointed by the Council shall be governed by the provisions of the Texas Government Code and any amendments thereto with regard to the posting of the agenda and the holding of public meetings. All public records and information of every office, department or agency of the City shall be open to inspection by any citizen at all reasonable business hours, provided that records excerpted from public disclosure by state or federal law shall be closed to the public and not considered public records for the purpose of this section**.**

The Special Election will be conducted simultaneously with the General Election and the voters will have the opportunity to vote on these propositions. If you decide not to call a Special Election then there would be no motion to adopt the ordinance.

Councilmember Garber – how is that we communicate this to our citizens so they can see what the charter said prior and what the revised amendments are?

Debra Drayovitch, City Attorney – the law prohibits spending city funds for political propositions and we want to be careful not to violate that. We can provide information to the voters and it is not for or against the change but merely an explanation of the change.

Lee Ann Bunselmeyer, Acting City Manager – we would post it on our website and have that information approved by the City Attorney.

MOTION made by Councilmember Garber to call a Special Election to submit amendments to the City Charter. Seconded by Councilmember Glockel

AYES: Burke, Garber, Harrison, Glockel
NOES: None
ABSENT: Johnson

MOTION CARRIED

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

Councilmember Burke – staff to provide us some information regarding the uses by the developer of Park Place and or the overflow of traffic as described by Lisa Clawson and Jim Wallace.

Councilmember Glockel – we talked about stripping Shady Rest and I see that is going to be done but I took pictures to the City Manager where I sat and watched traffic the other day and the speed bump from the south to the north go by rapidly up that hill to the north and just as go over the hill you stop to 15 mile per hour and there was nearly an accident as I watched and these pictures will depict that so I think we need to re-think the position of the speed bump to close to the crest of the hill.

Mayor recessed the Regular meeting at 7:37 P.M.

EXECUTIVE SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council Meeting, the City Council will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

***Council met in Executive Session from 6:05 P.M. until 6:45 P.M. *See Workshop Agenda.**

- **First Glendora Partners, Ltd. dba Impact Outdoor Advertising Co. v. City of Corinth.**
- **Marcus Mote v. City**
- **City v. Attorney General**

Consultation with the City Attorney regarding legal issues associated with the matter listed under Section 551.072.

Council met in Executive Session from 7:40 p.m. until 8:45 p.m.

- **Receive information and discuss, deliberate, and provide staff with direction regarding the potential acquisition of real property located in Corinth along the west side of I-35 on FM 2181.**

- **Receive legal advice regarding various claims of Rick Chaffin related to his employment.**

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. 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.

- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Manager.**

- **Consider appointment, duties, employment, evaluation, reassignment, discipline, or dismissal of the City Attorney.**

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

***Council convened into Regular Session at 7:00 P.M. to vote on Executive Session item from the Workshop Session.**

MOTION made by Councilmember Burke that we affirm the filing of the lawsuit against the Attorney General regarding the Livingston Open Records Request. Seconded by Councilmember Harrison.

AYES: Burke, Garber, Harrison, Glockel
NOES: None
ABSENT: Johnson

MOTION CARRIED

ADJOURN:

Mayor Heidemann adjourned the meeting at 8:47 P.M.

_____
Kimberly Pence, City Secretary
City of Corinth, Texas

Approved by Council on the ____day of_____, 2016

CONSENT ITEM 6.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: Street Renaming of South Corinth and Meadows Oak

Submitted For: Cody Collier, Acting Director

Submitted By: Cody Collier, Acting Director

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on an ordinance renaming portions of South Corinth Street and Meadows Oak Drive.

AGENDA ITEM SUMMARY/BACKGROUND

In November of 2015, staff received direction to present options for the renaming of South Corinth Street and Meadows Oak Drive. Staff made a presentation to Council on January 21, 2016 with three options for street naming. Two of those options included proposed options for renaming, and the third option was to allow street names to remain the same. Council selected "Option 2" and requested a minor change on the proposed renaming of South Corinth (South of Meadows Oak) to be changed to Meadow Oaks. Additionally Council instructed staff to contact Denco 911 and Denton County to ensure there were no conflicts with addresses in the proposed street renaming. Representatives from both agencies stated that there were no conflicts.

A Public Notice letter was mailed on February 10, 2016 to every resident affected by the street renaming. It included directions to oppose the changes via letter for those unable to attend the Public Hearing. A notice advertising the Public Hearing was also published in the Denton Record Chronicle and Lake Cities Sun on Sunday February 14, 2016. The Public Hearing was held on March 3, 2016 completing all required actions to approve an ordinance authorizing the renaming of streets. Approving the ordinance will be the final step in the process to make the proposed changes in street names.

RECOMMENDATION

Staff recommends Councils' approval of the ordinance authorizing the renaming of the following streets:
South Corinth from I-35 to Meadows Oak -- Corinth Parkway
South Corinth from Meadows Oak to Mason Avenue -- Meadow Oaks Drive
Meadows Oak Drive from Park Ridge Drive to I-35 -- Lake Sharon drive

---

Attachments

Ordinance

ORDINANCE NO. _____

AN ORDINANCE RENAMING PORTIONS OF SOUTH CORINTH STREET AND MEADOWS OAK DRIVE; PROVIDING FOR NOTICES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING THAT THIS ORDINANCE IS CUMULATIVE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, City staff has recommended that portions of South Corinth Street be renamed Corinth Parkway and Meadow Oaks Drive; and a portion of Meadows Oak renamed to Lake Sharon Drive.

WHEREAS, the City Council has notified the residents on such streets of the proposed changes, provided notice of a public hearing to allow persons to speak in favor or against the proposed renaming, and has conducted a public hearing regarding the same; and

WHEREAS, the City Council desires to rename said streets; **NOW, THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CORINTH:

SECTION I. RENAMING

That South Corinth Street, from I-35 to Meadows Oak Drive, is hereby renamed Corinth Parkway; that South Corinth Street from Meadows Oak Drive to Mason Avenue, is hereby renamed as Meadow Oaks Drive; and that Meadows Oak Drive, from Parkridge Drive to I-35, is hereby renamed Lake Sharon Drive.

SECTION II. NOTIFICATIONS

That the Director of Planning is hereby authorized and directed to change its maps, and records to reflect the name changes approved with this Ordinance; and further, the Acting Public Works Operations Director is directed to notify the Lake Cities Fire Department, Corinth Police Department, United States Postal Service, Denton County and Denco 911 District of such changes, and to erect signs reflecting the name changes.

SECTION III. SEVERABILITY CLAUSE

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance

since the same would have been enacted by the City Council without incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION IV. CUMULATIVE CLAUSE

This Ordinance shall be cumulative of all provisions of ordinances of the City of Corinth, Texas, relating to the naming of streets except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION V. EFFECTIVE DATE

This Ordinance shall become effective immediately upon its passage and approval,

PASSED AND APPROVED this the _____ day of _____, 2016.

_____
Bill Heidemann, Mayor

ATTEST:

_____
Kimberly Pence, City Secretary

APPROVED AS TO FORM:

_____
Debra A. Drayovitch, City Attorney

CONSENT ITEM 7.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: Budget Amendment for Legal Services

Submitted For: Lee Ann Bunselmeyer, Acting City Manager

Submitted By: Lee Ann Bunselmeyer, Acting City Manager

Finance Review: N/A **Legal Review:** N/A

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on an Ordinance of the City of Corinth, Texas approving an amendment to the Fiscal Year 2015-16 City of Corinth Budget and Annual Program of Services to provide for the expenditure of funds from the General Fund for additional legal services as a result of unanticipated and unforeseeable events.

AGENDA ITEM SUMMARY/BACKGROUND

The current FY 2015-16 General Fund Budget and Annual Program of Services of $15,237,982 was approved on September 17, 2015. The General Fund provides for the day-to-day operations of the city, including legal services.

The FY 2015-16 Legal department budget totals $200,454 for the City Attorney contracted services. During the course of the fiscal year, the city has retained Lynn Ross Gannaway & Crandford, LLP and Messer, Rockefeller & Fort, PLLC to perform specialized legal services, and services outside the scope of the City Attorney contracted services. The annual budget did not include sufficient funds for these outside legal services. A budget amendment in the amount of $100,000 was approved by the City Council on December 17, 2015 for these specialized legal services. Staff estimates that an additional amount of $40,000 is needed to finalize the services being performed by both law firms.

It is recommended this be funded out of General Fund balance, which is estimated at $3,219,939, as of September 30, 2016.

RECOMMENDATION

Staff recommends the City Council approve the budget amendment and provide for the expenditure of funds from the General Fund for additional legal services not to exceed $40,000.

Attachments

Legal Budget Amendment

ORDINANCE NO. 16-03-17-___

AN ORDINANCE OF THE CITY OF CORINTH, TEXAS APPROVING AN AMENDMENT TO THE FISCAL YEAR 2015-2016 CITY OF CORINTH BUDGET AND ANNUAL PROGRAM OF SERVICES TO PROVIDE FOR EXPENDITURES OF FUNDS TO PAY FOR LEGAL SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home-rule municipality acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the local Government Code; and

WHEREAS, the City Council adopted a budget and appropriated resources for the budget year beginning October 1, 2015, and ending September 30, 2016; and

WHEREAS, the current adopted budget for fiscal year 2015-2016 does not have adequate funding to pay $40,000 for legal services; and

WHEREAS, the City Council deems it appropriate and necessary to amend the budget to reflect expenditures to pay $40,000 for legal services; and

WHEREAS, the Council finds that this budget amendment is consistent with § 9.05 of the City Charter and the proposed change in the budget is for a municipal purpose; **NOW THEREFORE**, **THE CITY COUNCIL OF THE CITY OF CORINTH HEREBY ORDAINS:**

SECTION I

The findings set forth in the above preamble to this Ordinance are true and correct.

SECTION II

Ordinance No. 15-09-17-18, the budget for the fiscal year beginning October 1, 2015, and ending September 30, 2016 shall be amended as follows:

Forty thousand dollars ($40,000); shall be appropriated into the Expenditures Line Items for the Legal Budget from the unappropriated Fund Balance of the General Fund.

Ordinance No. 16-03-17___

SECTION III

The City of Corinth Budget and Annual Program of Services is hereby amended to appropriate the sum of **$40,000** from the unappropriated Fund balance of the General Fund for legal services. Further, the City Council affirms its approval of the expenditure of funds for the afore-mentioned purposes.

SECTION IV

The City Secretary is hereby directed to attach a copy of this Ordinance to Ordinance No. 15-09-17-18.

SECTION V

Pursuant to Section 102.009 of the Texas Local Government Code, the municipal budget officer is directed to file a true copy of this amendment with the Denton County Clerk. If the mayor objects to this ordinance, it shall be adopted by a majority of the entire City Council.

SECTION VI

This Ordinance shall be in full force and effect after its passage, and it is so ordained.

PASSED AND APPROVED ON THIS THE 17th DAY OF MARCH 2016.

SEAL

_____
Bill Heidemann, Mayor

ATTEST:

_____
Kimberly Pence, City Secretary

APPROVED AS TO FORM AND LEGALITY:

_____
Debra Drayovitch, City Attorney

BUSINESS ITEM 8.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: Accept the Comprehensive Annual Financial Report

Submitted For: Caryn Riggs, Assistant Director

Submitted By: Caryn Riggs, Assistant Director

Finance Review: N/A **Legal Review:** N/A

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Accept the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended September 30, 2015, as presented by Davis Kinard & Co, PC.

AGENDA ITEM SUMMARY/BACKGROUND

The City Charter, in compliance with Chapter 103 of the Local Government Code, requires an annual independent audit. The audit of the City of Corinth's financial records for the year ended September 30, 2015 was conducted by Davis Kinard & Co, PC. The audit firm issued an unqualified opinion on the financial statements, stating that the financial statements present fairly, in all material respects, the City's financial position in conformity with generally accepted accounting principles.

A major item during the audit was the implementation of Governmental Accounting Standards Board (GASB) pronouncement 68. The primary objective of GASB 68 is to improve accounting and financial reporting by state and local governments for pensions. In prior years, pension information has been included in the notes to the financials. With this pronouncement, pension information is now presented within the Financial Statements.

The Comprehensive Annual Financial Report (CAFR) was presented to the Citizen Finance Audit Committee on Tuesday, February 16, 2016. Representatives from Davis Kinard & Co, PC will be present at the City Council meeting to provide their opinion.

RECOMMENDATION

Staff recommends accepting the Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2015.

Attachments

Presentation

Audit Letter

Fund Balance Summary

CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2015

Comprehensive Annual Financial Report (CAFR)

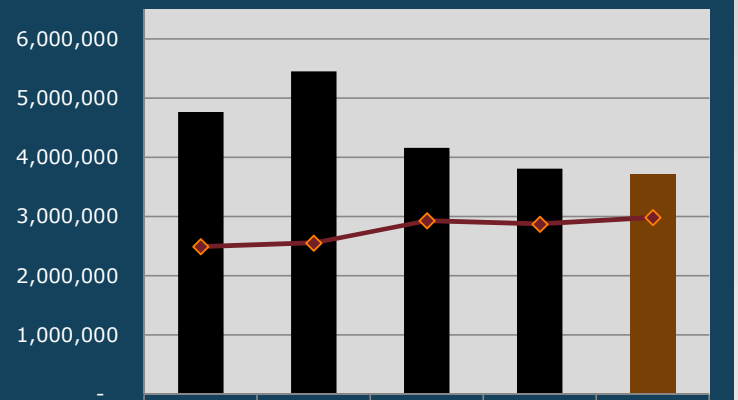
- Report is organized into three sections:
  - Introductory, Financial & Statistical Section
- CAFR has been designed to comply with GAAP/GASB guidelines
- City has received an unqualified opinion from the audit firm
- Two suggested audit adjustments.
  - Final Implementation of GASB 63 – Removed Deferred Bond Charges
  - Implement GASB 68 – Pension Recognition on the Financial Statements

Fund Balance Historical Analysis

Actual vs Policy Requirement

General Fund

20% of Budgeted Expenditures

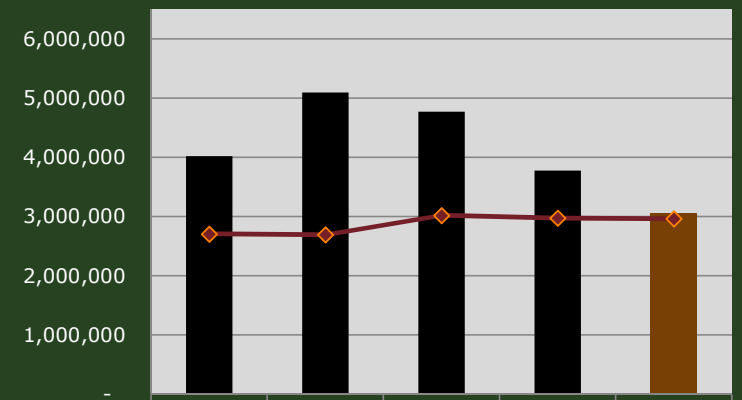


	9/30/11	9/30/12	9/30/13	9/30/14	9/30/15
FUND BALANCE	4,769,223	5,454,704	4,162,122	3,810,097	3,726,939
FUND BALANCE REQ.	2,495,826	2,555,788	2,933,175	2,876,660	2,985,215

Note: For the year ended September 30, 2015, the unassigned fund balance was over the policy target. The fund balance decreased compared to prior year due to the budgeted use of fund balance for the following: $200,000 for the Public Safety Communications Upgrade, $60,000 to upgrade the audio/visual equipment in the Council Chambers, $425,000 for I-35 bridge aesthetics, $60,000 for the Public Safety needs assessment, $9,490 to install Wi-Fi in City Hall and $20,000 to review the Development Process.

Water/Wastewater

25% of Budgeted Expenditures



	9/30/11	9/30/12	9/30/13	9/30/14	9/30/15
FUND BALANCE	4,023,386	5,099,207	4,772,820	3,778,466	3,065,462
FUND BALANCE REQ.	2,706,935	2,695,636	3,020,957	2,976,417	2,964,845

Note: For the year ended September 30, 2015, the unassigned fund balance was over the policy target. The fund balance decreased compared to prior year due to the budgeted use of fund balance for the following: $450,000 to repaint the elevated water storage tank and $61,000 for the Shady Rest project.

ENDING FUND BALANCE COMPARISON

	9/30/2014	9/30/2015	Variance	% Change
Operating Funds (1)	$11,526,129	$11,119,908	$ (406,221)	-3.5%
Reserve Funds (2)	328,035	224,419	(103,617)	-31.6%
Internal Service Funds (3)	1,772,535	1,587,445	(185,091)	-10.4%
Impact/Escrow Funds	862,245	1,008,342	146,097	16.9%
Bond/Capital Project Funds (4)	4,279,203	3,250,965	(1,028,237)	-24.0%
Special Revenue Funds	286,536	441,490	154,954	54.1%
Grant Funds	9,808	9,818	9	0.1%
Total all Funds	$19,064,492	$17,642,386	$(1,422,106)	-7.5%

(1) The net decrease in fund balance is due to the budgeted use of fund balance for the Public Safety Communications upgrade, Public Safety needs assessment, Shady Rest Project, Audio/Visual upgrades in the Council Chambers, I-35 bridge aesthetics, Development process study, and to repaint the elevated water storage tank.

(2) Decrease in fund balance is due to the budgeted use of fund balance for debt service payments.

(3) The net decrease in fund balance is due to the budgeted use of fund balance to replace four police vehicles, two fire admin vehicles, an ambulance, a vehicle for technology services and for the replacement of computers and printers.

(4) The net decrease in fund balance is due to budgeted use of fund balance for projects, such as Shady Rest, Tower Ridge, the Public Safety Communications upgrade and Sanitary Sewer rehab for Corinth Shores.

GENERAL LONG-TERM DEBT

As of September 30, 2015

Issue		Original Principal Amount of Issue	Outstanding Principal as of 09/30/15	Outstanding Interest as of 09/30/15	Total Outstanding as of 09/30/15	% Outstanding as of 09/30/15	Fiscal Year 2014-2015 General Fund Payment	Water/ WW Payment	Drainage Payment	Total Debt Payment
2001	GO	2,000,000	125,000	2,969	127,969	6.3%	128,758	-	-	128,758
2005	GO Refunding	5,080,000	2,050,000	168,663	2,218,663	40.4%	504,446	142,280	-	646,726
2007	GO Refunding	5,250,000	3,500,000	328,599	3,828,599	66.7%	709,477	150,495	-	859,972
2007	CO	24,020,000	16,270,000	5,475,963	21,745,963	67.7%	769,563	843,475	193,999	1,807,037
2010	CO	1,500,000	460,000	38,223	498,223	33.2%	241,100	-	-	241,100
	Total	$ 37,850,000	$ 22,405,000	$ 6,014,417	$ 28,419,417	59.2%	$ 2,353,344	$ 1,136,250	$ 193,999	$ 3,683,593

General Fund total Outstanding $14,776,295
Water/Wastewater Fund total Outstanding $11,257,378
Drainage Fund total Outstanding $2,385,744

DK Davis Kinard & Co, PC
CERTIFIED PUBLIC ACCOUNTANTS
Quality. Integrity. Knowledge.

First Financial Bank Building
400 Pine Street, Ste. 600, Abilene, TX 79601
325.672.4000 / 800.588.2525 / f: 325.672.7049
www.dkcpa.com

February 10, 2016

To the Honorable Mayor and Members of the City Council of the
City of Corinth, Texas

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, (the City) for the year ended September 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 31, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. As described in Note 10 to the financial statements, the City changed accounting policies related to the recognition of its net pension liability and a more comprehensive measure of pension expense by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* during the year ended September 30, 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's expectations. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of remaining useful lives of capital assets is based on knowledge and experience about past and current events and assumptions about future events. The allocation of depreciation expense to various programs is based on the usage of those assets in those programs. We evaluated the key factors and assumptions used to develop the estimated useful lives of capital assets and the allocation of depreciation expense to various programs in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for accounts receivable is a sensitive accounting estimate. The amount of the allowance is based on management's evaluation of collectability of accounts receivable, including historical collections experience, economic conditions, and other relevant factors.

Management's estimate of its net pension liability is based on reports received from the Texas Municipal Retirement System (TMRS). The net pension liability reported by TMRS is based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TMRS plan were audited by KPMG, LLP. These financial statements received an unmodified opinion. We evaluated the audited financial statements, census data submitted by the City to TMRS and the City's controls over the census submission process that were used to develop the estimate of its net pension liability to determine that the estimate is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of the defined benefit pension plan in Note 7 to the financial statements is a sensitive disclosure. The disclosure is based on various reports provided by TMRS. The reports are based on the audited financial statements of the pension plan and actuarial reports provided by a third party.
>
> Disclosure of contingencies, as well as the disclosures regarding deposit and investment risks and long-term obligations.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. Management of the City did a commendable job in preparing for the audit. They prepared the requested schedules and documents in a timely manner and were available for questions at all times.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed adjustments to record the prior and current period effects of implementing GASB Statement No. 68, as discussed above.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 10, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to engagement as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, Schedule of Changes in Net Pension Liability and Related Ratios, and Schedule of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Mayor and the City Council of the City of Corinth, Texas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Davis Kinard & Co, PC

Certified Public Accountants

City of Corinth

Fund Balance Summary

For the Period Ended September 2015

	Audited Appropriable Fund Balance 9/30/14	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Audited Fund Balance 9/30/15
OPERATING FUNDS					
100 General Fund (1)	$ 3,810,097	$ 14,742,019	$ 14,091,509	$ (733,668)	$ 3,726,939
110 Water/Sewer Operations (2)	3,778,466	11,146,377	10,977,611	(881,770)	3,065,462
120 Storm Water Utility (3)	506,780	693,736	522,354	(138,424)	539,738
130 Economic Development Corporation (4)	2,768,401	647,863	277,075	(50,250)	3,088,939
131 Crime Control & Prevention	195,689	281,761	260,014	-	217,437
132 Street Maintenance Sales Tax (5)	466,696	319,361	95,664	(209,000)	481,393
	$ 11,526,129	$ 27,831,117	$ 26,224,226	$ (2,013,112)	$ 11,119,908
RESERVE FUNDS					
200 General Debt Service Fund (6)	$ 328,035	$ 2,240,285	$ 2,363,116	$ 19,214	$ 224,419
	$ 328,035	$ 2,240,285	$ 2,363,116	$ 19,214	$ 224,419
BOND/CAPITAL PROJECT FUNDS					
193 Governmental Capital Projects (7)	2,277,684	9,058	1,230,438	685,000	1,741,304
194 Water/Wastewater Projects (8)	478,515	1,531	200,824	450,000	729,222
702 2004 Tax Note	18,443	16	2,940	-	15,519
703 2007 C.O. - Streets (9)	521,789	1,422	616,441	485,359	392,129
704 2007 C.O. - Tech	27,094	21	23,415	-	3,699
705 2010 C.O. - Fire	57,874	44	32,880	-	25,038
800 2007 C.O. - Water Projects (10)	530,447	207	564,364	47,134	13,424
801 2007 C.O. - Wastewater Projects	14,714	14	651	-	14,077
802 2007 C.O. - Drainage (11)	352,643	66,103	212,701	110,507	316,552
	$ 4,279,203	$ 78,416	$ 2,884,653	$ 1,778,000	$ 3,250,965
INTERNAL SERVICE FUNDS					
300 General Vehicle & Equip Replacement	$ 218,958	$ 81,129	$ 245,000	$ -	$ 55,088
301 LCFD Vehicle & Equip Replacement (12)	287,651	94,107	421,204	129,115	89,669
302 Tech Replacement Fund (13)	3,448	21	12,122	24,450	15,797
310 Utility Vehicle & Equip Replacement (14)	330,116	6,560	150,618	125,000	311,058
311 Utility Meter Replacement Fund (15)	722,441	6,066	-	150,000	878,506
320 Insurance Claims and Risk Fund	209,922	46,271	18,866	-	237,327
	$ 1,772,535	$ 234,154	$ 847,810	$ 428,565	$ 1,587,445
SPECIAL PURPOSE FUNDS					
400 Hotel-Motel Tax	$ 64,107	$ 67,922	$ -	$ -	$ 132,029
401 Keep Corinth Beautiful	25,082	6,727	3,328	-	28,482
404 County Child Safety Program	17,053	26,463	22,220	-	21,296
405 Municipal Court Security	14,471	12,488	-	-	26,959
406 Municipal Court Technology	44,826	16,589	27,407	-	34,008
420 Police Leose Fund	2,922	2,620	1,586	-	3,956
421 Police Donations	2,264	12,392	833	-	13,823
422 Police Confiscation - State	7,712	1,193	5,000	-	3,905
423 Police Confiscation - Federal	287	0	-	-	288
451 Parks Development (16)	66,573	23,210	6,609	50,000	133,174
452 Community Park Improvement	14,385	7,938	-	-	22,323
460 Fire Donations	22,998	2,573	4,324	-	21,246
497 Recreation Donations (17)	3,806	1,650	3,839	(1,616)	-
498 Recreation Scholarship (18)	51	0	-	(51)	-
	$ 286,536	$ 181,765	$ 75,144	$ 48,333	$ 441,490
GRANT FUNDS					
522 Bullet Proof Vest Grant	1,441	1	-	-	1,442
523 Tx Dot Grant Fund	8,367	8	-	-	8,375
	$ 9,808	$ 9	$ -	$ -	$ 9,818
IMPACT FEE & ESCROW FUNDS					
610 Water Impact Fees	$ 206,651	$ 112,776	$ 4,323	$ -	$ 315,104
611 Wastewater Impact Fees	152,354	88,154	-	-	240,508
620 Storm Drainage Impact Fees	90,266	86	-	-	90,353
630 Roadway Impact Fees (19)	111,722	209,992	-	(111,000)	210,714
699 Street Escrow (20)	301,251	411	-	(150,000)	151,663
	$ 862,245	$ 411,420	$ 4,323	$ (261,000)	$ 1,008,342
TOTAL ALL FUNDS	$ 19,064,492	$ 30,977,167	$ 32,399,273	$ -	$ 17,642,386

City of Corinth

Fund Balance Summary

For the Period Ended September 2015

TRANSFER IN/(OUT) EXPLANATIONS:

(1) The transfer in of $99,230 represents the annual contribution from the Water/Wastewater Fund for the homeowners association water contracts. The $51 from the Recreation Scholarship Fund closing out the fund. The $1,616 from the Recreation Donations Fund for non-baseball donations, closing out the fund. The transfer out of $60,000 to the General Capital Projects for the Public Safety Facility needs assessment. The $200,000 to the General Capital Projects Fund for the Public Safety Communications Systems upgrade. The $425,000 to the General Capital Projects Fund for I35 Bridge Aesthetics. The $129,115 to LCFD Vehicle and Equipment Fund for the future purchase of vehicles and equipment. The $20,450 to the Technology Replacement Fund for the future purchase of computers.

(2) The transfer out of $99,230 represents the annual allocation to the General Fund for the homeowner's association water contracts. The $150,000 represents the annual contribution to the Utility Meter Replacement Fund for the future purchases of water taps and meters. The $450,000 to the Utility Capital Project Fund to repaint the elevated water storage tank. The $100,000 represents the annual contribution to the Vehicle Replacement Fund for future purchase of vehicles and equipment. The $3,500 represents the annual contribution to the Tech Replacement Fund for the future purchase of computers. The $18,040 represents the annual allocation to the General Debt Service Fund for the Water/Wastewater portion of the 2007 Technology Certificates of Obligation. The $61,000 to the Water CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

(3) The transfer out $25,000 to the Vehicle Replacement Fund for the future purchase of vehicles. The $1,174 represents the annual allocation to the General Debt Service Fund for the Storm Drainage portion of the 2007 Technology Certificates of Obligation. The $250 represents the annual contribution to the Tech Replacement Fund for the future purchase of computers. The $112,000 to the Storm Drainage CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

(4) The transfer out of $50,000 to the Parks Development Fund for park improvements. The $250 represents the annual contribution to the Tech Replacement Fund for the future purchase of computers.

(5) The transfer out of $209,000 to the Streets CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

(6) The transfer in of $18,040 represents the annual allocation from the Water/Wastewater Fund for the Utility portion of the 2007 Technology Certificates of Obligation. The $1,174 from the Storm Drainage Fund for the Storm Drainage portion of the 2007 Technology Certificates of Obligation.

(7) The transfer in of $60,000 from the General Fund for the Public Safety Facility needs assessment. The $200,000 from the General Fund for the Public Safety Communications Systems upgrade. The $425,000 from the General Fund for I35 Bridge Aesthetics.

(8) The transfer in of $450,000 from the Water/Wastewater Fund to repaint the elevated water storage tank.

(9) The transfer in of $470,000 from the Streets Sales Tax Maintenance Fund, Roadway Impact Fee Fund, and Street Escrow Fund for the Shady Rest project, as approved by Council on November 20, 2014. The $15,359 is reallocated bond interest from the Water CIP Fund and the Storm Drainage CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

(10) The transfer in of $61,000 from the Water Wastewater Fund for the Shady Rest project, as approved by Council on November 20, 2014. The transfer out of $13,866 is reallocated bond interest to the Streets CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

(11) The transfer in of $112,000 from the Storm Drainage Fund for the Shady Rest project, as approved by Council on November 20, 2014. The transfer out of $1,493 is reallocated bond interest to the Streets CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

(12) The transfer in of $129,115 represents the annual contribution from the Fire Department for the future purchase of vehicles and equipment.

(13) The transfer in of $20,450 from the General Fund, $3,500 from the Water/Wastewater Fund, $250 from the Storm Drainage Fund and $250 from the Economic Development Fund represents the annual contribution for the future purchase of computers.

(14) The transfer in of $100,000 and $25,000 represent the annual contribution from the Water/Wastewater Fund and the Storm Drainage Fund for the future purchase of vehicles and equipment.

(15) The transfer in of $150,000 from the Water/Sewer Fund for the future purchase of water taps and meters.

(16) The transfer in of $50,000 from the Economic Development Fund for park improvements.

(17) The transfer out of $1,616 to the General Fund represents non-baseball donations.

(18) The transfer out of $51 to the General Fund to close out this fund.

(19) The transfer out of $111,000 to the Streets CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

(20) The transfer out of $150,000 to the Streets CIP Fund for the Shady Rest project, as approved by Council on November 20, 2014.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended September 30, 2015

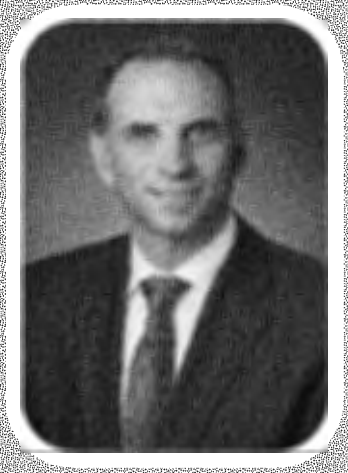
City of Corinth, Texas

City of Corinth

Elected Officials

BILL HEIDEMANN
Mayor

JOE HARRISON
Mayor Pro Tem
Council Place IV



SAM BURKE
Council Place I

SCOTT GARBER
Council Place II

LOWELL JOHNSON
Council Place III

DON GLOCKEL
Council Place V

CITY OF CORINTH, TX

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2015

Lee Ann Bunselmeyer
Acting City Manager and
Director of Finance & Administrative Services

Department of
Finance & Administrative Services

Caryn Riggs
Assistant Director of Finance

Chris Rodriguez
Financial Services Manager

CITY OF CORINTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

	Page	Exhibit/Table
INTRODUCTORY SECTION		
Letter of Transmittal	1	
GFOA Certificate of Achievement	5	
Organizational Chart	6	
Elected and Appointed Officials	7	
FINANCIAL SECTION		
Independent Auditor's Report	9	
Management's Discussion and Analysis (Required Supplementary Information	11	
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Position	23	Exhibit A-1
Statement of Activities	24	Exhibit A-2
Fund Financial Statements:		
Balance Sheet – Governmental Funds	26	Exhibit A-3
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position	27	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds	28	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29	Exhibit A-6
Statement of Net Position – Proprietary Funds	30	Exhibit A-7
Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Funds	31	Exhibit A-8
Statement of Cash Flows – Enterprise Funds	32	Exhibit A-9
Notes to the Financial Statements	34	
Required Supplementary Information:		
Budgetary Comparison Schedules:		
General Fund	57	Exhibit B-1
Schedule of Changes in Net Pension Liability and Related Ratios	58	Exhibit B-2
Schedule of Employer Contributions – Texas Municipal Retirement Systems	59	Exhibit B-3
Notes to Required Supplementary Information	60	
Combining Statements and Budgetary Comparison Schedules as Supplementary Information:		
Combining Balance Sheet – Nonmajor Governmental Funds	63	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	64	Exhibit C-2
Special Revenue Funds:		
Combining Balance Sheet – Nonmajor Special Revenue Funds	66	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	68	Exhibit C-4

Budgetary Comparison Schedules:

Crime Control & Prevention Fund	70	Exhibit C-5
Street Maintenance Fund	71	Exhibit C-6
Hotel Motel Tax Fund	72	Exhibit C-7
Municipal Court Security Fund	73	Exhibit C-8
Municipal Court Technology Fund	74	Exhibit C-9
Parks Development Fund	75	Exhibit C-10
Debt Service Fund	76	Exhibit C-11
Keep Corinth Beautiful	77	Exhibit C-12
Child Safety Fund	78	Exhibit C-13
Police Confiscation Fund	79	Exhibit C-14
Community Park Improvement Fund	80	Exhibit C-15

Capital Projects Funds:

Combining Balance Sheet – Nonmajor Capital Projects Funds	82	Exhibit C-16
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	84	Exhibit C-17

Discrete Presented Component Unit

Balance Sheet	86	Exhibit C-18
Budgetary Comparison Schedule	87	Exhibit C-19

STATISTICAL SECTION

Net Position by Component	91	Table D-1
Expenses, Program Revenues, and Net (Expense)/Revenue	92	Table D-2
General Revenues and Total Change in Net Position	93	Table D-3
Fund Balances of Governmental Funds	94	Table D-4
Changes in Fund Balances of Governmental Funds	95	Table D-5
Tax Revenues by Source, Governmental Funds	96	Table D-6
Assessed Values and Estimated Actual Value of Taxable Property	97	Table D-7
Direct and Overlapping Property Tax Rates	98	Table D-8
Principal Property Tax Payers	99	Table D-9
Property Tax Levies and Collections	100	Table D-10
Taxable Sales by Category	101	Table D-11
Direct and Overlapping Sales Tax Rates	102	Table D-12
Ratios of Outstanding Debt by Type	103	Table D-13
Ratios of General Bonded Debt Outstanding	104	Table D-14
Direct and Overlapping Governmental Activities Debt	105	Table D-15
Legal Debt Margin Information	106	Table D-16
Demographic and Economic Statistics	107	Table D-17
Principal Employers	108	Table D-18
Full-Time Equivalent Employees by Function/Program	109	Table D-19
Operating Indicators by Function/Program	110	Table D-20
Capital Asset Statistics by Function/Program	111	Table D-21

CORINTH

Gateway to Success

INTRODUCTORY SECTION

CORINTH

Gateway to Success

3300 Corinth Parkway · Corinth, TX · 940.498.3200

February 10, 2016

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Comprehensive Annual Financial Report of the City of Corinth for the fiscal year ended September 30, 2015. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Comprehensive Annual Financial Report (CAFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR is organized into three sections: *Introductory, Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the City's organization chart, and a list of principal officials. The *Financial* section includes the auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund financial statements and other supplemental information. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Corinth's MD&A can be found immediately following the report of the independent auditors.

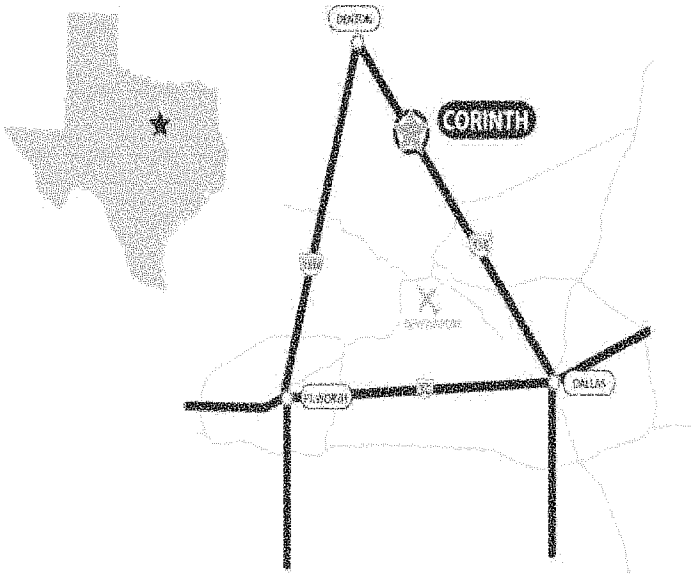
INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Davis Kinard & Co, PC, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2015, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the

audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated in September 19, 1960, is located in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth is also empowered, by state statute, to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the governing council of the City.



Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council's primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. Council members serve two-year staggered terms, with three members elected on one of the two-year rotations, and the Mayor and two remaining members elected on the other two-year rotation.

The City of Corinth provides a full range of municipal services including general government, public safety (police, fire, and animal control), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City's financial statements.

LOCAL ECONOMY

Corinth's location, straddling the I35E corridor in Denton County, is ideal for both businesses and residents many of whom commute north to Denton or south to Lewisville or Dallas. Corinth maintains a small-town feel while having the advantages of nearby metro areas.

The city's population for 2015 is estimated to be 22,087. This is an increase of 10.7% over the 2014 population estimate.

The City of Corinth, as well as, the State of Texas, experienced economic growth compared to prior years. The overall Texas economy is still considered healthier than most of the country. Figures from the Texas Workforce Commission indicate a local unemployment rate (Denton County) of 3.2%. For the same period, Dallas County's unemployment rate was 3.8%, the overall state of Texas rate was 4.2% and the nation's rate, as a whole, was 4.9%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 6.53% for the 2015 tax year over the 2014 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased 6.2% over the prior year's receipts. For fiscal year 2015-16, sales tax revenue is projected to increase slightly to $1.2 million. Primarily a residential community, Corinth relies on sales tax paid on utilities. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. With the Interstate 35 expansion and growth in the DFW area, Corinth continues to draw more interest in from apartment, restaurant and commercial developers.

MAJOR INITITATIVES

Due to the hard work, tough decisions, and structural reductions made by city officials and staff in previous years, the City was able to propose a balanced budget that maintained the City's fiscal integrity, addressed Council priorities, and maintained service levels. Vehicle replacement, adequate funding for right-of-way maintenance and continued funding for the Public Safety Communication upgrade were the major initiatives for the City. In FY 2014-15, the City replaced four patrol vehicles, two fire administration vehicles, and an ambulance. The City continued to fund step increases for Public Safety employees, as well as, an average 3% merit for general employees. Health insurance costs for the city increased by 7.9%. The Utility Fund includes the first year of utility rate study that was adopted by the City Council in May 2014, as well as, the funding to repaint the elevated water storage tank.

LONG TERM FINANCIAL PLAN

The FY 2014-15 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General fund long-term plan assumes that for fiscal years 2015-2019 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater and the Storm Drainage Fund. For fiscal year ended September 30, 2015 the General Fund's unassigned fund balance is $3,482,449, or 23% of annual budgeted expenditures. The unrestricted net position for the Water/Wastewater Fund is $4,249,196 or 35% of annual budgeted expenditures and the unrestricted net position for the Storm Drainage is 91% of budgeted expenditures or $607,779 for the fiscal year ended September 30, 2015.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In July 2014, Standard & Poor's Rating Services raised the City's rating to AA, on general obligation debt. The rating agency attributed their opinion to the City's "very strong budgetary flexibility and liquidity".

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (i.e., Community Services), department (i.e., Community Services) and division (i.e., Recreation). Department Directors may

make transfers of appropriations between divisions within a department. Transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplemental information subsection for the General Fund, and in the supplemental information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield), and Public Trust.

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all of the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 217 days. On September 30, 2015, the annualized yield on investments was .49%, compared to .40% for the same period in 2014. Funds available for investment at September 30, 2015 were $13.5 million, which is a decrease of $1.9 million from 2014. The decrease in portfolio balance is due to the expenditure of funds for the Shady Rest Lane Project, the Tower Ridge Project, the 1.5MG ground storage tank, the Public Safety communications upgrade, and the budgeted use of fund balance for the Debt Service Fund.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014. This was the sixth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2014. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administration Services department. We would like to express our appreciation for the assistance provided by our auditors, Davis Kinard & Co, PC. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully Submitted,

Lee Ann Bunselmeyer Acting City Manager and Director of Finance & Administrative Services	Caryn Riggs Assistant Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Corinth

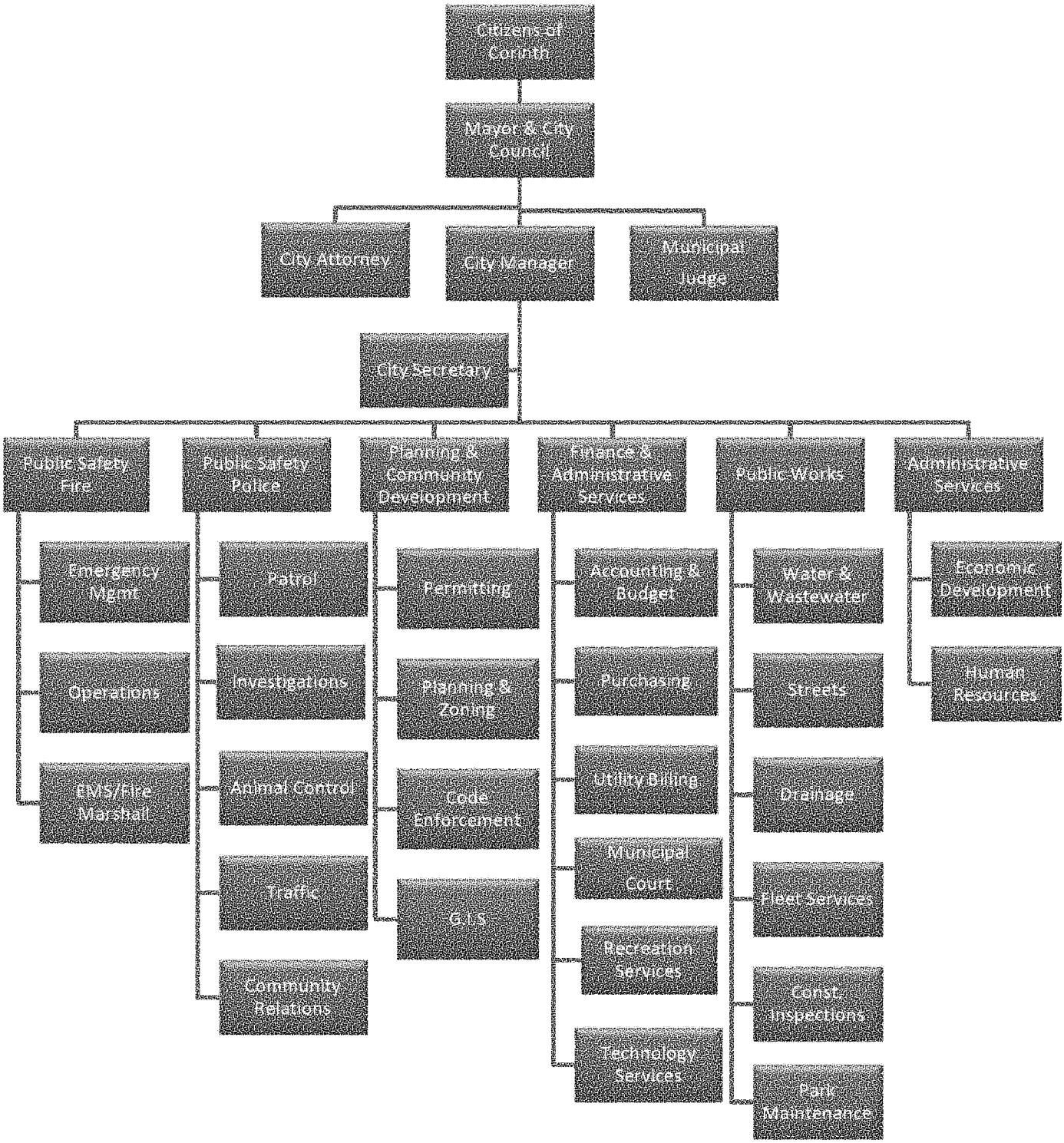
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

ORGANIZATIONAL CHART



City of Corinth, Texas
Elected and Appointed Officials

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Council Place I

Scott Garber
Council Place II

Lowell Johnson
Council Place III

Joe Harrison
Mayor Pro Tem, Council Place IV

Don Glockel
Council Place V

Appointed Officials:

Lee Ann Bunselmeyer
Acting City Manager and
Director of Finance & Administrative Services

Jason Alexander
Director of Economic Development

Curtis Birt
Fire Chief

Cody Collier
Acting Director of Public Works, Parks and Utility Operations

Fred Gibbs
Director of Planning and Development Services

Guadalupe Ruiz
Director of Human Resources

Debra Walthall
Chief of Police

CORINTH

Gateway to Success

FINANCIAL SECTION

CORINTH

Gateway to Success

Davis Kinard & Co, PC
CERTIFIED PUBLIC ACCOUNTANTS
Quality. Integrity. Knowledge.

First Financial Bank Building
400 Pine Street, Ste. 600, Abilene, TX 79601
325.672.4000 / 800.588.2525 / f: 325.672.7049
www.dkcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Corinth, Texas, (the City) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City'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 Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof 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 10 to the basic financial statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, during the year ended September 30, 2015, which requires recognition of its net pension liability and a more comprehensive measure of pension expense. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 11-19 and 57-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Denis Kinard & Co. PC
Certified Public Accountants

Abilene, Texas
February 10, 2016

As management of the City of Corinth, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $67,068,275.
- Total net position decreased $1,066,634 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $7,348,277, a decrease of $1,093,262 in comparison with the prior year. Of the combined ending balances, $3,002,005 or 41% is available for spending within the City's guidelines *(unassigned fund balance).*
- The City's unassigned fund balance for the general fund was $3,482,449 or 23% of total general fund expenditures.
- Long term liabilities increased to $30,684,603 during fiscal year 2015. The net increase is due to the reflection of pension liability coupled with the principal portion of debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City reporting operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general governmental* services were financed in the *short term,* as well as, what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like* a *business.*
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others to whom the resources in question belong.

Required Components of the City's Annual Financial Report

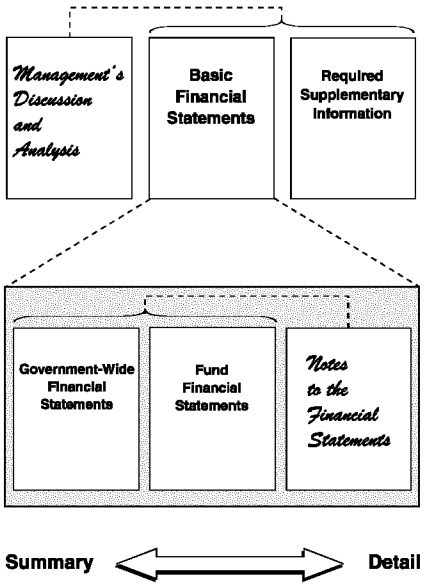


Figure 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all of the City of Corinth's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Corinth is improving or deteriorating.

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

Figure 1. Major Feature of the City's Government-wide and Fund Financial Statements

		Fund Statements		
Type of Statements	**Government-wide**	**Governmental**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses or self insurance funds	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures & changes in fund balance	• Statement of net position • Statement of revenues, expenditures & changes in fund net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; may contain capital assets
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during year, regardless of when cash is received or paid	All revenue and expenses during year, regardless of when cash is received or paid

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include public safety, fire services, community services, planning and community development, public works, city administration, finance and administrative services and debt service. The business-type activities are the water and wastewater utility fund, which includes contracted garbage collection services, and the storm water utility fund.

The government-wide financial statements include not only the City itself (known as the *primary government),* but also a legally separate Economic Development Corporation as a component unit for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found starting on page 23 of this report.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus *on near-term inflows and outflows of spendable resources,* as well as, *on balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Corinth reports twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, which are considered to be major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Corinth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26 – 29 of this report.

Proprietary funds. The City of Corinth maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Corinth uses two enterprise funds to account for its water and wastewater operations and for its storm water utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund and the Storm Water Fund. The Water and Wastewater Fund is considered to be a major fund of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $67,068,275 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position ($58,731,458 or 88%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position ($1,712,334 or 3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($6,624,483 or 10%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has $13,815,867 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year the City of Corinth is able to report positive balances in the government-wide as a whole and the business-type activities.

TABLE I

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and Other Assets	$ 11,602,074	$ 12,446,259	$ 8,179,129	$ 8,817,217	$ 19,781,203	$ 21,263,476
Capital assets	49,521,596	51,118,431	31,779,350	32,049,515	81,300,946	83,167,946
Total assets	61,123,670	63,564,690	39,958,479	40,866,732	101,082,149	104,431,422
DEFERRED OUTFLOWS OF RESOURCES						
Deferred bond insurance costs	-	17,042	-	26,791	-	43,833
Deferred outflows - pension	1,109,256	-	142,590	-	1,251,846	-
Deferred loss from refunding	31,820	42,049	23,310	28,772	55,130	70,821
Total Deferred Outflows of Resources	1,141,076	59,091	165,900	55,563	1,306,976	114,654
LIABILITIES						
Long-term liabilities outstanding	19,333,256	15,600,093	11,351,347	11,482,261	30,684,603	27,082,354
Other liabilities	2,719,666	2,431,951	1,673,762	1,637,477	4,393,428	4,069,428
Total liabilities	22,052,922	18,032,044	13,025,109	13,119,738	35,078,031	31,151,782
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - pension	215,138	-	27,681	-	242,819	-
Total Deferred Inflows of Resources	215,138	-	27,681	-	242,819	-
NET POSITION						
Net invested in capital assets	37,162,807	36,991,003	21,568,651	21,552,151	58,731,458	58,543,154
Restricted	1,066,371	4,003,719	645,963	-	1,712,334	4,003,719
Unrestricted	1,767,508	4,597,015	4,856,975	6,250,406	6,624,483	10,847,421
Total Net Position	$ 39,996,686	$ 45,591,737	$ 27,071,589	$ 27,802,557	$ 67,068,275	$ 73,394,294

Government-wide activities. As shown above, governmental activities decreased net position by $5,595,051 and business-type activities decreased net position by $730,968. Included in these decreases are prior period adjustments to account for the implementation of GASB 68. A detailed examination of all the elements affecting net position can be found in Table II.

TABLE II

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues						
Charges for services	$ 4,696,469	$ 4,668,189	$ 11,684,011	$ 11,328,640	$ 16,380,480	$ 15,996,829
Operating grants and contributions	299,613	284,954	-	-	299,613	284,954
Capital grants and contributions	380,748	-	607,013	176,068	987,761	176,068
General revenues						
Property taxes	9,291,409	8,674,195	-	-	9,291,409	8,674,195
Sales taxes	1,889,020	1,822,924	-	-	1,889,020	1,822,924
Franchise taxes	1,074,217	1,039,646	-	-	1,074,217	1,039,646
Hotel taxes	67,833	-	-		67,833	-
Miscellaneous	45,685	13,925	(391)	10,216	45,294	24,141
Investment interest	55,043	53,968	18,423	29,280	73,466	83,248
Gain (loss) on sale of capital assets	14,712	-	5,333		20,045	-
Total Revenues	17,814,749	16,557,801	12,314,389	11,544,204	30,129,138	28,102,005
Expenses:						
Public safety	8,937,222	8,558,062	-	-	8,937,222	8,558,062
Community services	1,855,018	1,735,618	-	-	1,855,018	1,735,618
Public works	4,661,909	4,655,417	-	-	4,661,909	4,655,417
Planning and community development	860,549	715,554	-	-	860,549	715,554
City administration	1,873,459	1,854,669	-	-	1,873,459	1,854,669
Finance and administrative services	746,482	665,351	-	-	746,482	665,351
Interest on long-term debt	613,346	702,883	-	-	613,346	702,883
Water and wastewater	-	-	11,107,570	10,645,670	11,107,570	10,645,670
Storm drainage	-	-	540,217	571,624	540,217	571,624
Total Expenses	19,547,985	18,887,554	11,647,787	11,217,294	31,195,772	30,104,848
Increase (decrease) in net position before transfers, contributions and special items	(1,733,236)	(2,329,753)	666,602	326,910	(1,066,634)	(2,002,843)
Special Item inflow/(Outflow)		-		-	-	-
Net transfers	778,956	1,082,783	(778,956)	(1,082,783)	-	-
Increase (decrease) in net position	(954,280)	(1,246,970)	(112,354)	(755,873)	(1,066,634)	(2,002,843)
Net postion - beginning	45,591,737	46,838,707	27,802,557	28,558,430	73,394,294	75,397,137
Prior Period Adjustment	(4,640,771)	-	(618,614)	-	(5,259,385)	-
Net position - ending	$ 39,996,686	$ 45,591,737	$ 27,071,589	$ 27,802,557	$ 67,068,275	$ 73,394,294

City of Corinth's Changes in Fund Balance. The City's governmental funds decreased fund balance by $1,093,262. The decrease can be attributed to the use of funds in the General Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, 2007 CO Streets Fund, the 2007 CO Tech Fund and the 2010 CO Fire Fund for replacement vehicles and equipment and for Capital Improvement Projects. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall decrease to governmental fund balances and the $954,280 net decrease to governmental activities net position illustrates the differences in reporting between the modified accrual basis used in the funds and full-accrual used at the government-wide level.

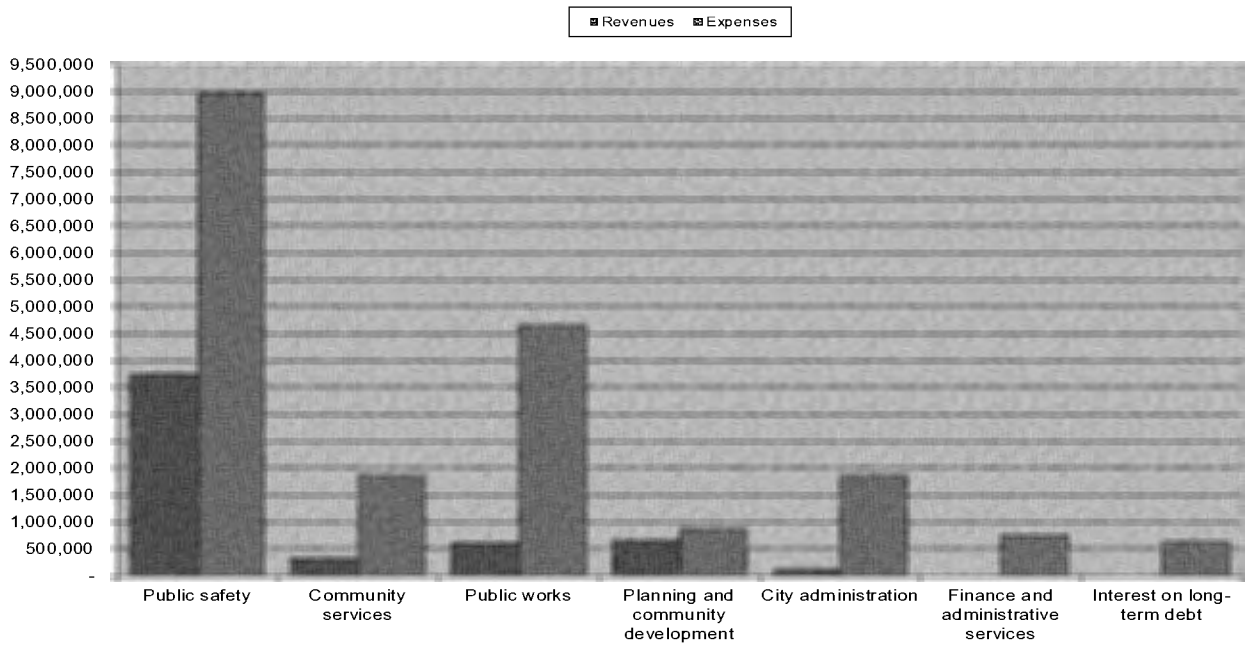
The following are the most significant factors in the reconciliation:

- Depreciation of capital assets is not reported in the funds.
- Donations/developer contributions do not constitute revenue in the funds, but are reported as an increase to net position.
- Repayment of bond principal is an expenditure in the funds but not an expense in the statement of activities.
- Bond proceeds are reported as current resources in the funds but are not reported as revenue in the statement of activities.

Exhibit A-6 on page 29 provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures and changes in fund balances of governmental funds.

Governmental Activities. Public safety, community services, public works, and planning and community development account for 83% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 17% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced $9,291,409 or 50%, Charges for services accounted for $4,696,469 or 25%, sales taxes was $1,889,020 or 10%, franchise taxes provided $1,074,217 or 6%, operating grants and contributions provided $299,613 or 2% and capital grants and contributions provided $380,748 or 2% of the revenues for the governmental activities. The remaining 5% of revenue is made up of transfers, investment interest and other miscellaneous revenue. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

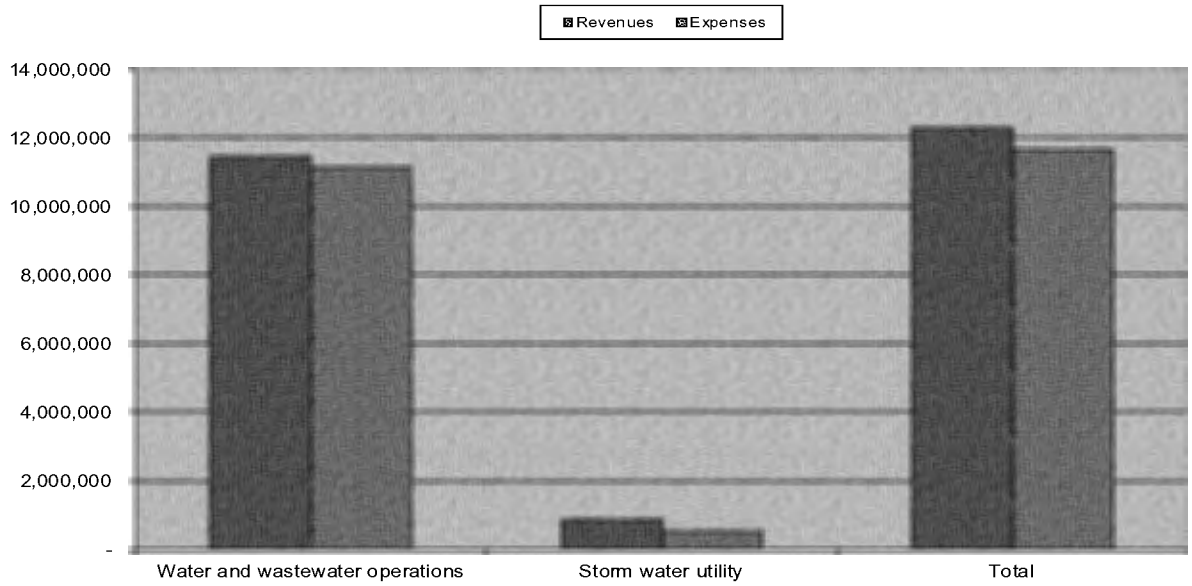
Figure 2: Program Revenues v. Expenses



Business-type Activities. Business-type activities decreased the City's net position by $112,354. A key element of this decrease is charges for services, emerging as a major revenue source for the Water and Wastewater fund producing $10,991,068 and Storm water utility producing $692,943 in revenue. Charges for services account for 95% of the revenue. Contributions of assets arising from new property development within the City, totaled $607,013 in revenue. Less than 1% of revenue is made up of investment interest and other miscellaneous revenue.

Total revenue from water and wastewater sales and services was $10,991,068; associated costs of water, wastewater treatment, and operations and maintenance accounted for $11,107,570 of the total business-type expenses of $11,647,787. The remaining $540,217 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in $692,943 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $7,348,277, a decrease of $1,093,262 in comparison with the prior year. The net decrease in combined ending fund balance is due to the following: a net decrease in the General Fund balance of $83,162, a net decrease in the Debt Service Fund of $103,616 and a net decrease of $906,484 in other governmental funds.

Of the combined total governmental fund balances of $7,348,277, $3,482,449 (47%) reflects the General Fund *unassigned* fund balance which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service, $224,420, restrictions and constructions contracts, $931,086. The fund balance that is designated as *committed,* $2,946,280 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *nonspendable* is for prepaid items, $2,202, and inventories, $242,284.

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was $3,482,449 while total fund balance reached $3,726,935. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 23% of total General Fund expenditures, while total fund balance represents 25% of that same amount.

This year, in the General Fund, revenues were more than expected by a total of $385,006. Traffic Fines and Parks & Recreation Fees were less than budget by $79,210, and $200,323, respectively. Development Fees, Fire Services, and Sales Tax were above budget by $281,576, $154,559, and $101,117, respectively. The City budgeted for no growth in fiscal year 2015. While revenues were over budget by $385,006, expenditures were under budget by $283,528. The net effect at year end was an excess of $668,534 of revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of $224,420, all of which is restricted for the payment of debt service.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention fund, Street Maintenance fund, Risk/Insurance and Risk fund, Hotel-Motel Tax fund, Special Revenue funds, Municipal Court Security fund, Municipal Court Technology fund, Parks Development fund, TxDot Grant fund, Roadway Impact Fee fund, Governmental Capital Projects Fund, Vehicle Replacement fund, LCFD Vehicle & Equipment Replacement fund, Tech Equipment Replacement fund, Street Escrow fund, 2004 Tax Note fund, 2007 CO Streets fund, 2007 CO Tech fund, and the 2010 CO Fire fund. Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District is a special sales tax of $.0025 levied for crime control and prevention within the City. Sales tax collections were $34,833 more than budgeted, interest earnings were less than budgeted by $201 and expenditures were $40,176 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased $21,748.

- The Street Maintenance Sales Tax fund accounts for the collection of a special sales tax of $.0025. Sales tax collections were more than budgeted by $24,334, interest earnings were more than budgeted by $132 and expenditures were less than budget by $125,508, which, combined with transfers of ($209,000), increased actual fund balance by $14,698.

Proprietary funds. The City of Corinth's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds, the Water and Wastewater fund and the Storm Water utility fund.

Water and Wastewater fund assets of $35,003,307 and deferred outflows of resources of $148,189 exceeded liabilities of $10,984,747 and deferred inflows of resources of $21,611, reporting net position of $24,145,138. The net non-operating revenues and expenses were ($404,636) which included investment interest and debt service interest, as well as, the sale of aging and obsolete capital assets at auction. The largest portion of the non-operating expenses was $426,018 of interest expense. Unrestricted net position for the Water and Wastewater fund decreased from $5,516,099 in fiscal year 2014 to $4,249,196 for fiscal year 2015.

Storm Water utility fund assets of $4,955,172 and deferred outflows of $17,711 exceeded liabilities of $2,040,362 and deferred inflows of resources of $6,070, leaving total net position of $2,926,451. Total net position increased $150,586, unrestricted net position decreased from $734,308 to $607,779. The storm water utility reported operating income of $240,606 in fiscal year 2015. Net non-operating revenues and expenses were ($85,897) which includes $1,607 in interest income and $87,880 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2014-15, General Fund actual expenditures (including transfers) were $14,926,084 compared to the final budget of $15,209,612. The $283,528 variance was primarily due to reduced costs of $167,057 for Community Services, $45,647 reduced costs for Planning and Community Development, $40,242 due to reduced costs for Public Safety, reduced costs of $22,383 for City Administration, $6,252 reduced costs for Finance and Administrative Services and $1,947 due to reduced costs for Public Works. Actual revenue (including transfers) was $14,842,922 compared to the final budget of $14,468,249. Of the $374,673 revenue variance, approximately $281,576 was due to increased Development Fees and Permits, $154,559 for increased Fire Service Charges, and $101,117 for increased Sales Tax collections. Like many cities in the area and around the nation, the city experienced an upturn in economic conditions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corinth's investment in capital assets for its governmental and business type activities as of September 30, 2015, amounts to $81,300,946 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and infrastructure. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments as of September 30, 2015.

TABLE III
CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2015	2014	2015	2014	2015	2014
Land	$ 2,466,298	$ 2,360,481	$ 497,399	$ 497,398	$ 2,963,697	$ 2,857,879
CIP	1,359,999	1,867,935	349,267	2,751,545	1,709,266	4,619,480
Buildings	4,436,086	4,542,085	110,748	93,728	4,546,834	4,635,813
Machinery and equipment	4,798,402	3,430,116	467,770	396,822	5,266,172	3,826,938
Infrastructure	36,460,811	38,917,814	30,354,166	28,310,021	66,814,977	67,227,835
Total capital assets	$ 49,521,596	$ 51,118,431	$ 31,779,350	$ 32,049,514	$ 81,300,946	$ 83,167,945

Additional information on the City's capital assets can be found in the notes to the financial statements on page 43.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $22,405,000 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Outstanding debt decreased in fiscal year 2015 by $2,634,667 (see Note 6).

TABLE IV
OUTSTANDING DEBT AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	$ 4,611,500	$ 5,738,000	$ 1,063,500	$ 1,307,000	$ 5,675,000	$ 7,045,000
Certificates of Obligation and Tax Notes	7,388,904	8,021,998	9,341,096	9,898,002	16,730,000	17,920,000
Capital Lease Obligation	683,391	758,058	-	-	683,391	758,058
Total outstanding debt	$ 12,683,795	$ 14,518,056	$ 10,404,596	$ 11,205,002	$ 23,088,391	$ 25,723,058

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 45.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "A2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI. Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 13.42 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The budget demonstrated signs that a recovery may be starting to occur. The City experienced an increase in sales tax during FY 2014-15. Additionally, all other revenues held firm. Departments limited their requests for funds and absorbed increased demands for service with reduced staffing and support. The budget reflected the commitment to deliver quality service through carefully planned resource allocations.

The City Council approved a tax rate of $.58489 for fiscal year 2016. General operations and maintenance will receive $.44143 of the total and the remaining $.14346 and a budgeted use of debt service fund balance will fund long-term debt of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City'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 the Office of the Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.

CORINTH

Gateway to Success

BASIC FINANCIAL STATEMENTS

CORINTH

Gateway to Success

CITY OF CORINTH, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Exhibit A-1

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Corinth Economic Development Corporation
ASSETS				
Cash	$ 1,547,366	$ 1,302,917	$ 2,850,283	$ 199,713
Investments	6,102,277	4,863,307	10,965,584	2,781,466
Receivables (net of allowance)				
Accounts	3,707,945	1,801,821	5,509,766	116,202
Inventories	242,284	211,084	453,368	
Prepaid items	2,202	-	2,202	
Capital assets not being depreciated				
Land	2,466,298	497,399	2,963,697	
Construction in progress	1,359,999	349,267	1,709,266	
Capital assets (net of accumulated depreciation)				
Buildings	4,436,086	110,748	4,546,834	
Machinery and equipment	4,798,402	467,770	5,266,172	
Infrastructure	36,460,811	30,354,166	66,814,977	
Total assets	61,123,670	39,958,479	101,082,149	3,097,381
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss from refunding	31,820	23,310	55,130	
Deferred outflows - pension	1,109,256	142,590	1,251,846	
Total Deferred Outflows of Resources	1,141,076	165,900	1,306,976	-
LIABILITIES				
Accounts payable	304,465	1,015,932	1,320,397	5,099
Accrued liabilities	374,929	32,363	407,292	3,345
Accrued interest payable	89,135	63,877	153,012	
Municipal court bonds	8,393	-	8,393	
Customer meter deposits	-	561,590	561,590	
Other liabilities	1,942,744	-	1,942,744	
Noncurrent Liabilities				
Due within one year	2,296,145	923,063	3,219,208	
Due in more than one year	17,037,111	10,428,284	27,465,395	
Total liabilities	22,052,922	13,025,109	35,078,031	8,444
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	215,138	27,681	242,819	
Total Deferred Inflows of Resources	215,138	27,681	242,819	-
NET POSITION				
Net investment in capital assets	37,162,807	21,568,651	58,731,458	
Restricted for capital projects	-	645,963	645,963	
Restricted for specific programs	931,086	-	931,086	
Restricted for debt service	135,285	-	135,285	
Restricted for economic development	-	-	-	3,088,937
Unrestricted	1,767,508	4,856,975	6,624,483	
Total net position	$ 39,996,686	$ 27,071,589	$ 67,068,275	$ 3,088,937

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

		Program Revenue		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
Public safety	$ 8,937,222	$ 3,516,328	$ 218,105	$ -
Community services	1,855,018	230,940	74,748	-
Public works	4,661,909	209,723	-	380,748
Planning and community development	860,549	647,336	-	-
City administration	1,873,459	92,142	6,760	-
Finance and administrative services	746,482	-	-	-
Interest on long-term debt	613,346	-	-	-
Total governmental activities	19,547,985	4,696,469	299,613	380,748
Business-type activities:				
Water and sewer	11,107,570	10,991,068	-	444,975
Storm drainage	540,217	692,943	-	162,038
Total business-type activities	11,647,787	11,684,011	-	607,013
Total primary government	$ 31,195,772	$ 16,380,480	$ 299,613	$ 987,761
Component unit				
Corinth Economic Development Corporation	$ 327,327	$ -	$ -	$ -

General revenues:
Taxes:
Property taxes
Sales taxes
Franchise taxes
Hotel occupancy tax
Investment income
Other income (expense)
Gain (loss) on sale of capital assets
Transfers
Total general revenues and transfers

Change in net position

Net position - beginning
Prior period adjustment
Net position - ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation
$ (5,202,789)	$ -	$ (5,202,789)	
(1,549,330)	-	(1,549,330)	
(4,071,438)	-	(4,071,438)	
(213,213)	-	(213,213)	
(1,774,557)	-	(1,774,557)	
(746,482)	-	(746,482)	
(613,346)	-	(613,346)	
(14,171,155)	-	(14,171,155)	
-	328,473	328,473	
-	314,764	314,764	
-	643,237	643,237	
(14,171,155)	643,237	(13,527,918)	
			$ (327,327)
9,291,409	-	9,291,409	-
1,889,020	-	1,889,020	636,837
1,074,217	-	1,074,217	-
67,833	-	67,833	-
55,043	18,423	73,466	11,026
45,685	(391)	45,294	-
14,712	5,333	20,045	-
778,956	(778,956)	-	-
13,216,875	(755,591)	12,461,284	647,863
(954,280)	(112,354)	(1,066,634)	320,536
45,591,737	27,802,557	73,394,294	2,768,401
(4,640,771)	(618,614)	(5,259,385)	
$ 39,996,686	$ 27,071,589	$ 67,068,275	$ 3,088,937

CITY OF CORINTH, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015

	General	Debt Service	Other Governmental Funds	Total Governmental
ASSETS				
Cash	$ 7,436	$ 2,543	$ 1,537,387	$ 1,547,366
Investments	3,343,739	198,534	2,560,004	6,102,277
Receivables (net of allowance)				
Property taxes	118,048	37,829	-	155,877
Sales taxes	228,243	-	104,584	332,827
Accounts	89,547	11,192	-	100,739
Interest	6,153	-	1,316	7,469
Warrants	2,503,961	-	-	2,503,961
Ambulance	151,240	-	-	151,240
Miscellaneous	317,168	-	29,255	346,423
Due from other governments	109,409	-	-	109,409
Inventories	242,284	-	-	242,284
Prepaid items	2,202	-	-	2,202
Total Assets	$ 7,119,430	$ 250,098	$ 4,232,546	$ 11,602,074
LIABILITIES				
Accounts payable	$ 166,669	$ -	$ 137,796	$ 304,465
Accrued liabilities	370,635	-	4,294	374,929
Municipal court bonds	8,393	-	-	8,393
Other liabilities	1,249,210	-	693,534	1,942,744
Total Liabilities	1,794,907	-	835,624	2,630,531
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,597,588	25,678	-	1,623,266
Total Deferred Inflows of Resources	1,597,588	25,678	-	1,623,266
FUND BALANCES				
Nonspendable	244,486	-	-	244,486
Restricted	-	224,420	931,086	1,155,506
Committed	-	-	2,946,280	2,946,280
Unassigned	3,482,449	-	(480,444)	3,002,005
Total Fund Balances	3,726,935	224,420	3,396,922	7,348,277
Total liabiliites, deferred inflows of resources, and fund balances	$ 7,119,430	$ 250,098	$ 4,232,546	$ 11,602,074

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015

Exhibit A-4

Total Fund Balances - Governmental Funds	$	7,348,277
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		49,521,596
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:		
Capital leases payable		(683,391)
Bonds payable		(12,143,603)
Accrued compensated absences		(1,003,260)
Deferred loss on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.		31,820
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.		(89,135)
Included in liabilities is the recognition of the City's proportionate share of the TMRS net pension liability in the amount of $5,503,002, a deferred inflow of resources of $215,138 and a deferred outflow of resources of $1,109,256. This results in a decrease in net position.		(4,608,884)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of $69,777, net fines, fees and court costs receivable of $1,354,770, net fees for ambulance receivables of $151,240 and net receivables for other items of $47,479 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.		1,623,266
Net position of governmental activities	$	39,996,686

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit A-5

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	$ 7,059,673	$ 2,238,515	$ -	$ 9,298,188
Sales	1,288,978	-	600,042	1,889,020
Hotel occupancy tax	-	-	67,833	67,833
Franchise	1,074,217	-	-	1,074,217
Escrow and impact fees	-	-	209,723	209,723
Utility fees	19,113	-	-	19,113
Traffic fines & forfeitures	650,651	-	31,633	682,284
Development fees & permits	592,176	-	-	592,176
Police fees & permits	28,383	-	26,455	54,838
Parks & recreation fees	166,402	-	7,920	174,322
Fire services	2,532,951	-	88,898	2,621,849
Donations	-	-	96,633	96,633
Interest income	39,762	1,772	13,509	55,043
Miscellaneous income	75,813	-	47,257	123,070
Charges for services	451,677	-	59,354	511,031
Total revenues	13,979,796	2,240,287	1,249,257	17,469,340
EXPENDITURES				
Current:				
Public safety	8,025,586	-	1,142,188	9,167,774
Community services	1,725,461	-	40,200	1,765,661
Public works	915,907	-	1,684,496	2,600,403
Planning and community development	845,215	-	26,066	871,281
City administration	1,726,487	-	40,450	1,766,937
Finance and administrative services	732,037	-	-	732,037
Debt service:				
Principal	-	1,759,594	76,895	1,836,489
Interest	-	603,523	23,835	627,358
Total expenditures	13,970,693	2,363,117	3,034,130	19,367,940
Excess (Deficiency) of Revenues over Expenditures	9,103	(122,830)	(1,784,873)	(1,898,600)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	26,382	26,382
Transfers out	(955,391)	-	(471,667)	(1,427,058)
Transfers in	863,126	19,214	1,323,674	2,206,014
Total Other Financing Sources (Uses)	(92,265)	19,214	878,389	805,338
Net Change in Fund Balance	(83,162)	(103,616)	(906,484)	(1,093,262)
Fund Balance - October 1 (Beginning)	3,810,097	328,036	4,303,406	8,441,539
Fund Balance - September 30 (Ending)	$ 3,726,935	$ 224,420	$ 3,396,922	$ 7,348,277

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit A-6

Net Change in Fund Balances - Total Governmental Funds	$ (1,093,262)
Amounts reported for governmental activities in the statement of activities are different because:	
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.	2,980,065
The net book value of capital assets disposed reduces net position.	(11,670)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.	(4,565,230)
Repayment of long-term principal for bonds and capital leases payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Amortization of bond premium and the deferred loss on bond refunding was recorded in the government wide financial statements. The result of the above adjustments was an increase in the change in net position.	1,839,088
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.	(79,478)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. The current year change in the interest accrual is a decrease of $11,413. The effect is to increase net position.	11,413
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of $909,315. The District's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the District's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of $894,470. The net effect is an increase in net position.	14,845
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in a decrease in net position.	(50,051)
Change in Net Position of Governmental Activities	$ (954,280)

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

Exhibit A-7

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash	$ 772,761	$ 530,156	$ 1,302,917
Investments	4,263,912	599,395	4,863,307
Receivables (net of allowances for uncollectibles):			
Accounts	1,705,145	80,629	1,785,774
Interest	1,395	289	1,684
Miscellaneous	12,964	1,399	14,363
Inventories	195,991	15,093	211,084
Total Current Assets	6,952,168	1,226,961	8,179,129
Non-current assets:			
Capital Assets			
Land	485,399	12,000	497,399
Construction in progress	110,070	239,197	349,267
Buildings	252,345	-	252,345
Machinery and equipment	1,368,045	275,009	1,643,054
Infrastructure	39,596,759	4,592,083	44,188,842
Less accumulated depreciation	(13,761,479)	(1,390,078)	(15,151,557)
Total Capital Assets (net of accumulated depreciation)	28,051,139	3,728,211	31,779,350
Total assets	35,003,307	4,955,172	39,958,479
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	23,310	-	23,310
Deferred outflows - pension	124,879	17,711	142,590
Total deferred outflows of resources	148,189	17,711	165,900
LIABILITIES			
Current liabilities:			
Accounts payable	885,364	130,568	1,015,932
Accrued liabilities	28,790	3,573	32,363
Accrued interest payable	52,747	11,130	63,877
Customer deposits	561,590	-	561,590
Compensated absences	59,057	6,998	66,055
Current portion of bonds	744,967	112,041	857,008
Total current liabilities	2,332,515	264,310	2,596,825
Non-current liabilities:			
Net pension liability	635,580	71,650	707,230
General obligation bonds	8,016,652	1,704,402	9,721,054
Total Noncurrent Liabilities	8,652,232	1,776,052	10,428,284
Total Liabilities	10,984,747	2,040,362	13,025,109
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	21,611	6,070	27,681
Total Deferred Inflows of Resources	21,611	6,070	27,681
NET POSITION			
Net investment in capital assets	19,340,331	2,228,320	21,568,651
Restricted for capital projects	555,611	90,352	645,963
Unrestricted	4,249,196	607,779	4,856,975
Total net position	$ 24,145,138	$ 2,926,451	$ 27,071,589

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit A-8

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
OPERATING REVENUES			
Charges for sales and services:			
Water sales	$ 5,517,835	$ -	$ 5,517,835
Sewer disposal	4,308,468	-	4,308,468
Storm drainage fees	-	686,296	686,296
Garbage	730,386	-	730,386
Penalties and reconnect fees	183,688	-	183,688
Tap fees	155,440	-	155,440
Service fees	58,783	-	58,783
Inspections	36,468	6,647	43,115
Total Operating Revenues	10,991,068	692,943	11,684,011
OPERATING EXPENSES			
Wages & benefits	1,317,787	157,683	1,475,470
Professional services and contracts	1,930,218	29,076	1,959,294
Maintenance and operations	513,591	12,183	525,774
Supplies	105,149	2,749	107,898
Utilities and communication	5,140,323	5,946	5,146,269
Vehicles/equipment and fuel	106,160	12,637	118,797
Travel and training	11,849	350	12,199
Capital outlay	15,149	-	15,149
Amortization	2,171	235	2,406
Depreciation	1,539,155	231,478	1,770,633
Total Operating Expenses	10,681,552	452,337	11,133,889
Operating Income	309,516	240,606	550,122
NONOPERATING REVENUES (EXPENSES)			
Interest income	16,816	1,607	18,423
Miscellaneous income (expense)	(767)	376	(391)
Gain (loss) on sale of capital assets	5,333	-	5,333
Interest expense	(426,018)	(87,880)	(513,898)
Total Non-operating revenues (Expenses)	(404,636)	(85,897)	(490,533)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(95,120)	154,709	59,589
CONTRIBUTIONS AND TRANSFERS			
Special assessment - water and sewer impact fees	200,151	-	200,151
Capital contributions	244,824	162,038	406,862
Transfers in	169,759	32,378	202,137
Transfers out	(845,442)	(135,651)	(981,093)
Total Contributions and Transfers	(230,708)	58,765	(171,943)
Change in Net Position	(325,828)	213,474	(112,354)
Net Position, Beginning	25,026,692	2,775,865	27,802,557
Prior Period Adjustment	(555,726)	(62,888)	(618,614)
Net Position, Ending	$ 24,145,138	$ 2,926,451	$ 27,071,589

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit A-9

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 10,864,076	$ 686,593	$ 11,550,669
Payments to or on behalf of employees	(1,346,709)	(154,059)	(1,500,768)
Payments to suppliers	(7,906,290)	44,461	(7,861,829)
Net cash provided by operating activities	1,611,077	576,995	2,188,072
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(845,442)	(135,651)	(981,093)
Transfers in	169,759	32,378	202,137
Net cash used by noncapital financing activities	(675,683)	(103,273)	(778,956)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	-	65,000	65,000
Acquisition of capital assets	(906,791)	(251,815)	(1,158,606)
Principal paid on bonds	(698,008)	(102,398)	(800,406)
Interest paid on bonds	(434,175)	(91,601)	(525,776)
Proceeds from sale of assets	5,333	-	5,333
Special assessments- impact fees	200,151	-	200,151
Net cash used by capital and related financing activities	(1,833,490)	(380,814)	(2,214,304)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in short-term investments	1,091,663	271,005	1,362,668
Interest received	20,293	1,848	22,141
Net cash provided by investing activities	1,111,956	272,853	1,384,809
NET CHANGE IN CASH AND CASH EQUIVALENTS	213,860	365,761	579,621
CASH AND CASH EQUIVALENTS, BEGINNING	558,901	164,395	723,296
CASH AND CASH EQUIVALENTS, ENDING	$ 772,761	$ 530,156	$ 1,302,917

The accompanying notes are an integral part of these financial statements.

CITY OF CORINTH, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit A-9

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	$ 309,516	$ 240,606	$ 550,122
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,541,326	231,713	1,773,039
Miscellaneous revenue (expense)	-	376	376
(Increase) decrease in accounts receivable	(141,437)	(6,726)	(148,163)
(Increase) decrease in inventories	(1,459)	177	(1,282)
Increase (decrease) in accounts payable	(82,392)	107,225	24,833
Increase (decrease) in customer deposits	14,445	-	14,445
Increase (decrease) in accrued liabilities	(28,922)	3,624	(25,298)
Net cash provided by operating activities	$ 1,611,077	$ 576,995	$ 2,188,072
NONCASH INVESTING AND FINANCING ACTIVITIES			
Infrastructure contributed by developers	$ 244,824	$ 97,038	$ 341,862

Note 1: REPORTING ENTITY

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in the financial statements which are misleading or incomplete. GASB Statement No. 39 requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) the City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component unit. The *Corinth Crime Control and Prevention District* (CCD) was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The CCD is governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD board is made up of the City Council, the CCD meets the standard that the board is substantially the same as the City Council. The CCD provides services entirely to the City. Therefore the CCD is reported as a blended component unit. The CCD is reported as a special revenue fund and does not issue separate financial statements.

Discretely presented component unit. The *Corinth Economic Development Corporation* (CEDC) was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDC is reported as a governmental entity and its accounts are maintained on the modified accrual basis of accounting. CEDC does not issue separate financial statements.

Note 2: 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 activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 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 revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3: 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*, as are the proprietary fund financial statements. 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 revenue 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 City considers revenue to be available if 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, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

> The ***General Fund*** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The ***Debt Service Fund*** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

The City reports the following major proprietary fund types:

Water and Sewer Fund — The Water and Sewer Fund provides water and wastewater services to the residents and businesses of Corinth. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Sewer Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.

Storm Drainage Fund – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

Ten nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes.

Nine nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily though certificates of obligation.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating gr/ants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

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

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool and TexSTAR qualify as 2a-7 like pools and are reported at the net asset value per share (which approximates fair value) even though they are calculated using the amortized cost method. The Pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows of resources for its proportionate share of TMRS' deferred outflow related to pensions as described in Note 7.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources for its proportionate share of TMRS' deferred inflow related to pensions as described in Note 7.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction are not depreciated. Other property, plant, equipment, and infrastructure of the City, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

Building and building improvements	20-50 years
Water and Wastewater system infrastructure	30 years
Storm drainage system infrastructure	30 years
Public domain infrastructure	50 years
Vehicles and equipment	5-10 years
Office equipment	5-10 years

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences

Accumulated earned but unused vacation is accrued when incurred in the government-wide and proprietary fund financial statements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, accumulated sick pay; non-exempt employees are reimbursed for compensatory time. The liabilities for these amounts are accrued as they are incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Use of Estimates

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

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to $2.50 per $100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2015, was $.59489 per $100 of assessed valuation.

Fund Balance

The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had $242,284 and $2,202 in nonspendable fund balance for inventory and prepaid items, respectively, at September 30, 2015.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled $224,420 as of September 30, 2015. Special revenue fund balance restricted for specific programs included crime control and prevention, street maintenance, hotel motel tax, special revenue, municipal court security fund, municipal court technology fund, and TxDOT grants and totaled $217,437, $481,394, $132,029, $30,884, $26,959, $34,008, and $8,375, respectively, as of September 30, 2015.

Committed fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to risk/insurance claims, special revenue and parks development totaling $237,326, $85,874, and $133,173, respectively, as of September 30, 2015. Capital project fund balances committed for future projects included the governmental capital projects, vehicle replacement, LCFD vehicle and equipment replacement, tech equipment replacement, street escrow, 2004 Tax Notes, 2007 CO Streets, 2007 CO Tech and 2010 CO Fire funds and totaled $1,741,305, $55,087, $89,669, $15,797, $151,663, $15,519, $392,129, $3,700 and $25,038, respectively, as of September 30, 2015.

Assigned fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund is intended to be used by the City for specific purposes but does not meet the criteria to be classified as restricted or committed. The Council has authorized the City Manager to assign fund balance. The City had no assigned fund balance as of September 30, 2015.

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Note 4: ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (continued)

Minimum fund balance policy
The City Council has adopted a financial policy to maintain an unassigned fund balance in the general fund equal to 20% of expenditures and in the water and sewer fund and storm drainage fund equal to 25% of expenditures. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Flow Assumptions
When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, then unassigned fund balance.

Note 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General fund; the Crime Control and Prevention, Street Maintenance, Hotel/Motel Tax, Municipal Court Security, Municipal Court Technology, Parks Development, Keep Corinth Beautiful, Child Safety, Police Confiscation, and Community Parks Improvement special revenue funds; and the Debt Service fund. The capital projects funds is appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e. grant awards and city council resolutions) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, functional department and division. Transfers of appropriations between divisions within a department may be initiated by staff and approved by the director. Transfers between functional departments require the approval of the director, budget manager, and finance director. Transfers between funds may require council approval. All transfers of appropriations require the approval of the city manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council is required to approve all budget amendments that alter department or operating appropriations.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Deficit fund equity
At September 30, 2015, a fund deficit of $480,444 was reported for the Roadway Impact Fee Fund. It represents deferred/unearned impact fee revenue, net of related assets, which will be recognized as development of land progresses through April 1, 2025.

Note 6: DETAILED NOTES ON ALL FUNDS

Cash and Investments
Custodial Credit Risk. Cash deposits of the City and CEDC at September 30, 2015, were entirely covered by FDIC insurance and pledged collateral held by the City's agent bank.

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) and reverse repurchase agreements not to exceed 90 days to stated maturity.

Following are the City's investments at September 30, 2015:

Primary Government

Investment Pools	Fair Value	S&P Rating	Weighted Average Maturity
TexSTAR	$ 908,352	AAAm	< 60 days

			Investment Maturity in Years		
Other Investments			Less than 1 Year	1 - 5	More than 5
U.S. Government Backed Securities	6,345,072	AA+	$ 2,890,000	$ 3,455,072	$ -
Money market	3,714,208	n/a	3,714,208	-	-
Total	10,059,280		$ 6,604,208	$ 3,455,072	$ -
Less: reconciling items	(2,048)				
Total Investments	$ 10,965,584				

CEDC

Investment Pools	Fair Value	S&P Rating	Weighted Average Maturity
TexPool	$ 430,830	AAAm	< 60 days

			Investment Maturity in Years		
Other Investments			Less than 1 Year	1 - 5	More than 5
U.S. Government Backed Securities	1,794,928	AA+	$ -	$ 1,794,928	$ -
Money market	555,708	n/a	555,708	-	-
Total Investments	$ 2,781,466		$ 555,708	$ 1,794,928	$ -

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools. TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest and is rated AAAm by Standard and Poor's.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 270 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

The City and its component unit invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days calculated according to SEC rule 2a-7.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2015, the City's investments in TexPool and TexSTAR were both rated AAAm by Standard & Poor's.

The City's investment policy requires diversification of investments according to the following guidelines:

Investment	Maximum of Portfolio %
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury and Agency Callables	30%

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,360,481	$ 105,817	$ -	$ 2,466,298
Construction in progress	1,867,935	1,479,065	1,987,001	1,359,999
Total assets not being depreciated	4,228,416	1,584,882	1,987,001	3,826,297
Capital assets, being depreciated:				
Buildings	6,563,459	92,668	-	6,656,127
Machinery and equipment	8,299,891	1,803,262	300,387	9,802,766
Infrastructure	92,375,630	1,486,255	-	93,861,885
Total capital assets being depreciated	107,238,980	3,382,185	300,387	110,320,778
Less accumulated depreciation:				
Buildings	2,021,374	198,667	-	2,220,041
Machinery and equipment	4,529,212	763,869	288,717	5,004,364
Infrastructure	53,798,377	3,602,697	-	57,401,074
Total accumulated depreciation	60,348,963	4,565,233	288,717	64,625,479
Total capital assets being depreciated, net	46,890,017	(1,183,048)	11,670	45,695,299
Governmental activities capital assets, net	$ 51,118,433	$ 401,834	$ 1,998,671	$ 49,521,596

Note 6: DETAILED NOTES ON ALL FUNDS (*continued*)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 497,399	$ -	$ -	$ 497,399
Construction in progress	2,751,545	985,276	3,387,554	349,267
Total assets not being depreciated	3,248,944	985,276	3,387,554	846,666
Capital assets, being depreciated:				
Buildings	229,633	22,712	-	252,345
Machinery and equipment	1,542,884	150,618	50,448	1,643,054
Infrastructure	40,459,426	3,729,416	-	44,188,842
Total capital assets being depreciated	42,231,943	3,902,746	50,448	46,084,241
Less accumulated depreciation:				
Buildings	135,905	5,692	-	141,597
Machinery and equipment	1,146,062	79,670	50,448	1,175,284
Infrastructure	12,149,405	1,685,271	-	13,834,676
Total accumulated depreciation	13,431,372	1,770,633	50,448	15,151,557
Total capital assets being depreciated, net	28,800,571	2,132,113	-	30,932,684
Business-type activities capital assets, net	$ 32,049,515	$ 3,117,389	$ 3,387,554	$ 31,779,350

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

Governmental activities:	
Public safety	$ 613,046
Community services	117,420
Public works	3,636,726
Planning and community development	4,136
City administration	193,352
Finance and administrative services	550
Total depreciation expense - governmental activities	$ 4,565,230
Business-type activities	
Water and sewer	$ 1,539,155
Storm drainage	231,478
Total depreciation expense - business-type activities	$ 1,770,633

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Interfund Receivables/Payables and Transfers

The composition of interfund transfers in/out as of September 30, 2015, is as follows:

Transfers In	Transfers Out		Amount	Purpose
General	Water and Sewer	$	777,658	Administrative allocation
General	Storm Drainage		83,801	Administrative allocation
General	Nonmajor		1,667	Close out fund
Nonmajor	General		685,000	Budgeted transfer
Nonmajor	General		20,450	Budgeted transfer
Nonmajor	General		129,115	Budgeted transfer
Nonmajor	Water and Sewer		17,366	Budgeted transfer
Nonmajor	Storm Drainage		1,743	Budgeted transfer
Nonmajor	Nonmajor		470,000	Budgeted transfer
Debt service	Water and Sewer		18,040	Debt repayment
Debt service	Storm Drainage		1,174	Debt repayment
Water and Sewer	Storm Drainage		48,933	Administrative allocation
Water and Sewer	General		120,826	Administrative allocation
Storm Drainage	Water and Sewer		32,378	Capital asset additions
		$	2,408,151	

Long-term Obligations

Long-term obligations of the City's governmental activities consist of general obligation bonds and certificates of obligation. Sources of retirement of general obligation bond and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid by the debt service fund.

Long-term obligations of the City's business-type activities consist of general obligation bonds and certificates of obligation. Business-type activities long-term obligations are serviced by revenue from the Water and Sewer and Storm Drainage systems.

Compensated absences and net pension liability are paid from the fund out of which an employee is regularly paid – primarily the General Fund, Water and Sewer Fund, and Storm Drainage Fund.

Governmental activity capital lease payments are currently being made from the LCFD Vehicle and Equipment Replacement Fund.

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

Long-term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2015:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	$ 8,022,000	$ -	$ (633,094)	$ 7,388,906	$ 561,517
General obligation bonds	5,738,000	-	(1,126,500)	4,611,500	1,168,175
Bond premiums/discounts (net)	158,253	-	(15,056)	143,197	15,056
Compensated absences	923,782	604,193	(524,715)	1,003,260	474,502
Capital lease obligation	758,058	-	(74,667)	683,391	76,895
Net pension liability	-	5,503,002	-	5,503,002	-
Total Governmental Activities	$ 15,600,093	$ 6,107,195	$ (2,374,032)	$ 19,333,256	$ 2,296,145
Business-type activities					
General obligation bonds	$ 1,307,000	$ -	$ (243,500)	$ 1,063,500	$ 251,825
Certificates of obligation	9,897,999	-	(556,907)	9,341,092	588,483
Bond premiums/discounts (net)	190,170	-	(16,700)	173,470	16,700
Compensated absences	87,092	66,055	(87,092)	66,055	66,055
Net pension liability	-	707,230	-	707,230	-
Total Business Type Activities	$ 11,482,261	$ 773,285	$ (904,199)	$ 11,351,347	$ 923,063
Total long-term obligations	$ 27,082,354	$ 6,880,480	$ (3,278,231)	$ 30,684,603	$ 3,219,208

The following is a schedule of the General Obligation and Certificates of Obligation bonds:

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2015	Business Type Amount Outstanding 9/30/2015
General Obligation	2/15/2001	$ 2,000,000	4.25%-6.25%	2/15/2016	$ 125,000	$ -
General Obligation	12/7/2005	5,080,000	4.00%-4.25%	2/15/2020	1,599,000	451,000
General Obligation	2/1/2007	5,250,000	3.78%-4.49%	2/15/2021	2,887,500	612,500
Certificates of Obligation	8/16/2007	23,630,000	4.50%-5.25%	2/15/2027	6,928,906	9,341,092
Certificates of Obligation	4/15/2010	1,500,000	1.95%-3.35%	2/15/2020	460,000	-
					$ 12,000,406	$ 10,404,592

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

The annual requirements to retire general long-term debt, including interest, as of September 30, 2015 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2016	$ 1,729,692	$ 519,648	$ 2,249,340
2017	1,754,960	444,557	2,199,517
2018	1,768,012	368,947	2,136,959
2019	1,261,777	303,988	1,565,765
2020	847,724	257,862	1,105,586
2021-2025	3,175,376	803,025	3,978,401
2026-2027	1,462,865	77,862	1,540,727
Total	$ 12,000,406	$ 2,775,889	$ 14,776,295

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2015 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2016	$ 840,308	$ 491,265	$ 1,331,573
2017	895,040	450,300	1,345,340
2018	941,988	408,715	1,350,703
2019	833,223	369,763	1,202,986
2020	772,276	333,873	1,106,149
2021-2025	4,149,624	1,079,640	5,229,264
2026-2027	1,972,133	104,969	2,077,102
Total	$ 10,404,592	$ 3,238,525	$ 13,643,117

Capital Leases Payable

A summary of changes in capital leases payable for the year ended September 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital lease obligation	$ 758,058	$ -	$ (74,667)	$ 683,391	$ 76,895

The City leases various equipment under capital lease. The following is an analysis of the leased assets included in capital assets at September 30, 2015:

Equipment	$ 839,890
Less: accumulated depreciation	(126,112)
Net value	$ 713,778

Note 6: DETAILED NOTES ON ALL FUNDS (continued)

The following is a schedule of future minimum payments required under the lease with its present value as of September 30, 2015:

Year Ending		
2016	$	97,287
2017		97,287
2018		97,287
2019		97,287
2020		97,287
2021-2023		291,862
Total minimum lease payments		778,297
Less amount representing interest		(94,906)
Present value of minimum lease payments	$	683,391

Note 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City 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 City 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 City, within the options available in the state statutes governing TMRS.

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

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 25 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

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	55
Inactive employees entitled to but not yet receiving benefits	75
Active employees	146
Total	276

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14% and 14% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were $1,334,263, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

Note 7: DEFINED BENEFIT PENSION PLAN (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 Real Rate of Return
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.04%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	100.00%	

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.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2013	$ 28,200,256	$ 22,073,127	$ 6,127,129
Changes for the year:			
Service Cost	1,444,400	-	1,444,400
Interest	1,994,674	-	1,994,674
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(293,384)	-	(293,384)
Changes of assumptions	-	-	-
Contributions - employer	-	1,209,444	(1,209,444)
Contributions - employee	-	604,376	(604,376)
Net investment income	-	1,263,034	(1,263,034)
Benefit payments, including refunds of employee contributions	(854,227)	(854,227)	-
Administrative expense	-	(13,183)	13,183
Other changes	-	(1,084)	1,084
Net changes	2,291,463	2,208,360	83,103
Balance at 12/31/2014	$ 30,491,719	$ 24,281,487	$ 6,210,232

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) 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%)
City's net pension liability	$ 11,930,258	$ 6,210,232	$ 1,646,252

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

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

For the year ended September 30, 2015, the City recognized pension expense of $1,309,698.

At September 30, 2015, the City 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	$ -	$ (242,819)
Changes in actual assumptions	-	-
Difference between projected and actual investment earnings	225,668	-
Contributions subsequent to the measurement date	1,026,178	
Total	$ 1,251,846	$ (242,819)

$1,026,178 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, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2016	$ 5,852
2017	5,852
2018	5,852
2019	5,852
2020	(40,559)
Thereafter	-
	$ (17,151)

Note 7: DEFINED BENEFIT PENSION PLAN (continued)

Supplemental Death Benefits Plan

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefit Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. Audited financial statements of the SDBF may be obtained from TMRS' website at www.TMRS.com.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended September 30, 2015, 2014 and 2013 were $8,807, $8,028, and $7,990, respectively, which equaled the required contributions each year.

Note 8: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 9: COMMITMENTS AND CONTINGENCIES

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Estimated costs to complete significant construction projects in progress at year-end totaled approximately $2,858,271.

Note 9: COMMITMENTS AND CONTINGENCIES (continued)

Upper Trinity Regional Water District (UTRWD)

On November 13, 1990, the City entered into a 30-year contract with Upper Trinity Regional Water District (UTRWD) and other participating political members to develop a regional water system for providing retail utility service to the Denton County area.

The contract included, among other things, a commitment by the City to 2.0 million gallons of water per day demand. On February 4, 1999 the City amended the contract with Upper Trinity to increase the demand from 2.0 million gallons per day to 5.5 million gallons per day. On September 2, 1999, due to continued growth, the City entered into the third contract amendment with Upper Trinity increasing the demand to 7.5 million gallons per day. The City also currently maintains a contract with the Upper Trinity Regional Water District for treatment of wastewater flows up to 1.608 million gallons per day.

The current demand capacity of 7.5 million gallons per day provides the City with three (3) weighted votes as a member of the Upper Trinity Board. The City has one appointed member to the Upper Trinity Board of Directors and one appointed member to the Upper Trinity Customer Advisory Committee. Under agreements with the UTRWD, all participating and contract entities share in the cost of administering the District and in the cost of planning for future programs and services of the District.

Note 10: PRIOR PERIOD ADJUSTMENTS

During fiscal year 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* Upon adoption of GASB No. 68, the City must assume its proportionate share of the net pension liability or asset of the Texas Municipal Retirement System. Adoption of GASB No. 68 required a prior period adjustment to report the effect of GASB No. 68 retroactively. The amount of the prior period adjustment is a decrease in net position of $5,217,957.

During fiscal year 2015, the City recorded a prior period adjustment to write off bond insurance costs previously capitalized as an asset in the statement of net position. The amount of the prior period adjustment is a decrease in net position of $41,428.

CORINTH

Gateway to Success

REQUIRED SUPPLEMENTARY INFORMATION

CORINTH

Gateway to Success

CITY OF CORINTH, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit B-1

	Budgeted Amounts			Variance with Final
REVENUES	Original	Final	Actual	Budget
Taxes:				
Property	$ 7,000,067	$ 7,000,067	$ 7,059,673	$ 59,606
Sales	1,187,861	1,187,861	1,288,978	101,117
Franchise	1,036,765	1,036,765	1,074,217	37,452
Utility fees	12,000	12,000	19,113	7,113
Traffic fines and forfeitures	729,861	729,861	650,651	(79,210)
Development fees & permits	310,600	310,600	592,176	281,576
Police fees & permits	27,700	27,700	28,383	683
Parks & recreation fees	366,725	366,725	166,402	(200,323)
Fire services	2,378,392	2,378,392	2,532,951	154,559
Interest income	25,815	25,815	39,762	13,947
Miscellaneous income	72,350	72,350	75,813	3,463
Charges for services	446,654	446,654	451,677	5,023
Total Revenues	13,594,790	13,594,790	13,979,796	385,006
EXPENDITURES				
Current:				
Public safety	8,053,342	8,065,828	8,025,586	40,242
Community services	2,001,207	1,892,518	1,725,461	167,057
Public works	889,663	917,854	915,907	1,947
Planning and community development	955,091	890,862	845,215	45,647
City administration	1,621,964	1,748,870	1,726,487	22,383
Finance and administrative services	732,954	738,289	732,037	6,252
Total Expenditures	14,254,221	14,254,221	13,970,693	283,528
Excess of Revenues over Expenditures	(659,431)	(659,431)	9,103	668,534
OTHER FINANCING SOURCES (USES)				
Transfers out	(955,391)	(955,391)	(955,391)	-
Transfers in	873,459	873,459	863,126	(10,333)
Total Financing Sources (Uses)	(81,932)	(81,932)	(92,265)	(10,333)
Net Change in Fund Balance	(741,363)	(741,363)	(83,162)	658,201
Fund Balance - October 1 (Beginning)	3,810,097	3,810,097	3,810,097	-
Fund Balance - September 30 (Ending)	$ 3,068,734	$ 3,068,734	$ 3,726,935	$ 658,201

CITY OF CORINTH, TEXAS **Exhibit B-2**

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

	Year Ended December 31, 2014
Total Pension Liability	
Service cost	$ 1,444,400
Interest on total pension liability	1,994,674
Changes of benefit terms	-
Differences between expected and actual experience	(293,384)
Change of assumptions	-
Benefit payments/refunds of contributions	(854,227)
Net change in total pension liability	2,291,463
Total pension liability, beginning	28,200,256
Total pension liability, ending (a)	$ 30,491,719
Fiduciary Net Position	
Contributions - Employer	$ 1,209,444
Contributions - Employee	604,376
Net investment income	1,263,034
Benefit payments/refunds of contributions	(854,227)
Administrative expenses	(13,183)
Other	(1,084)
Net change in fiduciary net position	2,208,360
Fiduciary net position, beginning	22,073,127
Fiduciary net position, ending (b)	$ 24,281,487
Net pension liability / (asset), ending = (a) - (b)	6,210,232
Fiduciary net position as a percentage of total pension liability	79.63%
Pensionable covered payroll	$ 8,633,945
Net pension liability as a percentage of covered payroll	71.93%

Exhibit B-3

CITY OF CORINTH, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 2015

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	$ 1,209,444	$ 1,209,444	$ -	$ 8,633,945	14.01%

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	3.00%
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 City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the 2005 – 2009.
Mortality	RP-2000 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.

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

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

Stewardship, Compliance, and Accountability

I. Budgetary Information

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

A. Public hearings are conducted to obtain taxpayer comments.

B. Prior to October 1, the budget is legally enacted through passage of an ordinance.

C. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Therefore the legal level of control is at the fund level.

D. Budgeted amounts are as originally adopted or as amended by the City Council or management. During the year the additional appropriations were submitted as budget amendments and approved by the City Council.

E. Capital Project funds were not budgeted. Since project length financial plans usually extend into two or more fiscal years, this makes comparisons confusing and misleading.

F. Formal budgetary integration is employed as a management control device during the year. The legally adopted budgets for the General Fund, certain Special Revenue Funds, and the Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the following funds:

General Fund

Special Revenue Funds:
- Crime Control & Prevention Fund
- Street Maintenance Fund
- Hotel-Motel Tax Fund
- Municipal Court Security Fund
- Municipal Court Technology Fund
- Parks Development Fund

Debt Service Fund

II. Employee Retirement Plan - four year schedule of funding progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded ALL (UALL)	Covered Payroll	UALL as a Percentage of Covered Payroll
12/31/2014	$ 23,407,353	$ 30,491,719	76.8%	$ 7,084,366	$ 8,633,945	82.1%
12/31/2013	$ 20,892,219	$ 28,200,256	74.1%	$ 7,308,037	$ 8,028,481	91.0%
12/31/2012	$ 18,483,323	$ 23,648,932	78.2%	$ 5,165,609	$ 7,989,936	64.7%
12/31/2011	$ 16,268,326	$ 21,555,610	75.5%	$ 5,287,284	$ 7,869,676	67.2%

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

- The Crime Control and Prevention District fund is the blended component unit described previously. All revenues and expenditures related to the $.0025 sales tax are recorded in this fund.
- The Street Maintenance fund accounts for the receipt of a $.0025 special purpose sales tax and related expenditures.
- Risk/Insurance Claim fund is used to account for funds restricted to pay insurance claims.
- Hotel-Motel Tax fund accounts for hotel-motel tax collected and used to enhance and promote tourism.
- The Special Revenue fund accounts for revenues that are used to account for acquisition purpose, i.e., park donations, Keep Corinth Beautiful donations and other designated revenues and related expenditures.
- Municipal Court Security fund is used to account for funds restricted to provide security enhancements for the municipal court.
- Municipal Court Technology fund is used to account for funds restricted to provide technological enhancements for the municipal court.
- The Parks Development fund was established to account for donations, contributions, and payments associated with the various park programs.
- The TxDOT Grant fund was established to account for the receipt and use of funds from the Texas Department of Transportation grant for police department equipment.
- The Roadway Impact Fee fund is used to account for the receipt and expenditure of roadway impact fees as required by the state of Texas Local Government Code Section 395.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, (other than those financed by proprietary funds) and vehicle replacement funds.

- The Government Capital Projects fund is used to account for funds and expenditures related to capital projects.
- The Vehicle Replacement fund is used to account for funds and expenditures related to future vehicle replacements.
- The LCFD Vehicle and Equipment Replacement fund is used to account for funds and expenditures for replacement of vehicles and equipment for the Lake Cities Fire Department.
- Tech Equipment Replacement fund is used to account for funds and expenditures for replacement of information technology equipment.
- The Street Escrow fund is used to account for funds and expenditures for all capital projects not specifically identified and not in the proprietary or trust funds.
- The 2004 Tax Note fund was established to account for remaining bond funds from the 2004 issuance.
- 2007 CO Streets fund is used to account for the projects and funding associated with the Series 2007 Certificates of Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements.
- 2007 CO Tech fund is used to account for the projects and funding associated with the Series 2007 Certificates of Obligation debt issue, a portion of which is dedicated to computer technology equipment and upgrades.
- 2010 CO Fire fund is used to account for the projects and funding associated with the Series 2010 Tax and Revenue Certificates of Obligation debt issue which is dedicated to fire equipment and infrastructure.

CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015

Exhibit C-1

	Special Revenue Funds	Capital Projects Funds	Total Governmental
ASSETS			
Cash	$ 1,248,158	$ 289,229	$ 1,537,387
Investments	225,042	2,334,962	2,560,004
Receivables (net of allowance)			
Sales taxes	104,584	-	104,584
Interest	238	1,078	1,316
Miscellaneous	29,255	-	29,255
Total Assets	$ 1,607,277	$ 2,625,269	$ 4,232,546
LIABILITIES			
Accounts payable	$ 2,434	$ 135,362	$ 137,796
Accrued liabilities	4,294	-	4,294
Other liabilities	693,534	-	693,534
Total Liabilities	700,262	135,362	835,624
FUND BALANCES			
Restricted	931,086	-	931,086
Committed	456,373	2,489,907	2,946,280
Unassigned	(480,444)	-	(480,444)
Total Fund Balances	907,015	2,489,907	3,396,922
Total Liabilities and Fund Balances	$ 1,607,277	$ 2,625,269	$ 4,232,546

Exhibit C-2

CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes:			
Sales	$ 600,042	$ -	$ 600,042
Hotel occupancy tax	67,833	-	67,833
Escrow and impact fees	209,723	-	209,723
Traffic fines & forfeitures	31,633	-	31,633
Police fees & permits	26,455	-	26,455
Parks & recreation fees	7,920	-	7,920
Fire services	-	88,898	88,898
Donations	96,383	250	96,633
Interest income	1,916	11,593	13,509
Miscellaneous income	47,254	3	47,257
Charges for services	-	59,354	59,354
Total Revenues	1,089,159	160,098	1,249,257
EXPENDITURES			
Current:			
Public safety	303,559	838,629	1,142,188
Community services	40,200	-	40,200
Public works	102,603	1,581,893	1,684,496
Planning and community development	-	26,066	26,066
City administration	3,328	37,122	40,450
Finance and administrative services	-	-	-
Debt service:			
Principal	-	76,895	76,895
Interest	-	23,835	23,835
Total Expenditures	449,690	2,584,440	3,034,130
Excess (Deficiency) of Revenues over Expenditures	639,469	(2,424,342)	(1,784,873)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	26,382	26,382
Transfers out	(321,667)	(150,000)	(471,667)
Transfers in	-	1,323,674	1,323,674
Total Other Financing Sources (Uses)	(321,667)	1,200,056	878,389
Net Change in Fund Balance	317,802	(1,224,286)	(906,484)
Fund Balance - October 1 (Beginning)	589,213	3,714,193	4,303,406
Fund Balance - September 30 (Ending)	$ 907,015	$ 2,489,907	$ 3,396,922

CORINTH

Gateway to Success

CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF SEPTEMBER 30, 2015

	Crime Control & Prevention	Street Maintenance	Risk/ Insurance Claims Fund	Hotel Motel Tax
ASSETS				
Cash	$ 173,704	$ 201,337	$ 235,449	$ 126,518
Investments	-	225,042	-	-
Receivables (net of allowance)				
Sales taxes	47,522	57,062	-	-
Interest	-	238	-	-
Miscellaneous	-	-	1,877	5,573
Total Assets	$ 221,226	$ 483,679	$ 237,326	$ 132,091
LIABILITIES				
Accounts payable	$ 4	$ 2,285	$ -	$ 62
Accrued liabilities	3,785	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	3,789	2,285	-	62
FUND BALANCES				
Restricted	217,437	481,394	-	132,029
Committed	-	-	237,326	-
Unassigned	-	-	-	-
Total Fund Balances	217,437	481,394	237,326	132,029
Total Liabilities and Fund Balances	$ 221,226	$ 483,679	$ 237,326	$ 132,091

Special Revenue	Municipal Court Security Fund	Municipal Court Technology Fund	Parks Development	TxDOT Grant	Roadway Impact Fee Fund	Total Nonmajor Special Revenue Funds
$ 97,920	$ 26,959	$ 34,008	$ 133,173	$ 8,375	$ 210,715	$ 1,248,158
-	-	-	-	-	-	225,042
-	-	-	-	-	-	104,584
-	-	-	-	-	-	238
21,805	-	-	-	-	-	29,255
$ 119,725	$ 26,959	$ 34,008	$ 133,173	$ 8,375	$ 210,715	$ 1,607,277
$ 83	$ -	$ -	$ -	$ -	$ -	$ 2,434
509	-	-	-	-	-	4,294
2,375	-	-	-	-	691,159	693,534
2,967	-	-	-	-	691,159	700,262
30,884	26,959	34,008	-	8,375	-	931,086
85,874	-	-	133,173	-	-	456,373
-	-	-	-	-	(480,444)	(480,444)
116,758	26,959	34,008	133,173	8,375	(480,444)	907,015
$ 119,725	$ 26,959	$ 34,008	$ 133,173	$ 8,375	$ 210,715	$ 1,607,277

CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Crime Control & Prevention	Street Maintenance	Risk/ Insurance Claims Fund	Hotel Motel Tax
REVENUES				
Taxes:				
Sales	$ 281,612	$ 318,430	$ -	$ -
Hotel occupancy tax	-	-	-	67,833
Escrow and impact fees	-	-	-	-
Traffic fines & forfeitures	-	-	-	-
Police fees & permits	-	-	-	-
Parks & recreation fees	-	-	-	-
Donations	-	-	-	-
Interest income	149	932	203	89
Miscellaneous income	-	-	46,067	-
Total Revenues	281,761	319,362	46,270	67,922
EXPENDITURES				
Current:				
Public safety	260,013	-	9,582	-
Community services	-	-	2,345	-
Public works	-	95,664	6,939	-
City administration	-	-	-	-
Total Expenditures	260,013	95,664	18,866	-
Excess (Deficiency) of Revenues over Expenditures	21,748	223,698	27,404	67,922
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(209,000)	-	-
Total Other Financing Sources (Uses)	-	(209,000)	-	-
Net Change in Fund Balance	21,748	14,698	27,404	67,922
Fund Balance - October 1 (Beginning)	195,689	466,696	209,922	64,107
Fund Balance - September 30 (Ending)	$ 217,437	$ 481,394	$ 237,326	$ 132,029

Special Revenue	Municipal Court Security Fund	Municipal Court Technology Fund	Parks Development	TxDOT Grant	Roadway Impact Fee Fund	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 600,042
-	-	-	-	-	-	67,833
-	-	-	-	-	209,723	209,723
2,616	12,468	16,549	-	-	-	31,633
26,455	-	-	-	-	-	26,455
7,920	-	-	-	-	-	7,920
23,283	-	-	73,100	-	-	96,383
96	20	40	110	8	269	1,916
1,187	-	-	-	-	-	47,254
61,557	12,488	16,589	73,210	8	209,992	1,089,159
33,964	-	-	-	-	-	303,559
3,839	-	27,407	6,609	-	-	40,200
-	-	-	-	-	-	102,603
3,328	-	-	-	-	-	3,328
41,131	-	27,407	6,609	-	-	449,690
20,426	12,488	(10,818)	66,601	8	209,992	639,469
(1,667)	-	-	-	-	(111,000)	(321,667)
(1,667)	-	-	-	-	(111,000)	(321,667)
18,759	12,488	(10,818)	66,601	8	98,992	317,802
97,999	14,471	44,826	66,572	8,367	(579,436)	589,213
$ 116,758	$ 26,959	$ 34,008	$ 133,173	$ 8,375	$ (480,444)	$ 907,015

Exhibit C-5

CITY OF CORINTH, TEXAS
CRIME CONTROL & PREVENTION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Sales	$ 246,779	$ 246,779	$ 281,612	$ 34,833
Interest income	350	350	149	(201)
Total Revenues	247,129	247,129	281,761	34,632
EXPENDITURES				
Current:				
Public safety	300,189	300,189	260,013	40,176
Total Expenditures	300,189	300,189	260,013	40,176
Net Change in Fund Balance	(53,060)	(53,060)	21,748	74,808
Fund Balance - October 1 (Beginning)	195,689	195,689	195,689	-
Fund Balance - September 30 (Ending)	$ 142,629	$ 142,629	$ 217,437	$ 74,808

Exhibit C-6

CITY OF CORINTH, TEXAS
STREET MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes:				
Sales	$ 294,096	$ 294,096	$ 318,430	$ 24,334
Interest income	800	800	932	132
Total Revenues	294,896	294,896	319,362	24,466
EXPENDITURES				
Current:				
Public works	221,172	221,172	95,664	125,508
Total Expenditures	221,172	221,172	95,664	125,508
Excess (Deficiency) of Revenues over Expenditures	73,724	73,724	223,698	149,974
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(209,000)	(209,000)	-
Total Other Financing Sources (Uses)	-	(209,000)	(209,000)	-
Net Change in Fund Balance	73,724	(135,276)	14,698	149,974
Fund Balance - October 1 (Beginning)	466,696	466,696	466,696	-
Fund Balance - September 30 (Ending)	$ 540,420	$ 331,420	$ 481,394	$ 149,974

Exhibit C-7

CITY OF CORINTH, TEXAS
HOTEL MOTEL TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes:				
Hotel occupancy tax	$ 42,000	$ 42,000	$ 67,833	$ 25,833
Interest income	70	70	89	19
Total Revenues	42,070	42,070	67,922	25,852
Net Change in Fund Balance	42,070	42,070	67,922	25,852
Fund Balance - October 1 (Beginning)	64,107	64,107	64,107	-
Fund Balance - September 30 (Ending)	$ 106,177	$ 106,177	$ 132,029	$ 25,852

Exhibit C-8

CITY OF CORINTH, TEXAS
MUNICIPAL COURT SECURITY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Traffic fines and forfeitures	$ 12,000	$ 12,000	$ 12,468	$ 468
Interest income	-	-	20	20
Total Revenues	12,000	12,000	12,488	488
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,000)	(12,000)	-	12,000
Total Other Financing Sources (Uses)	(12,000)	(12,000)	-	12,000
Net Change in Fund Balance	-	-	12,488	12,488
Fund Balance - October 1 (Beginning)	14,471	14,471	14,471	-
Fund Balance - September 30 (Ending)	$ 14,471	$ 14,471	$ 26,959	$ 12,488

Exhibit C-9

CITY OF CORINTH, TEXAS
MUNICIPAL COURT TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Traffic fines and forfeitures	$ 15,000	$ 15,000	$ 16,549	$ 1,549
Interest income	-	-	40	40
Total Revenues	15,000	15,000	16,589	1,589
EXPENDITURES				
Current:				
Community services	15,000	38,544	27,407	11,137
Total Expenditures	15,000	38,544	27,407	11,137
Net Change in Fund Balance	-	(23,544)	(10,818)	12,726
Fund Balance - October 1 (Beginning)	44,826	44,826	44,826	-
Fund Balance - September 30 (Ending)	$ 44,826	$ 21,282	$ 34,008	$ 12,726

Exhibit C-10

CITY OF CORINTH, TEXAS
PARKS DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Donations	$ 50,000	$ 50,000	$ 73,100	$ 23,100
Interest income	-	-	110	110
Total Revenues	50,000	50,000	73,210	23,210
EXPENDITURES				
Current:				
Community services	13,232	13,232	6,609	6,623
Total Expenditures	13,232	13,232	6,609	6,623
Net Change in Fund Balance	36,768	36,768	66,601	29,833
Fund Balance - October 1 (Beginning)	66,572	66,572	66,572	-
Fund Balance - September 30 (Ending)	$ 103,340	$ 103,340	$ 133,173	$ 29,833

Exhibit C-11

CITY OF CORINTH, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes:				
Property	$ 2,206,597	$ 2,206,597	$ 2,238,515	$ 31,918
Interest income	-	-	1,772	1,772
Total Revenues	2,206,597	2,206,597	2,240,287	33,690
EXPENDITURES				
Debt Service:				
Principal	1,759,594	1,759,594	1,759,594	-
Interest	603,749	603,749	603,523	226
Total Expenditures	2,363,343	2,363,343	2,363,117	226
Excess (Deficiency) of Revenues over Expenditures	(156,746)	(156,746)	(122,830)	33,916
OTHER FINANCING SOURCES (USES)				
Transfers in	20,388	20,388	19,214	(1,174)
Total Other Financing Sources (Uses)	20,388	20,388	19,214	(1,174)
Net Change in Fund Balance	(136,358)	(136,358)	(103,616)	32,742
Fund Balance - October 1 (Beginning)	328,036	328,036	328,036	-
Fund Balance - September 30 (Ending)	$ 191,678	$ 191,678	$ 224,420	$ 32,742

CITY OF CORINTH, TEXAS
KEEP CORINTH BEAUTIFUL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit C-12

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Donations	$ 6,500	$ 6,500	$ 6,700	$ 200
Interest income	100	100	27	(73)
Total Revenues	6,600	6,600	6,727	127
EXPENDITURES				
Current:				
City administration	10,000	10,000	3,328	6,672
Total Expenditures	10,000	10,000	3,328	6,672
Net Change in Fund Balance	(3,400)	(3,400)	3,399	6,799
Fund Balance - October 1 (Beginning)	25,082	25,082	25,082	-
Fund Balance - September 30 (Ending)	$ 21,682	$ 21,682	$ 28,481	$ 6,799

CITY OF CORINTH, TEXAS
CHILD SAFETY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit C-13

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Police fees & permits	$ 26,500	$ 26,500	$ 26,455	$ (45)
Interest income	-	-	8	8
Total Revenues	26,500	26,500	26,463	(37)
EXPENDITURES				
Current:				
Public safety	26,500	26,500	22,221	4,279
Total Expenditures	26,500	26,500	22,221	4,279
Net Change in Fund Balance	-	-	4,242	4,242
Fund Balance - October 1 (Beginning)	17,053	17,053	17,053	-
Fund Balance - September 30 (Ending)	$ 17,053	$ 17,053	$ 21,295	$ 4,242

CITY OF CORINTH, TEXAS
POLICE CONFISCATION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Exhibit C-14

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Police fees & permits	$ 5,000	$ 5,000	$ 6	$ (4,994)
Interest income	-	-	1,187	1,187
Total Revenues	5,000	5,000	1,193	(3,807)
EXPENDITURES				
Current:				
Public safety	5,000	5,000	5,000	-
Total Expenditures	5,000	5,000	5,000	-
Net Change in Fund Balance	-	-	(3,807)	(3,807)
Fund Balance - October 1 (Beginning)	7,712	7,712	7,712	-
Fund Balance - September 30 (Ending)	$ 7,712	$ 7,712	$ 3,905	$ (3,807)

Exhibit C-15

CITY OF CORINTH, TEXAS
COMMUNITY PARKS IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Parks & recreation fees	$ 14,075	$ 14,075	$ 7,920	$ (6,155)
Interest income	-	-	18	18
Total Revenues	14,075	14,075	7,938	(6,137)
Net Change in Fund Balance	14,075	14,075	7,938	(6,137)
Fund Balance - October 1 (Beginning)	14,385	14,385	14,385	-
Fund Balance - September 30 (Ending)	$ 28,460	$ 28,460	$ 22,323	$ (6,137)

CORINTH

Gateway to Success

CITY OF CORINTH, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
AS OF SEPTEMBER 30, 2015

	Governmental Capital Projects	Vehicle Replacement Fund	LCFD Vehicle & Equipment Replacement	Tech Equipment Replacement
ASSETS				
Cash	$ 78,404	$ 55,087	$ 15,679	$ 15,797
Investments	1,720,796	-	75,430	-
Receivables (net of allowance)				
Interest	1,078	-	-	-
Total Assets	$ 1,800,278	$ 55,087	$ 91,109	$ 15,797
LIABILITIES				
Accounts payable	$ 58,973	$ -	$ 1,440	$ -
Total Liabilities	58,973	-	1,440	-
FUND BALANCES				
Committed	1,741,305	55,087	89,669	15,797
Total Fund Balances	1,741,305	55,087	89,669	15,797
Total Liabilities and Fund Balances	$ 1,800,278	$ 55,087	$ 91,109	$ 15,797

Street Escrow Fund	2004 Tax Notes Fund	2007 CO Streets Fund	2007 CO Tech Fund	2010 CO Fire Fund	Total Nonmajor Capital Projects Funds
$ 13,626	$ 15,519	$ 65,886	$ 3,989	$ 25,242	$ 289,229
138,037	-	400,699	-	-	2,334,962
-	-	-	-	-	1,078
$ 151,663	$ 15,519	$ 466,585	$ 3,989	$ 25,242	$ 2,625,269
$ -	$ -	$ 74,456	$ 289	$ 204	$ 135,362
-	-	74,456	289	204	135,362
151,663	15,519	392,129	3,700	25,038	2,489,907
151,663	15,519	392,129	3,700	25,038	2,489,907
$ 151,663	$ 15,519	$ 466,585	$ 3,989	$ 25,242	$ 2,625,269

CITY OF CORINTH, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Governmental Capital Projects	Vehicle Replacement Fund	LCFD Vehicle & Equipment Replacement	Tech Equipment Replacement
REVENUES				
Fire services	$ -	$ -	$ 88,898	$ -
Donations	-	-	-	250
Interest income	9,059	86	513	21
Miscellaneous income	-	-	3	-
Charges for services	-	59,354	-	-
Total Revenues	9,059	59,440	89,414	271
EXPENDITURES				
Current:				
Public safety	262,286	220,000	323,917	-
Public works	968,152	-	-	-
Planning and community development	-	-	-	-
City administration	-	25,000	-	12,122
Debt Service:				
Principal	-	-	76,895	-
Interest	-	-	20,392	-
Total Expenditures	1,230,438	245,000	421,204	12,122
Excess (Deficiency) of Revenues over Expenditures	(1,221,379)	(185,560)	(331,790)	(11,851)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	21,689	4,693	-
Transfers out	-	-	-	-
Transfers in	685,000	-	129,115	24,200
Total Other Financing Sources (Uses)	685,000	21,689	133,808	24,200
Net Change in Fund Balance	(536,379)	(163,871)	(197,982)	12,349
Fund Balance - October 1 (Beginning)	2,277,684	218,958	287,651	3,448
Fund Balance - September 30 (Ending)	$ 1,741,305	$ 55,087	$ 89,669	$ 15,797

Street Escrow Fund	2004 Tax Notes Fund	2007 CO Streets Fund	2007 CO Tech Fund	2010 CO Fire Fund	Total Nonmajor Capital Projects Funds
$ -	$ -	$ -	$ -	$ -	$ 88,898
-	-	-	-	-	250
411	16	1,422	21	44	11,593
-	-	-	-	-	3
-	-	-	-	-	59,354
411	16	1,422	21	44	160,098
-	-	-	-	32,426	838,629
-	-	613,741	-	-	1,581,893
-	2,940	-	23,126	-	26,066
-	-	-	-	-	37,122
-	-	-	-	-	76,895
-	-	2,700	289	454	23,835
-	2,940	616,441	23,415	32,880	2,584,440
411	(2,924)	(615,019)	(23,394)	(32,836)	(2,424,342)
-	-	-	-	-	26,382
(150,000)	-	-	-	-	(150,000)
-	-	485,359	-	-	1,323,674
(150,000)	-	485,359	-	-	1,200,056
(149,589)	(2,924)	(129,660)	(23,394)	(32,836)	(1,224,286)
301,252	18,443	521,789	27,094	57,874	3,714,193
$ 151,663	$ 15,519	$ 392,129	$ 3,700	$ 25,038	$ 2,489,907

CITY OF CORINTH, TEXAS
DISCRETELY PRESENTED COMPONENT UNIT
CORINTH ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015

Exhibit C-18

	Corinth Economic Development Corporation
ASSETS	
Cash	$ 199,713
Investments	2,781,466
Receivables (net of allowance)	
Sales Tax	114,120
Interest	1,502
Miscellaneous	580
Total Assets	$ 3,097,381
LIABILITIES	
Accounts payable	$ 5,099
Accrued Liabilities	3,345
Total Liabilities	8,444
FUND BALANCES	
Restricted	3,088,937
Total Fund Balances	3,088,937
Total Liabilities and Fund Balances	$ 3,097,381

Exhibit C-19

CITY OF CORINTH, TEXAS
DISCRETELY PRESENTED COMPONENT UNIT
CORINTH ECONOMIC DEVELOPMENT CORPORATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes:				
Sales	$ 588,171	$ 588,171	$ 636,837	$ 48,666
Interest income	8,500	8,500	11,026	2,526
Total Revenues	596,671	596,671	647,863	51,192
EXPENDITURES				
Current:				
Planning and Community development	838,132	838,132	327,327	510,805
Total Expenditures	838,132	838,132	327,327	510,805
Net Change in Fund Balance	(241,461)	(241,461)	320,536	561,997
Fund Balance - October 1 (Beginning)	2,768,401	2,768,401	2,768,401	-
Fund Balance - September 30 (Ending)	$ 2,526,940	$ 2,526,940	$ 3,088,937	$ 561,997

CORINTH

Gateway to Success

STATISTICAL SECTION

CORINTH

Gateway to Success

STATISTICAL SECTION

This part of the City of Corinth, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 91

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

Revenue Capacity 96

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity 103

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 107

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 110

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CORINTH

Gateway to Success

TABLE D-1

CITY OF CORINTH, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (1), (2), (3), (4), (5), and (6)

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	Fiscal Year									
Governmental Activities	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Net Investment in Capital Assets	$ 42,786,734	$ 42,456,235	$ 40,684,154	$ 41,050,434	$ 39,858,647	$ 41,537,428	$ 38,965,723	$ 37,401,599	$ 36,991,003	$ 37,162,807
Restricted	2,951,097	3,109,568	3,020,980	795,115	6,713,859	2,400,976	2,614,336	3,776,495	4,078,719	1,066,371
Unrestricted	5,847,984	5,762,421	6,112,583	8,395,075	2,683,382	6,854,904	6,708,569	5,660,613	4,522,015	1,767,508
Total Governmental Activities Net Position	$ 51,585,815	$ 51,328,224	$ 49,817,717	$ 50,240,624	$ 49,255,888	$ 50,793,308	$ 48,288,628	$ 46,838,707	$ 45,591,737	$ 39,996,686
Business-type Activities										
Net Investment in Capital Assets	$ 13,801,367	$ 16,086,492	$ 15,604,347	$ 15,881,901	$ 17,746,701	$ 19,490,897	$ 21,783,319	$ 21,661,416	$ 21,552,151	$ 21,568,651
Restricted	-	-	-	-	-	-	-	-	-	645,963
Unrestricted	2,625,039	3,295,736	5,229,817	5,638,822	5,883,737	5,858,618	6,216,578	6,897,008	6,250,406	4,856,975
Total Business-Type Activities Net Position	$ 16,426,406	$ 19,382,228	$ 20,834,164	$ 21,520,723	$ 23,630,438	$ 25,349,515	$ 27,999,897	$ 28,558,424	$ 27,802,557	$ 27,071,589
Primary Government										
Net Investment in Capital Assets	$ 56,588,101	$ 58,542,727	$ 56,288,501	$ 56,932,335	$ 57,605,348	$ 61,028,325	$ 60,749,042	$ 59,063,015	$ 58,543,154	$ 58,731,458
Restricted	2,951,097	3,109,568	3,020,980	795,115	6,713,859	2,400,976	2,614,336	3,776,495	4,078,719	1,712,334
Unrestricted	8,473,023	9,058,157	11,342,400	14,033,897	8,567,119	12,713,522	12,925,147	12,557,621	10,772,421	6,624,483
Total Primary Government Net Position	$ 68,012,221	$ 70,710,452	$ 70,651,881	$ 71,761,347	$ 72,886,326	$ 76,142,823	$ 76,288,525	$ 75,397,131	$ 73,394,294	$ 67,068,275

Governmental Activities:

(1) 2007 restated for debt reallocation.

(2) 2005 through 2009 restated for correction of basis in streets

(3) 2009 restated for reclassification of fund.

(5) 2012 restated for implementation of GASB 63 and GASB 65.

(6) 2015 restated for implementation of GASB 68.

Business-type Activities:

(4) 2009 restated for miscellaneous revenue and debt expenses.

(5) 2012 restated for implementation of GASB 63 and GASB 65.

(6) 2015 restated for implementation of GASB 68.

Source: Exhibit A-1

TABLE D-2

CITY OF CORINTH, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Expenses	**2006**	**2007 (1)**	**2008 (2)**	**2009**	**2010**	**2011**	**2012 (3)**	**2013**	**2014**	**2015 (4)**
Governmental Activities [1]:										
Public Safety	$ 2,570,307	$ 2,745,345	$ 6,891,365	$ 7,956,599	$ 7,716,433	$ 7,454,086	$ 7,769,391	$ 8,188,441	$ 8,558,062	$ 8,937,222
Fire	1,565,570	1,995,931	-	-	-	-	-	-	-	-
Community Services	1,649,758	1,805,271	1,950,842	2,452,756	1,979,094	1,713,873	1,729,610	1,740,402	1,735,618	1,855,018
Public Works	4,105,885	4,065,127	4,571,006	1,784,753	4,152,860	4,268,961	4,829,902	4,726,964	4,655,417	4,661,909
Planning & Development	596,687	744,218	810,774	877,117	875,457	709,683	730,829	731,234	715,554	860,549
City Administration	594,134	713,750	1,425,905	1,340,171	1,876,455	1,663,492	1,607,926	1,631,852	1,854,669	1,873,459
Financial Services	725,165	949,085	702,155	686,977	688,069	634,749	655,335	662,238	665,351	746,482
Interest on Long-Term Debt	578,365	530,981	894,159	969,752	920,663	809,445	821,597	743,848	702,883	613,346
Total Governmental Activities Expenses	12,385,871	13,549,708	17,246,206	16,068,125	18,209,031	17,254,289	18,144,590	18,424,979	18,887,554	19,547,985
Business-Type Activities:										
Water & Wastewater	8,384,025	8,353,563	9,959,789	10,356,404	10,261,683	9,981,826	10,198,636	10,429,711	10,645,670	11,107,570
Storm Water Utility	207,768	347,612	464,127	510,190	527,768	449,894	520,098	515,487	571,624	540,217
Total Business-Type Activities Expenses	8,591,793	8,701,175	10,423,916	10,866,594	10,789,451	10,431,720	10,718,734	10,945,198	11,217,294	11,647,787
Total Primary Government Expenses	$ 20,977,664	$ 22,250,883	$ 27,670,122	$ 26,934,719	$ 28,998,482	$ 27,686,009	$ 28,863,324	$ 29,370,177	$ 30,104,848	$ 31,195,772
Program Revenues										
Governmental Activities [2]:										
Charges for Services:										
Public Safety	$ 133,700	$ 171,534	$ 2,442,177	$ 3,028,462	$ 2,858,365	$ 3,218,248	$ 3,036,630	$ 3,316,940	$ 3,595,280	$ 3,516,328
Community Services	774,741	750,410	208,352	178,695	197,322	305,958	318,297	312,490	377,982	230,940
Public Works	-	-	-	-	-	340,413	72,087	25,895	111,242	209,723
Planning & Development	661,209	493,749	416,347	297,861	298,676	564,447	364,980	342,817	488,706	647,336
City Administration	7,890	13,972	-	-	-	-	-	-	94,979	92,142
Finance Services	252,636	559,992	881,951	1,024,019	1,180,425	177,273	88,599	-	-	-
Operating Grants & Contributions	211,840	202,291	271,544	107,572	166,836	152,477	101,458	144,879	284,954	299,613
Capital Grants & Contributions	688,101	1,055,742	725,200	171,306	1,243,666	858,404	944,835	551,016	-	380,748
Total Governmental Activities Program Revenues	2,730,117	3,247,690	4,945,571	4,807,915	5,945,290	5,617,220	4,926,886	4,694,037	4,953,143	5,376,830
Business-Type Activities:										
Charges for Services:										
Water & Wastewater	8,624,995	8,706,440	10,169,565	10,306,400	11,094,103	12,221,335	11,715,891	11,582,827	10,648,512	10,991,068
Storm Water Utility	364,504	432,848	495,193	552,871	587,074	552,916	655,400	667,215	680,128	692,943
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions	1,265,180	2,127,103	2,071,941	649,055	1,255,490	1,303,744	581,490	192,927	176,068	607,013
Total Business-Type Activities Program Revenues	10,254,679	11,266,391	12,736,699	11,508,326	12,936,667	14,077,995	12,952,781	12,442,969	11,504,708	12,291,024
Total Primary Government Program Revenues	$ 12,984,796	$ 14,514,081	$ 17,682,270	$ 16,316,241	$ 18,881,957	$ 19,695,215	$ 17,879,667	$ 17,137,006	$ 16,457,851	$ 17,667,854
Net (Expense)/Revenue										
Governmental Activities	$ (9,655,754)	$ (10,302,018)	$ (12,300,635)	$ (11,260,210)	$ (12,263,741)	$ (11,637,069)	$ (13,217,704)	$ (13,730,942)	$ (13,934,411)	$ (14,171,155)
Business-Type Activities	1,662,886	2,565,216	2,312,783	641,732	2,147,216	3,646,275	2,234,047	1,497,771	287,414	643,237
Total Primary Government Net Expense	$ (7,992,868)	$ (7,736,802)	$ (9,987,852)	$ (10,618,478)	$ (10,116,525)	$ (7,990,794)	$ (10,983,657)	$ (12,233,171)	$ (13,646,997)	$ (13,527,918)

(1) 2007 restated for debt reallocation
(2) During 2008, the City acquired the Lake Cities Fire Department from other participating cities. Expenses incurred before and after acquisition are reported in public safety.
(3) 2012 restated for implementation of GASB 63 and GASB 65.
(4) 2015 restated for implementation of GASB 68.

Source: Exhibit A-2

TABLE D-3

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Net (Expense)/Revenue	**2006**	**2007 (1)**	**2008 (2)**	**2009**	**2010**	**2011**	**2012 (3)**	**2013**	**2014**	**2015**
Governmental Activities	$ (9,635,934)	$ (10,302,018)	$ (12,300,636)	$ (11,260,210)	$ (12,263,741)	$ (11,637,069)	$ (13,217,704)	$ (13,730,942)	$ (13,934,411)	$ (14,171,155)
Business-Type Activities	1,662,886	2,565,216	2,312,783	641,732	2,147,216	3,646,275	2,234,047	1,497,771	287,414	643,237
Total Primary Government Net Expense	(7,973,048)	(7,736,802)	(9,987,853)	(10,618,478)	(10,116,525)	(7,990,794)	(10,983,657)	(12,233,171)	(13,646,997)	(13,527,918)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	6,894,264	7,362,347	7,784,085	8,288,285	8,117,648	8,236,635	8,292,788	8,501,824	8,674,195	9,291,409
Sales Taxes	1,441,016	1,539,307	1,523,963	1,017,734	1,463,459	1,591,901	1,689,889	1,728,567	1,822,924	1,889,020
Franchise Taxes	1,289,688	667,199	894,191	1,456,065	919,700	1,083,786	1,065,097	967,846	1,039,646	1,074,217
Hotel Occupancy Taxes (4)	-	-	-	-	-	-	-	-	-	67,833
Miscellaneous	37,082	46,395	73,884	95,154	20,050	34,555	143,809	38,121	13,925	45,685
Investment Earnings	427,975	562,353	740,740	318,460	207,718	98,471	63,010	49,427	53,968	55,043
Gain (Loss) on sale of Capital Assets	-	-	-	-	-	-	-	-	-	14,712
Special Item Outflow	-	-	(1,742,435)	-	-	(700,000)	(134,385)	8,556	-	-
Transfers	(22,500)	(138,510)	1,515,701	360,418	550,426	2,734,363	(269,093)	986,679	1,082,783	778,956
Total Governmental Activities	10,067,525	10,039,091	10,790,129	11,536,116	11,279,001	13,079,711	10,851,115	12,281,020	12,687,441	13,216,875
Business-Type Activities:										
Miscellaneous	19,983	103,243	11,212	53,980	355,428	31,858	11,738	5,145	10,216	(391)
Investment Earnings	95,712	164,855	643,642	295,606	157,497	75,308	59,488	42,290	29,280	18,423
Gain (Loss) on sale of Capital Assets	-	-	-	-	-	-	-	-	-	5,333
Special Item Outflow	-	-	-	-	-	700,000	134,385	-	-	-
Transfers	22,500	138,510	(1,515,701)	(360,418)	(550,426)	(2,734,363)	269,093	(986,679)	(1,082,783)	(778,956)
Total Business-Type Activities	138,195	406,608	(860,847)	(10,832)	(37,501)	(1,927,197)	474,704	(939,244)	(1,043,287)	(755,591)
Total Primary Government	$ 10,205,720	$ 10,445,699	$ 9,929,282	$ 11,525,284	$ 11,241,500	$ 11,152,514	$ 11,325,819	$ 11,341,776	$ 11,644,154	$ 12,461,284
Change in Net Position										
Governmental Activities	431,591	(262,927)	(1,510,507)	275,906	(984,740)	1,442,642	(2,366,589)	(1,449,922)	(1,246,970)	(954,280)
Business-Type Activities	1,801,081	2,971,824	1,451,936	630,900	2,109,715	1,719,078	2,708,751	558,527	(755,873)	(112,354)
Total Primary Government	$ 2,232,672	$ 2,708,897	$ (58,571)	$ 906,806	$ 1,124,975	$ 3,161,720	$ 342,162	$ (891,395)	$ (2,002,843)	$ (1,066,634)

(1) 2007 restated for debt reallocation.

(2) During 2008, the City acquired the Lake Cities Fire Department from other participating cities. Expenses incurred before and after acquisition are reported in public safety.

(3) 2012 is restated for implementation of GASB 63 and GASB 65.

(3) Hotel Occupancy Tax was previously reported in the Sales Tax category.

Note: This information is presented using the accrual basis of accounting.

Source: Exhibit A-2

TABLE D-4

CITY OF CORINTH, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

General Fund	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015
Reserved	$ 88,311	$ 152,119	$ 185,245	$ 103,982	$ 143,025	$ -	$ -	$ -	$ -	$ -
Non-Spendable	-	-	-	-	-	216,714	207,875	211,465	222,652	244,486
Unreserved	5,574,219	6,038,090	4,559,689	4,337,600	3,730,485	-	-	-	-	-
Unassigned	-	-	-	-	-	4,552,509	5,246,829	3,950,657	3,587,445	3,482,449
Total General Fund	$ 5,662,530	$ 6,190,209	$ 4,744,934	$ 4,441,582	$ 3,873,510	$ 4,769,223	$ 5,454,704	$ 4,162,122	$ 3,810,097	$ 3,726,935
All Other Governmental Funds										
Reserved	$ 1,259,957	$ 1,517,764	$ 1,130,120	$ 2,660,627	$ 4,666,027	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	4,427,759	2,304,546	2,199,692	1,143,608	1,155,506
Committed	-	-	-	-	-	1,170,771	1,885,185	3,286,748	4,067,270	2,946,280
Unreserved, Reported In:										
Special Revenue Funds	792,626	1,190,922	1,472,819	1,862,162	1,879,248	-	-	-	-	-
Capital Projects Funds	1,672,512	9,324,007	10,639,614	7,670,458	2,054,708	-	-	-	-	-
Unassigned						(268,858)	(351,404)	(441,149)	(579,436)	(480,444)
Total all other Governmental Funds	$ 3,725,095	$ 12,032,693	$ 13,242,553	$ 12,193,247	$ 8,599,983	$ 5,329,672	$ 3,838,327	$ 5,045,291	$ 4,631,442	$ 3,621,342

(1) GASB 54 was implemented in 2011.

Source: Exhibit A-3

CITY OF CORINTH, TEXAS

TABLE D-5

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Revenues	**2006**	**2007[1]**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Taxes	$ 9,618,306	$ 9,498,132	$ 10,247,707	$ 10,771,375	$ 10,530,117	$ 10,911,621	$ 11,048,433	$ 11,210,497	$ 11,538,485	$ 12,329,258
Licenses, Fees and Permits	661,652	468,395	400,375	283,232	304,009	1,091,761	661,689	285,165	903,407	1,050,172
Fines & Penalties	657,395	627,526	670,529	700,857	652,755	634,141	577,101	974,231	723,174	682,284
Charges for Services	468,651	782,146	2,639,945	3,256,122	3,529,997	2,547,590	2,531,739	2,534,668	2,826,329	3,132,880
Investment Earnings	427,975	562,354	740,741	318,461	207,717	98,470	63,010	49,427	53,967	55,043
Donations	-	-	-	-	713,564	1,012,607	947,567	571,827	89,514	96,633
Special Assessments	-	134,798	251,200	114,719	110,972	-	-	-	-	-
Intergovernmental	64,138	182,512	256,369	97,101	269,142	-	-	-	-	-
Other Revenues	433,153	48,776	613,801	99,494	63,697	160,522	205,271	190,849	82,083	123,070
Total Revenues	12,331,270	12,304,639	15,820,667	15,641,361	16,381,970	16,456,712	16,034,810	15,816,664	16,216,959	17,469,340
Expenditures										
Public Safety	2,532,277	2,682,837	8,120,829	7,740,539	8,241,429	8,073,621	7,520,802	8,393,476	9,422,471	9,167,774
Fire	1,565,570	1,995,931	-	-	-	-	-	-	-	-
Community Services	1,722,157	1,662,575	1,888,806	2,309,808	1,825,414	1,752,265	1,794,276	2,113,911	2,405,814	1,765,661
Public Works	1,678,825	1,471,635	1,464,051	929,424	876,510	1,640,574	1,222,644	878,847	1,483,829	2,600,403
Planning & Development	584,199	731,568	822,157	855,155	872,953	699,586	751,109	727,249	718,253	871,281
City Administration	471,180	573,526	1,237,314	1,498,948	1,659,476	1,454,431	1,444,883	1,591,760	1,636,334	1,766,937
Finance Services	669,849	895,690	705,898	685,409	672,763	614,157	641,484	655,646	652,321	732,037
General Government	-	-	1,185,301	973,949	-	-	-	-	-	-
Capital Outlay	-	-	-	-	6,098,235	5,122,041	890,602	27,648	-	-
Debt Service										
Principal	1,437,500	781,750	1,257,650	1,494,683	1,480,700	1,456,375	1,534,125	1,743,686	1,892,482	1,836,489
Interest	580,911	501,107	883,984	910,577	870,581	847,405	813,965	756,738	694,004	627,358
Paying Agent Fees	6,478	15,379	5,064	9,366	-	-	-	-	-	-
Bond Issuance Costs	65,363	149,074	728	1,107	27,827	-	-	-	-	-
Total Expenditures	11,314,309	11,461,072	17,571,782	17,408,965	22,625,888	21,660,455	16,613,890	16,888,961	18,905,508	19,367,940
Excess of Revenues Over (Under) Expenditures	1,016,961	843,563	(1,751,115)	(1,767,604)	(6,243,918)	(5,203,743)	(579,080)	(1,072,297)	(2,688,549)	(1,898,600)
Other Financing Sources (Uses)										
Bonds Issued	3,962,400	12,139,950	-	-	1,500,000	-	-	-	-	-
Payments to Escrow Agent	(4,025,732)	(4,288,930)	-	-	-	-	-	-	-	-
Bond Premium/Discount	36,272	187,925	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	5,434	-	-	-	-	-	-
Sale of Capital Assets	-	91,460	-	-	-	-	42,309	-	839,890	26,382
Transfers In/Out	309,009	(138,510)	1,515,701	360,418	550,426	2,734,363	(269,093)	986,679	1,082,783	778,956
Total Other Financing Sources (Uses)	281,949	7,991,895	1,515,701	365,852	2,050,426	2,734,363	(226,784)	986,679	1,922,673	805,338
Net Change in Fund Balances	$ 1,298,910	$ 8,835,458	$ (235,414)	$ (1,401,752)	$ (4,193,492)	$ (2,469,380)	$ (805,864)	$ (85,618)	$ (765,876)	$ (1,093,262)
Debt Service As A Percentage Of Noncapital Expenditures	22.7%	14.5%	13.9%	16.1%	16.8%	16.2%	17.6%	17.4%	15.8%	14.6%

[1] 2007 restated for debt reallocation.

Source: Exhibit A-5

TABLE D-6

CITY OF CORINTH, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales & Hotel Tax	Franchise Tax	Total
2006	6,887,602	1,441,016	1,289,688	9,618,306
2007 (1)	7,291,626	1,539,307	667,199	9,498,132
2008	7,829,553	1,523,963	894,191	10,247,707
2009	8,297,576	1,456,065	1,017,734	10,771,375
2010	8,142,985	1,463,459	923,673	10,530,117
2011	8,235,934	1,591,901	1,083,786	10,911,621
2012	8,293,447	1,689,889	1,065,097	11,048,433
2013	8,514,084	1,728,567	967,846	11,210,497
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
Percent Change 2006-2015	35.00%	35.80%	-16.71%	28.19%

(1) 2007 restated.

Source: A-5

TABLE D-7

CITY OF CORINTH, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2006	$1,042,745,727	$184,523,945	$12,223,388	$1,215,046,284	$0.55698	$1,225,470,133	99.149%
2007	1,196,414,635	176,068,505	25,555,712	1,346,927,428	0.55698	1,372,483,140	98.138%
2008	1,211,631,679	195,599,938	10,384,265	1,396,847,352	0.55698	1,417,615,882	98.535%
2009	1,187,265,640	190,126,178	16,522,699	1,360,869,119	0.57698	1,393,914,517	97.629%
2010	1,153,359,201	325,754,337	92,100,190	1,387,013,348	0.57698	1,387,013,348	100.000%
2011	1,252,309,929	234,688,468	96,489,458	1,390,508,939	0.59292	1,390,508,939	100.000%
2012	1,211,861,253	268,045,937	88,120,582	1,391,786,608	0.59135	1,391,786,608	100.000%
2013	1,201,904,159	283,761,674	88,447,340	1,397,218,493	0.60489	1,397,218,493	100.000%
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.000%
2015	1,267,097,852	326,129,542	59,168,386	1,652,395,780	0.59489	1,652,395,780	100.000%

Source: Denton Central Appraisal District.

TABLE D-8

CITY OF CORINTH, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

	City Property Tax Rate			Overlapping Rates			
Fiscal Year	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Corinth Municipal Utility District	Denton County
2006	$ 0.43239	$ 0.12459	$ 0.55698	$ 1.86400	$ 1.86000	$ 0.31000	$ 0.24648
2007	0.44739	0.10959	0.55698	1.76400	1.79000	0.31000	0.23192
2008	0.43852	0.13846	0.57698	1.49000	1.65000	0.31000	0.23577
2009	0.43852	0.13846	0.57698	1.49000	1.65000	0.21000	0.24980
2010	0.43852	0.13846	0.57698	1.53000	1.67000	0.15000	0.27390
2011	0.44946	0.14346	0.59292	1.53000	1.67000	-	0.27740
2012	0.44789	0.14346	0.59135	1.53000	1.67000	-	0.27740
2013	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28290
2014	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	-	0.27220

Source: Denton County Appraisal District

TABLE D-9

CITY OF CORINTH, TEXAS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**
Denton County Elec Coop	21,030,718	1	1.27%	11,094,119	2	0.91%
S. Corinth Apartments LLC DBA The Boulev	15,178,509	2	0.92%			
TXU Electric Delivery Co	12,883,342	3	0.78%	13,954,760	1	1.15%
MPT of Corinth LP	12,815,000	4	0.78%			
HD Supply Utilities LTD #3430	12,613,427	5	0.76%			
Utter Properties, LLC	8,712,098	6	0.53%	5,693,439	7	0.47%
Texas NHI Investors LLC	8,390,000	7	0.51%			
Tower Ridge Corinth I, LTD	8,076,706	8	0.49%			
Utter, Bill	6,946,009	9	0.42%	4,909,784	8	0.40%
2-10 Properties LLC	6,477,481	10	0.39%			
Upsilon Corp				8,118,741	3	0.67%
Boeing - Corinth Inc.				7,685,799	4	0.63%
Kensington Square LP PS				6,365,745	5	0.52%
Albertson's				5,842,867	6	0.48%
Hughes Supply Inc				4,860,649	9	0.40%
CMC Land Inc				4,661,519	10	0.38%
Total	113,123,290		6.85%	73,187,422		6.02%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS

TABLE D-10

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006	6,770,070	6,706,697	99.06%	62,241	6,768,938	99.98%
2007	7,234,271	7,166,741	99.07%	66,275	7,233,016	99.98%
2008	7,497,484	7,428,184	99.08%	66,965	7,495,149	99.97%
2009	8,213,110	8,155,554	99.30%	55,655	8,211,209	99.98%
2010	8,124,258	8,023,338	98.76%	83,940	8,107,278	99.79%
2011	8,222,763	8,121,978	98.77%	80,705	8,202,683	99.76%
2012	8,298,852	8,207,634	98.90%	67,162	8,274,796	99.71%
2013	8,451,696	8,425,528	99.69%	225	8,425,753	99.69%
2014	8,655,958	8,630,897	99.71%	-	8,630,897	99.71%
2015	9,188,784	9,159,780	99.68%	-	9,159,780	99.68%

Source: Denton County Tax Office

TABLE D-11

CITY OF CORINTH, TEXAS

TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (1)
Agriculture, Forestry, Fishing	-	-	-	-	-	-	-	-	-	-
Construction	2,537,401	6,400,892	4,351,614	1,746,710	311,261	942,329	2,181,247	2,864,383	2,318,987	1,474,205
Manufacturing	4,962,686	2,636,616	3,006,576	2,753,171	923,369	738,044	484,720	449,875	626,667	205,574
Transportation, Communications, Utilities	78,610,397	85,742,334	103,385,801	88,626,467	90,520,993	90,939,863	82,316,673	92,911,304	109,928,880	53,186,352
Wholesale Trade	6,764,242	3,266,001	2,618,569	2,659,948	3,213,997	4,319,250	2,497,630	3,018,201	3,088,654	4,725,962
Retail Trade	22,304,776	24,101,476	22,599,645	19,620,574	20,762,549	22,850,992	26,103,441	26,976,933	27,897,192	13,728,696
Services	2,295,353	4,163,780	4,513,536	4,639,562	4,879,098	5,710,772	6,865,632	6,731,718	7,243,623	3,538,482
Other	23,256,965	25,868,213	18,291,600	14,022,886	19,772,152	21,602,742	23,290,303	24,292,304	24,646,966	12,355,232
Total	140,731,820	152,179,312	158,767,341	134,069,318	140,383,419	147,103,992	143,739,646	157,244,718	175,750,969	89,214,503
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(1) Due to a reporting lag from the State Comptroller's Office, sales tax for 2015 reports only the first two quarters.

Source: Texas State Comptroller

TABLE D-12

CITY OF CORINTH, TEXAS

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax
2006	1.00%	0.25%	0.50%	0.25%
2007	1.00%	0.25%	0.50%	0.25%
2008	1.00%	0.25%	0.50%	0.25%
2009	1.00%	0.25%	0.50%	0.25%
2010	1.00%	0.25%	0.50%	0.25%
2011	1.00%	0.25%	0.50%	0.25%
2012	1.00%	0.25%	0.50%	0.25%
2013	1.00%	0.25%	0.50%	0.25%
2014	1.00%	0.25%	0.50%	0.25%
2015	1.00%	0.25%	0.50%	0.25%

Source: City of Corinth Finance department

TABLE D-13

CITY OF CORINTH, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	General Bonded Debt					Other Governmental Activities Debt
Fiscal Year	General Obligation Bonds	Certificates of Obligation/ Tax Notes	Total Tax Supported Debt	Percent of Actual Taxable Value of Property	Per Capita	Capital Leases
2006	$ 13,257,400	$ 135,000	$ 13,392,400	1.10%	$ 722	$ 87,645
2007	12,599,150	7,780,000	20,379,150	1.51%	1,048	67,098
2008	11,791,500	9,154,333	20,945,833	1.50%	1,066	45,667
2009	10,978,150	8,473,000	19,451,150	1.43%	983	23,314
2010	10,106,450	9,364,000	19,470,450	1.40%	977	-
2011	9,082,075	10,860,931	19,943,006	1.43%	1,000	-
2012	8,004,950	10,403,931	18,408,881	1.32%	922	-
2013	6,887,875	8,682,775	15,570,650	1.11%	774	-
2014	5,738,000	8,021,998	13,759,998	0.96%	669	758,058
2015	4,611,500	7,388,904	12,000,404	0.73%	582	683,391

	Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Capital Leases	Total Primary Government	Per Capita	Percent of Personal Income
2006	$ 2,782,600	$ -	$ 2,782,600	$ 87,645	$ 16,350,290	$ 881	2.48%
2007	2,615,850	15,930,000	18,545,850	67,098	39,059,196	2,008	5.50%
2008	2,413,500	13,620,667	16,034,167	45,667	37,071,334	1,887	5.26%
2009	2,176,850	13,327,000	15,503,850	23,314	35,001,628	1,769	4.78%
2010	1,923,550	12,956,000	14,879,550	-	34,350,000	1,724	4.65%
2011	1,777,925	10,509,069	12,286,994	-	32,230,000	1,617	4.35%
2012	1,625,050	11,060,615	12,685,665	-	31,094,546	1,558	4.40%
2013	1,467,125	10,492,224	11,959,349	-	27,529,999	1,368	3.75%
2014	1,307,000	9,898,002	11,205,002	-	25,723,058	1,250	3.34%
2015	1,063,500	9,341,096	10,404,596	-	23,088,391	1,120	2.92%

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

TABLE D-14

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Percent of Actual Taxable Value of Property	Per Capita
2006	13,257,400	1.08%	715
2007	12,599,150	0.92%	648
2008	11,791,500	0.83%	600
2009	10,978,150	0.79%	555
2010	10,106,450	0.73%	507
2011	9,082,075	0.65%	456
2012	8,004,950	0.58%	401
2013	6,887,875	0.49%	342
2014	5,738,000	0.40%	279
2015	4,611,500	0.28%	224

Source: City of Corinth Finance department

TABLE D-15

CITY OF CORINTH, TEXAS

DIRECT AND OVERLAPPING

GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	$ 634,275,000	2.42%	$ 15,349,455
Denton ISD	879,287,344	6.90%	60,670,827
Lake Dallas ISD	85,340,014	45.61%	38,923,580
Other Debt			
Denton County Capital Leases	829,518	2.42%	20,074
Denton ISD Capital Leases	689,659	6.90%	47,586
Lake Dallas ISD	464,697	45.61%	211,948
Subtotal, Overlapping Debt			115,223,471
City Direct Debt			22,405,000
Total Direct and Overlapping Debt			$ 137,628,471

Source: First Southwest Financial Services

TABLE D-16

CITY OF CORINTH, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	$ 118,622,835	$ 121,504,628	$ 134,609,581	$ 142,209,231	$ 138,701,335	$ 139,050,693	$ 139,178,661	$ 139,721,850	$ 143,078,278	$ 165,239,578
Total Net Debt Applicable to Limit	17,245,000	38,925,000	36,980,000	34,200,916	30,682,714	28,552,904	28,999,184	26,529,182	24,636,963	22,180,581
Legal Debt Margin	$ 101,377,835	$ 82,579,628	$ 97,629,581	$ 108,008,315	$ 108,018,621	$ 110,497,789	$ 110,179,477	$ 113,192,668	$ 118,441,315	$ 143,058,997
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	14.54%	32.04%	27.47%	24.05%	22.12%	20.53%	20.84%	18.99%	17.22%	13.42%

Assessed Value	$ 1,652,395,780
Debt Limit (10% of Assessed Value)	165,239,578
Debt Applicable to Limit:	
General Obligation Bonds	22,405,000
Less: Amount Set Aside for Repayment of General Bonded Debt	224,419
Total Net Debt applicable to Limit	22,180,581
Legal Debt Margin	$ 143,058,997

Source: City of Corinth Finance department

TABLE D-17

CITY OF CORINTH, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population [1]	18,550	19,450	19,650	19,788	19,926	19,935	19,961	20,126	20,578	20,620
Median Household Income [2]	91,266	93,776	92,179	95,696	96,653	99,127	101,176	104,211	106,877	109,543
Per Capita Personal Income [1]	35,521	36,498	35,876	36,987	37,097	37,135	35,388	36,450	37,411	38,372
Median Age [1]	31	31	32	32	32	33	36	36	36	36
Education Level [1], [3]										
School Enrollment	N/A	N/A	N/A	N/A	3,465	3,338	3,533	3,398	3,490	3,582
High school graduate or higher	96%	96%	96%	96%	96%	96%	96%	97%	97%	97%
Bachelor's degree or higher	39%	39%	39%	40%	42%	42%	43%	40%	42%	42%
Unemployment [4]	3.80%	4.00%	4.80%	7.10%	7.10%	6.60%	5.70%	5.30%	4.40%	4.40%

[1] The figures for 2009-2013 are estimates from American FactFinder and the figures for 2014-2015 are estimates based on current trends.

[2] These figures are based on Catalyst Commercial and current trends.

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA) for 2010-2014; and the figure provided for 2015 is an estimate based on current trends.

[4] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

TABLE D-18

CITY OF CORINTH, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2015			2006 [1]		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
North Central Texas College	380	1	8.76%			
CoServ	350	2	8.07%			
Lake Dallas ISD	183	3	4.22%			
City of Corinth	158	4	3.64%			
Bill Utter Ford	150	5	3.46%			
Albertsons	100	6	2.31%			
Orr Nissan	100	7	2.31%			
HD Supply Utilities 60	60	8	1.38%			
Oakmont Country Club	58	9	1.34%			
McClain's RV Ft. Worth Inc.	50	10	1.15%			
Total	1,589		36.64%			

[1] 2006 Employer data is unavailable.

Source: City of Corinth Economic Development

TABLE D-19

CITY OF CORINTH, TEXAS

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Legal	-	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Police	30.00	31.00	31.00	31.00	28.00	28.00	28.00	31.00	32.00	33.00
Animal Control	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Lake Cities Fire Department [2]	38.00	40.00	41.00	41.00	41.00	41.00	40.00	40.00	41.00	41.00
Streets	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00
Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development [3]	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Planning	2.00	4.00	5.00	5.00	4.00	4.00	3.00	4.00	5.00	5.00
Code Enforcement [3]	3.00	1.00	1.00	-	-	-	-	-	-	-
Municipal Court	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Parks & Recreation	17.00	18.30	18.30	18.30	17.80	17.80	17.50	17.50	16.00	16.00
Finance [1]	5.00	6.00	7.00	7.00	6.50	6.50	6.50	6.50	7.50	7.50
Human Resources [1]	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information Services [1]	1.00	2.00	2.00	2.00	2.50	2.50	3.00	3.00	4.00	4.00
Water/Wastewater Fund										
Water/Wastewater	23.60	23.00	23.00	23.00	21.00	21.00	21.00	21.00	21.00	22.00
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Corinth Economic Development Cor	2.00	1.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Crime Control District Fund	-	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Child Safety Program Fund	-	-	-	-	0.34	0.34	0.34	0.50	0.50	0.50
Court Security Fund	-	-	-	-	-	-	-	-	-	0.50
Total	152.10	157.80	165.80	164.80	158.64	158.64	156.84	159.00	162.50	163.00

[1] Human Resources and Information Services were combined with Finance from 1999 through 2005.

[2] The Lake Cities Fire Department became a wholly integrated department of the City of Corinth on January 18, 2008.

[3] Code Enforcement was combined with Community Development from 1999 through 2004.

Source: City of Corinth Adopted Budget.

TABLE D-20

CITY OF CORINTH, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
New Single Family Home Building Permits	108	50	18	20	25	32	18	18	23	47
New Commercial Building Permits	9	3	7	2	2	2	2	-	4	5
Police										
Physical Arrests	836	572	565	531	516	410	349	316	304	329
Parking Violations	38	51	22	41	20	38	14	3	7	22
Traffic Violations	8,711	7,102	6,756	5,978	6,046	5,544	5,787	7,021	7,436	7,196
Fire										
Emergency Responses [1]	930	1,089	2,235	2,198	2,422	2,600	2,655	2,889	3,164	3,372
Structure Fires Extinguished	29	42	33	55	56	66	49	36	21	18
Inspections	137	349	330	313	376	395	180	621	434	204
Other Public Works										
Street Resurfacing (miles)	<1	1	<1	<1	2.5	2.7	1.5	<1	<1	<1
Potholes Repaired	461	6,080	1,275	1,110	637	1,160	2,948	120	77	244
Parks and Recreation										
Classes offered (hours) [2]	565	526	1,935	1,424	894	454	273	286	437	310
Participants	4,150	3,758	7,501	7,162	4,420	4,105	1,936	2,225	3,822	6,609
Special events (hours) [2]	124	117	698	963	1,351	4,484	1,054	2,381	3,432	2,699
Class Participants [3]	21,284	22,000	18,187	22,065	31,409	39,567	8,312	4,714	5,185	2,394
Association Participants [4]	-	24,880	82,890	83,010	115,910	126,940	25,236	20,327	18,806	29,792
Athletic League Participants [4]	-	-	-	-	-	-	67,056	32,022	22,944	7,936
Recreation center Participants [5]	12,453	15,768	10,072	7,095	5,327	4,243	7,610	8,088	4,862	2,510
Water										
New Connections	131	98	12	15	35	50	18	19	26	56
Water Main Breaks	47	5	11	26	9	8	3	13	9	8
Average Daily Consumption (millions of gallons billed)	3.55	2.45	2.66	2.60	2.24	3.77	4.24	3.66	3.16	3.54
Peak Demand (millions of gallons pumped)	7.35	5.59	7.00	6.24	6.36	7.99	7.32	6.08	6.01	6.71
Wastewater										
New Connections	22	151	14	16	35	43	18	19	23	51
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District [6]	0.67	1.05	1.01	1.05	1.20	1.02	1.10	1.08	1.06	1.19
City of Denton (estimate) [6] [7]	1.25	0.70	0.92	0.84	0.92	0.30	1.78	0.25	0.29	0.20

[1] In fiscal year 2008 the Lake Cities Fire department was incorporated into the City of Corinth. Emergency responses include all four cities that the Lake Cities Fire department serves.
[2] The information provided for fiscal years 2004 through 2007 reflects the number of classes/special events and does not reflect the total hours.
[3] In prior years class participants included volunteers and hours, in FY2012 the methodology was revised to only count the actual participants.
[4] In FY2012 the City started managing the baseball programs so athletic participation was added to be able to track City program participation. In 2014-15 the City turned over the baseball program to the Softball Association.
[5] In FY 2007 the City Lost the use of Crownover Middle School recreation facilities and reduced hours at the Woods Building recreation center for construction.
[6] The City transferred some flows from the Denton sewer basin to the Upper Trinity sewer basin beginning in February, 2007.
[7] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; flows are based on estimates.

Source: Various City of Corinth departments.

TABLE D-21

CITY OF CORINTH, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	18	18	18
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets (miles) [1]	100.00	107.89	110.00	110.00	110.50	110.50	88.99	88.99	88.99	89.44
Highways (miles) [2]	3.10	3.10	3.10	3.10	3.10	3.10	6.29	6.29	6.29	6.29
Traffic Signals	1	2	2	2	2	6	7	8	8	8
Parks and Recreation										
Acreage	182	184	184	184	184	184	184	184	184	184
Playgrounds	10	11	11	11	11	11	11	11	11	11
Baseball/Softball Fields	7	7	8	8	8	8	8	8	9	9
Soccer/Football Fields	6	6	6	6	6	6	6	8	8	8
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Trails (miles)	11.66	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	6,574	6,672	6,671	6,719	6,766	6,780	6,809	6,810	6,831	6,977
Water Mains (miles)	104.60	103.29	103.29	105.47	106.14	108.06	110.40	110.63	111.77	112.70
Fire Hydrants	750	732	732	774	785	787	810	822	826	836
Storage Capacity (millions of gallons)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.50
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Wastewater										
Connections	6,267	6,418	6,413	6,452	6,433	6,512	6,537	6,536	6,573	6,705
Sanitary Sewers (miles)	95.20	93.68	93.68	96.21	96.38	97.64	97.88	98.33	98.09	98.30
Storm Sewers (miles)	30.04	31.00	31.00	33.46	35.30	36.85	38.37	38.73	38.71	39.80
Treatment Capacity, UTRWD (MGD) [3]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82

[1] The reduction in streets is due to the elimination of unpaved streets from the database.

[2] The increase in highways is due to the addition of the northbound and southbound roadways.

[3] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.

Source: Various City of Corinth departments.

BUSINESS ITEM 9.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: DATCU Sign Variance - Second Sign

Submitted For: Fred Gibbs, Director **Submitted By:** Jeremy Booker, Building Official

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on a sign variance for DATCU-Corinth Addition, Lot 1, Block A in the City of Corinth, Denton County, Texas having a physical address of 5940 I-35E, Corinth, TX 76210 in order to allow more than one attached wall sign per street frontage as specified in the current sign regulations.

AGENDA ITEM SUMMARY/BACKGROUND

DATCU is requesting a variance to the sign regulations in order to allow a second attached wall sign for the new Corporate Headquarters. *Section 4.01.15 (C) (4)* of the **Unified Development Code** states that a business shall be allowed one (1) sign per street frontage. The DATCU headquarters fronts on one street and currently has an attached wall sign in place.

The applicant is proposing to add a second sign along the right side of the building, which faces to the north. The proposed sign will be similar in appearance to the existing sign.

Undue Hardship Required. *Section 4.01.14 (A) (2)* of the **Unified Development Code** states that in granting a sign variance, City Council shall determine that a literal enforcement of the sign regulations will create an undue hardship or practical difficultly on the applicant, that the situation causing the undue hardship or practical difficulty is unique to the affected property and is not self-imposed, that the sign variance will not injure and will be wholly compatible with the use and permitted development of adjacent properties, and that the granting of the sign variance will be in harmony with the spirit and purpose of the sign regulations.

RECOMMENDATION

Staff recommends approval of this variance request.

Attachments

Variance Application - Second Sign

Site Plan

Sign Dimensions

North Elevation

REC'D FEB 18 2016

City of Corinth
Application for Sign Variance

CITY OF CORINTH, TEXAS **FILING DATE:** _____

PROPERTY INFORMATION:

STREET ADDRESS: 5940 Interstate 35 East

ADDITION: JB Thetford Survey Abstract #1308 LOT NO. 1 BLOCK NO. A

TO THE CITY COUNCIL:

DATCU Credit Union 940-387-8585 (overall #)
(Applicant) Updated REC'D FEB 29 2016 (Applicant's Phone Number)

225 W. Mulberry St., Denton, Tx 76201
(Applicant's Address – Street, City & Zip Code)

Susan Passariello acting for Glen McKeggie (president) 940-442-5485
(Applicant) (Applicant's Phone Number)

_____
(Applicant's Address – Street, City & Zip Code)

PLEASE COMPLETE THE FOLLOWING INFORMATION IF OTHER THAN APPLICANT:

_____
(Property Owner) (Owner's Telephone Number)

_____
(Owner's Address – Street, City & Zip Code)

_____
(Tenant Name) (Tenant's Telephone Number)

_____
(Tenant's Address – Street, City & Zip)

In accordance with the provisions of the Sign Ordinance, appeal is now made to the City Council to grant the following variance request:

Due to the height and Barriers along Interstate 35 E, we are requesting that we be given a permit for an additional sign on the north side of our headquarters, (2nd story). It would be lit at night and enable Southbound traffic to know the occupant of Building.

In order to grant a variance, the City Council must determine that ALL of the following conditions exist. **Financial hardship to the applicant alone is not sufficient reason to approve a variance.* State how your request meets these conditions.

a) That literal enforcement of the sign regulations will create an unnecessary hardship or a practical difficulty on the applicant.

It is important that Vendors, applicants, and those visiting our facility have clear signage as to where we are located. The height and Barriers on Interstate 35 do impide vision for some signage.

b) That the situation causing the unnecessary hardship or practical difficulty is unique to the affected property and is not self-imposed.

Our Building is a 2-story structure and from the Interstate, at many angles one cannot see signage. We need additional signage for Southbound traffic to identify our Building at DATCU.

c) That granting the variance will not injure and will be wholly compatible with the use and permitted development of adjacent properties.

Signage is compatible with other signage in the look and color and will compliment our Building and will not impede others around our location.

d) That the variance when granted is in harmony with the general purpose and intent of the ordinance or its amendments.

The additional sign will be on the Building (2nd story) and will enable visitors to identify our location more easily.

I do hereby certify that the above statements are true and correct to the best of my knowledge.

Susan Passarella
(Applicant's Signature)

Subscribed and sworn to before me this 17 day of February, 2016, by Adrianne Bielak, who on his/her oath certifies that the above statements are true and correct to the best of his/her knowledge.

Adrianne Bielak
(Notary Public)

1/06/2020
My Commission expires

NOTARY PUBLIC STATE OF TEXAS
ADRIANNE BIELAK
Notary Public
State of Texas
ID # 13048756-0
My Comm. Expires 01-06-2020

Authorization of Agent

We, the undersigned, being owners of subject real property, do hereby authorize (please print):

NAME: Susan Passariello (for DATCU Credit Union)

ADDRESS: 225 W. Mulberry St., Denton, TX 76201

to act as our Agent in the matter of this request. The term agent shall be construed to mean any lessee, developer, option holder, or authorized individual who is authorized to act in behalf of the owner(s) of said property.

(Form to be signed below by all owners of the property to be rezoned.)

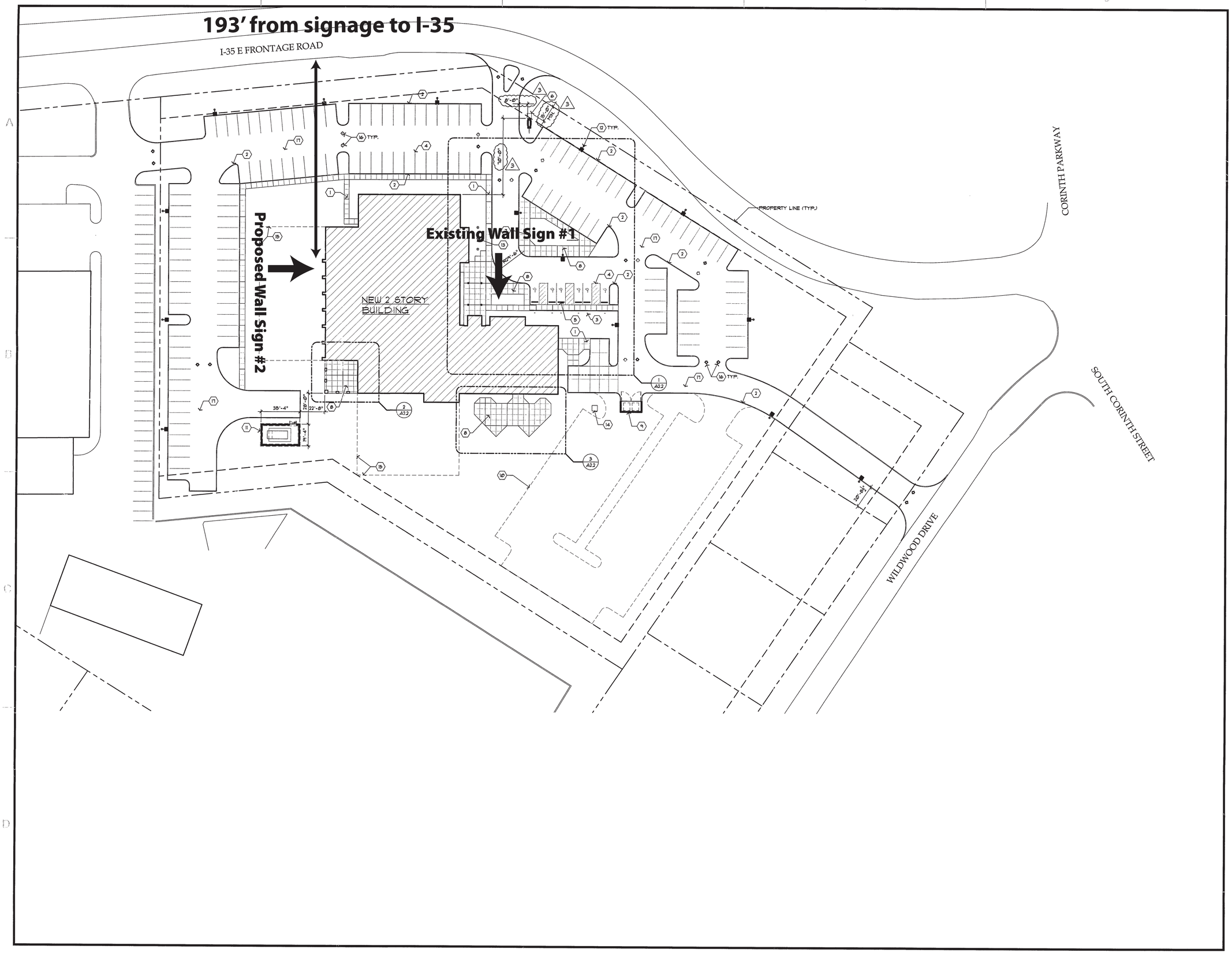
Signature	**Mailing Address**

Subscribed and sworn to before me this 17 day of February, 2016.

Adrianne Bielak
(Notary Public)

1/06/2020
My Commission expires

ADRIANNE BIELAK
Notary Public
State of Texas
ID # 13048756-0
My Comm. Expires 01-06-2020



NEWGROUND
CELEBRATING 100 YEARS

ARCHITECT
Thomas D. Auer, AIA, NCARB
15450 South Outer Forty Drive, Suite 300
Chesterfield, MO 63017
636.898.8100

CONSULTANTS
NewGround International, Inc.
15450 South Outer Forty Drive, Suite 300
Chesterfield, MO 63017
636.898.8100
Certificate No. E-15408

Cowell Engineering
3008 Sutton Boulevard
Saint Louis, MO 63143
314.644.4002
Certificate No. E-6540

Henderson Engineers, Inc.
15851 North Dallas Parkway, Suite 240
Addison, TX 75001
972.386.4884
Certificate No. F-3126

REGISTERED ARCHITECT
THOMAS D. AUER
18496
STATE OF TEXAS

DO NOT REPRODUCE
This document contains confidential information, and is an instrument of service and property of the architect. It shall not be used on other projects or for the extension of this project without the Architect's written approval.

DATCU HEADQUARTERS BUILDING
CORINTH, TEXAS

ASI # 27	3	08-13-2015
ASI # 19	2	05-14-2015
ADD'M # 1	1	07-01-2014

Issued for Construction 06-18-2014
Issue Date: 08-07-2014
Arch. / Engr: D. WILCOXEN
Drawn By: E. TIAHRT
Project No. 29203
Title: ARCHITECTURAL SITE PLAN
Sheet No.
A2.1

Oracal 8800 063 melon
Flush Mounted Lighted Channel Letters (no raceway)

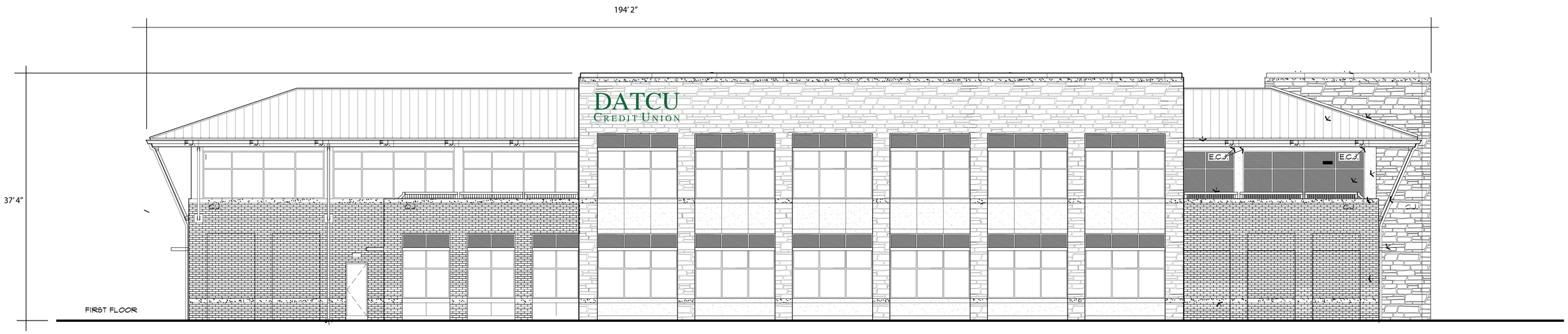
30″

16″

DATCU
Credit Union

11.25″

153″



North Elevation

BUSINESS ITEM 10.

City Council Regular and Workshop Session
Meeting Date: 03/17/2016
Title: DATCU Sign Variance - Size
Submitted For: Fred Gibbs, Director **Submitted By:** Jeremy Booker, Building Official
Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Consider and act on a sign variance for DATCU-Corinth Addition, Lot 1, Block A in the City of Corinth, Denton County, Texas having a physical address of 5940 I-35E, Corinth, TX 76210 in order to allow an attached wall sign that exceeds the maximum letter height as specified in the current sign regulations.

AGENDA ITEM SUMMARY/BACKGROUND

DATCU is requesting a variance to the sign regulations in order to allow an attached wall sign for the new Corporate Headquarters that exceeds the maximum letter height. *Section 4.01.15 (C) (2), Table 29: Maximum Letter Height* of the **Unified Development Code** limits the letter height for an attached sign that is located two hundred (200) feet or less from the right-of-way to a maximum twenty-four (24) inches in height. The proposed sign is located one hundred ninety-three (193) feet from the right-of-way..

The applicant is proposing an attached wall sign with a double row of letters with the first row being thirty (30) inches tall, which exceeds the maximum height allowed of twenty-four (24) inches. The second row of letters is proposed to be a maximum of sixteen (16) inches and will comply with the sign regulations.

Undue Hardship Required. *Section 4.01.14 (A) (2)* of the **Unified Development Code** states that in granting a sign variance, City Council shall determine that a literal enforcement of the sign regulations will create an undue hardship or practical difficulty on the applicant, that the situation causing the undue hardship or practical difficulty is unique to the affected property and is not self-imposed, that the sign variance will not injure and will be wholly compatible with the use and permitted development of adjacent properties, and that the granting of the sign variance will be in harmony with the spirit and purpose of the sign regulations.

RECOMMENDATION

Staff recommends approval of this variance request.

Attachments

Variance Application - Size
Site Plan
Sign Dimensions
North Elevation

REC'D FEB 18 2016

City of Corinth
Application for Sign Variance

CITY OF CORINTH, TEXAS **FILING DATE:** _____

PROPERTY INFORMATION:

STREET ADDRESS: 5940 Interstate 35 East

ADDITION: JB Hatford Survey Abstract # 1308 LOT NO. 1 BLOCK NO. A

TO THE CITY COUNCIL: (updated)

REC'D FEB 29 2016

DATCU Credit Union 940-387-8585
(Applicant) (Applicant's Phone Number)

225 W. Mulberry St., Denton, TX 76201
(Applicant's Address – Street, City & Zip Code)

Susan Passariello acting for Glen McKenzie DATCU 940-442-5485
(Applicant) (Applicant's Phone Number)

_____
(Applicant's Address – Street, City & Zip Code)

PLEASE COMPLETE THE FOLLOWING INFORMATION IF OTHER THAN APPLICANT:

_____
(Property Owner) (Owner's Telephone Number)

_____
(Owner's Address – Street, City & Zip Code)

_____
(Tenant Name) (Tenant's Telephone Number)

_____
(Tenant's Address – Street, City & Zip)

In accordance with the provisions of the Sign Ordinance, appeal is now made to the City Council to grant the following variance request:

We are seeking approval for a 2nd sign on the DATCU Credit Union Headquarters that ~~the sign~~ is oversized. It is exactly like the "DATCU" on the front of the Building with the Exception that we are adding "Credit Union" under the name.

In order to grant a variance, the City Council must determine that ALL of the following conditions exist. **Financial hardship to the applicant alone is not sufficient reason to approve a variance.* State how your request meets these conditions.

a) That literal enforcement of the sign regulations will create an unnecessary hardship or a practical difficulty on the applicant.

At the time that we submitted prior sign variance Requests (monument) we really didn't anticipate how hard it would Be for traffic to see our sign. The height of Interstate 35 does impede full vision. Adding another roof level sign facing Southbound traffic is needed.

b) That the situation causing the unnecessary hardship or practical difficulty is unique to the affected property and is not self-imposed.

We Believe that additional signage is needed for traffic traveling Southbound and at roof level and lit it will Be seen. The size is compatible with our Building and is not obstructive.

c) That granting the variance will not injure and will be wholly compatible with the use and permitted development of adjacent properties.

This new signage size is totally compatible with the size of our structure and Building height.

d) That the variance when granted is in harmony with the general purpose and intent of the ordinance or its amendments.

The size is not intrusive as it is on the Building (2nd story) to identify our headquarters.

I do hereby certify that the above statements are true and correct to the best of my knowledge.

Susan Passaniello
(Applicant's Signature)

Subscribed and sworn to before me this 17 day of February, 2016, by Adrianne Bielak, who on his/her oath certifies that the above statements are true and correct to the best of his/her knowledge.

Adrianne Bielak
(Notary Public)

1/06/2020
My Commission expires

NOTARY PUBLIC STATE OF TEXAS
ADRIANNE BIELAK
Notary Public
State of Texas
ID # 13048756-0
My Comm. Expires 01-06-2020

Authorization of Agent

We, the undersigned, being owners of subject real property, do hereby authorize (please print):

NAME: Susan Passariello (for DATCU Credit Union)

ADDRESS: 225 W. Mulberry St., Denton, TX 76226

to act as our Agent in the matter of this request. The term agent shall be construed to mean any lessee, developer, option holder, or authorized individual who is authorized to act in behalf of the owner(s) of said property.

(Form to be signed below by all owners of the property to be rezoned.)

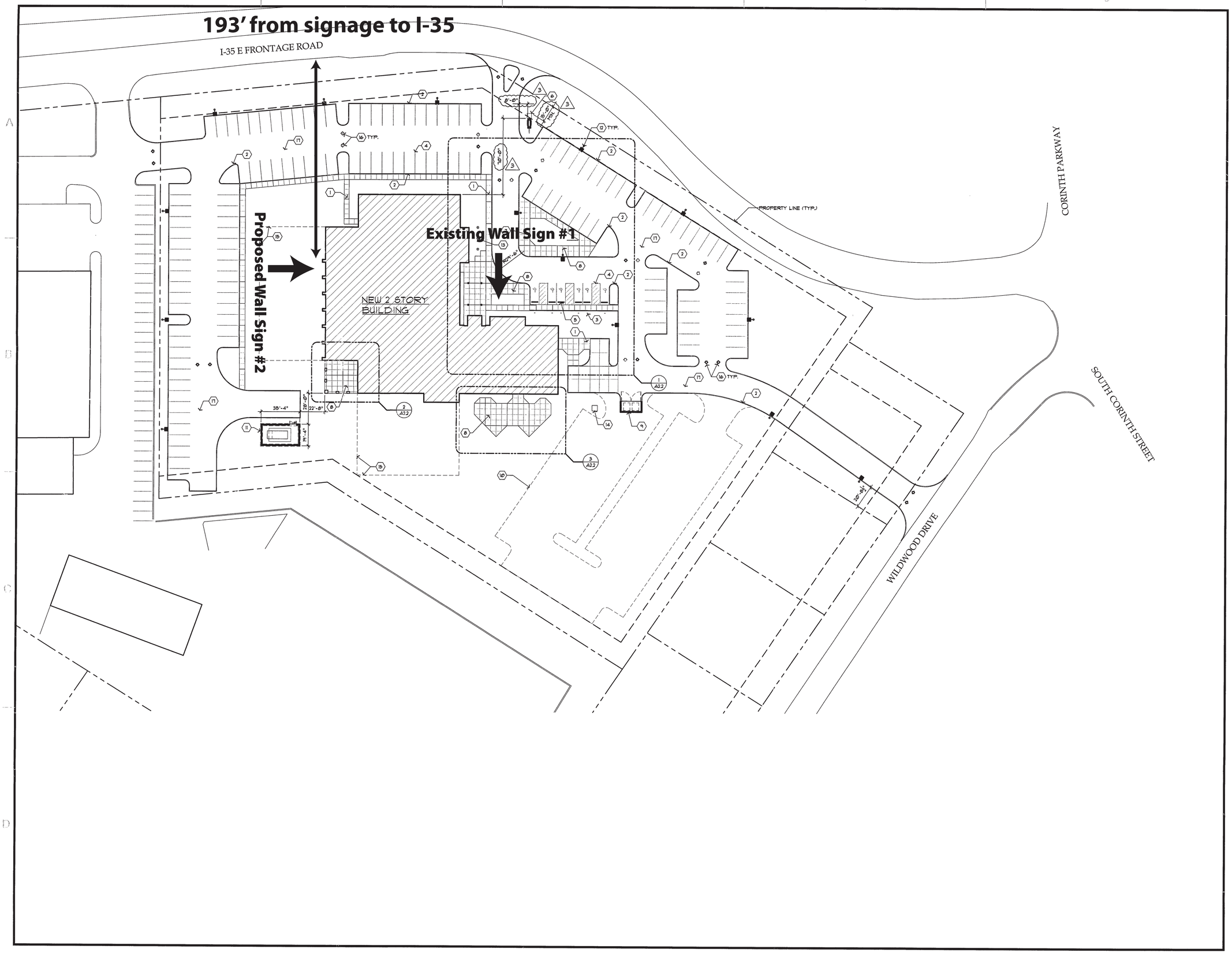
Signature	**Mailing Address**

Subscribed and sworn to before me this 17 day of February, 2016.

Adrianne Bielak
(Notary Public)

1/06/2020
My Commission expires

ADRIANNE BIELAK
Notary Public
State of Texas
ID # 13048756-0
My Comm. Expires 01-06-2020



NEWGROUND
CELEBRATING 100 YEARS

ARCHITECT
Thomas D. Auer, AIA, NCARB
15450 South Outer Forty Drive, Suite 300
Chesterfield, MO 63017
636.898.8100

CONSULTANTS
NewGround International, Inc.
15450 South Outer Forty Drive, Suite 300
Chesterfield, MO 63017
636.898.8100
Certificate No. E-15408

Cowell Engineering
3008 Sutton Boulevard
Saint Louis, MO 63143
314.644.4002
Certificate No. E-6540

Henderson Engineers, Inc.
15851 North Dallas Parkway, Suite 240
Addison, TX 75001
972.386.4884
Certificate No. F-3126

REGISTERED ARCHITECT
THOMAS D. AUER
18496
STATE OF TEXAS

DO NOT REPRODUCE
This document contains confidential information, and is an instrument of service and property of the architect. It shall not be used on other projects or for the extension of this project without the Architect's written approval.

DATCU HEADQUARTERS BUILDING
CORINTH, TEXAS

ASI # 27	3	08-13-2015
ASI # 19	2	05-14-2015
ADD'M # 1	1	07-01-2014

Issued for Construction 06-18-2014
Issue Date: 08-07-2014
Arch. / Engr: D. WILCOXEN
Drawn By: E. TIAHRT
Project No. 29203
Title: ARCHITECTURAL SITE PLAN
Sheet No.
A2.1

Oracal 8800 063 melon
Flush Mounted Lighted Channel Letters (no raceway)

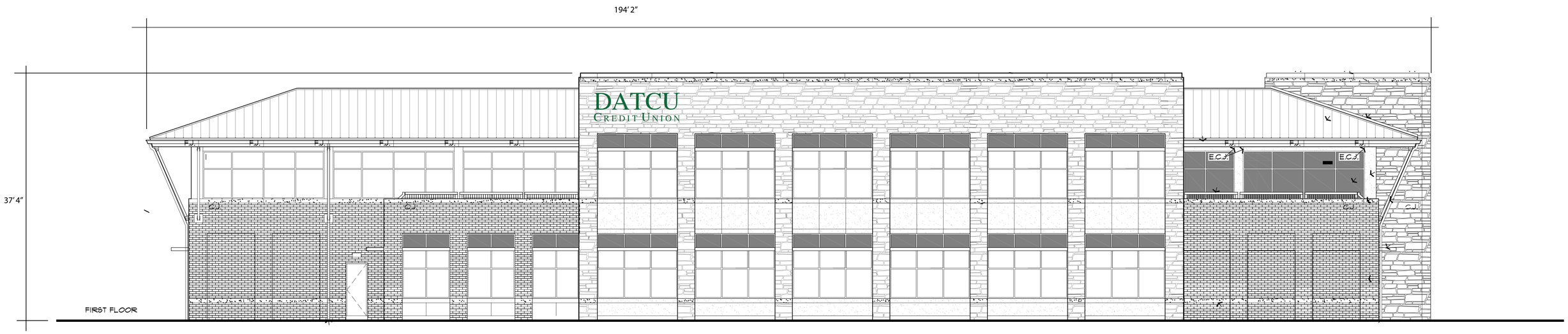
30″

16″

DATCU
Credit Union

11.25″

153″



North Elevation

BUSINESS ITEM 11.

City Council Regular and Workshop Session

Meeting Date: 03/17/2016

Title: Joint Facility Building Assessment

Submitted By: Lee Ann Bunselmeyer, Acting City Manager

Finance Review: Yes **Legal Review:** Yes

Approval: Lee Ann Bunselmeyer, Acting City Manager

AGENDA ITEM

Receive a presentation, hold a discussion, and give staff direction on an architectural, structural, mechanical, electrical, civil, and environmental building assessment of Lot 1R-1, Block One, Pinnell Addition in the City of Corinth, Denton County, Texas.

AGENDA ITEM SUMMARY/BACKGROUND

On March 3, 2016 the City Council approved a resolution authorizing the Mayor or his designated representative to execute a contract of sale by and between the City of Corinth, Texas and Denton Electric Cooperative, Inc to acquire fee simple title to Lot 1R-1, Block One, Pinnell Addition to the City of Corinth, Texas, Denton County, Texas for a joint Police and Fire facility.

Staff awarded a contract to EIKON Consulting Group, LLC (EIKON) to conduct an inspection and provide a report on the physical condition of the building. The final report will contain sufficient information which can be utilized in determining the feasibility of acquiring the property mentioned above. The building and property assessment will include the following:

- Architectural evaluation of the existing building to verify roof condition, the ability for future renovations, identify design restrictions, and assess the space for ability to comply with current ADA requirements.
- Structural evaluation to assess the overall condition of the existing building structure and ability to modify structure for possible renovation and or addition.
- Mechanical, Electrical, and Plumbing evaluation to assess the condition and project the life expectancy of the HVAC equipment, Geothermal equipment, and main electrical entrance and distribution equipment.
- Civil evaluation to assess the current site drainage and site conditions that might be affected by additional site paving.
- Environmental Assessment which includes completion of a Phase 1 Environmental Site Assessment. A review of all historical documentation of the property and a visual inspection of the property and adjacent properties.

The building assessment report will be completed during the week of March 14, 2016 and will be provided to the City Council upon completion. Representatives from EIKON Consulting Group, LLC will be available to present their findings at the City Council Meeting.

RECOMMENDATION