

City of Plano – January 2017 – Ordinances and Resolutions

Resolution No. 2017-1-1(R): To repeal Resolution No. 2014-5-20(R) and designate a certain area within the City of Plano as Neighborhood Empowerment Zone No. 1; establishing the boundaries of such zone; providing for waiving of certain development and building fees; and providing an effective date.

Resolution No. 2017-1-2(R): To repeal Resolution Nos. 92-1-37(R) and 2002-9-23(R) regarding policy and procedure for reconsideration of previous action of the City Council; and providing an effective date.

Resolution No. 2017-1-3(R): To approve the terms and conditions of a Collaboration Agreement and Memorandum of Understanding between the City of Plano, Texas and the cities of Dallas, Denton, Frisco, Garland, Irving, McKinney, the County of Dallas, and the Housing Authorities of Cleburne, Dallas, Dallas County, Denton, Ennis, Ferris, Fort Worth, Frisco, Garland, Grandview, Greenville, McKinney, Plano, Royse City, and Waxahachie for regional collaboration to affirmatively further fair housing; authorizing its execution by the City Manager; and providing an effective date.

Resolution No. 2017-1-4(R): To support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 4.8± acres bounded by 14th Street on the north, G Avenue on the east, 13th/14th Connector on the south and F Avenue on the west; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date.

Resolution No. 2017-1-5(R): To support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 22.7 acres located at the northeast corner of Cross Bend Road and Thunderbird Lane; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date.

Ordinance No. 2017-1-6: To amend various sections of Article 1, Chapter 15, Parks and Recreation, of the Code of Ordinances of the City of Plano; providing new definitions, revising prohibited and permitted activities, adding sections for animals and motor vehicles; and providing a repealer clause, a severability clause, a penalty clause, a savings clause, a publication clause and an effective date.

Resolution No. 2017-1-7(R): To approve the use or taking of a portion of City of Plano public Park Land, known as Rowlett Creek Greenbelt (operated as Los Rios Golf Course), pursuant to Chapter 26 of the Texas Parks and Wildlife Code to approve using a portion of dedicated Park Land as a North Texas Municipal Water District permanent utility easement, permanent access easement and temporary construction easement for the purpose of capacity improvements to the Rowlett Creek Regional Wastewater Treatment Plant and Lift Station located adjacent to the park; authorizing the City Manager to execute all necessary documents; and providing an effective date.

Resolution No. 2017-1-8(R): To appoint William J. Roberts, licensed attorney, to serve a two year term as ethics investigator as required by Section 2-104 of the Code of Conduct of the City of Plano; and providing an effective date.

Resolution No. 2017-1-9(R): To appoint Scott M. Seidel, licensed attorney, to serve a two year term as ethics investigator as required by Section 2-104 of the Code of Conduct of the City of Plano; and providing an effective date.

Ordinance No. 2017-1-10: To adopt and enact Supplement Number 118 to the Code of Ordinances for the City of Plano; providing for amendment to certain sections of the code; and providing an effective date.

Ordinance No. 2017-1-11: To authorize the issuance of "City of Plano, Texas, General Obligation Bonds, Series 2017"; levying a continuing direct annual ad valorem tax for the payment of said Bonds; resolving other matters incident and related to the issuance, sale, payment and delivery of said Bonds; establishing procedures for the sale and delivery of said Bonds; and delegating matters relating to the sale and issuance of said Bonds to an authorized City official; and providing a severability clause and an effective date.

Ordinance No. 2017-1-12: To authorize the issuance of "City of Plano, Texas, Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2017"; resolving other matters incident and related to the issuance, sale, payment and delivery of said Bonds; establishing procedures for the sale and delivery of said Bonds, and delegating matters relating to the sale and issuance of said Bonds to an authorized City Official.

Ordinance No. 2017-1-13: To authorize the issuance of "City of Plano, Texas, Tax Notes, Series 2017"; levying a continuing direct annual ad valorem tax for the payment of said notes; resolving other matters incident and related to the issuance, sale, payment and delivery of said notes; establishing procedures for the sale and delivery of said notes; and delegating matters relating to the sale and issuance of said notes to an authorized City official; enacting provisions incident and related to the purposes and subject of this Ordinance; and providing a severability clause and an effective date.

Ordinance No. 2017-1-14: To amend Chapter 12, Motor Vehicles and Traffic, Article V, Stopping, Standing and Parking, of the Code of Ordinances to prohibit parking over three hours on certain public streets and public parking lots in the downtown Plano area, within the city limits of the City of Plano; and providing a penalty clause, a repealer clause, a severability clause, a savings clause, a publication clause, and an effective date.

Resolution No. 2017-1-15(R): To accept the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.

Ordinance No. 2017-1-16 (Zoning Case 2016-038): To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, granting Specific Use Permit No. 36 for Independent Living Facility on 6.5 acres of land located on the south side of Mapleshade Lane, 825 feet east of Silverglen Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

Ordinance No. 2017-1-17 (Zoning Case 2016-040): To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to rezone 9.2 acres of land located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway in the City of Plano, Collin County, Texas, from Commercial Employment to Single-Family Residence-6; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

Ordinance No. 2017-1-18 (Zoning Case 2016-041): To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, to expand Specific Use Permit No. 594 for the additional use of Private Street Subdivision on 9.1 acres of land located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway, in the City of Plano, Collin County, Texas, presently zoned Commercial Employment; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

Ordinance No. 2017-1-19 (Zoning Case 2016-043): To amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to rezone 9.5 acres of land located on the east side of Mapleshade Lane, 455 feet north of State Highway 190 in the City of Plano, Collin County, Texas, from Light Industrial-1 to Corridor Commercial; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

Ordinance No. 2017-1-20: To determine a public use, need and necessity for the acquisition of a hike and bike trail easement for a portion of a tract of land conveyed to Effat Saifi, as described in Instrument Number 95-0074790, Official Public Records, Collin County, Texas, generally located west of Georgetown Drive, across from Chattham Court in the City of Plano, Collin County, Texas, as well as a portion of Lot 1, Block A, Hedgcoxe-Georgetown Addition, being an addition to the City of Plano, according to the plat recorded in Volume S, Page 8515, Plat Records of Collin County, Texas, both described in attached Exhibit "A"; for the public use of constructing, reconstructing, using, maintaining and operating a municipal hike and bike trail and related public improvements in the City of Plano, Collin County, Texas; authorizing the City Manager and City Attorney, or their respective designees, to acquire the property including making initial and bona fide offers, and authorizing the City Attorney to file proceedings in eminent domain to condemn the needed real property for public use, if necessary; and providing an effective date.

RESOLUTION NO. 2017-1-1(R)

A Resolution of the City of Plano, Texas, repealing Resolution No. 2014-5-20(R) and designating a certain area within the City of Plano as Neighborhood Empowerment Zone No. 1; establishing the boundaries of such zone; providing for waiving of certain development and building fees; and providing an effective date.

WHEREAS, on August 9, 1999, City Council created Neighborhood Empowerment Zone No. 1 ("Zone No. 1") by the passage of Resolution No. 99-8-13(R); and

WHEREAS, Zone No. 1 was created to promote an increase in economic development and increase the quality of social services and public safety in Zone No. 1; and

WHEREAS, on December 10, 2001, City Council repealed Resolution No. 99-8-13(R) and adopted Resolution No. 2001-12-4(R) to increase the number of fees to be waived; and

WHEREAS, on October 27, 2003, City Council repealed Resolution No. 2001-12-4(R) and adopted Resolution No. 2003-10-33(R) to revise the boundaries of Zone No. 1; and

WHEREAS, on September 13, 2004, City Council repealed Resolution No. 2003-10-33(R) and adopted Resolution No. 2004-9-2(R) to increase the number of fees to be waived; and

WHEREAS, on September 12, 2005, City Council repealed Resolution No. 2004-9-2(R) and adopted Resolution No. 2005-9-5(R) to revise the boundaries of Zone No. 1; and

WHEREAS, on April 23, 2012, City Council repealed Resolution No. 2005-9-5(R) and adopted Resolution No. 2012-4-11(R) to revise the boundaries of Zone No. 1 and to increase the number of fees to be waived; and

WHEREAS, on May 27, 2014, City Council repealed Resolution No. 2012-4-11(R) and adopted Resolution No. 2014-5-20(R) to revise the boundaries of Zone No. 1 and to increase the number of fees to be waived; and

WHEREAS, City Council now wishes to again revise the boundaries of Zone No. 1; and

WHEREAS, City Council desires to repeal Resolution 2014-5-20(R) to create a new Neighborhood Empowerment Zone No. 1; and

WHEREAS, City Council finds that the creation of Neighborhood Empowerment Zone No. 1 satisfies the requirements of Section 312.202, Tax Code;

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

Section I. The facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

Section II. Resolution No. 2014-5-20(R) is hereby repealed in its entirety.

Section III. Neighborhood Empowerment Zone No. 1 is hereby created, as shown on the map attached hereto and incorporated herein as Exhibit A.

RESOLUTION NO. 2017-1-1(R)

Section IV. Within Neighborhood Empowerment Zone No. 1, the following fees are waived:

For Single-family, Single-family Attached, and Two-Family new or existing development, all fees required for new construction or for repair or rehabilitation of existing structures, including but not limited to:

1. Building Permit Fee
2. Board of Adjustment Application Fee
3. Demolition Fee
4. Electrical Permit Fee
5. Electronic Meter Reader Fee
6. Fire Plan Review Fee
7. Foundation Repair Fee
8. Mechanical Permit Fee
9. Park Impact Fee
10. Permit Renewal Fee
11. Plan Review Fee
12. Plumbing Permit Fee
13. Re-roofing Fee
14. Sanitary Sewer Connection Fee
15. Structure Moving Fee
16. Water Meter Fee
17. Water Tap Fee, labor charges only
18. Sewer Tap Fee, Labor charges only
19. Planning Department Plan Review Fees
20. Engineering Inspection Fee

For Multiple-Family existing development, where rehabilitation or repair involves a minimum of \$8,000 per dwelling unit:

1. Building Permit Fee
2. Demolition Fee
3. Electrical Permit Fee
4. Fire Plan Review Fee (only for structures in which sprinklers have been or are being installed)
5. Foundation Repair Fee
6. Mechanical Permit Fee
7. Permit Renewal Fee
8. Plumbing Permit Fee
9. Re-roofing Fee
10. Certificate of Occupancy Fee
11. Planning Department Plan Review Fees
12. Engineering Inspection Fee

For Multiple-Family new development:

1. Park Impact Fee
2. Building Permit Fee
3. Board of Adjustment Application Fee
4. Demolition Fee

RESOLUTION NO. 2017-1-1(R)

5. Electrical Permit Fee
6. Electronic Meter Reader Fee
7. Fire Plan Review Fee (only for structures in which sprinklers have been or are being installed)
8. Foundation Repair Fee
9. Health Plan Review Fee
10. Impact Fee
11. Mechanical Permit Fee
12. Plumbing Permit Fee
13. Re-roofing Fee
14. Sanitary Sewer Connection Fee
15. Sign Permit Fee (only for removal of non-conforming signs)
16. Water Meter Fee
17. Certificate of Occupancy Fee
18. Planning Department Plan Review Fees
19. Engineering Inspection Fee

For Commercial new and existing development:

1. Building Permit Fee
2. Board of Adjustment Application Fee
3. Demolition Fee
4. Electrical Permit Fee
5. Electronic Meter Reader Fee
6. Fire Plan Review Fee (only for structures in which sprinklers have been or are being installed)
7. Foundation Repair Fee
8. Health Plan Review Fee
9. Impact Fee
10. Mechanical Permit Fee
11. Plumbing Permit Fee
12. Re-roofing Fee
13. Sanitary Sewer Connection Fee
14. Sign Permit Fee (only for removal of non-conforming signs)
15. Water Meter Fee
16. Certificate of Occupancy Fee
17. Planning Department Plan Review Fees
18. Engineering Inspection Fee

For Single-Family, Two-Family, Multiple-Family and Commercial new and existing development, no fees shall be waived if the development involves demolition of a structure which is included in the survey of historic properties in the Preservation Plan, unless the structure has been released for demolition by the Heritage Commission or City Council.

Section V. This resolution shall become effective immediately upon its passage.

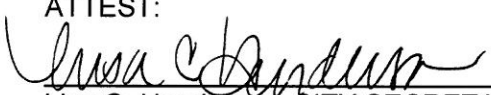
RESOLUTION NO. 2017-1-1(R)

DULY PASSED AND APPROVED this the 9th day of January, 2017.




Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

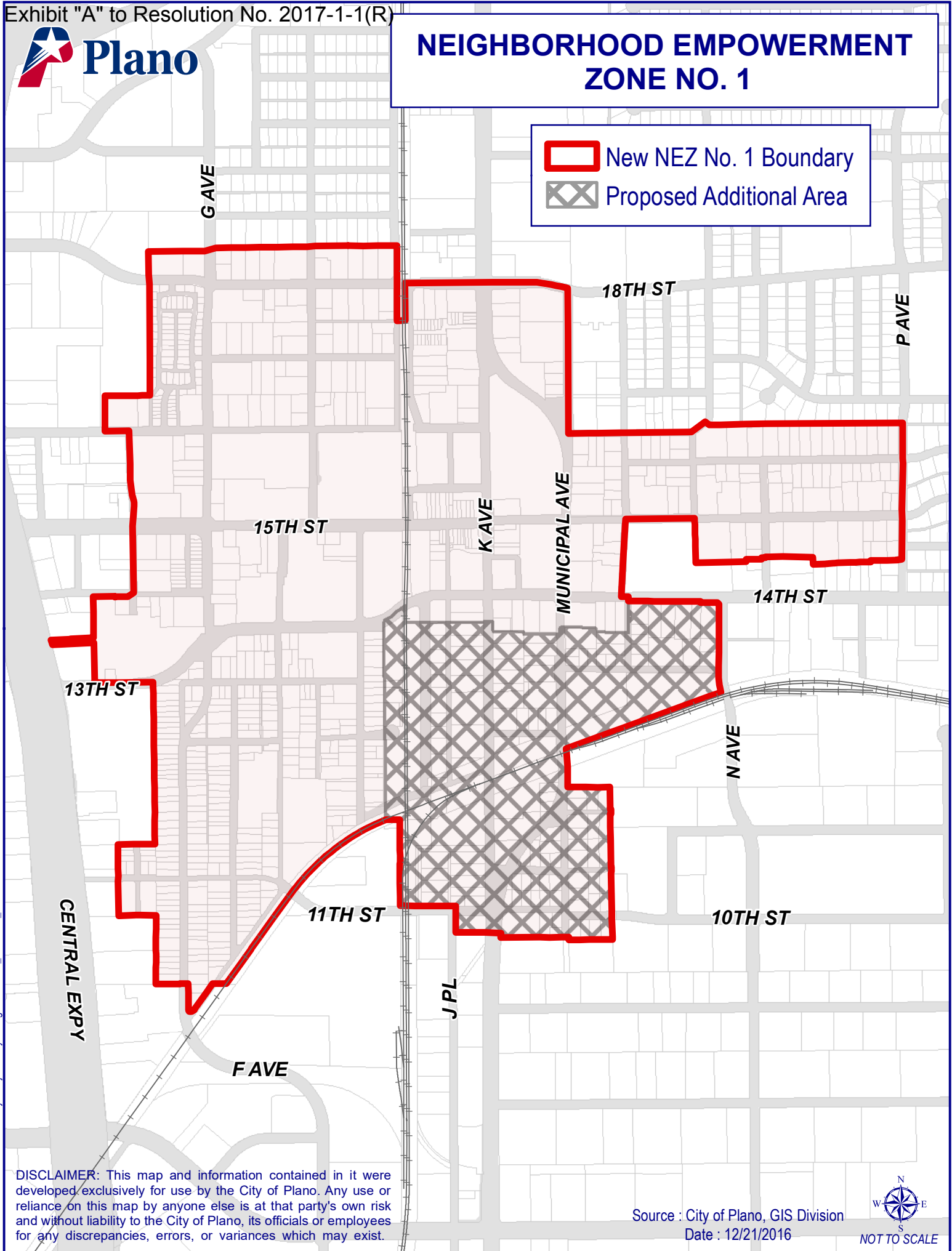


Paige Mims, CITY ATTORNEY



NEIGHBORHOOD EMPOWERMENT ZONE NO. 1

- New NEZ No. 1 Boundary
- Proposed Additional Area



DISCLAIMER: This map and information contained in it were developed exclusively for use by the City of Plano. Any use or reliance on this map by anyone else is at that party's own risk and without liability to the City of Plano, its officials or employees for any discrepancies, errors, or variances which may exist.

Source : City of Plano, GIS Division
Date : 12/21/2016



RESOLUTION NO. 2017-1-2(R)

A Resolution of the City of Plano, Texas repealing Resolution Nos. 92-1-37(R) and 2002-9-23(R) regarding policy and procedure for reconsideration of previous action of the City Council; and providing an effective date.

WHEREAS, the City Council had established a policy for reconsideration of items previously acted upon by Resolution 92-1-37(R) which was further modified by Resolution 2002-9-23(R); and

WHEREAS, although this process is rarely invoked, the past few requests for reconsideration have been related to zoning cases; and

WHEREAS, the City Council finds that there is already a process in place for reconsideration of zoning cases pursuant to the City of Plano Zoning Ordinance Section 4.800; and

WHEREAS, there are other policies in place to address placing non-zoning matters on an agenda for consideration or amendment; and

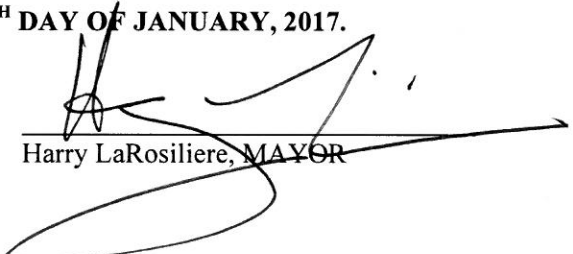
WHEREAS, the City Council finds it is the best interest of the City to repeal Resolution No. 92-1-37(R) and Resolution No. 2002-9-23(R).

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


Section I. The City Council hereby repeals Resolution No. 92-1-37(R) and Resolution No. 2002-9-23(R).

Section II. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THE 9TH DAY OF JANUARY, 2017.


Harry LaRosiliere, MAYOR

ATTEST:


Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:


Paige Mims, CITY ATTORNEY

RESOLUTION NO. 2017-1-3(R)

A Resolution of the City of Plano, Texas, approving the terms and conditions of a Collaboration Agreement and Memorandum of Understanding between the City of Plano, Texas and the cities of Dallas, Denton, Frisco, Garland, Irving, McKinney, the County of Dallas, and the Housing Authorities of Cleburne, Dallas, Dallas County, Denton, Ennis, Ferris, Fort Worth, Frisco, Garland, Grandview, Greenville, McKinney, Plano, Royse City, and Waxahachie for regional collaboration to affirmatively further fair housing; authorizing its execution by the City Manager, or his designee; and providing an effective date.

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) published a Final Rule on Affirmatively Furthering Fair Housing which requires local governments receiving HUD funds to complete an Assessment of Fair Housing prior to submitting a Consolidated Plan; and

WHEREAS, HUD's Final Rule encourages joint and regional assessments of fair housing when examining housing data; and

WHEREAS, the City Council has been presented a proposed Agreement between the City of Plano and the cities of Dallas, Denton, Frisco, Garland, Irving, McKinney, the County of Dallas, and the Housing Authorities of Cleburne, Dallas, Dallas County, Denton, Ennis, Ferris, Fort Worth, Frisco, Garland, Grandview, Greenville, McKinney, Plano, Royse City, and Waxahachie, a substantial copy which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager or his authorized designee shall be authorized to execute it on behalf of the City of Plano.

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

SECTION I. The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interest of the City of Plano and its citizens, are hereby in all things approved.

SECTION II. The City Manager, or his designee, is hereby authorized, to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

RESOLUTION NO. 2017-1-3(R)

SECTION III. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 9TH DAY OF JANUARY, 2017.



Harry LaRosilliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

Approved as to form:



Paige Mims, CITY ATTORNEY

COLLABORATION AGREEMENT AND MEMORANDUM OF UNDERSTANDING

**AMONG THE CITIES OF DALLAS, MCKINNEY, FRISCO, IRVING, PLANO, DENTON, AND GARLAND,
THE COUNTY OF DALLAS, DALLAS HOUSING AUTHORITY, FORT WORTH HOUSING SOLUTIONS,
DALLAS COUNTY HOUSING AGENCY, DENTON HOUSING AUTHORITY, FRISCO HOUSING
AUTHORITY, PLANO HOUSING AUTHORITY, MCKINNEY HOUSING AUTHORITY, GARLAND HOUSING
AUTHORITY, GRANDVIEW HOUSING AUTHORITY, GREENVILLE HOUSING AUTHORITY,
WAXAHACHIE HOUSING AUTHORITY, CLEBURNE HOUSING AUTHORITY, FERRIS HOUSING
AUTHORITY, ENNIS HOUSING AUTHORITY, AND ROYSE CITY HOUSING AUTHORITY FOR REGIONAL
FAIR HOUSING ASSESSMENTS AND REGIONAL COLABORATION TO AFFIRMATIVELY FURTHER FAIR
HOUSING**

THE 2018-2023 ASSESSMENT OF FAIR HOUSING

THIS AGREEMENT is entered this ____ day of _____, 20____ ("Effective Date") by and among the cities of Dallas, McKinney, Frisco, Irving, Plano, Denton, and Garland, the County of Dallas, Dallas County Housing Agency, Dallas Housing Authority, Fort Worth Housing Solutions, Denton Housing Authority, Frisco Housing Authority, Plano Housing Authority, McKinney Housing Authority, Garland Housing Authority, Grandview Housing Authority, Greenville Housing Authority, Waxahachie Housing Authority, Cleburne Housing Authority, Ferris Housing Authority, Ennis Housing Authority, and Royse City Housing Authority (herein called the "Program Participants" and collectively referred to as "North Texas Fair Housing Consortium," or "Consortium").

WHEREAS, the Program Participants are subject to the affirmatively furthering fair housing requirements found at 24 CFR §§5.150 through 5.180 and required to submit an Assessment of Fair Housing (AFH) to the United States Department of Housing and Urban Development ("HUD"); and

WHEREAS, HUD has adopted an "Assessment Tool" that is designed for use by local governments and consortia required to submit consolidated plans under HUD's Consolidated Plan regulations, codified in 24 CFR part 91; and

WHEREAS, the Assessment Tool is intended to encourage joint and regional Assessments of Fair Housing conducted by collaborations between local governments, public housing authorities, and other partners to affirmatively further fair housing across jurisdictional boundaries; and

WHEREAS, the Program Participants each desire to coordinate data collection and evaluation of local contributing factors and policies or activities that may facilitate or present barriers to fair housing choice and access to opportunity; and

WHEREAS, the Program Participants recognize that a regional Assessment of Fair Housing (AFH) submission will enable alignment of program years and will both provide additional flexibility to respond to regional trends and avoid unnecessary duplication of effort in planning, data collection, and implementation; and

WHEREAS, the Fair Housing Act specifies that the interest of all citizens, including low and moderate income families in need of affordable housing, would be best served by a comprehensive planning and implementation response to this obligation; and

Exhibit "A" to Resolution No. 2017-1-3(R)

WHEREAS, the Program Participants wish to collaborate to submit one regional AFH; and

WHEREAS, the Program Participants desire to enter into a Memorandum of Understanding to provide financial support for the procurement and completion of the AFH, with the City of Dallas selected as the lead entity acting on behalf of the other Program Participants; and

WHEREAS, the Program Participants seek to understand factors that meaningfully influence regional housing markets and patterns of segregation and isolation of opportunity and to set goals and advance policies that address these issues;

NOW, THEREFORE, it is agreed between the parties hereto that:

1. AUTHORITY

The Program Participants have entered into the Memorandum of Understanding (MOU) to provide information, cooperation, and financial support for the completion of a regional AFH, to share data and best practices, and to develop a coordinated regional response to affirmatively further fair housing. The Program Participants are cooperating for the purposes allowed by 24 CFR part 91, 24 CFR part 903, and as authorized by Chapter 791 of the Texas Government Code.

2. FUNCTION AND PROCEDURE

The Consortium has agreed to coordinate to obtain the best possible consultant to create a regional AFH to comply with HUD requirements to affirmatively further fair housing in each community and across the region. The Program Participants recognize the early commitment and capacity of the University of Texas at Arlington ("UTA") to serve as the consultant to the Consortium. The Program Participants further find that UTA's support of the Consortium from its inception, together with its strong relationships with each Program Participant and knowledge of the regional economy and housing market make UTA uniquely and ideally suited to help the Consortium develop the Regional AFH. The Program Participants therefore authorize the City of Dallas, as lead entity, to negotiate a contract with UTA directly to meet the special needs of the Consortium as authorized by Section 252.022(a)(4) of the Texas Local Government Code and Section 9.3.5 of Dallas Administrative Directive 4-5.

3. LEAD ENTITY

The City of Dallas ("Dallas") will serve as the lead entity of the Consortium and will be responsible for submitting the regional AFH on behalf of the Consortium. Each Program Participant appoints Dallas to act as its agent for purposes of hiring the consultant, leading Consortium efforts, and otherwise completing and submitting the Consortium's regional AFH to HUD.

4. FINANCING

Salary, travel and incidental costs of Consortium representatives shall be borne by their respective agencies.

Each Program Participant is responsible for a share of the Assessment of Fair Housing contract amount as described by Exhibit A, based on the number of hours worked at the agreed hourly rate. The total amount of the regional AFH is estimated to be \$734,430, including Phase 1 (fair housing

Exhibit "A" to Resolution No. 2017-1-3(R)

analysis), Phase 2 (fair housing goals and priorities), Phase 3 (community participation process), and reasonable work to respond to any HUD concerns following submission. Each Program Participant's contribution will be calculated based on a ratio of that participant's HUD administrative funding for 2015 as a proportion of HUD administrative funding received in 2015 for all consortium members up to an amount not to exceed a total shown in Exhibit A. All payments for goods or services will be made from current revenues available to each Program Participant in accordance with Section 791.011(d)(3) of the Texas Government Code. The Consultant shall calculate each Program Participant's contribution in accordance with Exhibit A. The Lead Entity shall collect payments from the Program Participants and remit to the Consultant following the procedures and schedule described in the Consultant Agreement.

5. PROGRAM YEAR/FISCAL YEAR ALIGNMENT

Program Participants will, to the extent practicable, align their consolidated plan program year start date(s) in accordance with the regulations at 24 CFR 91.10, for consolidated plan program participants. If alignment of program year(s) or fiscal year(s) is not possible, the AFH will be submitted in accordance with the lead entity's consolidated plan program year start date. Participating PHAs may elect to submit the Regional AFH as an Interim Revision to their Annual Plans in order to conform to the timing of the Lead Agency.

6. CONSOLIDATED PLANNING/PHA PLANNING CYCLE ALIGNMENT

Program Participants will, to the extent practicable, align their consolidated planning cycle(s) and/or PHA planning cycle(s) in accordance with the regulations at 24 CFR part 91, for consolidated plan program participants, or 24 CFR part 903, for PHAs. If alignment of consolidated planning cycle(s) or PHA planning cycle(s) is not possible, the AFH will be submitted in accordance with the lead entity's consolidated plan cycle.

7. COOPERATION IN PLANNING AND IMPLEMENTATION

Program Participants agree to share data, best practices, and plans to allow for regional analysis and coordination of planning and implementation of policies to affirmatively further fair housing.

Throughout the planning process, each Program Participant will: (1) present and share with the Consortium timely and accurate data about the current housing patterns in its jurisdiction, particularly regarding low-income members of protected classes; (2) propose and share with the Consortium realistic and workable solutions to expand housing choices and opportunities in its jurisdiction, particularly for low-income members of protected classes; and (3) share comments and suggestions received from public meetings regarding proposed solutions for its jurisdiction with the Consortium.

Each Program Participant is responsible for supplementing the data with local information relevant to fair housing and for establishing reasonable goals and benchmarks for achieving those goals in its jurisdiction. The Consortium will assist in analysis of regional trends and recommend regional goals and benchmarks for achieving those goals.

Each Program Participant will also share relevant planning information, such as anticipated projects to construct or preserve affordable housing and community revitalization initiatives. The

Exhibit "A" to Resolution No. 2017-1-3(R)

Consortium will assist to coordinate identification and matching of individuals to housing and employment opportunities throughout the region.

8. ROLES/RESPONSIBILITIES OF PROGRAM PARTICIPANTS

Collaborating Program Participants will each work with the consultant to ensure timely completion of the AFH.

Program Participants will be accountable for any applicable analysis and any applicable joint goals and priorities to be included in the submitted regional AFH. Program Participants will also be accountable for their individual analysis, goals and priorities to be included in the submitted AFH.

9. ADDITION OF MEMBERS

A neighboring jurisdiction or housing authority may join the Consortium after the execution of this Memorandum of Understanding with the approval of a majority of the Program Participants so long as the Consultant has the capacity to perform the additional work. Any new participant must agree to bear a proportional share of the cost as described in Section 4 and Exhibit A, as may be revised.

10. WITHDRAWAL

Any Program Participant wishing to withdraw from the Consortium must provide 60 days' notice and agree to meet any outstanding financial obligations to the Consortium prior to withdrawal. If the City of Dallas wishes to withdraw, it must transfer its obligations as lead entity to another member of the Consortium prior to the effective date of its proposed withdrawal.

The withdrawing Program Participant must promptly notify HUD of its withdrawal from the Consortium.

11. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

12. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

13. WAIVER

A Program Participant's failure to act with respect to a breach by another Program Participant does not waive its right to act with respect to subsequent or similar breaches. The failure of the Program Participant to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

14. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Agreement is executed in counterparts,

Exhibit "A" to Resolution No. 2017-1-3(R)

then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Agreement to be executed.

15. ENTIRE AGREEMENT

This Agreement between the Program Participants for the submission of the [year] AFH, supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Program Participants with respect to this Agreement. By way of signing this Agreement, the Program Participants are bound to perform the obligations within this Agreement. Any amendment to this Agreement must be submitted in writing to HUD, and must be signed by all Consortium members.

EXECUTED and effective as of the _____ day of _____, by Program Participants, signing by and through their duly authorized officials.

[SIGNATURES ON FOLLOWING PAGES]

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by City of Dallas, signing by and through its City Manager, duly authorized by Administrative Action No. 16-____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:
Larry E. Casto
City Attorney

CITY OF DALLAS
A. C. GONZALEZ
City Manager

By: _____
Assistant City Attorney
Manager

By: _____ City
Assistant First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Beverly Davis
Office of Fair Housing and Human Rights

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by City of McKinney, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

CITY OF MCKINNEY

Name:

Name:

Title:

Title:

By: _____
Title

By: _____
Title

First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by City of Frisco, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

CITY OF FRISCO

Name:

Title:

By: _____
Title

By: _____
Title

First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by City of Plano, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

CITY OF PLANO

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by City of Denton, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

CITY OF DENTON

Name:

Title:

By: _____
Title

By: _____
Title

First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by City of Garland, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

CITY OF GARLAND

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Greenville Housing Authority, signing by
and through its _____, duly authorized by _____ approved on _____,
2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

GREENVILLE HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title

First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Dallas County, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

DALLAS COUNTY

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Dallas Housing Authority, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

DALLAS HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Fort Worth Housing Solutions, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

FORT WORTH HOUSING SOLUTIONS

Name:

Name:

Title:

Title:

By: _____
Title

By: _____
Title

First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Denton Housing Authority, signing by
and through its _____, duly authorized by _____ approved on _____,
2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

DENTON HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Frisco Housing Authority, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

FRISCO HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Plano Housing Authority, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

PLANO HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by McKinney Housing Authority, signing by
and through its _____, duly authorized by _____ approved on _____,
2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

MCKINNEY HOUSING AUTHORITY

Name:

Title:

By: _____
Title

First Assistant City Manager

By: _____
Title

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Garland Housing Authority, signing by
and through its _____, duly authorized by _____ approved on _____,
2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

GARLAND HOUSING AUTHORITY

Name:

Title:

By: _____
Title

First Assistant City Manager

By: _____
Title

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Grandview Housing Authority, signing by
and through its _____, duly authorized by _____ approved on _____,
2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

GRANDVIEW HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title

First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Waxahachie Housing Authority, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

WAXAHACHIE HOUSING AUTHORITY

Name:

Name:

Title:

Title:

By: _____
Title

By: _____
Title

First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Cleburne Housing Authority, signing by
and through its _____, duly authorized by _____ approved on _____,
2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

CLEBURNE HOUSING AUTHORITY

Name:

Title:

By: _____
Title

First Assistant City Manager

By: _____
Title

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Ferris Housing Authority, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

FERRIS HOUSING AUTHORITY

Name:

Title:

By: _____
Title

First Assistant City Manager

By: _____
Title

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Ennis Housing Authority, signing by and through its _____, duly authorized by _____ approved on _____, 2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

ENNIS HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

EXECUTED this _____ day of _____, 2016, by Royse City Housing Authority, signing by
and through its _____, duly authorized by _____ approved on _____,
2016 approved on _____.

APPROVED AS TO FORM:

Name:

Title:

ROYSE CITY HOUSING AUTHORITY

Name:

Title:

By: _____
Title

By: _____
Title
First Assistant City Manager

RECOMMENDED BY DIRECTOR:

By: _____
Name:
Title:

Exhibit "A" to Resolution No. 2017-1-3(R)

AGREED AND ACKNOWLEDGED:

The United States Department of Housing and Urban Development (HUD) acknowledges that the Program Participants have varying program years and consolidated plan cycles, and that each Program Participant has a different due date for its individual Assessment of Fair Housing (AFH). HUD acknowledges that, so long as a Program Participant remains a member of the Consortium, its individual AFH obligations will be considered met, and the Program Participant will not be penalized for missing its individual AFH submission deadline, so long as the regional AFH is submitted on or before January 4, 2018.

By _____

Name _____

Title _____

Exhibit "A" to Agreement

Distribution of Cost for the Regional Assessment of Fair Housing

Name of City/County/ Housing Authority (HA)	UT Arlington Total Cost: \$734,430
City of Dallas	\$244,203
City of Denton	\$5,278
City of Frisco	\$2,793
City of Garland	\$10,844
City of Irving	\$11,769
City of McKinney	\$4,231
City of Plano	\$6,961
Cleburne HA	\$5,716
Dallas County/Dallas County HA	\$80,750
Dallas HA	\$150,000
Denton HA	\$31,583
Ennis HA	\$4,997
Ferris HA	\$1,419
Fort Worth HA	\$92,993
Frisco HA	\$1,008
Garland HA	\$32,171
Grandview HA	\$1,737
Greenville HA	\$16,017
McKinney HA	\$5,074
Plano HA	\$18,213
Royse City HA	\$1,843
Waxahachie HA	\$4,830

RESOLUTION NO. 2017-1-4(R)

A Resolution of the City of Plano, Texas, supporting an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 4.8± acres bounded by 14th Street on the north, G Avenue on the east, 13th/14th Connector on the south and F Avenue on the west; designating the City Manager, or his designee, to certify this resolution to TDHCA; and declaring an effective date.

WHEREAS, Plano Housing Corporation has proposed a development for affordable rental housing which will be named “The Artist Lofts” and will include approximately 139 units that will be located on 4.8± acres bounded by 14th Street on the north, G Avenue on the east, 13th/14th Connector on the south and F Avenue on the west, in the City of Plano, Collin County; and

WHEREAS, Plano Housing Corporation intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2017 Competitive 9% Housing Tax Credits for The Artist Lofts; and

WHEREAS, Plano Housing Corporation has submitted a Resolution for Support Application to the City which satisfies the criteria established in Resolution No. 2016-11-4(R); and

WHEREAS, the proposed development contributes to the concerted revitalization efforts of the City more than any other proposed nine percent housing tax credit application; and

WHEREAS, the applicant, Plano Housing Corporation, is a local Community Housing Development Organization (CHDO) and recipient of City of Plano U.S. Department of Housing and Urban Development (HUD) Home Investment Partnership (HOME) grant funds; and

WHEREAS, the City of Plano Housing Infill Program encourages the development of real property for low and moderate income housing; and

WHEREAS, the 2015-2019 Consolidated Plan of Housing and Community Development Needs notes that low income renters within the City of Plano have unmet housing needs, mostly related to affordability; and

WHEREAS, this Resolution is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the city’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, the City of Plano will waive the Certificate of Occupancy fee for these developments, for each of which a Resolution of Support was adopted by the City Council; and

RESOLUTION NO. 2017-1-4(R)

WHEREAS, the waiving of the fee makes no finding regarding either the suitability of the proposed development site or compliance with the City's development regulations, and approval of this resolution will not be construed as a development permit or approval.

WHEREAS, it is in the public interest of the citizens of the City of Plano that the application be made for such funding.

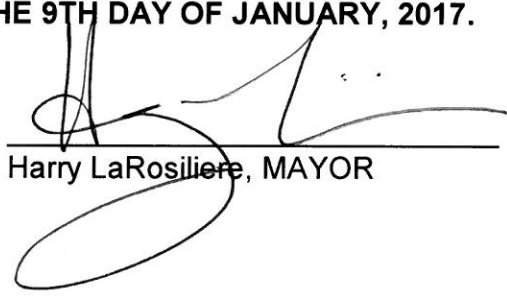
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

SECTION I. In accordance with Texas Government Code §2306.6710 and Texas Administrative Code Title 10, § 11.09(d)(1), the City of Plano, acting through its governing body, hereby confirms that it supports the proposed application for The Artist Lofts, located on 4.8± acres bounded by 14th Street on the north, G Avenue on the east, 13th/14th Connector on the south and F Avenue on the west, and that this formal action has been taken to put on record the opinion expressed by the City of Plano on January 9, 2017.

SECTION II. The City Manager, or his designee, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

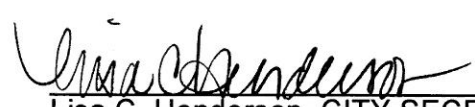
SECTION III. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 9TH DAY OF JANUARY, 2017.



Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

Approved as to-form:



Paige Mims, CITY ATTORNEY

RESOLUTION NO. 2017-1-5(R)

A Resolution of the City of Plano, Texas, supporting an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 22.7 acres located at the northeast corner of Cross Bend Road and Thunderbird Lane; designating the City Manager, or his designee, to certify this resolution to TDHCA; and declaring an effective date.

WHEREAS, Liberty Multifamily, LLC has proposed a development for affordable rental housing which will be named “EMLI at Park West” and will include approximately 144 units that will be located on 22.7 acres located at the northeast corner of Cross Bend Road and Thunderbird Lane, in the City of Plano, Collin County; and

WHEREAS, Liberty Multifamily, LLC intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2017 Competitive 9% Housing Tax Credits for EMLI at Park West; and

WHEREAS, Liberty Multifamily, LLC has submitted a Resolution for Support Application to the City which satisfies the criteria established in Resolution No. 2016-11-4(R); and

WHEREAS, the City of Plano Housing Infill Program encourages the development of real property for low and moderate income housing; and

WHEREAS, the 2015-2019 Consolidated Plan of Housing and Community Development Needs notes that low income renters within the City of Plano have unmet housing needs, mostly related to affordability; and

WHEREAS, this Resolution is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the city’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, the City of Plano will waive the Certificate of Occupancy fee for these developments, for each of which a Resolution of Support was adopted by the City Council; and

WHEREAS, the waiving of the fee makes no finding regarding either the suitability of the proposed development site or compliance with the City’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, it is in the public interest of the citizens of the City of Plano that the application be made for such funding.

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

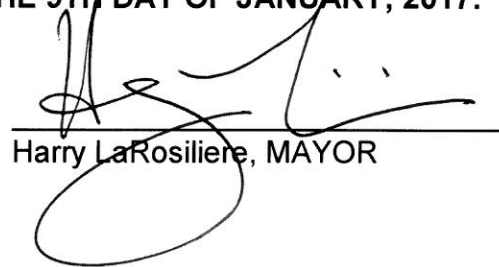
RESOLUTION NO. 2017-1-5(R)

SECTION I. In accordance with Texas Government Code §2306.6710 and Texas Administrative Code Title 10, § 11.09(d)(1), the City of Plano, acting through its governing body, hereby confirms that it supports the proposed application for EMLI at Park West, located on 22.7 acres located at the northeast corner of Cross Bend Road and Thunderbird Lane, in the City of Plano, Collin County, and that this formal action has been taken to put on record the opinion expressed by the City of Plano on January 9, 2017.

SECTION II. The City Manager, or his designee, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

SECTION III. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 9TH DAY OF JANUARY, 2017.


Harry LaRosiliere, MAYOR

ATTEST:


Lisa C. Henderson, CITY SECRETARY

Approved as to form:


Paige Mims, CITY ATTORNEY

An Ordinance of the City of Plano, Texas, amending various sections of Article 1, Chapter 15, Parks and Recreation, of the Code of Ordinances of the City of Plano; providing new definitions, revising prohibited and permitted activities, adding sections for animals and motor vehicles; and providing a repealer clause, a severability clause, a penalty clause, a savings clause, a publication clause and an effective date.

WHEREAS, the City Council has previously adopted regulations for park facilities and areas codified in Chapter 15, Parks and Recreation, of the Code of Ordinances of the City of Plano, Texas; and

WHEREAS, the Parks and Recreation staff is recommending changes to various sections of Article 1, Chapter 15 Parks and Recreation of the Code of Ordinances of the City of Plano, Texas; and

WHEREAS, the Parks and Recreation Planning Board was consulted about these proposed changes and reviewed a prior draft of same; and

WHEREAS, the City Council deems it in the best interest of the City to amend various sections of Article 1, Chapter 15, Parks and Recreation of the Code of Ordinances, providing new definitions, revising prohibited and permitted activities, and adding sections for animals and motor vehicles, as set forth herein.

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

Section I. The Council hereby adopts the findings set forth above.

Section II. Section 15-1 Definitions is hereby amended in its entirety to read as follows:

“Sec. 15-1. Definitions.

Archery facility means a park facility specifically designed or designated to be used for the discharge of bows and arrows. An archery facility may be temporary or permanent.

Authorized vehicles means any vehicle approved by the director or his or her designee.

Boat propelled by a paddle means a watercraft constructed for the primary purpose of being used as a means of transportation on the water and which is propelled by a person engaged in paddling including, but not limited to, kayaks, canoes and stand-up paddle boards without sails or

ORDINANCE NO. 2017-1-6

motors, which are more than seven (7) feet in length and are constructed of durable materials.

Burn ban means a ban on the making or kindling of fires at any park facility based upon the director's determination, in his or her sole discretion, that extreme dry weather, high winds or other conditions endanger public health and safety.

Department means the City of Plano Parks and Recreation Department.

Director means the Director of the Parks and Recreation Department for the City of Plano or his or her designee.

Motor vehicle means any self-propelled vehicle subject to the registration requirements of the Texas Transportation Code, Chapter 502.

Motorized device means any device with an battery, electric or gas motor that does not fall under the definition of "motor vehicle" under this Code, including motorized scooters and electric bicycles. This definition, however, does not include any device designed to assist a person who has a physical disability with mobility.

Park or park facility means any and all land, areas, buildings, and facilities that are owned, leased, or otherwise controlled by the department, including, but not limited to, parks, athletic fields, tennis courts, golf courses, swimming pools, recreation centers, playgrounds, pavilions, medians, park parking lots and recreational trails.

Permit means written permission from the director or his or her designee issued pursuant to the provisions of this chapter and authorizing a person or organization to carry out the activity specified in the permit at a park or park facility. Permits may include, but are not limited to, site use permits, facility use agreements and concession agreements. Other city permits, which may be required in addition to the Parks and Recreation Director-issued permit, may be required to carry out certain activities.

Prohibited inflatable floating device means an inflatable floating device which is not constructed or sold for the primary purpose of being used as a means of transportation on the water including, but not limited to, inflatable pool toys.

ORDINANCE NO. 2017-1-6

Prohibited inflatable watercraft means any inflatable watercraft which is less than seven (7) feet in length, is not constructed of durable, reinforced fabric, and does not have at least two separate buoyancy chambers exclusive of any inflatable floor and bottom.

Prohibited watercraft means a watercraft which is not permitted to be utilized in a park facility under the terms of this Code, including, but not limited to, watercraft with attached sails or motors, row boats, pontoon boats, fishing floats and inner tubes.

Reserved facility or area means a park location which may be reserved for the exclusive use of the reserving party and includes, but is not limited to, indoor and outdoor facilities, pavilions, meeting rooms, gathering areas, camps, classes, athletic fields, and their adjacent or support areas and facilities.

Scheduled activity means an activity at a park location which has been scheduled through the department for the particular and exclusive use of a person or persons.

Special event means an event conducted in accordance with Chapter 11, Article VIII of this Code.”

Section III. Section 15-3 Prohibited Activities is hereby amended in its entirety to read as follows:

“Sec. 15-3. Prohibited activities.

(A) It shall be an offense for any person to knowingly do any of the acts specified in this section in or upon any park facility, except as otherwise specifically provided:

(1) *Weapons.*

(a) *OFFENSE.* Possess in or upon a park or park facility or premises a handgun, air gun, paintball gun, slingshot or any other device that could project any object that is hazardous or dangerous to the public, unless authorized by State law.

(b) *APPLICABILITY.* Nothing in Section 15-3(a) shall be construed to prohibit or restrict the lawful carrying or possession of a firearm pursuant to State law.

(2) *Unauthorized Entry of Reserved Facilities/Scheduled Activities.*

ORDINANCE NO. 2017-1-6

(a) Enter a reserved facility or area during the period that the facility or area is reserved; or

(b) Remain in or return to a location where scheduled activities are occurring after being given notice to leave.

(3) *Restroom use.*

(a) Enter, remain in, or loiter near or about a public restroom, locker room or washroom located at or in a park facility to

1. engage in criminal activity; or

2. use the toilet facilities, locker room facilities, or washroom facilities for something other than their intended health purposes; or

(b) Enter a restroom, locker room or washroom designated for the opposite sex. It is an affirmative defense to prosecution under this subpart that a person, regardless of age, entered an otherwise unoccupied restroom, locker room or wash room of the opposite sex

1. for the purpose of assisting a disabled person of the opposite sex; or

2. to render reasonably necessary assistance or supervision to a child under the age of 18 years.

(4) *Tobacco use.* Use or consume any tobacco products (as defined in section 14-66 of the Code of Ordinances of the City of Plano), including the use of an electronic vaping device,

(a) while seated in or within twenty (20) feet of a bleacher provided for spectators at outdoor athletic events or activities; or

(b) in baseball/softball field plaza areas; or

(c) in a park restroom, locker room, or washroom; or

(d) inside the border of a playground or other play feature; or

(e) in an outdoor area of a park facility where it is posted as prohibited or is otherwise prohibited.

ORDINANCE NO. 2017-1-6

- (5) *Controlled access.* Enter without authorization any controlled access portion of a park facility or where prohibited by posting or signage.
- (6) *Environmental disturbance.* Destroy, damage, deface or remove shrubbery, trees, soil, grass, turf or other vegetation, rock, minerals or any other personal or real property, or dump any type of trash or debris.
- (7) *Fires.*
 - (a) Make or kindle a fire in an area which is not a public stove, grill, fire pit, or other designated area provided for that purpose; or
 - (b) Leave a fire unattended; or
 - (c) Make or kindle a fire during those periods that the director determines that a burn ban is appropriate and notice to the public of any such burn ban had previously been published on the city's web page.
- (8) *Golfing.* Hit golf balls of any type in a park facility not designated as a golf course.
- (9) *Signs.* Erect any permanent sign on or in any park facility or area.
- (10) *Watercraft, Inflatable Floating Devices and Watersports.*
 - (a) Operate any prohibited watercraft, prohibited inflatable watercraft or prohibited inflatable floating device; or
 - (b) Engage in any watersports in any park architectural feature, pond, creek, lake or stream which is not specifically designated for this purpose pursuant to section 15-4 herein.
- (11) *Hunting.*
 - (a) *OFFENSE.* Hunt, trap, kill, remove or release any animal.
 - (b) *APPLICABILITY.* Nothing in Section 15-3(11) shall be construed to prohibit or restrict lawful fishing, as may be allowed pursuant to Section 15-4(4).

ORDINANCE NO. 2017-1-6

- (12) *Feeding Animals.* Feed or leave food for a non-domestic animal.
- (13) *Use of Bicycles.* Operate a bicycle where posted signage states bicycle use is prohibited.
- (14) *Block or Obstruct a Trail.* Maintain, permit, or cause to be placed or maintained any person or object on a recreational or soft surface trail or walkway in such a way as to block or obstruct the free passage on and use of that recreational or soft surface trail or walkway.
- (15) *Skateboarding in Designated Areas.* Operate a skateboard or other similar device (not including roller skates or in-line skates) at any time within the areas listed below:
 - (a) Arbor Hills Nature Preserve.
- (16) *Improper Use.* Use a City-owned or operated facility, structure, equipment, furniture, architectural feature, or natural feature for any purpose or in any manner other than that for which a reasonable person would believe it was designed or intended to be used.
- (17) *Fishing Devices and Cleaning.*
 - (a) Use trotlines, throw lines, fish traps or nets, while fishing;
or
 - (b) Clean fish.
- (18) *Temporary Closures.*
 - (a) Enter or use a park or park facility when notice has been posted at the park or park facility that it is closed; or
 - (b) Remain in or return to a park or park facility after being given notice that the park or park facility is closed.
- (19) *Alcohol.*
 - (a) *OFFENSE.* Sell, possess, or consume alcoholic beverages in a park or park facility.
 - (b) *APPLICABILITY.* This prohibition shall not apply to the following parks or park facilities:

ORDINANCE NO. 2017-1-6

1. City operated municipal golf courses;
2. The Oak Point Park and Nature Preserve Alcohol Permit Area at Oak Point Park and Nature Preserve, if the sale, possession, and/or consumption of alcoholic beverages occurs pursuant to
 - a. a special event permit issued pursuant to the terms of this Code; or
 - b. a city concessions contract; or
 - c. a facility use agreement;
3. The Saigling House park facility located in Haggard Park, if the sale, possession and/or consumption of alcoholic beverages occurs pursuant to a city concessions contract or a facility use agreement for that park facility;
4. The Heritage Yards softball complex, if the sale, possession and/or consumption of alcoholic beverages occurs pursuant to a city concessions contract or a facility use agreement; and
5. Haggard Park, if the sale, possession, and/or consumption of alcoholic beverages occurs pursuant to a special event permit issued pursuant to the terms of this Code.

- (B) None of the above provisions apply to city employees, agents or contractors in the performance of maintenance, construction or repair duties for any park or park facility except sections 15-3(A)(4), (8), (15) and (19)."

Section IV. Section 15-4 Activities allowed with a permit or facility use agreement is hereby amended in its entirety to read as follows:

"Sec. 15-4. Activities allowed with a permit or as posted by the Director or his or her designee.

ORDINANCE NO. 2017-1-6

- (A) It shall be an offense for any person to do any of the acts specified in this section in or upon any park or park facility except with a permit or as posted by the director or his or her designee.
- (1) *Park hours.* Enter or remain in any park or park facility between the hours of 11:00 p.m. and 5:00 a.m. without a permit or unless different hours for the park facility have been posted on-site or on the Department web site.
 - (2) *Sale of goods and services.* Sell or offer for sale any food, drinks, confections, merchandise, or services, unless provided through a city concessions contract or facility use agreement.
 - (3) *Commercial or business activities.* Conduct commercial or business activities without a permit for which:
 - (a) any participation or admission fee is charged or revenue is otherwise derived; or
 - (b) commercial promotional materials or advertising is distributed.
 - (4) *Fishing.* Fish where it is prohibited by posting.
 - (5) *Camping.* Camp overnight in any park facility without a permit.
 - (6) *Boats Propelled By A Paddle.* Utilize a boat propelled by a paddle in an area where it is not permitted by posting.
 - (7) *Swimming.* Swim, wade, or bathe in any park architectural feature, pond, creek, lake or stream, where it is not permitted by posting. It is an affirmative defense to prosecution that the swimming or wading was for the express purpose of launching or removing a boat propelled by a paddle as authorized by this Code or returning to such a boat as a result of an unintended or emergency reason.
 - (8) *Aircraft.* Launch or land any aircraft, including, but not limited to, hot air balloons, airplanes, paraplanes, ultralights, helicopters, unmanned aerial systems and gliders, on the grounds of a park or park facility without a permit.
 - (9) *Models.* Launch or operate model rockets, model airplanes, model gliders, model boats or model vehicles, without a permit.

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- (10) *Sound amplification.* Use any type of sound amplification devices including, but not limited to, loudspeakers, amplifiers or microphones, without a permit.
 - (11) *Temporary markings.* Apply or cause to be created any markings, sidewalk chalk or temporary graffiti to any walkway, road, parking lot, trail, wall, field, or any other park facility, without a permit.
 - (12) *Park Improvements.* Install permanent improvements on park property, including installing any plant material, without a permit.
 - (13) *Site and Facility Capacity.* Exceed the capacity of a park, site, or facility, without a permit.
 - (14) *Fireworks.* Discharge fireworks or explosives of any type without a permit and authorization as a special event.
 - (15) *Archery.* Carry or discharge bows and arrows outside of a designated archery facility without a permit.
- (B) *Establishment of other rules and regulations.* The department may adopt additional rules, regulations and policies governing the management and operation of park facilities, including the issuance of permits. A current copy of those rules and regulations shall be maintained on file in the administrative offices of the department. A violation of those rules is not subject to the enforcement provisions of section 1-4(b) of this Code.
- (C) *Enforcement.* In addition to the penalties provided in section 1-4(b) of this Code, the following non-exclusive remedies are available to the department
- (1) The director or his or her designee shall have the authority to eject from park facilities any person acting in violation of this article or the rules, regulations and policies adopted by the department. Any failure of such person or persons to then abandon the park facilities may be reported to the Plano Police Department; or
 - (2) Where the violator has obtained a permit
 - (a) Violations of permit provisions may result in the director or his or her designee immediately cancelling or discontinuing the permitted activity; or

ORDINANCE NO. 2017-1-6

(b) Violations of permit provisions may result in future permit requests being denied; or

(c) Other restrictions or provisions may be added to the permit or future permits.”

Section V. Section 15-10 Animals is hereby added to read as follows:

“Sec. 15-10 Animals.

(A) It shall be an offense for any person to knowingly do any of the acts specified in this section with an animal in the person’s possession, custody or control in or upon any park or park facility, except as otherwise specifically provided:

(1) Ride, drive, lead, or let loose any animal, reptile or bird of any kind, except as posted.

(2) Abandon any animal.

(3) Fail to immediately remove and dispose of any excreta an animal produces.

(4) Permit an animal which is not a service animal used to assist the person with a disability to enter or remain inside park facility buildings, swimming facilities, playground areas, sand volleyball courts or other marked boundaries of fields or structures which are demarked separately from the remainder of the park.

(5) *Restraints.*

(a) Permit an animal to run at large; or

(b) fail to keep an animal restrained by a leash not more than six (6) feet long, which leash shall at all times serve as a connection between the animal and the person that accompanies the animal; or

(c) permit an animal to remain unattended; or

(d) tether an animal to any object.

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- (B) The prohibition in section 15-10(A)(5) shall not apply if:
 - (1) The animal is a police service animal under the supervision of a peace officer in the performance of his official duties; or
 - (2) The animal is a dog lawfully allowed off-leash at a park facility designated as a “dog park”; or
 - (3) The animal is training in designated areas for search and rescue purposes that benefit the public good and is in accordance with Chapter 4 Article XII of this Code”; or
 - (4) The animal is engaging in activity for which a special event permit has been issued pursuant to the terms of this Code.
- (C) The prohibitions in section 15-10(A)(1) and 15-10(A)(4) shall not apply if:
 - (1) The animal is engaging in activity for which a special event permit has been issued pursuant to the terms of this Code.

Section VI. Section 15-11 Motor Vehicles is hereby added to read as follows:

“Sec. 15-11 Motor Vehicles.

Motor vehicle and motorized device use. All applicable state and local vehicle and traffic laws and ordinances shall continue in full force and effect in all park facilities.

- (A) *Motor vehicles.* A person commits an offense by operating, driving, or riding any motor vehicle within a park facility on a surface other than a road, street, or parking lot. This provision is not applicable to city motor vehicles, emergency vehicles, or motor vehicles that have received a permit authorizing its operation.
- (B) *Motorized devices.* A person commits an offense by operating, driving, or riding any motorized device in a park facility on a surface other than improved roads, streets, park trails or parking lots. This provision is not applicable to city motorized devices, to motorized devices that have received a permit authorizing their operation, to golf carts operated on a city owned or operated golf course, or to motorized devices used to assist a person who has a physical disability with mobility.

ORDINANCE NO. 2017-1-6

- (C) *Speed limit.* A person commits an offense by operating a motor vehicle, motorized device, or bicycle within a park facility at a speed greater than fifteen (15) miles per hour, unless otherwise posted.
- (D) *Parking.* A person commits an offense by parking a motor vehicle, other than a city-owned vehicle, within a park facility at any place not designated as a parking area or otherwise authorized by permit. For a motor vehicle in violation of this subsection a citation may be issued and the motor vehicle may be towed and stored at the owner or operator's expense in accordance with state law.
- (E) *Overnight parking.* A person commits an offense by parking a motor vehicle within a park facility overnight without a permit. For a motor vehicle in violation of this subsection a citation may be issued and the motor vehicle may be towed and stored at the owner or operator's expense in accordance with state law.
- (F) *Freight vehicles.* A person commits an offense by operating or parking a motor vehicle or trailer designated for transporting freight, merchandise, brick, stone, or gravel within a park facility, including parking lots. This provision does not apply to motor vehicles or trailers used in the performance of city construction, repair or maintenance. For freight vehicles in violation of this subsection a citation may be issued and the motor vehicle may be towed and stored at the owner or operator's expense in accordance with state law.
- (G) *Double Parking.* A person commits an offense by parking a motor vehicle in a manner whereby it occupies multiple parking spaces without a permit. Motor vehicles in violation of this subsection may be issued a citation or towed and stored at the owner or operator's expense in accordance with state law."

Section VII. All provisions of the ordinances of the City, codified and uncoded in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the ordinances of the City, codified or uncoded, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section VIII. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

Section IX. A person who violates any term or provision of this Ordinance shall be subject to a fine in accordance with section 1-4(b) of the City

ORDINANCE NO. 2017-1-6

Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section X. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions at the time of passage of this ordinance.

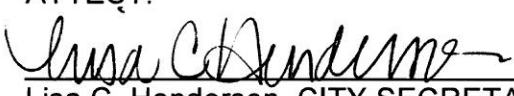
Section XI. This Ordinance shall become effective immediately upon its passage and publication as required by law.

DULY PASSED AND APPROVED this the 9th day of January, 2017.



Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

RESOLUTION NO. 2017-1-7(R)

A Resolution of the City of Plano, Texas, approving the use or taking of a portion of City of Plano public Park Land, known as Rowlett Creek Greenbelt (operated as Los Rios Golf Course), pursuant to Chapter 26 of the Texas Parks and Wildlife Code to approve using a portion of dedicated Park Land as a North Texas Municipal Water District permanent utility easement, permanent access easement and temporary construction easement for the purpose of capacity improvements to the Rowlett Creek Regional Wastewater Treatment Plant and Lift Station located adjacent to the park; authorizing the City Manager, or his designee, to execute all necessary documents; and providing an effective date.

WHEREAS, the North Texas Municipal Water District (NTMWD) has requested a permanent utility easement, a permanent access easement and temporary construction easement for the purpose of capacity improvements to the Rowlett Creek Regional Wastewater Treatment Plant and Lift Station (the "Project") as depicted on the drawings attached hereto as Exhibits "A", "B", and "C" (called "Easements") which requires the use or taking of a portion of City of Plano public Park Land known as Rowlett Creek Greenbelt (called the "Park Land") which is currently operated as the Los Rios Golf Course; and

WHEREAS, Chapter 26 of the Texas Parks and Wildlife Code requires a public hearing for the use or taking of public Park Land, at which the governing body must determine whether any feasible and prudent alternative to the use or taking of public Park Land exists, and whether the proposed use or taking includes all reasonable planning to minimize the harm to the Park Land; and

WHEREAS, Notice of the Public Hearing was duly served and published in conformity with Chapter 26 of the Texas Parks and Wildlife Code for the Project; and

WHEREAS, the City Council held a public hearing on January 9, 2017, regarding the Project during which all interested persons had the opportunity to testify and present relevant evidence before the City Council.

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

Section I. After hearing and review of all the testimony, evidence, and other relevant information at the Public Hearing, the City Council hereby finds and determines that:

- 1) There is no feasible and prudent alternative to the use or taking of the portion of public Park Land at Rowlett Creek Greenbelt as proposed by the Project; and
- 2) The Project includes all reasonable planning to minimize the harm to the Park Land resulting from the use or taking.

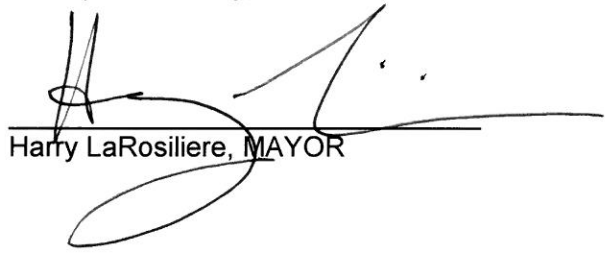
Section II. The City Council further finds that the Project is in the public interest generally, and in the best interest of the citizens of the City of Plano, Texas. Accordingly, the City Council approves the use or taking of a portion of Rowlett Creek Greenbelt (operated as Los Rios Golf Course) through a permanent utility easement, a permanent access easement and temporary construction easement, as depicted in Exhibits "A", "B", and "C".

Section III. The City Manager, or his designee, is hereby authorized to execute all necessary documents in connection with the change in use and the Easements on behalf of the City of Plano.

RESOLUTION NO. 2017-1-7(R)


Section IV. This Resolution shall become effective immediately from and after its passage.

DULY PASSED AND APPROVED this the 9th day of January, 2017.




Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

EXHIBIT "A"
Permanent Utility Easement

BEING a 2.112 acre (91,977 square foot) tract of land contained within the James Ledbetter Survey, Abstract No. 545, City of Plano, Collin County, Texas, and being part of a called 141.69 acre tract of land described as Tract A in a Special Warranty Deed to the City of Plano, Texas as recorded in Instrument No. 20141111001231920 of the Official Public Records of Collin County, Texas, said 2.112 acre tract being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found for the most northerly northwest corner of Lot 1R, Block A of 544 Golf Training Facility Addition, an addition to the City of Plano, Collin County, Texas as recorded in Cabinet P, Page 362 of the Plat Records of Collin County, Texas, same being the northeast corner of that certain tract of land described in a Deed to the City of Plano, Texas as recorded in Volume 551, Page 340 of the Deed Records of Collin County, Texas, said point having a grid coordinate of N=7,058,242.73' and E=2,535,633.76';

THENCE departing the north line of said Lot 1R, and over, across and through said Tract A, the following three (3) calls:

North 01 degree 33 minutes 12 seconds East, a distance of 45.00 feet to a point for corner;

North 88 degrees 15 minutes 19 seconds West, a distance of 89.91 feet to a point for corner;

South 01 degree 31 minutes 23 seconds West, a distance of 45.00 feet to a point for corner in the north line of said City of Plano, Texas tract (Volume 551, Page 340);

THENCE North 88 degrees 15 minutes 19 seconds West, along the north line of said City of Plano, Texas tract, a distance of 24.00 feet to a point for corner;

THENCE departing the north line of said City of Plano, Texas tract, and over, across and through said Tract A, the following three (3) calls:

North 01 degree 31 minutes 23 seconds East, a distance of 45.00 feet to a point for corner;

North 88 degrees 15 minutes 19 seconds West, a distance of 88.96 feet to a point for corner;

South 01 degree 44 minutes 41 seconds West, a distance of 45.00 feet to a point for corner in the north line of said City of Plano, Texas tract (Volume 551, Page 340);

THENCE North 88 degrees 15 minutes 19 seconds West, along the north line of said City of Plano, Texas tract, a distance of 40.00 feet to a point for corner;

EXHIBIT "A"
Permanent Utility Easement

THENCE departing the north line of said City of Plano, Texas tract, and over, across and through said Tract A, the following three (3) calls:

North 01 degree 44 minutes 41 seconds East, a distance of 60.00 feet to a point for corner;

North 88 degrees 15 minutes 19 seconds West, a distance of 321.27 feet to a point for corner;

South 01 degree 20 minutes 23 seconds West, a distance of 60.00 feet to a point for corner in the north line of that certain tract of land described in a Deed to the City of Plano, Texas as recorded in Volume 889, Page 647 of the Deed Records of Collin County, Texas;

THENCE North 88 degrees 15 minutes 19 seconds West, along the north line of said City of Plano, Texas tract (Volume 889, Page 647), a distance of 50.00 feet to a point for corner, from which a 5/8-inch iron rod found for the southwest corner of said Tract A bears North 88 degrees 15 minutes 19 seconds West at a distance of 534.88 feet;

THENCE North 01 degree 20 minutes 23 seconds East, departing the north line of said City of Plano, Texas tract, and over, across and through said Tract A, a distance of 120.59 feet to a point for corner;

THENCE North 60 degrees 55 minutes 26 seconds West, continuing over, across and through said Tract A, a distance of 267.89 feet to a point for corner in the southeasterly line of a 20-foot sanitary sewer easement as recorded in Volume 974, Page 401 of the Deed Records of Collin County, Texas;

THENCE North 30 degrees 05 minutes 57 seconds East, along the southeasterly line of said 20-foot sanitary sewer easement, a distance of 20.00 feet to a point for corner;

THENCE departing the southeasterly line of said 20-foot sanitary sewer easement, and over, across and through said Tract A, the following five (5) calls:

South 60 degrees 55 minutes 26 seconds East, a distance of 220.39 feet to a point for corner;

South 88 degrees 15 minutes 19 seconds East, a distance of 440.47 feet to a point for corner;

South 70 degrees 39 minutes 26 seconds East, a distance of 33.08 feet to a point for corner;

EXHIBIT "A"
Permanent Utility Easement

South 88 degrees 15 minutes 19 seconds East, a distance of 173.60 feet to a point for the beginning of a tangent curve to the right;

Southeasterly, along said curve to the right, having a central angle of 89 degrees 52 minutes 31 seconds, a radius of 150.00 feet, a chord bearing and distance of South 43 degrees 19 minutes 03 seconds East – 211.90 feet, and an arc distance of 235.29 feet to a point for corner in the north line of said Lot 1R, Block A, 544 Golf Training Facility Addition, from which a found "X" cut in concrete bears South 88 degrees 22 minutes 53 seconds East at a distance of 615.37 feet;

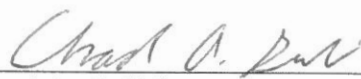
THENCE North 88 degrees 22 minutes 53 seconds West, along the north line of said Lot 1R, a distance of 148.18 feet to the **POINT OF BEGINNING**, containing 2.112 acres (91,977 square feet) of land, more or less.

This description is accompanied by a survey plat of even date.

All bearings are based on the Texas State Plane Coordinate System, North Central Zone 4202, NAD 83 (2011), Epoch 2010.00. All coordinates shown are grid values. All distances shown are surface values and may be converted to grid by dividing by a combined scale factor of 1.000152710.

I, Chad A. Gulick, a Registered Professional Land Surveyor in the State of Texas, hereby certify that this legal description and plat represent an actual survey made on the ground under my supervision.




Chad A. Gulick
Registered Professional Land Surveyor
Texas Registration No. 6021

10-11-16
Date

Cobb, Fendley & Associates, Inc.
TBPLS Firm Registration No. 100467
2801 Network Boulevard, Suite 800
Frisco, Texas 75034
(972) 335-3214

EXHIBIT "A"

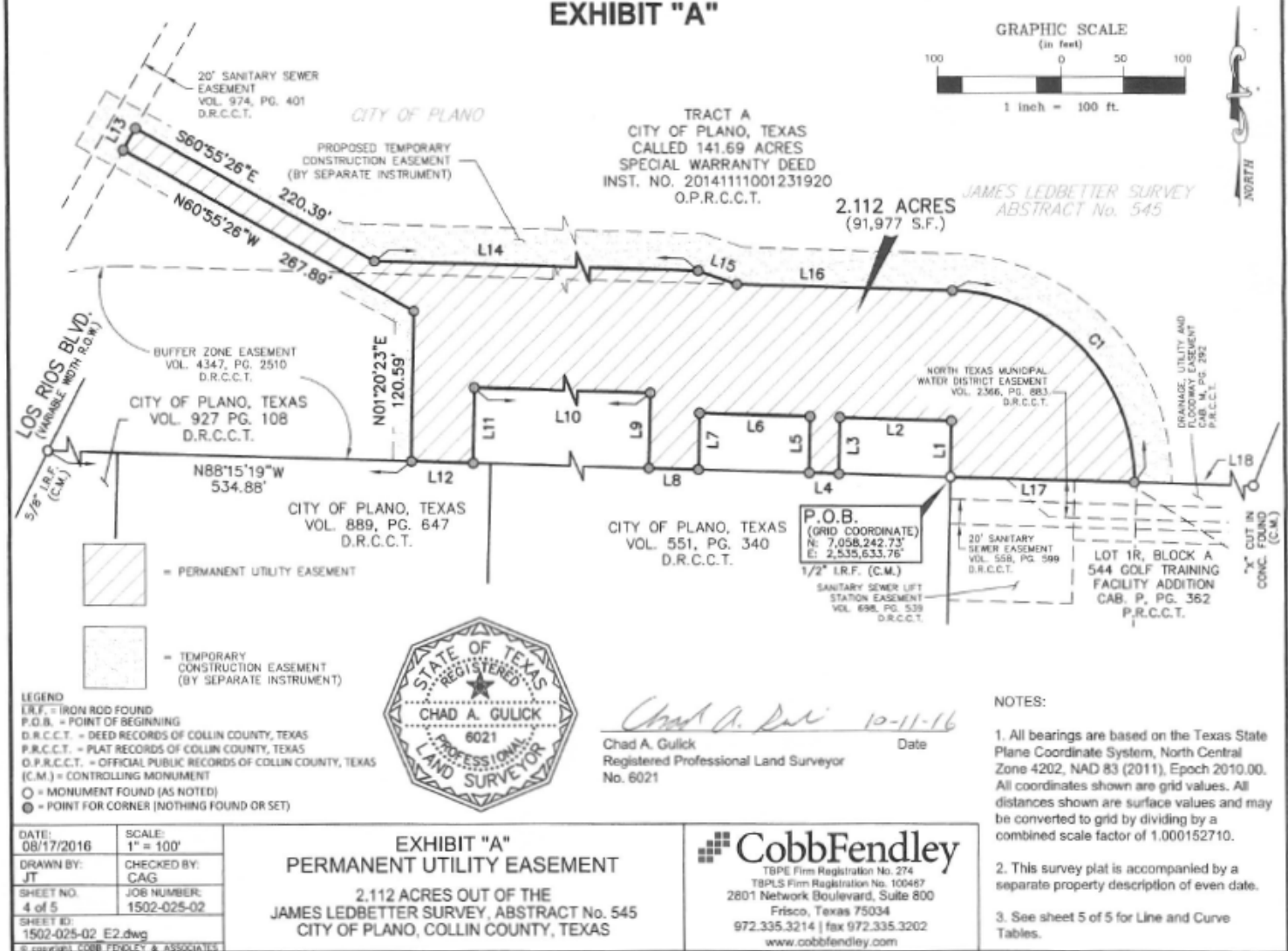


EXHIBIT "A"

LINE TABLE		
LINE	BEARING	LENGTH
L1	N01°33'12"E	45.00'
L2	N88°15'19"W	89.91'
L3	S01°31'23"W	45.00'
L4	N88°15'19"W	24.00'
L5	N01°31'23"E	45.00'
L6	N88°15'19"W	88.96'
L7	S01°44'41"W	45.00'
L8	N88°15'19"W	40.00'
L9	N01°44'41"E	60.00'
L10	N88°15'19"W	321.27'
L11	S01°20'23"W	60.00'
L12	N88°15'19"W	50.00'
L13	N30°05'57"E	20.00'
L14	S88°15'19"E	440.47'
L15	S70°39'26"E	33.08'
L16	S88°15'19"E	173.60'
L17	N88°22'53"W	148.18'
L18	S88°22'53"E	615.37'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	BEARING	CHORD
C1	235.29'	150.00'	89°52'31"	S43°19'03"E	211.90'

NOTES:

1. All bearings are based on the Texas State Plane Coordinate System, North Central Zone 4202, NAD 83 (2011), Epoch 2010.00. All coordinates shown are grid values. All distances shown are surface values and may be converted to grid by dividing by a combined scale factor of 1.000152710.

2. This survey plat is accompanied by a separate property description of even date.

DATE: 08/17/2016	SCALE: 1" = 100'
DRAWN BY: JT	CHECKED BY: CAG
SHEET NO. 5 of 5	JOB NUMBER: 1502-025-02
SHEET ID: 1502-025-02 E2.dwg	
© copyright COBB FENDLEY & ASSOCIATES	

EXHIBIT "A"
PERMANENT UTILITY EASEMENT
 2.112 ACRES OUT OF THE
 JAMES LEDBETTER SURVEY, ABSTRACT No. 545
 CITY OF PLANO, COLLIN COUNTY, TEXAS

CobbFendley
 TSP/E Firm Registration No. 274
 TSP/LS Firm Registration No. 100467
 2801 Network Boulevard, Suite 800
 Frisco, Texas 75034
 972.335.3214 | fax 972.335.3202
www.cobbfindley.com

EXHIBIT "B"
Access Easement

BEING a 0.347 acre (15,111 square foot) tract of land contained within the James Ledbetter Survey, Abstract No. 545, City of Plano, Collin County, Texas, and being part of a called 141.69 acre tract of land described as Tract A in a Special Warranty Deed to the City of Plano, Texas as recorded in Instrument No. 20141111001231920 of the Official Public Records of Collin County, Texas, said 0.347 acre tract being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found for the most northerly northwest corner of Lot 1R, Block A of 544 Golf Training Facility Addition, an addition to the City of Plano, Collin County, Texas as recorded in Cabinet P, Page 362 of the Plat Records of Collin County, Texas, same being the northeast corner of that certain tract of land described in a Deed to the City of Plano, Texas as recorded in Volume 551, Page 340 of the Deed Records of Collin County, Texas, said point having a grid coordinate of N=7,058,242.73' and E=2,535,633.76', from which a 5/8-inch iron found for the southwest corner of said Tract A bears North 88 degrees 15 minutes 19 seconds West at a distance of 1,148.74 feet;

THENCE departing the north line of said Lot 1R, and over, across and through said Tract A, the following thirteen (13) calls:

North 01 degree 33 minutes 12 seconds East, a distance of 40.15 feet to a point for corner;

South 88 degrees 42 minutes 19 seconds East, a distance of 49.57 feet to a point for corner;

North 50 degrees 07 minutes 24 seconds East, a distance of 166.45 feet to a point for corner;

North 87 degrees 06 minutes 21 seconds East, a distance of 213.91 feet to a point for corner;

North 37 degrees 26 minutes 09 seconds East, a distance of 105.12 feet to a point for corner;

North 26 degrees 15 minutes 00 seconds East, a distance of 86.21 feet to a point for corner;

North 60 degrees 05 minutes 36 seconds East, a distance of 72.26 feet to a point for corner;

South 74 degrees 23 minutes 57 seconds East, a distance of 28.04 feet to a point for corner;

South 60 degrees 05 minutes 36 seconds West, a distance of 85.82 feet to a point for corner;

EXHIBIT "B"
Access Easement

South 26 degrees 15 minutes 00 seconds West, a distance of 82.08 feet to a point for corner;

South 37 degrees 26 minutes 09 seconds West, a distance of 116.34 feet to a point for corner;

South 87 degrees 06 minutes 21 seconds West, a distance of 216.48 feet to a point for corner;

South 50 degrees 07 minutes 24 seconds West, a distance of 198.17 feet to a point for corner in the north line of said Lot 1R, from which a found "X" cut in concrete bears South 88 degrees 22 minutes 53 seconds East at a distance of 729.54 feet;

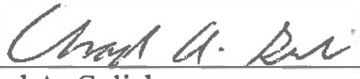
THENCE North 88 degrees 22 minutes 53 seconds West, along the north line of said Lot 1R, a distance of 34.01 feet to the **POINT OF BEGINNING**, containing 0.347 acre (15,111 square feet) of land, more or less.

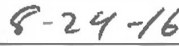
This description is accompanied by a survey plat of even date.

All bearings are based on the Texas State Plane Coordinate System, North Central Zone 4202, NAD 83 (2011), Epoch 2010.00. All coordinates shown are grid values. All distances shown are surface values and may be converted to grid by dividing by a combined scale factor of 1.000152710.

I, Chad A. Gulick, a Registered Professional Land Surveyor in the State of Texas, hereby certify that this legal description and plat represent an actual survey made on the ground under my supervision.




Chad A. Gulick
Registered Professional Land Surveyor
Texas Registration No. 6021


Date

Cobb, Fendley & Associates, Inc.
TBPLS Firm Registration No. 100467
2801 Network Boulevard, Suite 800
Frisco, Texas 75034
(972) 335-3214

Exhibit "B" to Resolution No. 2017-1-7(R)

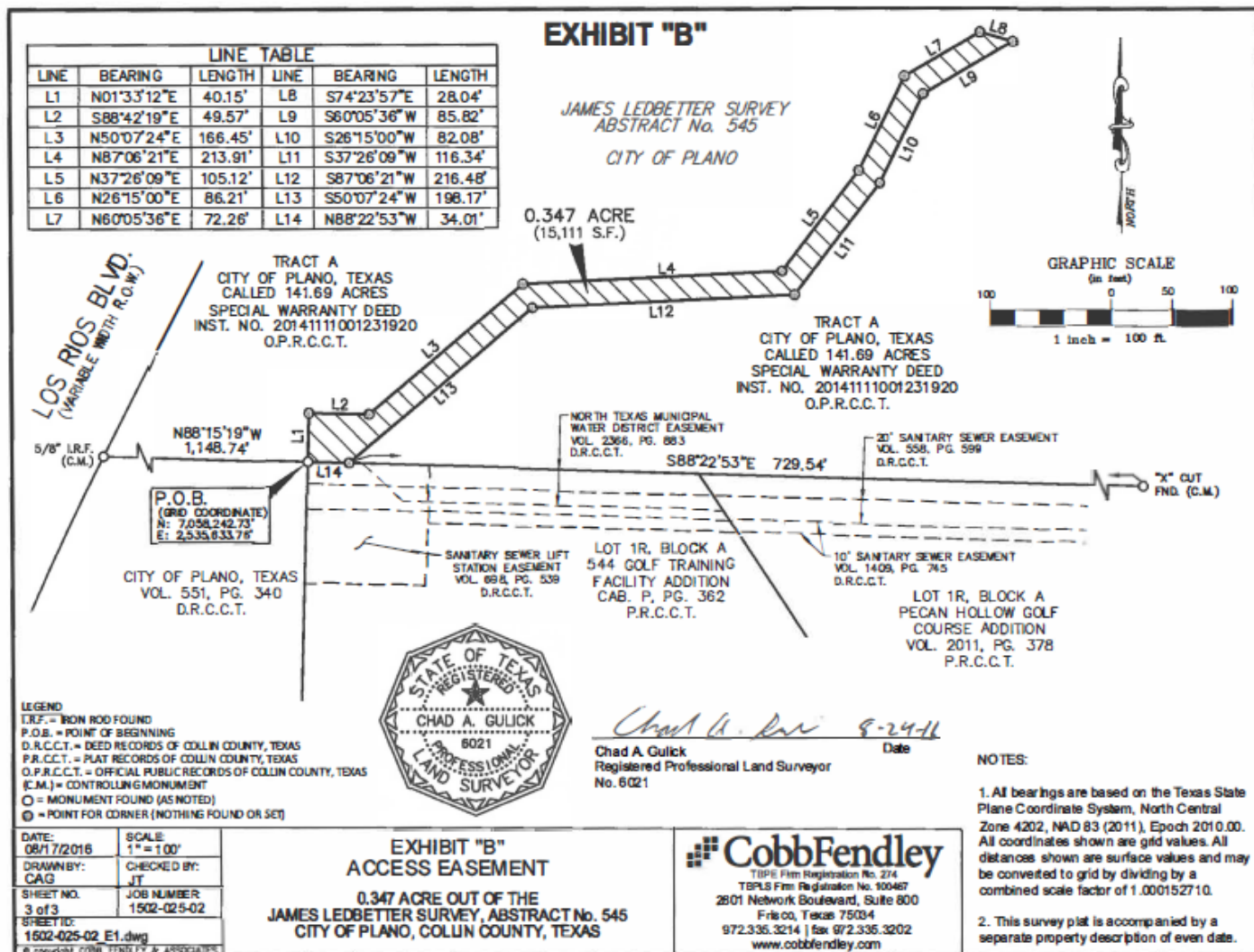


EXHIBIT "C"
Temporary Construction Easement

BEING a 0.873 acre (38,034 square foot) tract of land contained within the James Ledbetter Survey, Abstract No. 545, City of Plano, Collin County, Texas, and being part of a called 141.69 acre tract of land described as Tract A in a Special Warranty Deed to the City of Plano, Texas as recorded in Instrument No. 20141111001231920 of the Official Public Records of Collin County, Texas, said 0.873 acre tract being more particularly described as follows:

COMMENCING at a 1/2-inch iron rod found for the most northerly northwest corner of Lot 1R, Block A of 544 Golf Training Facility Addition, an addition to the City of Plano, Collin County, Texas as recorded in Cabinet P, Page 362 of the Plat Records of Collin County, Texas, same being the northeast corner of that certain tract of land described in a Deed to the City of Plano, Texas as recorded in Volume 551, Page 340 of the Deed Records of Collin County, Texas, , said point having a grid coordinate of N=7,058,242.73' and E=2,535,633.76';

THENCE South 88 degrees 22 minutes 53 seconds East, along the north line of said Lot 1R, a distance of 148.18 feet to the **POINT OF BEGINNING**, said point having a grid coordinate of N=7,058,238.54' and E=2,535,781.86', said point also being the beginning of a non-tangent curve to the left;

THENCE departing the north line of said Lot 1R, and over, across and through said Tract A, the following five (5) calls:

Northwesterly, along said curve to the left, having a central angle of 89 degrees 52 minutes 31 seconds, a radius of 150.00 feet, a chord bearing and distance of North 43 degrees 19 minutes 03 seconds West – 211.90 feet, and an arc distance of 235.29 feet to a point for the end of said curve;

North 88 degrees 15 minutes 19 seconds West, a distance of 173.60 feet to a point for corner;

North 70 degrees 39 minutes 26 seconds West, a distance of 33.08 feet to a point for corner;

North 88 degrees 15 minutes 19 seconds West, a distance of 440.47 feet to a point for corner;

North 60 degrees 55 minutes 26 seconds West, a distance of 220.39 feet to a point for corner in the southeasterly line of a 20-foot sanitary sewer easement as recorded in Volume 974, Page 401 of the Deed Records of Collin County, Texas;

THENCE South 30 degrees 05 minutes 57 seconds West, along the southeasterly line of said 20-foot sanitary sewer easement, a distance of 20.00 feet to a point for corner;

EXHIBIT "C"
Temporary Construction Easement

THENCE South 60 degrees 55 minutes 26 seconds East, departing the southeasterly line of said 20-foot sanitary sewer easement, and over, across and through said Tract A, a distance of 267.89 feet to a point for corner;

THENCE South 01 degree 20 minutes 23 seconds West, continuing over, across and through said Tract A, a distance of 120.59 feet to a point for corner in the north line of that certain tract of land described in a Deed to the City of Plano, Texas as recorded in Volume 889, Page 647 of the Deed Records of Collin County, Texas;

THENCE North 88 degrees 15 minutes 19 seconds West, along the north line of said City of Plano, Texas tract (Volume 889, Page 647), a distance of 15.00 feet to a point for corner, from which a 5/8-inch iron rod found for the southwest corner of said Tract A bears North 88 degrees 15 minutes 19 seconds West at a distance of 519.88 feet;

THENCE departing the north line of said City of Plano, Texas tract, and over, across and through said Tract A, the following eight (8) calls:

North 01 degree 20 minutes 23 seconds East, a distance of 111.42 feet to a point for corner;

North 60 degrees 55 minutes 26 seconds West, a distance of 294.11 feet to a point for corner;

North 30 degrees 05 minutes 57 seconds East, a distance of 50.01 feet to a point for corner;

South 60 degrees 55 minutes 26 seconds East, a distance of 218.81 feet to a point for corner;

South 88 degrees 15 minutes 19 seconds East, a distance of 470.49 feet to a point for corner;

South 70 degrees 39 minutes 26 seconds East, a distance of 33.08 feet to a point for corner;

South 88 degrees 15 minutes 19 seconds East, a distance of 168.96 feet to a point for the beginning of a tangent curve to the right;

Southeasterly, along said curve to the right, having a central angle of 89 degrees 52 minutes 31 seconds, a radius of 180.00 feet, a chord bearing and distance of South 43 degrees 19 minutes 04 seconds East – 254.28 feet, and an arc distance of 282.35 feet to a point for corner in the north line of said Lot 1R, Block A, 544 Golf Training Facility Addition, from which a found "X" cut in concrete bears South 88 degrees 22 minutes 53 seconds East at a distance of 585.37 feet;

EXHIBIT "C"
Temporary Construction Easement


THENCE North 88 degrees 22 minutes 53 seconds West, along the north line of said Lot 1R, a distance of 30.00 feet to the **POINT OF BEGINNING**, containing 0.873 acre (38,034 square feet) of land, more or less.

This description is accompanied by a survey plat of even date.

All bearings are based on the Texas State Plane Coordinate System, North Central Zone 4202, NAD 83 (2011), Epoch 2010.00. All coordinates shown are grid values. All distances shown are surface values and may be converted to grid by dividing by a combined scale factor of 1.000152710.

I, Chad A. Gulick, a Registered Professional Land Surveyor in the State of Texas, hereby certify that this legal description and plat represent an actual survey made on the ground under my supervision.



	<u>10-11-16</u>
Chad A. Gulick	Date
Registered Professional Land Surveyor	
Texas Registration No. 6021	

Cobb, Fendley & Associates, Inc.
TBPLS Firm Registration No. 100467
2801 Network Boulevard, Suite 800
Frisco, Texas 75034
(972) 335-3214

Exhibit "C" to Resolution No. 2017-1-7(R)

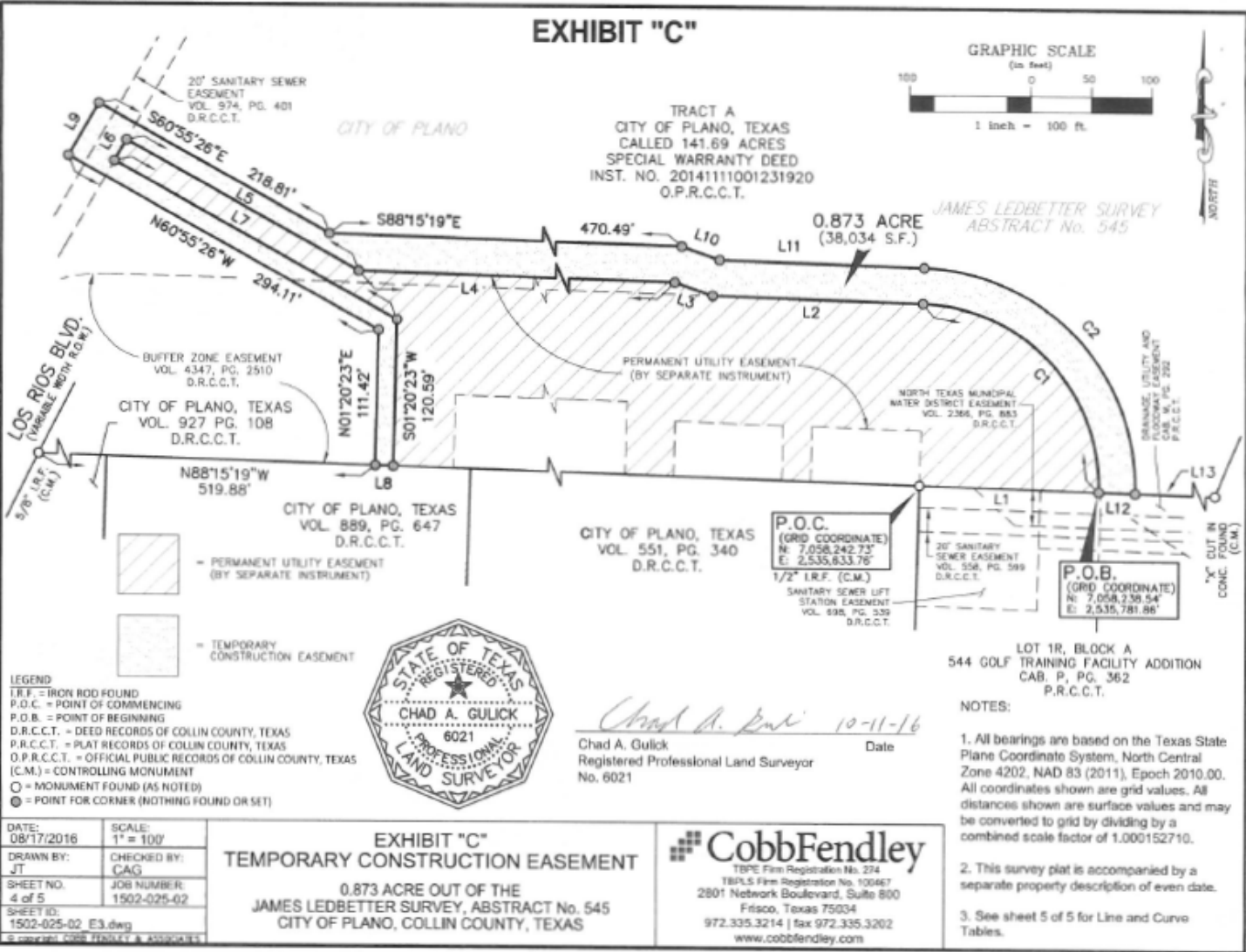


Exhibit "C" to Resolution No. 2017-1-7(R)

EXHIBIT "C"

LINE TABLE		
LINE	BEARING	LENGTH
L1	S88°22'53"E	148.18'
L2	N88°15'19"W	173.60'
L3	N70°39'26"W	33.08'
L4	N88°15'19"W	440.47'
L5	N60°55'26"W	220.39'
L6	S30°05'57"W	20.00'
L7	S60°55'26"E	267.89'
L8	N88°15'19"W	15.00'
L9	N30°05'57"E	50.01'
L10	S70°39'26"E	33.08'
L11	S88°15'19"E	168.96'
L12	N88°22'53"W	30.00'
L13	S88°22'53"E	585.37'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	BEARING	CHORD
C1	235.29'	150.00'	89°52'31"	N43°19'03"W	211.90'
C2	282.35'	180.00'	89°52'31"	S43°19'04"E	254.28'

NOTES:

1. All bearings are based on the Texas State Plane Coordinate System, North Central Zone 4202, NAD 83 (2011), Epoch 2010.00. All coordinates shown are grid values. All distances shown are surface values and may be converted to grid by dividing by a combined scale factor of 1.000152710.

2. This survey plat is accompanied by a separate property description of even date.

DATE: 08/17/2016	SCALE: 1" = 100'
DRAWN BY: JT	CHECKED BY: CAG
SHEET NO. 5 of 5	JOB NUMBER: 1502-025-02
SHEET ID: 1502-025-02 E3.dwg	
© COBB FENDLEY & ASSOCIATES	

EXHIBIT "C"
TEMPORARY CONSTRUCTION EASEMENT

0.873 ACRE OUT OF THE
JAMES LEDBETTER SURVEY, ABSTRACT No. 545
CITY OF PLANO, COLLIN COUNTY, TEXAS



TFPE Firm Registration No. 274
TBPLS Firm Registration No. 100467
2801 Network Boulevard, Suite 800
Frisco, Texas 75034
972.335.3214 | fax 972.335.3202
www.cobbfendley.com

RESOLUTION NO. 2017-1-8(R)

A Resolution of the City of Plano, Texas, appointing William J. Roberts, licensed attorney, to serve a two year term as ethics investigator as required by Section 2-104 of the Code of Conduct of the City of Plano; and providing an effective date.

WHEREAS, pursuant to Sec. 2-104 of the Code of Ordinances, the City Council shall appoint attorneys to serve as ethics investigators as required by the Code of Conduct of the City of Plano; and

WHEREAS, William J. Roberts, licensed attorney, has agreed to serve as ethics investigator for a two year period from February 8, 2017 to February 8, 2019; and

WHEREAS, the Council finds that William J. Roberts is qualified to serve as ethics investigator for code of conduct violations.

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


Section I. William J. Roberts is hereby appointed by the City Council to serve as ethics investigator in determining violations of the Code of Conduct of the City of Plano. His term is from February 8, 2017 to February 8, 2019.

Section II. This Resolution shall become effective immediately after its passage.

DULY PASSED AND APPROVED this the 23rd day of January, 2017.


Harry LaRosieliere, MAYOR

ATTEST:


Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:


Paige Mims, CITY ATTORNEY

RESOLUTION NO. 2017-1-9(R)

A Resolution of the City of Plano, Texas, appointing Scott M. Seidel, licensed attorney, to serve a two year term as ethics investigator as required by Section 2-104 of the Code of Conduct of the City of Plano; and providing an effective date.

WHEREAS, pursuant to Sec. 2-104 of the Code of Ordinances, the City Council shall appoint attorneys to serve as ethics investigators as required by the Code of Conduct of the City of Plano; and

WHEREAS, Scott M. Seidel, licensed attorney, has agreed to serve as ethics investigator for a two year period from February 8, 2017 to February 8, 2019; and


WHEREAS, the Council finds that Scott M. Seidel is qualified to serve as ethics investigator for code of conduct violations.

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

Section I. Scott M. Seidel is hereby appointed by the City Council to serve as ethics investigator in determining violations of the Code of Conduct of the City of Plano. His term is from February 8, 2017 to February 8, 2019.

Section II. This Resolution shall become effective immediately after its passage.

DULY PASSED AND APPROVED this the 23rd day of January, 2017.



Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

ORDINANCE NO. 2017-1-10

An Ordinance of the City of Plano, Texas adopting and enacting Supplement Number 118 to the Code of Ordinances for the City of Plano; providing for amendment to certain sections of the Code; and providing an effective date.

WHEREAS, the City Council of the City of Plano, Texas adopted a new Code of Ordinances upon adoption of Ordinance No. 87-3-14, on March 9, 1987; and

WHEREAS, Sections V and VI of Ordinance No. 87-3-14 provide for amendment to said Code of Ordinances; and

WHEREAS, the Code of Ordinances of the City of Plano, Texas has been revised by previous amendments duly passed as individual ordinances by the City Council and such amendments are reflected on Supplement Number 118; and

WHEREAS, the City Council wishes to adopt the ordinance codification version appearing in Supplement Number 118 of the Plano Code of Ordinances in order for the printed Code form to be considered identical to the original ordinance and to eliminate any confusion or differences in the format of the original ordinance.

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


Section I. The City Council hereby adopts the printed Code form of the ordinances contained in Supplement Number 118 as prepared by the codifier.

Section II. This Ordinance shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 23rd day of January, 2017.


Harry LaRoshier, MAYOR

ATTEST:


Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:


Paige Mims, CITY ATTORNEY

ORDINANCE NO. 2017-1-11

An Ordinance of the City of Plano, Texas, authorizing the issuance of “City of Plano, Texas, General Obligation Bonds, Series 2017”; levying a continuing direct annual ad valorem tax for the payment of said Bonds; resolving other matters incident and related to the issuance, sale, payment and delivery of said Bonds; establishing procedures for the sale and delivery of said Bonds; and delegating matters relating to the sale and issuance of said Bonds to an authorized City official; and providing a severability clause and an effective date.

WHEREAS, the City Council of the City of Plano, Texas (the “City”) hereby finds and determines that it is in the best interests of the City to issue bonds to pay the costs of making permanent public improvements authorized by the voters of the City at bond elections held on May 9, 2009 and May 11, 2013, and

WHEREAS, in accordance with the provisions of Chapter 1371, Texas Government Code, as amended, and this Ordinance, the City hereby delegates to a Pricing Officer (hereinafter designated) the authority to determine from such voted authorization the purposes and amounts for which such bonds shall be issued, and to determine the principal amount and certain other specified terms of the Bonds to be issued and negotiate the terms of sale thereof; such determinations to be included in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer, all in accordance with the provisions of Chapters 1331 and 1371, Texas Government Code, as amended.

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

Section I. Authorization - Series Designation - Principal Amount - Purpose - Bond Date. General obligation bonds of the City shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title “CITY OF PLANO, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2017”, or such other designation as specified in the Pricing Certificate (herein referred to as the “Bonds”), for the purpose of providing funds to make various permanent public improvements for the City and to pay the costs and expenses of issuance, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Chapters 1331 and 1371. The Bonds shall be dated (the “Bond Date”) as provided in the Pricing Certificate.

Section II. Fully Registered Obligations – Terms. The Bonds shall be issued as fully registered obligations, and (other than the Initial Bond referenced in Section VIII hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered “R” and numbered consecutively from one (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the “Stated Maturities”) and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

ORDINANCE NO. 2017-1-11

Section III. Delegation of Authority to Pricing Officer.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the City Manager or the Director of Finance of the City (either, the "Pricing Officer") is hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the date from which interest on the Bonds will accrue, the interest payment dates, the record date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, determination of the use of a book-entry-only securities clearance, settlement and transfer system, the designation of a paying agent/registrars, the terms of any bond insurance applicable to the Bonds, including any modification of the continuing disclosure undertaking contained in Section XXXI hereof as may be required by the purchasers of the Bonds in connection with any amendments to Rule 15c2-12, and all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$44,965,000;

(ii) the maximum true interest cost for the Bonds shall not exceed 4.00%;

(iii) the maximum maturity date of the Bonds shall not exceed September 1, 2036.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined).

If the Pricing Officer determines that bond insurance results in a net reduction of the City's interest costs associated with the Bonds, then the Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to make the selection of the municipal bond insurance company for the Bonds (the "Insurer") and to obtain from the Insurer a municipal bond insurance policy in support of the Bonds. The Pricing Officer shall have the authority to determine the provisions of the commitment for any such policy and to execute any documents to effect the issuance of said policy by the Insurer.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof. The Bonds shall be sold to the purchaser(s)/underwriter(s) named in the Pricing Certificate (the "Purchasers"), at such price and with and subject to such terms as set forth in the Pricing Certificate and the Purchase Contract (hereinafter defined), and may be sold by negotiated or competitive sale or by private placement. The Pricing Officer is hereby delegated the authority to designate the Purchasers, which delegation shall be evidenced by the execution of the Pricing Certificate.

ORDINANCE NO. 2017-1-11

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

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

The Bonds shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices provided in the Pricing Certificate (the "Designated Payment/Transfer Office"); provided, however, while a Bond is registered to Cede & Co., the payment thereof upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest on a Bond shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the Record Date (which shall be set forth in the Pricing Certificate) and such interest payments shall be made (i) by check sent by first class United States mail, postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Bonds on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such past due interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the

ORDINANCE NO. 2017-1-11

address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section V. Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like kind, maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Bond (other than the Initial Bond authorized in Section VIII hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds, executed on behalf of and furnished by the City, shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be of authorized denominations, of like Stated Maturity, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

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

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

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

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

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

Section VI. Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections IV and V hereof relating to the payment and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York ("DTC"), in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representations, by and between the City and DTC, and the Letter of Representations from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement") relating to the Bonds.

In the event the Pricing Officer elects to utilize DTC's "Book-Entry-Only" System, which election shall be made by the Pricing Officer in the Pricing Certificate, pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC and who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections IV and V hereof.

Section VII. Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor under the City's seal reproduced or impressed thereon and attested by the City Secretary. The signature of said officials on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officials of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201 of the Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section IX(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section IX(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such

ORDINANCE NO. 2017-1-11

certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

Section VIII. Initial Bond. The Bonds herein authorized shall be initially issued as fully registered Bonds as specified in the Pricing Certificate, being a single, fully registered Bond in the aggregate principal amount noted and principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, (hereinafter called the "Initial Bond" and the Initial Bond shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of like kind and of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

Section IX. Forms.

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

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

(b) **Form of Definitive Bonds.**

REGISTERED
NO. R-_____

PRINCIPAL AMOUNT
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF PLANO, TEXAS
GENERAL OBLIGATION BOND
SERIES 2017

Bond Date:

Interest Rate:

Stated Maturity:

CUSIP No.:

ORDINANCE NO. 2017-1-11

_____, 20__ _____ % _____, 20__ _____

Registered Owner:

Principal Amount:

DOLLARS

The City of Plano (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the _____) at the per annum rate of interest specified above computed on the basis of a 360 day year of twelve 30 day months; such interest being payable on _____ and _____ in each year, commencing _____, 20__, until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or upon its prior redemption to the registered owner hereof, upon presentation and surrender, at the designated offices of the Paying Agent/Registrar executing the registration certificate appearing hereon, initially in _____, _____, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"); provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by first class United States mail, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds to make various permanent public improvements for the City and to pay the costs and expenses of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Chapters 1331 and 1371 of the Texas Government Code, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

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[The Bonds maturing on the dates hereinafter identified (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Term Bonds due _____, 20__</u>	<u>Principal Amount</u>
<u>Redemption Date</u>	
_____, 20__	
_____, 20__*	

<u>Term Bonds due _____, 20__</u>	<u>Principal Amount</u>
<u>Redemption Date</u>	
_____, 20__	
_____, 20__*	

* Stated maturity.

The particular Term Bonds of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like Stated Maturity which, at least fifty (50) days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

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

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

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor;

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provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

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

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

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

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Bond on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

CITY OF PLANO, TEXAS

ATTEST:

Mayor

City Secretary

(City Seal)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (
OF PUBLIC ACCOUNTS (REGISTER NO. _____
THE STATE OF TEXAS (

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(Seal)

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The designated office of the Paying Agent/Registrar in _____, is the Designated Payment/Transfer Office for this Bond.

as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

- (e) Form of Assignment.

ASSIGNMENT

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

(Social Security or other identifying number: _____
_____) the within Bond and all rights thereunder, and hereby
irrevocably constitutes and appoints _____
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

DATED: _____

Signature guaranteed:

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

- (f) Form of Initial Bond: The Initial Bond shall be in the respective form set forth therefor in subsection (b) of this Section, except as follows:

The heading and paragraph one shall be amended to read as follows:

NO. T-1

\$ _____

UNITED STATES OF AMERICA

ORDINANCE NO. 2017-1-11

STATE OF TEXAS CITY OF PLANO, TEXAS GENERAL OBLIGATION BOND SERIES 2017

Bond Date: _____, 2017

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Plano (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on _____ in the years and in principal installments in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
-------------	-----------------------------	--------------------------

(Information to be inserted from Pricing Certificate)

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the _____ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, 20____, and each _____ and _____ thereafter, until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a redemption date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender at its designated offices, initially in _____, _____, or, with respect to a successor paying agent/registrar, at the designated office of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by first class United States mail, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

Section X. Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their

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redemption at maturity or a sinking fund of 2% (whichever amount is the greater) there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations by law prescribed, sufficient to pay the principal of and interest on the Bonds as the same becomes due and payable; and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the payment of the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; the taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and apart from all other funds of the City and shall be deposited in the "SPECIAL SERIES 2017 GENERAL OBLIGATION BOND FUND", or such other fund designation as specified in the Pricing Certificate (the "Interest and Sinking Fund") to be maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

PROVIDED, however, with regard to any payment to become due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date, if any, sufficient current funds will be available and are hereby appropriated to make such payments; and the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the Interest and Sinking Fund such current funds which, together with the accrued interest received from the initial purchasers, will be sufficient to pay the payments due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date.

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

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

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

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

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

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

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

The term "Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to

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investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

The City reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. Provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Holders of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

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

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

Section XIV. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

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

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

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

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

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

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have

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resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

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

Section XV. Sale of Bonds - Official Statement. The Bonds authorized by this Ordinance are to be sold by the City to the Purchasers in accordance with a bond purchase agreement in the event of a negotiated sale, letter agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable (the "Purchase Contract"), the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer in accordance with Section III hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City, as the act and deed of this Council, and to make a determination as to whether the terms are in the City's best interests, which determination shall be final.

With regard to such terms and provisions of the Purchase Contract, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Bonds;
2. The details of any public offering of the Bonds by the Purchasers, if any;
3. The details of any Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance, if applicable;
4. A security deposit for the Bonds, if any;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

The Mayor and City Secretary of the City are further authorized and directed to deliver for and on behalf of the City copies of a Preliminary Official Statement and Official Statement prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement as delivered by said officials shall constitute the Official Statement authorized for distribution and use by the Purchasers.

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Section XVI. Reserved.

Section XVII. Reserved.

Section XVIII. Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary ordinances, resolutions, orders and records, including the definitive Bonds and the Initial Bond, pending the investigation and approval of the Initial Bond by the Attorney General of the State of Texas, and the registration of the Initial Bond to the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Section XIX. Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and any accrued interest received from the Purchasers of the Bonds or additional proceeds being deposited to the Interest and Sinking Fund) shall be disbursed for payment of the costs of making permanent public improvements of the City, the costs of issuance, or deposited in the Interest and Sinking Fund for the Bonds, all in accordance with written instructions from the City or its financial advisor. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Interest and Sinking Fund as shall be determined by this Council.

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

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

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

Section XXII. Bond Counsel Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the Bonds, or an executed counterpart thereof is hereby authorized to be either printed on definitive printed

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obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds.

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

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

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

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

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

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

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

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

Section XXXI. Continuing Disclosure Undertaking. This Section shall apply unless the Pricing Officer determines in the Pricing Certificate that an undertaking is not required pursuant to the Rule (defined below).

(a) **Definitions.** As used in this Section, the following terms have the meanings ascribed to such terms below:

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“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

“*SEC*” means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2017, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer under the Tables specified by the Pricing Officer in the Pricing Certificate and (2) audited financial statements of the City within 12 months after the end of each fiscal year ending in or after 2017. If the audit of such financial statements is not complete within 12 month after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for such fiscal year when and if the audit report on such financial statements becomes available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;

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12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT

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SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent an underwriter of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section XXXII. Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

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

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representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of this Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

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

Section XXXV. Effective Date. In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below and it is so ordained.

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DULY PASSED AND APPROVED this the 23rd day of January, 2017.

CITY OF PLANO, TEXAS



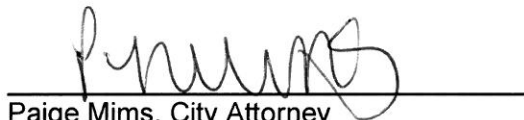
Harry LaRosiliere, Mayor

ATTEST:



Lisa C. Henderson, City Secretary

APPROVED AS TO FORM:



Paige Mims, City Attorney

(City Seal)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____, 2017 (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Plano, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Plano, Texas General Obligation Bonds, Series 2017" (the "Securities"), dated _____, 2017, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2017; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

**ARTICLE ONE
APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR**

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Authorizing Document" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

"Bank Office" means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Financial Advisor" means FirstSouthwest; a Division of Hilltop Securities Inc.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

"Responsible Officer", when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

"Stated Maturity" means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms "Bank," "Issuer," and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and

bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc. The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as

trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of _____, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[BANK]

By:_____

Title:_____

Attest:

Address: _____
_____, Texas _____

Title:_____

CITY OF PLANO, TEXAS

By: _____
Pricing Officer

Address: 1520 K Avenue
Plano, TX 75074

ORDINANCE NO. 2017-1-12

BOND ORDINANCE

**CITY OF PLANO, TEXAS
MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE
REFUNDING AND IMPROVEMENT BONDS
SERIES 2017**

Adopted January 23, 2017

ORDINANCE NO. 2017-1-12

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An Ordinance of the City of Plano, Texas, authorizing the issuance of “City of Plano, Texas, Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2017”; resolving other matters incident and related to the issuance, sale, payment and delivery of said Bonds; establishing procedures for the sale and delivery of said Bonds, and delegating matters relating to the sale and issuance of said Bonds to an authorized City Official.

WHEREAS, pursuant to authority conferred by Subchapter C of Chapter 402 of the Texas Local Government Code, now recodified as Chapter 552 of the Texas Local Government Code (the “Act”), the City Council (the “City Council”) of the City of Plano, Texas (the “City”), established the City of Plano, Texas, Municipal Drainage Utility System (the “System”);

WHEREAS, the City has previously issued its municipal drainage utility system revenue bonds (the “Previously Issued Bonds”), payable from the Revenues (as hereinafter defined) of the System;

WHEREAS, the City has reserved the right and option to issue, under certain conditions, Additional Bonds (as hereinafter defined), payable from the Revenues, on a parity as to lien and right with such Previously Issued Bonds;

WHEREAS, the City desires to refund all or a portion of certain Previously Issued Bonds (such refunded bonds to be hereinafter collectively referred to as the “Refunded Bonds”) to wit:

(a) City of Plano, Texas Municipal Drainage Utility System Revenue Bonds, Series 2008, dated January 15, 2008 (the “Series 2008 Bonds”); and

(b) City of Plano, Texas Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2009, dated January 15, 2009 (the “Series 2009 Bonds”);

WHEREAS, Chapter 1207, Texas Government Code, as amended (“Chapter 1207”), authorizes the City to issue refunding obligations and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with the paying agent for any of the Refunded Bonds, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds;

WHEREAS, the Council hereby finds and determines that it is a public purpose and in the best interests of the City to refund the Refunded Bonds in order to achieve a present value debt service savings, with such savings, among other information and terms, to be included in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer, all in accordance with the provisions of Section 1207.007, Texas Government Code, as amended;

WHEREAS, in addition to the Bonds to be issued to refund the Refunded Bonds, the City Council further finds and determines that Bonds should be issued for the purpose of the acquisition, construction and repair of structures, equipment and facilities for the City’s municipal drainage utility system, pursuant to this Ordinance and as permitted by the Act and, in accordance with the provisions of Chapter 1207 and Chapter 1371 of the Texas Government Code, as amended (“Chapter 1371”), the City by this Ordinance and in accordance with the provisions of Chapter 1207 and Chapter 1371, is delegating to the Pricing Officer the authority

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to establish the terms and details related to the issuance and sale of the Bonds including: (i) the form and designation of the Bonds; (ii) the principal amount of the Bonds and the amount of the Bonds to mature in each year; (iii) the dates, price, interest rates, interest payment dates, principal payment dates, and redemption features of the Bonds; (iv) the specific maturities, in whole or in part, of the Refunded Bonds to be refunded and (v) any other details relating to the issuance, sale, delivery, and/or exchange of the Bonds, all within certain specified parameters set forth herein;

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds in a single series at this time; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended.

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.01 Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance, the following terms shall have the meanings specified below:

“Act” means Subchapter C of Chapter 552 of the Texas Local Government Code, as amended (formerly codified as Subchapter C of Chapter 402 of the Texas Local Government Code).

“Accountant” means a certified public accountant.

“Additional Bonds” means revenue bonds or other evidences of indebtedness issued or entered into, as the case may be, in the future in accordance with the terms and conditions provided in Section 9.02 hereof and, by their terms, are equally and ratably secured by a parity lien on and pledge of the Revenues of the System.

“Average Annual Debt Service” means an amount which, at the time of computation, is derived by dividing the total amount of Debt Service to be paid over a period of years as the same is scheduled to become due and payable by the number of years taken into account in determining the total Debt Service. Capitalized interest payments provided from bond proceeds shall be excluded in making the aforementioned computation.

“Bonds” means the “City of Plano, Texas, Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2017” authorized by this Ordinance.

“City” means the incorporated municipality known as the City of Plano located in Collin and Denton Counties, Texas.

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“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Credit Facility” means (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on such obligations would rate such obligations which are fully insured by a standard policy issued by the issuer in its two highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the Bonds would rate the Bonds in its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Bonds and the interest thereon.

“Debt Service” means as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with such applicable mandatory redemption.

“Designated Payment/Transfer Office” means the designated office of the initial Paying Agent/Registrar specified in the Pricing Certificate.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Escrow Agent” means the bank or other financial institution designated and appointed in the Pricing Certificate to serve as escrow agent for the Refunded Bonds.

“Escrow Agreement” shall have the meaning assigned to it in Section 12.02 hereof.

“Escrow Fund” shall have the meaning assigned to it in Section 12.02 hereof.

“Fiscal Year” means the twelve-month financial accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.

“Initial Bond” means the initial bond authorized by Section 3.04(d) of this Ordinance.

“Interest Payment Date” means the date or dates for the payment of interest on the Bonds as set forth in the Pricing Certificate.

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“Letter of Representations” means the Blanket Letter of Representation between the City and DTC.

“Maturity Date” means the dates on which the principal of the Bonds is due and payable as set forth in the Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Revenues” means, with respect to any period, Revenues of the System remaining after deducting the System’s Operating and Maintenance Expenses for such period.

“Operating and Maintenance Expenses” means all current expenses of operating and maintaining the System, including all salaries, labor, materials, and administrative costs, allocable under generally accepted accounting principles, to the System. Depreciation charges and other costs and disbursements which may be capitalized under generally accepted accounting principles shall not be considered Operating and Maintenance Expenses.

“Outstanding” means when used in this Ordinance with respect to Bonds, Previously Issued Bonds or any Additional Bonds, as the case may be, as of the date of determination, all Bonds, Previously Issued Bonds and any Additional Bonds theretofore sold, issued and delivered by the City, except:

(1) Bonds, Previously Issued Bonds or any Additional Bonds cancelled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations;

(2) Bonds, Previously Issued Bonds or any Additional Bonds paid or deemed to be paid in accordance with the provisions of Section 9.08 hereof; and

(3) Bonds, Previously Issued Bonds or any Additional Bonds that have been mutilated, destroyed, lost, or stolen and replacement bonds have been registered and delivered in lieu thereof.

“Owner” means the person who is the registered owner of a Bond, a Previously Issued Bond, or an Additional Bond, as applicable.

“Paying Agent/Registrar” means the bank appointed to serve as the paying agent/registrar for the Bonds as set forth in the Pricing Certificate, or any successor thereto.

“Previously Issued Bonds” means the bonds of the following issues of the City to be outstanding upon the issuance of the Bonds herein authorized:

(1) Municipal Drainage Utility System Revenue Bonds, Series 2007, dated May 1, 2007;

(2) Municipal Drainage Utility System Revenue Bonds, Series 2008, dated January 15, 2008 (to be partially refunded by the Bonds);

(3) Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2009, dated January 15, 2009 (to be partially refunded by the Bonds);

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(4) Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2010, dated January 15, 2010; and

(5) Municipal Drainage Utility System Revenue Refunding Bonds, Series 2015, dated May 1, 2015.

“Rating Agency” means any nationally recognized securities rating agency which has assigned a rating to the Bonds.

“Record Date” shall mean that record date set forth in the Pricing Certificate.

“Register” means the register specified in Section 3.06(a) of this Ordinance.

“Required Reserve” means the total amount required to be maintained in the Reserve Fund under the provisions of Section 7.04 hereof.

“Reserve Fund Obligations” means cash or investment securities of any of the type or types permitted under Section 7.06 of this Ordinance.

“Revenues” means all annual income, receipts and revenues of every nature derived or received from the operation and ownership (excluding restricted gifts, grants in aid of construction and any amounts received from drainage charges specifically provided by ordinance for contribution to the funding of future drainage system construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established for the payment and security of the Bonds and the Previously Issued Bonds and other obligations payable solely from and secured only by a lien on and pledge of the Revenues of the System.

“Rule” means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

“SEC” means the United States Securities and Exchange Commission.

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“System” means all land, easements and interest in land, together with all structures, equipment and facilities used in draining benefited property (within the meaning of the Act), including, but not limited to, bridges, catch basins, channels, conduits, creeks, culverts, detention ponds, ditches, draws, flumes, pipes, pumps, sloughs, treatment works, and appurtenances to those items, whether natural or artificial, or using force or gravity, that are used to draw off surface water from land, carry the water away, collect, store, or treat the water, or divert the water into natural or artificial watercourses.

Section 1.02 Findings.

The declarations, determinations and findings declared, made and found in the preambles to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03 Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof

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and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04 Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01 Pledge of Security.

The City hereby covenants and agrees that all of the Revenues of the System are hereby irrevocably pledged to the payment of the Bonds, the Previously Issued Bonds and Additional Bonds, if issued, and the interest thereon, including the establishment and maintenance of the special funds created and established by this Ordinance, all as hereinafter provided. It is hereby ordained that the Previously Issued Bonds, the Bonds and the interest thereon shall constitute a first lien on such Revenues of the System and be valid and binding in accordance with the terms hereof without any filing or recording thereof (except in the official records of the City), physical delivery of such Revenues or further act by the City, and the lien created on the Revenues for the payment and security of the Bonds shall be prior in right and claim as to any other indebtedness, liability or obligation of the City or the System.

Section 2.02 Rates and Charges.

For the benefit of the Owners of the Previously Issued Bonds and the Bonds and in accordance with the provisions of the Act and other applicable laws of the State of Texas, the City hereby expressly stipulates and agrees, while any of the Previously Issued Bonds and the Bonds are Outstanding, to establish, maintain and impose drainage charges for services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Revenues in each Fiscal Year sufficient to pay:

- (1) Operating and Maintenance Expenses of the System;
- (2) Debt Service on the Previously Issued Bonds, the Bonds and any Additional Bonds then Outstanding;
- (3) any required deposits to the Reserve Fund and any contingency fund created for the payment and security of the Previously Issued Bonds, the Bonds and any Additional Bonds; and

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(4) all other indebtedness payable from and/or secured in whole or in part by a lien on and pledge of the Revenues of the System.

Section 2.03 Bonds as Special Obligations.

The Bonds and the Previously Issued Bonds are special obligations of the City payable from the pledged Revenues and the Owners thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

ARTICLE III

AUTHORIZATION; DELEGATION OF AUTHORITY TO PRICING OFFICER

Section 3.01 Authorization.

Revenue refunding and improvement bonds of the City shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated the "City of Plano, Texas, Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2017," or such other designation as specified in the Pricing Certificate (hereinafter referred to as the "Bonds") for the purpose of providing funds for (i) the discharge and final payment of certain outstanding obligations of the City (described in the preambles hereof and finally identified in the Pricing Certificate and referred to herein as the "Refunded Bonds"), (ii) the acquisition, construction and repair of structures, equipment and facilities for the City's municipal drainage utility system and (iii) to pay the costs of issuing the Bonds, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Chapter 552, Texas Local Government Code, as amended, and Chapters 1207 and 1371 of the Texas Government Code, as amended. The Bonds shall be dated (the "Bond Date") as provided in the Pricing Certificate.

Section 3.02 Date, Denomination, Maturities and Interest.

(a) The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be lettered "R" and numbered separately from one (1) upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature in the years and in the principal amounts and shall bear interest at the per annum rates as set forth in the Pricing Certificate.

(c) Interest shall accrue on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on the dates, and commencing on the date, set forth in the Pricing Certificate.

Section 3.03 Delegation of Authority to Pricing Officer.

(a) As authorized by Section 1207.007 and Chapter 1371, Texas Government Code, as amended, the City Manager or the Director of Finance of the City (either, the "Pricing Officer") is hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including selection of the specific maturities or series, in whole or in part, of the Refunded Bonds to be refunded, determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different

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designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the date from which interest on the Bonds will accrue, the interest payment dates, the record date, the compounding dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, determination of the use of a book-entry-only securities clearance, settlement and transfer system, the designation of a paying agent/registrar, the designation of an escrow agent satisfying the requirements of Chapter 1207, the terms of any bond insurance applicable to the Bonds, including any modification of the continuing disclosure undertaking contained in Article XI hereof as may be required by the purchasers of the Bonds in connection with any amendments to Rule 15c2-12, and all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate, provided that:

- i. the aggregate original principal amount of the Bonds shall not exceed \$8,550,000;
- ii. the refunding must produce a net present value debt service savings of at least 3.00%, net of any City contribution;
- iii. the maximum true interest cost for the Bonds shall not exceed 3.75%;
- iv. the maximum maturity date of the Bonds shall not exceed May 15, 2036.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined).

If the Pricing Officer determines that bond insurance results in a net reduction of the City's interest costs associated with the Bonds, then the Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to make the selection of the municipal bond insurance company for the Bonds (the "Insurer") and to obtain from the Insurer a municipal bond insurance policy in support of the Bonds. The Pricing Officer shall have the authority to determine the provisions of the commitment for any such policy and to execute any documents to effect the issuance of said policy by the Insurer.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof. The Bonds shall be sold to the purchaser(s)/underwriter(s) named in the Pricing Certificate (the "Purchasers"), at such price and with and subject to such terms as set forth in the Pricing Certificate and the Purchase Contract (hereinafter defined), and may be sold by negotiated or competitive sale or by private placement. The Pricing Officer is hereby delegated the authority to designate the Purchasers, which delegation shall be evidenced by the execution of the Pricing Certificate.

Section 3.04 Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

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(b) Interest on the Bonds shall be payable to the Owners as shown in the Register at the close of business on the Record Date (which shall be set forth in the Pricing Certificate); provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by first-class United States mail, postage prepaid to the address of each Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on each Bond shall be paid to each Owner by (i) check dated as of the Interest Payment Date, and sent on or before the Interest Payment Date by first-class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner as such appears in the Register or (ii) by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid at the risk and expense of such Owner.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the designated office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(f) Unclaimed payments of amounts due hereunder that remain unclaimed by the Owners after the applicable payment or redemption date shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Bonds to which such unclaimed payments pertain. Subject to Title 6, Texas Property Code, payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment on the Bonds thereafter coming due; to the extent any such moneys remain after the retirement of all outstanding Bonds, such moneys shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.05 Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary of the City, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

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(b) In the event any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which certificate shall be evidence that the Initial Bonds have been duly approved by the Attorney General of the State of Texas and that they are valid and binding obligations of the City, and have been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one initial Bond (the "Initial Bond"), representing the entire principal amount of the Bonds, payable in stated installments to the Purchasers or their designee, such Initial Bond to be executed by manual or facsimile signature of the Mayor and City Secretary of the City, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchasers or their designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Purchasers one typewritten Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.06 Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that for the Bonds interest is to be paid to the person in whose name the Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.07 Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated/Payment Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

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(b) The ownership of a Bond may be transferred and exchanged only upon the presentation and surrender of the Bond to the Paying Agent/Registrar. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent by United States mail, first-class, postage prepaid, to the new registered owner or his designee. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchanged Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, any subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

Section 3.08 Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchanged Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, exchange or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the Securities Exchange Act of 1934.

Section 3.09 Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

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(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10 Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

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(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11 Book-Entry-Only System.

(a) Notwithstanding the provisions contained in Article III hereof relating to the payment and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York ("DTC"), in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representations, by and between the City and DTC, and the Letter of Representations from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement") relating to the Bonds.

(b) In the event the Pricing Officer elects to utilize DTC's "Book-Entry-Only" System, which election shall be made by the Pricing Officer in the Pricing Certificate, pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC and who shall hold said Bonds for the DTC Participants. While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

(c) In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections IV and V hereof.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01 Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in the Pricing Certificate.

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ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01 Appointment of Initial Paying Agent/Registrar.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer or the Mayor and City Secretary are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds.

Section 5.02 Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03 Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Pricing Officer is hereby authorized to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar. The signature of the Pricing Officer may be attested by the City Secretary of the City.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04 Termination.

The City, upon not less than 60 days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.05 Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first-class United States mail, postage prepaid to the address of each Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

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Section 5.06 Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07 Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01 Form Generally.

(a) The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on the Bonds, shall be substantially in the forms set forth in this Article VI with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer. The Pricing Certificate shall set forth the final and controlling forms and terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

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

(c) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02 Form of the Bonds.

The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bonds.

REGISTERED
No. R-_____

REGISTERED:
\$_____

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United States of America
State of Texas

CITY OF PLANO, TEXAS
MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE
REFUNDING AND IMPROVEMENT BOND
SERIES 2017

INTEREST RATE: MATURITY DATE: BOND DATE: CUSIP NUMBER:
_____ % _____, 2017 _____

The City of Plano, Texas (the "City"), in the Counties of Collin and Denton, State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on _____ and _____ of each year, commencing _____.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the designated office in _____, of _____, as Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor.

Interest on this Bond is payable to the registered owner of this Bond on or before the interest payment date by (i) check dated as of the interest payment date, and sent on or before the interest payment date by first-class United States mail, postage prepaid, by the Paying Agent/Registrar to the registered owner at the address of such owner as appears in the registration books of the Paying Agent/Registrar or (ii) by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid, provided that the registered owner shall bear all risk and expense of such interest payment method. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the _____ business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the

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Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by first-class United States mail, postage prepaid to the address of each Owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds"), issued pursuant to Subchapter C, Chapter 552, Texas Local Government Code, as amended and Chapters 1207 and 1371, Texas Government Code, as amended, and a certain ordinance of the City (the "Ordinance"). Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto in the Ordinance. The Bonds are being issued for the purpose of providing funds to (i) refund certain of the Previously Issued Bonds (hereinafter defined), (ii) acquire, construct and repair structures, equipment and facilities for the City's municipal drainage utility system and (iii) pay the costs of issuing the Bonds.

The Bonds, together with certain outstanding parity lien revenue bonds of the City (the "Previously Issued Bonds"), constitute special obligations of the City and are payable solely from and equally secured by a first lien on and pledge of the Revenues of the System. The Bonds and the Previously Issued Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the System, except with respect to the Revenues.

The City expressly reserves the right to issue additional revenue obligations in all things on a parity with the Bonds and the Previously Issued Bonds, payable solely from and equally secured by a first lien on and pledge of the Revenues of the System; provided, however, that any and all such additional obligations may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Ordinance to which reference is hereby made for more complete and full particulars.

The City has reserved the option to redeem the Bonds maturing on and after _____, in whole or in part before their respective scheduled maturity dates, on _____, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice, not less than 30 days before the date fixed for redemption, to the registered owner of each Bond or portion thereof to be redeemed by first-class United States mail, postage prepaid,

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at the address shown on the Register. In the Ordinance, the City reserves the right in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption within 45 days of the date fixed for redemption; provided, however, that such limitation shall not apply to the uncalled principal balance of a Bond called for redemption in part.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the "Record Date" or the "Special Record Date", as applicable) and for all other purposes, whether or not this Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds to render the same lawful and valid have been properly done and have happened in regular and due time, form and manner as required by law; that the Bonds do not exceed any constitutional or statutory limitation; and that provision has been made for the payment of the principal of and interest on the Bonds by irrevocably pledging the Revenues of the System, as hereinabove recited.

The owner hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signatures of the Mayor and City Secretary of the City, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

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City Secretary
City of Plano, Texas

Mayor
City of Plano, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such Certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
OF THE STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding special obligation of the City of Plano, Texas, payable from the revenues pledged to its payment by and in the ordinance authorizing same, and that said Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts of
the State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

Dated: _____

_____, as
Paying Agent/Registrar

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By: _____
Authorized Signature

(d) Form of Assignment

ASSIGNMENT

FOR VALUE RECEIVED _____ (the "Transferor"), the undersigned, hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee:

(Social Security or Federal Employer Identification No. _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints as attorney to transfer the within Bond on the books kept for registration therefor, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and the words "CUSIP NUMBER:" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on _____ in each of the years, in the principal installments, and bearing interest at the per annum rates in accordance with the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
--------------	-------------------------------	-----------------------

(Information to be inserted from schedule in the Pricing Certificate).

(iii) the Initial Bond shall be numbered T-1.

Section 6.03 CUSIP Registration.

The City may secure identification numbers through CUSIP Global Services managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is

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expressly provided, however, that the presence or absence of CUSIP Numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor bond counsel to the City are to be held responsible for CUSIP Numbers incorrectly printed on the Bonds.

Section 6.04 Legal Opinion.

The approving legal opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, may be printed on the reverse side of or attached to each Bond above the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.01 Creation of Funds.

All revenues derived from the operation of the System shall be kept separate from other funds of the City. To that end, creation of the following special Funds is hereby confirmed:

(a) "City of Plano, Texas Municipal Drainage Utility System Fund," hereinafter called the "System Fund."

(b) "City of Plano, Texas Municipal Drainage Utility System Reserve Fund," hereinafter called the "Reserve Fund."

(c) "City of Plano, Texas Municipal Drainage Utility System Bond Fund," hereinafter called the "Bond Fund."

Section 7.02 System Fund.

(a) The City hereby covenants and agrees that the Revenues of the System (excluding earnings and income derived from investments held in the Bond Fund and the Reserve Fund) shall be deposited as collected to the credit of the System Fund. All revenues deposited in the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

First: To the payment of the amounts required to be deposited in the Bond Fund for the payment of Debt Service on the Bonds and the Previously Issued Bonds as the same becomes due and payable.

Second: To the payment of the amounts required to be deposited in the Reserve Fund to maintain the Required Reserve in accordance with the provisions of this Ordinance or any other ordinance relating to the issuance of Additional Bonds.

(b) Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be transferred to the City's general fund or used for any lawful purpose including payment of Operating and Maintenance Expenses.

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Section 7.03 Bond Fund.

(a) Moneys on deposit in the Bond Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds and the Previously Issued Bonds as the same becomes due and payable. The City hereby covenants that there shall be deposited into the Bond Fund from the System Fund an amount sufficient to pay the principal of and interest on the Bonds and the Previously Issued Bonds when due, either at maturity or prior redemption. Deposits to the Bond Fund shall be made in substantially equal monthly installments on or before the 10th day of each month, beginning the month next following the delivery of the Bonds to the Purchasers.

(b) The required monthly deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund and the Reserve Fund is equal to the amount required to fully pay and discharge all Outstanding Bonds or (ii) the Bonds are no longer Outstanding.

(c) Accrued interest and premium, if any, received from the sale of the Bonds, as well as earnings derived from the investment of moneys in the Bond Fund, shall be deposited to the credit of the Bond Fund and taken into consideration in determining the amount of the monthly deposits hereinabove required to be deposited in the Bond Fund from the Revenues of the System.

Section 7.04 Reserve Fund.

(a) The City covenants and agrees that it will continuously maintain in the Reserve Fund an amount of Reserve Fund Obligations equal to not less than the Average Annual Debt Service on the Bonds and the Previously Issued Bonds (the "Required Reserve"), and that upon issuance of Additional Bonds, the Required Reserve shall be increased, if required, to an amount equal to the lesser of (i) the Average Annual Debt Service (calculated on a Fiscal Year basis) for all bonds Outstanding, as determined on the date of issuance of each series of Additional Bonds, and annually following each principal payment date or redemption date for the Bonds, the Previously Issued Bonds and any Additional Bonds Outstanding, as the case may be, or (ii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of Section 148 of the Code and regulations promulgated thereunder. For so long as the funds on deposit in the Reserve Fund are equal to the Required Reserve, no additional deposit need be made therein, but should the Reserve Fund at any time contain less than the Required Reserve, then, subject and subordinate to making the required deposits to the credit of the Bond Fund, the City shall restore such deficiency by depositing additional Reserve Fund Obligations into the Reserve Fund in monthly installments of not less than 1/60th of the Required Reserve on or before the 10th day of each month following such deficiency, termination, or expiration. The money on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds, the Previously Issued Bonds and any Additional Bonds at any time there are not sufficient moneys on deposit in the Bond Fund.

(b) The City may, at its option, withdraw all surplus in the Reserve Fund over the Required Reserve and deposit the same in the System Fund; provided, however, that to the extent such surplus monies constitute bond proceeds, including interest and income derived therefrom, such amounts shall not be deposited to the System Fund and shall only be used for the purposes for which bond proceeds may be used.

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(c) For the purpose of determining compliance with the requirements of subsection (g) of this Section, Reserve Fund Obligations shall be valued each year as of the last day of the City's fiscal year at their cost or market value, whichever is lower, except that any direct obligations of the United States (State and Local Government Series) held for the benefit of the Reserve Fund in book-entry form shall be continuously valued at their par value or face principal amount.

(d) To the extent permitted by, and in accordance with applicable law and upon approval of the Attorney General of the State of Texas, the City may replace or substitute a Credit Facility for cash or investment securities, of any of the type or types permitted by Section 7.06 hereof, on deposit in the Reserve Fund or in substitution or replacement of any existing Credit Facility. Upon such replacement or substitution, cash or investment securities of any of the types permitted by Section 7.06 hereof, on deposit in the Reserve Fund which, taken together with the face amount of any existing Credit Facilities, are in excess of the Required Reserve may be withdrawn by the City, at its option, and transferred to the System Fund; provided that the face amount of any Credit Facility may be reduced at the option of the City in lieu of such transfer. However, to the extent such surplus monies constitute bond proceeds, including interest and income derived therefrom, such amounts shall not be deposited to the System Fund and shall only be used for the purposes for which bond proceeds may be used. Any interest due on any reimbursement obligation under the Credit Facility shall not exceed the highest lawful rate of interest which may be paid by the City.

(e) If the City is required to make a withdrawal from the Reserve Fund, the City shall promptly notify the issuer of such Credit Facility of the necessity for a withdrawal from the Reserve Fund, and shall make such withdrawal first from available moneys or investment securities then on deposit in the Reserve Fund, and next from a drawing under any Credit Facility to the extent of such deficiency.

(f) In the event of a deficiency in the Reserve Fund, or in the event that on the date of termination or expiration of any Credit Facility there is not on deposit in the Reserve Fund sufficient Reserve Fund Obligations, all in an aggregate amount at least equal to the Required Reserve, then the City shall, after making required deposits to the Bond Fund in accordance with the terms of this Ordinance, satisfy the Required Reserve by depositing additional Reserve Fund Obligations into the Reserve Fund in monthly installments of not less than 1/60th of the Required Reserve on or before the 10th day of each month following such deficiency, termination or expiration.

(g) In the event of the redemption or defeasance of any of the Outstanding Bonds, any Reserve Fund Obligations on deposit in the Reserve Fund in excess of the Required Reserve may be withdrawn and transferred, at the option of the City, to the System Fund, as a result of (i) the redemption of the Outstanding Bonds, or (ii) funds for the payment of the Outstanding Bonds having been deposited irrevocably with the paying agent or place of payment therefor in the manner described in this Ordinance, the result of such deposit being that such Outstanding Bonds no longer are deemed to be Outstanding under the terms of this Ordinance. However, to the extent such surplus monies constitute bond proceeds, including interest and income derived therefrom, such amounts shall not be deposited to the System Fund and shall only be used for the purposes for which bond proceeds may be used.

(h) In the event there is a draw upon the Credit Facility, the City shall reimburse the issuer of such Credit Facility for such draw in accordance with the terms of any agreement pursuant to which the Credit Facility is issued from Net Revenues; however, such

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reimbursement from Net Revenues shall be subject to the provisions of subparagraph (e) hereof, and shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the Bonds.

(i) Notwithstanding the foregoing, at such time as the Previously Issued Bonds dated on or before January 15, 2010 are no longer Outstanding, the City may discontinue the Reserve Fund for the Bonds and for any Additional Bonds issued after the issuance of the Bonds; provided however, the City may provide for the establishment of a Reserve Fund with respect to Additional Bonds to the extent specified in the ordinance authorizing such Additional Bonds. At such time as the Previously Issued Bonds dated on or before January 15, 2010 are no longer Outstanding, the City may withdraw and transfer monies relating to the Bonds in the Reserve Fund to the System Fund; provided that, to the extent such monies constitute bond proceeds, including interest and income derived therefrom, such amounts shall be deposited to the Bond Fund.

Section 7.05 Deficiencies: Excess Revenues.

(a) If on any occasion there shall not be sufficient Revenues of the System to make the required deposits into the Bond Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available Revenues of the System, or from any other sources available for such purpose.

(b) Subject to making the required deposits to the Bond Fund and the Reserve Fund in accordance with the provisions of this Ordinance, the ordinances authorizing the issuance of the Previously Issued Bonds, or any ordinance authorizing the issuance of Additional Bonds, the excess Revenues may be transferred to the City's general operating fund or used by the City for any lawful purpose.

Section 7.06 Security of Funds.

(a) Money in any Fund may, at the option of the City, be invested in funds and obligations authorized and identified in the Public Funds Investment Act, as amended (to the extent such funds and obligations are also authorized under the City's investment policy), or other applicable law. All deposits and investments shall be made in such a manner that the money required to be expended from any Fund will be available at the proper time or times. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 7.04 hereof, be credited to and deposited in the System Fund. All investments shall be sold promptly when necessary to prevent any default in connection with the Bonds or any Previously Issued Bonds.

(b) To the extent amounts deposited to the credit of any Funds referenced herein are not invested, such uninvested amounts shall be secured in the manner and to the fullest extent required by laws of the State of Texas for the security of public funds.

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ARTICLE VIII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 8.01 Sale of Bonds: Official Statement.

(a) The Bonds authorized by this Ordinance are to be sold by the City to the Purchasers in accordance with a bond purchase agreement in the event of a negotiated sale, letter agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable (the "Purchase Contract"), the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City, as the act and deed of this City Council, and to make a determination as to whether the terms are in the City's best interests, which determination shall be final.

With regard to such terms and provisions of the Purchase Contract, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Bonds;
2. The details of any public offering of the Bonds by the Purchasers, if any;
3. The details of any Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance, if applicable;
4. A security deposit for the Bonds, if any;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

(b) The Mayor and City Secretary of the City are further authorized and directed to deliver for and on behalf of the City copies of a Preliminary Official Statement and Official Statement prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement as delivered by said officials shall constitute the Official Statement authorized for distribution and use by the Purchasers.

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Section 8.02 Control and Delivery of Bonds.

(a) The Mayor is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Purchasers under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section 8.03 Proceeds of Sale.

Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to be deposited with an official depository of the City to finance the permanent public improvements referenced in Section 3.01 hereof and to pay costs of issuance and any accrued interest received from the Purchasers of the Bonds or additional proceeds being deposited to the Interest and Sinking Fund) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement or deposited with the paying agent/registrar for the Refunded Bonds for the payment and redemption of the Refunded Bonds. The proceeds of sale of the Bonds not so deposited with the Escrow Agent (or the paying agent/registrar for the Refunded Bonds) for the refunding of the Refunded Bonds shall be disbursed for payment of the costs of issuance and for the payment of the aforesaid improvements, or deposited in the Interest and Sinking Fund for the Bonds, all in accordance with written instructions from the City or its financial advisor. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Interest and Sinking Fund as shall be determined by this City Council.

Additionally, the Pricing Officer shall determine the amount of any City contribution to the refunding from moneys on deposit in the interest and sinking fund(s) maintained for the payment of the Refunded Bonds.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01 Payment of Bonds.

While any of the Bonds are Outstanding, the Director of Finance (or other designated financial officer of the City) shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds

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accrues or matures or comes due by reason of redemption prior to maturity; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the last business day next preceding the date of payment for the Bonds.

Section 9.02 Issuance of Additional Parity Bonds.

Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the City reserves the right to issue, from time to time as needed, Additional Bonds for any authorized purpose, including the issuance of refunding bonds. Such Additional Bonds may be issued in such form and manner as now or hereafter authorized by the laws of the State of Texas for the issuance of evidences or instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the City reserves the right to employ the same in its financing arrangements provided that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(i) The officer of the City then having the primary responsibility for the financial affairs of the City shall have executed a certificate stating (a) that, to the best of his or her knowledge and belief, the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Revenues of the System that would materially affect the security or payment of such obligations and (b) either (i) payments into all special Funds maintained for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Revenues of the System have been made and that the amounts on deposit in such special Funds equal or exceed the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such obligations then being issued will cure any such deficiency;

(ii) The Additional Bonds shall be scheduled to mature or be payable as to principal on May 15 or November 15 (or both) in each year the same are to be outstanding or during the term thereof;

(iii) The Reserve Fund shall contain the Required Reserve amount on the date of issuance of the proposed Additional Bonds after giving effect to the issuance thereof; and

(iv) The City has secured a certificate or opinion of an Accountant to the effect that, according to the books and records of the City, the Net Revenues for the last completed Fiscal Year, or for 12 consecutive months out of the 18 months immediately preceding the month in which the ordinance authorizing the issuance of the then proposed Additional Bonds is passed, are at least equal to 1.25 times the Average Annual Debt Service for all Outstanding Bonds, Outstanding Previously Issued Bonds and any Outstanding Additional Bonds after giving effect to the issuance of the Additional Bonds then being issued. In making a determination of the Net Revenues, the Accountant may take into consideration a change in the charges for services afforded by the System that became effective at least 60 days prior to the last day of the period for which Net Revenues are determined and, for purposes of satisfying the above Net Revenues test, make a pro forma determination of the Net Revenues of the System for the period of time covered by his certification or opinion based on such change in

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charges being in effect for the entire period covered by the certificate or opinion of the Accountant.

If the Reserve Fund is no longer being maintained pursuant to the provisions of Section 7.04(i) of this Ordinance, the requirement of subparagraph (iii) shall not apply.

Section 9.03 Issuance of Obligations of Inferior Lien and Pledge.

The City hereby reserves the right to issue obligations payable from and secured by a lien on and pledge of the Revenues of the System, junior and subordinate in rank and dignity to the lien and pledge securing the payment of the Bonds and the Previously Issued Bonds, as may be authorized by the laws of the State of Texas.

Section 9.04 Refunding Bonds.

The City reserves the right to issue refunding bonds to refund all or any part of the Bonds and the Previously Issued Bonds (pursuant to any law then available) upon such terms and conditions as the City Council of the City may deem to be in the best interest of the City and its inhabitants, and if less than all of such Bonds and the Previously Issued Bonds then Outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Bonds) set forth in Section 9.02 hereof shall be satisfied and the certificate or opinion of the Accountant required in Section 9.02 shall give effect to the Debt Service of the proposed refunding bonds (and shall not give effect to the Debt Service on the bonds being refunded following their cancellation or provisions being made for their payment). Notwithstanding the foregoing, to the extent that the City issues refunding bonds to refund the Bonds or Additional Bonds issued after the issuance of the Bonds and such refunding will result in a net debt service savings to the City, the certificate or opinion of an Accountant set forth in Section 9.04(iv) above shall not be required to be provided as a condition precedent to the issuance of such Additional Bonds.

Section 9.05 Maintenance and Operation - Insurance.

In regard to the operations and properties of the System, the City agrees to carry and maintain liability and property damage insurance of the kind and in the amounts customarily carried by municipal corporations in Texas on such kind of properties; provided, however, the City, in lieu of and/or in combination with carrying such insurance, may self-insure against all perils and risks by establishing self-insurance reserves. Annually each year, not later than the end of each Fiscal Year, the City shall prepare or cause to be prepared by a person competent and knowledgeable in such matters a written evaluation of the adequacy of such self-insurance and/or insurance coverage and of any recommended changes in regard to the City's insurance/self-insurance policies, practices and procedures.

Section 9.06 Records - Accounts - Accounting Reports.

The City hereby covenants, reaffirms and agrees that so long as any of the Bonds, or any interest thereon, remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the operation of the System separate and apart from all other records and accounts in which complete and correct entries shall be made of all transactions relating to said System, and that the Owner or Owners of any of such Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto, and to inspect

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the System and all properties comprising same. The City further agrees that within 60 days following the close of each Fiscal Year it will cause an audit of such books and accounts to be initiated by an independent firm of Accountants, showing the receipts and disbursements for account of the System for the Fiscal Year.

Each such audit, in addition to whatever other matters may be thought proper by the firm of Accountants, shall particularly include the following:

- (a) A detailed statement of the income and expenditures of the System for such Fiscal Year.
- (b) A balance sheet as of the end of such Fiscal Year.
- (c) The Accountants' comments regarding the manner in which the City has carried out the requirements of this Ordinance and his recommendations for any changes or improvements in the operation, records and accounts of the System.
- (d) A list of the insurance policies in force at the end of the Fiscal Year on the System properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.

Expenses incurred in making the audits above referred to are to be regarded as maintenance and operating expenses and paid as such. Copies of the aforesaid annual audit shall be furnished to the original purchasers of the Bonds and any subsequent Owner upon written request. At the close of the first six-month period of each Fiscal Year, the City Secretary of the City is hereby directed to furnish a copy of an operating and income statement in reasonable detail covering such period to any bondholder upon written request therefor, received not more than 30 days after the close of said six-month period. Any Owner shall have the right to discuss with the Accountant making the annual audit the contents thereof and to ask for such additional information as he may reasonably require.

Section 9.07 Sale or Lease of Properties.

The City, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair value thereof, as determined by the City Council of the City, any property of the System which is obsolete, damaged or worn out or otherwise unsuitable. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

Section 9.08 Satisfaction of Obligation of City.

The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

Section 9.09 Bonds as Negotiable Instruments.

Each of the Bonds shall be deemed and construed to be an "Investment Security" and, as such, a negotiable instrument, within the meaning of Article 8 of the Texas Uniform Commercial Code.

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Section 9.10 Special Covenants.

The City further covenants and agrees by and through this Ordinance as follows:

(i) It has the lawful power to pledge the Revenues of the System to the payment of the Bonds to the extent provided herein and has lawfully exercised said power under the Constitution and laws of the State of Texas, including the Act, and that the Bonds issued hereunder, together with the Previously Issued Bonds and any Additional Bonds, shall be ratably secured in such manner that no one bond shall have preference over any other bond of said issues.

(ii) The Revenues of the System have not been in any manner pledged or encumbered to the payment of any debt or obligation of the City or the System, save and except for the Bonds and the Previously Issued Bonds; provided that the City has reserved the right pursuant to Section 9.03 hereof to issue subordinate lien obligations.

(iii) To exercise and pursue with due diligence available remedies provided by law for the collection of delinquent drainage charges, including the power under Section 552.050 of the Act to discontinue all utility services, particularly water and sewer services provided by the City to a user of benefited property who is delinquent in the payment of drainage charges.

Section 9.11 Ordinance a Contract - Amendments.

This Ordinance shall constitute a contract with the Owners from time to time, be binding on the City, and shall not be amended or repealed by the City while any Bond remains Outstanding except as permitted in this Section and Section 11.05. The City, may, without the consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, to cure any ambiguity, inconsistency, or formal defect or omission herein and to provide additional security for the payment of the Bonds. In addition, the City may, with the written consent from the owners holding a majority in aggregate principal amount of the Bonds then Outstanding (excluding Bonds acquired by or held for the account of the City) affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the written consent of all Owners of Bonds then Outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held for consent to any such amendment, addition, or rescission.

Section 9.12 Provisions Concerning Federal Income Tax Exclusion.

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is

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to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

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

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

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

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

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

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

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

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

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

(k) Bonds Not Hedge Bonds. At the time the original obligations refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three years after such obligations were issued, and not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Qualified Advance Refunding The Bonds are issued in part to refund the Refunded Bonds, and the Bonds will be issued more than 90 days before the redemption of the Refunded Bonds. The City represents as follows:

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(i) The Bonds are the first advance refunding of the Refunded Bonds within the meaning of Section 149(d)(3) of the Code.

(ii) The Refunded Bonds are being called for redemption, and will be redeemed not later than the earliest date on which such obligations may be redeemed and on which the City will realize present value debt service savings (determined without regard to administrative expenses) on the issue.

(iii) The initial temporary period under Section 148(c) of the Code will end: (i) with respect to the proceeds of the Bonds, not later than 30 days after the date of issue of such Bonds; and (ii) with respect to proceeds of the Refunded Bonds, on the Closing Date if not ended prior thereto.

(iv) On and after the date of issue of the Bonds, no proceeds of the Refunded Bonds will be invested in Nonpurpose Investments having a Yield in excess of the Yield on such Refunded Bonds.

(v) The Bonds are being issued for the purposes stated in the preamble of this Ordinance. There is a present value savings associated with the refunding of the Refunded Bonds. In the issuance of the Bonds the City has neither: (i) overburdened the tax-exempt bond market by issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued; (ii) employed on "abusive arbitrage device" within the meaning of Section 1.148-10(a) of the Regulations; nor (iii) employed a "device" to obtain a material financial advantage based on arbitrage, within the meaning of Section 149(d)(4) of the Code, apart from savings attributable to lower interest rates and reduced debt service payments in early years.

Section 9.13 Continuing Obligation.

Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of Section 9.12 shall survive the defeasance and discharge of the Bonds.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01 Remedies in Event of Default.

In addition to all rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City:

(a) defaults in payments to be made to the Bond Fund or the Reserve Fund as required by this Ordinance; or

(b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the Owners of any of the Bonds shall be entitled to a writ of mandamus issued by a court of property jurisdiction, compelling and requiring the City and its officers to observe and perform any covenant, condition or obligation prescribed in this Ordinance. No delay or omission to exercise any right or power accruing upon

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any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

ARTICLE XI

CONTINUING DISCLOSURE UNDERTAKING

Section 11.01 Applicability.

This Section shall apply unless the Pricing Officer determines in the Pricing Certificate that an undertaking is not required pursuant to the Rule.

Section 11.02 Annual Reports.

(a) The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2017, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer under the Tables specified by the Pricing Officer in the Pricing Certificate and (2) audited financial statements of the City within 12 months after the end of each fiscal year ending in and after 2017. If the audit of such financial statements is not complete within 12 month after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for such fiscal year when and if the audit report on such financial statements becomes available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

(b) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

Section 11.03 Material Event Notices.

(a) The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;

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4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (a)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 11.02(a) hereof by the time required by such Section.

Section 11.04 Filings with the MSRB.

All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 11.05 Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with

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respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any Bond calls and any defeasances that cause the City to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City’s right to do so would not prevent an underwriter of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 11.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provided.

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ARTICLE XII

REDEMPTION OF REFUNDED BONDS; ESCROW AGENT

Section 12.01 Redemption of Refunded Bonds.

(a) In order to provide for the refunding, discharge, and retirement of the Refunded Bonds as selected by the Pricing Officer, the Refunded Bonds, identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date(s) such Refunded Bonds are subject to redemption or such other dates specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption date or dates, and notice of such redemption shall be given in accordance with the applicable provisions of the applicable ordinances adopted by this City Council, which authorized the issuance of the Refunded Bonds. The Pricing Officer is hereby authorized and directed to issue or cause to be issued Notices of Redemption for the Refunded Bonds in substantially the forms set forth as exhibits to the Pricing Certificate, to the paying agent/registrar for Refunded Bonds, in accordance with the redemption provisions applicable to the Refunded Bonds.

(b) The paying agent/registrar for Refunded Bonds is hereby directed to provide the appropriate notices of redemption as required by the ordinances authorizing the issuance of the Refunded Bonds and is hereby directed to make appropriate arrangements so that the Refunded Bonds may be redeemed on the respective redemption dates specified in the Pricing Certificate.

(c) The source of funds for payment of the principal of and interest on the Refunded Bonds on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent, pursuant to the Escrow Agreement, if any, or with the paying agent/registrar for the Refunded Bonds pursuant the provisions of Chapter 1207, this Ordinance and the Pricing Certificate.

Section 12.02 Escrow Agreement.

An "Escrow Agreement" or "Special Escrow Agreement" (either, the "Escrow Agreement") by and between the City and an authorized escrow agent designated in the Pricing Certificate (the "Escrow Agent"), if any such agreement is required in connection with the issuance of the Bonds, shall be attached to and approved in the Pricing Certificate. Such Escrow Agreement is hereby authorized to be finalized and executed by the Pricing Officer for and on behalf of the City and as the act and deed of this City Council; and such Escrow Agreement as executed by said Pricing Officer shall be deemed approved by this City Council and constitute the Escrow Agreement herein approved. With regard to the finalization of certain terms and provisions of any Escrow Agreement, the Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

1. The identification of the Refunded Bonds;
2. The creation and funding of the Escrow Fund or Funds; and
3. The Escrow Agent's compensation, administration of the Escrow Fund or Funds, and the settlement of any paying agents' charges relating to the Refunded Obligations.

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Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "CITY OF PLANO, TEXAS, MUNICIPAL DRAINAGE UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2017 ESCROW FUND" (referred to herein as the "Escrow Fund"), or such other designation as specified in the Pricing Certificate; all as contemplated and provided in Chapter 1207, the Ordinance, the Pricing Certificate and the Escrow Agreement.

On or immediately prior to the date of the delivery of the Bonds to the Purchasers, the Pricing Officer, or other authorized City official, shall also cause to be deposited (and is hereby authorized to cause to be deposited) with the Escrow Agent from moneys on deposit in the debt service fund(s) maintained for the payment of the Refunded Bonds an amount which, together with the proceeds of sale of the Bonds, and the investment earnings thereon, will be sufficient to pay in full the Refunded Bonds (or the amount of accrued interest due thereon) scheduled to mature and authorized to be redeemed on the earliest date established in the Pricing Certificate for the redemption of any of the Refunded Bonds (or the earliest date of payment, to be made from moneys in the Escrow Fund(s), as established in the Pricing Certificate, of the amount of accrued interest due thereon).

ARTICLE XIII

ATTORNEY GENERAL MODIFICATION

Section 13.01 Attorney General Modification.

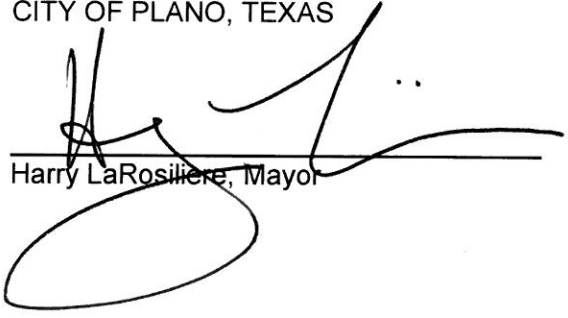
In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary of the City and the City Secretary of the City shall insert such changes into this Ordinance as if approved on the date hereof.

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DULY PASSED AND APPROVED this the 23rd day of January, 2017.

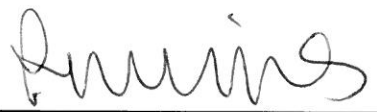
CITY OF PLANO, TEXAS


Harry LaRosiliere, Mayor

ATTEST:


Lisa C. Henderson, City Secretary

APPROVED AS TO FORM:


Paige Mims, City Attorney

(City Seal)

Exhibit "A" to Ordinance No. 2017-1-12

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____, 2017 (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Plano, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Plano, Texas Municipal Drainage Utility System Revenue Refunding and Improvement Bonds, Series 2017" (the "Securities"), dated _____, 2017, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2017; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

**ARTICLE ONE
APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR**

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

**ARTICLE TWO
DEFINITIONS**

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Authorizing Document" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

"Bank Office" means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Financial Advisor" means FirstSouthwest; a Division of Hilltop Securities Inc.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

"Responsible Officer", when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

"Stated Maturity" means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

Exhibit “A” to Ordinance No. 2017-1-12

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank’s general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and

bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc. The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

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The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as

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trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of _____, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

Exhibit "A" to Ordinance No. 2017-1-12

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[BANK]

By: _____

Title: _____

Attest:

Address: _____

Title: _____

CITY OF PLANO, TEXAS

By: _____
Pricing Officer

Address: 1520 K Avenue
Plano, TX 75074

ORDINANCE NO. 2017-1-13

An Ordinance of the City of Plano, Texas, authorizing the issuance of “City of Plano, Texas, Tax Notes, Series 2017”; levying a continuing direct annual ad valorem tax for the payment of said notes; resolving other matters incident and related to the issuance, sale, payment and delivery of said notes; establishing procedures for the sale and delivery of said notes; and delegating matters relating to the sale and issuance of said notes to an authorized City official; enacting provisions incident and related to the purposes and subject of this Ordinance; and providing a severability clause and an effective date.

WHEREAS, pursuant to Texas Government Code Chapter 1431, as amended (the “Act”), the City Council (the “City Council”) of the City of Plano, Texas (the “City”) is authorized and empowered to issue anticipation notes to pay contractual obligations incurred or to be incurred for (i) the construction of any public work, (ii) the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way for City authorized needs and purposes and (iii) for professional services rendered on behalf of the City in connection therewith; and

WHEREAS, in accordance with the provisions of Act the City Council hereby finds and determines that anticipation notes should be authorized at this time as herein provided to finance the costs of paying contractual obligations to be incurred for (i) the acquisition and installation of a fiber optics cabling system to serve the City’s municipal buildings and systems, (ii) the acquisition, equipment and installation of a public safety emergency warning and notice system for the City, (iii) the acquisition of equipment for enterprise technology including storage and management of police cameras and any City data, (iv) the acquisition, installation and upgrading of the City’s computers, applications, security and communications systems, including the telephone system and (v) professional services rendered on behalf of the City in relation to such projects and the financing thereof; and

WHEREAS, the City shall by this Ordinance, in accordance with the provisions of Texas Government Code, Chapter 1371, as amended (“Chapter 1371”), delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Notes to be issued and negotiate the terms of sale thereof; and

WHEREAS, the City Council hereby finds and determines that it is a public purpose and in the best interests of the City to authorize the issuance of the notes and the terms of such notes to be included in one or more pricing certificates (the “Pricing Certificate”) to be executed by the Pricing Officer (hereafter designated), all in accordance with the provisions of Chapter 1371.

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

Section I. Authorization - Designation - Principal Amount - Purpose - Note Date. Notes of the City shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth, to be designated and bear the title “CITY OF PLANO, TEXAS, TAX NOTES, SERIES 2017” (hereinafter referred to as the “Notes”), for the purpose of paying contractual obligations to be incurred for (i) the acquisition and installation of a fiber optics cabling system to serve the City’s municipal buildings and systems, (ii) the acquisition, equipment and installation of a public safety emergency warning and notice system for the City, (iii) the acquisition of equipment for enterprise technology including storage and management of police cameras and any City data, (iv) the acquisition, installation and upgrading of the City’s computers, applications, security and communications systems,

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including the telephone system and (v) professional services rendered on behalf of the City in relation to such projects and the financing thereof, in conformity with the Constitution and laws of the State of Texas, including the Act and Chapter 1371. The Notes shall be dated (the "Note Date") as provided in the applicable Pricing Certificate.

Section II. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates. The Notes shall be issued as fully registered obligations only, shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity [defined below]) thereof, and shall become due and payable on a date certain in each of the years and in principal amounts (each a "Stated Maturity" and collectively the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the details of the Notes as set forth in the Pricing Certificate.

The Notes shall bear interest on the unpaid principal amounts from the date(s) specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Notes shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

Section III. Delegation of Authority to Pricing Officer.

(a) As authorized by Chapter 1371, the City Manager or the Director of Finance of the City (either, a "Pricing Officer") is hereby authorized to act on behalf of the City in selling and delivering the Notes and carrying out the other procedures specified in this Ordinance, including determining the aggregate original principal amount of the Notes, the date of the Notes, any additional or different designation or title by which the Notes shall be known, the price at which the Notes will be sold, the years in which the Notes will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the price and terms upon and at which the Notes shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the terms of any bond insurance applicable to the Notes, the designation of a paying agent/registrar, and all other matters relating to the issuance, sale, and delivery of the Notes, including any modification of the continuing disclosure undertaking contained in Section XXX hereof as may be required by the purchasers of the Notes in connection with any amendments to Rule 15c2-12, all of which shall be specified in the Pricing Certificate; provided that:

(1) the aggregate original principal amount of the Notes shall not exceed \$15,165,000;

(2) the maximum true interest cost of the Notes shall be 2.75%; and

(3) the maximum maturity date of the Notes shall not exceed September 1, 2023.

The execution of the Pricing Certificate shall evidence the sale date of the Notes by the City to the Purchasers (hereinafter defined).

If the Pricing Officer determines that bond insurance results in a net reduction of the City's interest costs associated with the Notes, then the Pricing Officer is authorized, in connection with effecting the sale of the Notes, to make the selection of the municipal bond insurance company for the Notes (the "Insurer") and to obtain from the Insurer a municipal bond policy in support of the Notes. The Pricing Officer shall have the authority to determine the

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provisions of the commitment for any such policy and to execute any documents to effect the issuance of said policy by the Insurer.

(b) In establishing the aggregate principal amount of the Notes, the Pricing Officer shall establish an amount which shall be sufficient in amount to provide for the purposes for which the Notes are authorized and to pay costs of issuing the Notes. The delegation made hereby shall expire if not exercised by the Pricing Officer within one (1) year from the date of adoption of this Ordinance. The Notes shall be sold by negotiated sale to the underwriter(s) named in the Pricing Certificate (the "Purchasers"), at such price and with and subject to such terms as set forth in the Pricing Certificate and the Purchase Contract (hereinafter defined).

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

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

Principal of and premium, if any, on the Notes shall be payable at their Stated Maturities or upon their earlier redemption, only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its designated offices provided in the Pricing Certificate, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"); provided, however, while a Note is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Note. Interest due on the Notes shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the Record Date (which shall be set forth in the Pricing Certificate) and such interest payments shall be made (i) by check sent by first class United States mail, postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are

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authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

Section V. Registration - Transfer - Exchange of Notes - Predecessor Notes.

The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Notes issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. The Security Register shall be kept and maintained at the Designated Payment/Transfer Office of the Paying Agent/Registrar and at a place within the State of Texas. Any Note may be transferred or exchanged for Notes of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Note to the Paying Agent/Registrar at the Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Note (other than the single Initial Note referenced in Section VIII) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Notes shall be registered and issued to the assignee or transferee of the previous Holder; such Notes to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Note or Notes surrendered for transfer.

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

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

All transfers or exchanges of Notes pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or

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exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

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

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

Section VI. Book-Entry-Only Transfers and Transactions. Notwithstanding the applicable provisions contained hereof relating to the payment, and transfer/exchange of the Notes, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York ("DTC"), in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Notes shall be deposited with DTC who shall hold said Notes for its participants (the "DTC Participants"). While the Notes are held by DTC under the Depository Agreement, the Holder of the Notes on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Note (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Notes or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Notes, the City covenants and agrees with the Holders of the Notes to cause Notes to be printed in definitive form and provide for the Note certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Notes in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Notes shall be made in accordance with the provisions of Sections III and V hereof.

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

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

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

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

Section IX. Forms.

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

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

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(b) Form of Definitive Note.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF PLANO, TEXAS
TAX NOTE
SERIES 2017

Note Date: _____, 2017 Interest Rate: _____% Stated Maturity: _____, 20__ CUSIP NO: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Plano (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" (affixed upon the Notes by the Paying Agent/Registrar) of each Note (unless a Note bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of a Note is the delivery date of the Note (or its Predecessor Note) to the initial Holder, in which case it shall bear interest from _____) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year until maturity or prior redemption, commencing _____, 20__. Principal of this Note is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided however, while this Note is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Note. Interest is payable to the registered owner of this Note (or one or more Predecessor Notes, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by first class United States mail, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Notes shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Note shall

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be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Note is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Notes") for the purpose of paying contractual obligations to be incurred for (i) the acquisition and installation of a fiber optics cabling system to serve the City's municipal buildings and systems, (ii) the acquisition, equipment and installation of a public safety emergency warning and notice system for the City, (iii) the acquisition of equipment for enterprise technology including storage and management of police cameras and any City data, (iv) the acquisition, installation and upgrading of the City's computers, applications, security and communications systems, including the telephone system and (v) professional services rendered on behalf of the City in relation to such projects and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas, including Chapter 1431 of the Texas Government Code, as amended, and Chapter 1371 of the Texas Government Code, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

¹[The Notes maturing on the dates hereinafter identified (the "Term Notes") are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

Term Notes due _____, 20__		Term Notes Due _____ 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
_____, 20__*	\$	_____, 20__*	\$
_____, 20__	\$	_____, 20__	\$

Term Notes Due _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>
_____, 20__*	\$
_____, 20__	\$

* Stated maturity.

The particular Notes to be redeemed on each such date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Notes for a given maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of Term Notes of like maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Notes plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Notes maturing on and after _____, 20__ may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any

¹ Conform redemption provisions to Pricing Certificate.

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integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, 20__, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption, and upon 30 days prior written notice being given by United States Mail, first class postage prepaid, to registered owners of the Notes to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Note (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Note (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event of a partial redemption of the principal amount of this Note, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Note to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and there shall be issued to the registered owner hereof, without charge, a new Note or Notes of like maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof. If this Note is called for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer this Note to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance hereof in the event of its redemption in part.

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

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

This Note, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the

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Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Notes of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Note as the owner entitled to payment of principal hereof at its Stated Maturity or redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

CITY OF PLANO, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(City Seal)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
OF PUBLIC ACCOUNTS) REGISTER NO. _____
THE STATE OF TEXAS)

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The designated offices of the Paying Agent/Registrar in _____, is the Designated Payment/Transfer Office for this Note.

Registration date: _____,
_____, as Paying Agent/Registrar

By: _____
Authorized Signature

- (e) Form of Assignment.

ASSIGNMENT

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

_____) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____

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

DATED: _____

Signature guaranteed: _____

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

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

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF PLANO, TEXAS
TAX NOTE
SERIES 2017

Note Date: _____, 2017

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Plano (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Collin and Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on _____ in each of the years and in principal installments in accordance with the following schedule:

YEAR OF
MATURITY

PRINCIPAL
INSTALLMENTS

INTEREST
RATE

(Information to be inserted from schedule in the Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid Principal Amount hereof from the interest payment date next preceding the "Registration Date" (affixed upon the Notes by the Paying Agent/Registrar) of each Note (unless a Note bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of a Note is the delivery date of the Note or its Predecessor Note to the initial Holder, in which case it shall bear interest from _____) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year, commencing _____, 20____. Principal installments of this Note are payable on the Stated Maturity dates or on a redemption date to the registered owner hereof by _____, _____, Texas (the "Paying Agent/Registrar"), upon

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

Section X. Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Notes, being (i) the interest on the Notes and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Notes shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Notes while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Notes shall be kept and maintained by the City at all times while the Notes are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Notes shall be deposited to the credit of a "Special 2017 Note Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Notes.

PROVIDED, however, in regard to any payment to become due on the Notes prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Note Date, sufficient current funds will be available and are hereby appropriated to make such payments; and the Mayor, Mayor Pro Tem, City Manager, Director of Finance and City Secretary of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the applicable Interest and Sinking Fund such current funds which, together with any accrued interest received from the initial purchasers, will be sufficient to pay the payments due on the Notes prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Note Date.

The Mayor, Mayor Pro Tem, City Secretary, City Manager, and Director of Finance, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Notes, from funds on deposit in the Interest and Sinking Fund,

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amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Notes as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Notes.

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

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

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

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

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

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

The term "Government Securities", as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Notes.

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

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

(1) those Notes cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

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(2) those Notes deemed to be duly paid by the City in accordance with the provisions of Section XII hereof; and

(3) those mutilated, destroyed, lost, or stolen Notes which have been replaced with Notes registered and delivered in lieu thereof as provided in Section XI hereof.

Section XIV. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Not to Invest at Higher Yield: Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Notes directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Notes.

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

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

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

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

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

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

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

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

(j) Elections: The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Secretary, City Manager and Director of Finance, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem

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necessary or appropriate in connection with the Notes, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

Section XV. Sale of Notes; Purchase Agreement; Official Statement. The Notes authorized by this Ordinance are hereby sold by the City to the Purchasers in accordance with a purchase agreement (the "Purchase Agreement"), the terms and provisions of which Purchase Agreement are to be determined by the Pricing Officer in accordance with Section III hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City, as the act and deed of this City Council, and to make a determination as to whether the terms are in the City's best interests, which determination shall be final.

With regard to such terms and provisions of said Purchase Agreement, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Notes;
2. The details of the public offering of the Notes by the Purchasers;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Notes and the City's Rule 15c2-12 compliance;
4. A security deposit for the Notes, if any;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Notes;
7. The Purchasers' obligations under the Purchase Agreement;
8. The certain conditions to the obligations of the City under the Purchase Agreement;
9. Termination of the Purchase Agreement;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Agreement;
12. The payment of any expenses relating to the Purchase Agreement;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Notes.

The Pricing Officer is hereby authorized and directed to execute said Purchase Agreement for and on behalf of the City and as the act and deed of this City Council.

Furthermore, the use of the Preliminary Official Statement in connection with the public offering and sale of the Notes is hereby ratified, confirmed and approved in all respects. The Mayor and City Secretary are further authorized and directed to cause to be delivered for and on behalf of the City copies of an Official Statement in final form as may be required by the Purchasers, and such Official Statement in final form as approved by the Pricing Officer shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

Section XVI. Control and Custody of Notes. The Mayor shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Notes, and shall take and have charge and control of the Initial Note(s) pending the approval

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thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Section XVII. Proceeds of Sale. Immediately following the delivery of the Notes, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance, bond insurance premium, if any, accrued interest, if any, received from the Purchasers of the Notes and premium in the amount, if any, specified in the applicable Pricing Certificate) shall be deposited to the credit of a construction account maintained on the books and records of the City and, if not immediately invested, in a fund kept at a depository bank of the City. Pending expenditure for authorized projects and purposes, such proceeds of sale deposited to the construction fund may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Government Code, Section 2256.015, et seq., and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the City Council. Accrued interest, if any, and premium in the amount, if any, specified in the applicable Pricing Certificate received from the sale of the Notes and any excess Note proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the applicable Interest and Sinking Fund.

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

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

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

Section XX. Market Opinion. The obligation of the Purchasers to accept delivery of the Notes is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving such Notes as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Notes. A true and correct reproduction of said opinion is hereby authorized to be printed on or attached to definitive

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printed obligations or an executed counterpart thereof shall accompany the global Notes deposited with The Depository Trust Company.

Section XXI. CUSIP Numbers. CUSIP numbers may be printed or typed on the Notes deposited with The Depository Trust Company or on printed definitive Notes. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Notes shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Notes as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Notes.

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

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

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

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

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

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

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

Section XXIX. Bond Insurance. The Notes may be sold with the principal of and interest thereon being insured by a qualified municipal bond insurance provider. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Notes and to determine the provisions of any commitment therefor.

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Section XXX. Continuing Disclosure Undertaking.

(a) Definitions: As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports: The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2017, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer under the Tables specified by the Pricing Officer in the Pricing Certificate and (2) audited financial statements of the City within 12 months after the end of each fiscal year ending in or after 2017. If the audit of such financial statements is not complete within 12 month after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for such fiscal year when and if the audit report on such financial statements becomes available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(c) Notices of Certain Events: The City shall provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;

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- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)(12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) Filings with the MSRB: All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments: The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Notes within the meaning of the Rule, except that the City in any event will give notice required by subsection (c) hereof of any Note calls and defeasance that cause the City to be no longer such an “obligated person”.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Notes, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly

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provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Notes consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Notes. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Notes from lawfully purchasing or selling Notes in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

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

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

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

Section XXXIII. Effective Date. This Ordinance shall be in force and effect from and after its passage on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

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DULY PASSED AND APPROVED this the 23rd day of January, 2017.

CITY OF PLANO, TEXAS


Harry LaRosiliere, Mayor

ATTEST:


Lisa C. Henderson, City Secretary

APPROVED AS TO FORM:


Paige Mims, City Attorney

(City Seal)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____, 2017 (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Plano, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "Tax Notes, Series 2017" (the "Securities"), dated _____, 2017, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2017; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Authorizing Document" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

"Bank Office" means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Financial Advisor" means FirstSouthwest, a Division of Hilltop Securities Inc.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

"Responsible Officer", when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust

matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

"Stated Maturity" means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms "Bank," "Issuer," and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and

records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

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

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are

eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of

payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[BANK]

By:_____

Title:_____

Address: _____

Attest:

Title:_____

CITY OF PLANO, TEXAS

By: _____
Pricing Officer

Address: 1520 K Avenue
Plano, TX 75074

An Ordinance of the City of Plano, Texas, amending Chapter 12, Motor Vehicles and Traffic, Article V, Stopping, Standing and Parking, of the Code of Ordinances to prohibit parking over three hours on certain public streets and public parking lots in the downtown Plano area, within the city limits of the City of Plano; and providing a penalty clause, a repealer clause, a severability clause, a savings clause, a publication clause, and an effective date.

WHEREAS, the Plano Engineering Department conducted a study of on-street parking needs in the Historic Downtown Plano Area; and

WHEREAS, a recommendation of the on-street parking study suggests changing the length of permitted parking from the existing four-hour maximum to a three-hour maximum; and

WHEREAS, downtown Plano stakeholders and Plano Chamber of Commerce representatives having been presented with study findings and recommendations support the proposed change to a three-hour time limit; and

WHEREAS, the Plano Engineering Department believes the proposed change of the maximum public parking time limit from the current four-hour maximum to a three-hour maximum will improve access to merchants and downtown services while improving traffic safety of the general public within the area.

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

Section I. Section 12-104, Sec. 12-104.1, and Sec. 12-104.5 of Chapter 12, Motor Vehicles and Traffic, Article V, Stopping, Standing and Parking, of the Code of Ordinances of the City of Plano, Texas, is repealed in its entirety:

Section II. Section 12-104, Sec. 12-104.1, and Sec. 12-104.5 of Chapter 12, Motor Vehicles and Traffic, Article V, Stopping, Standing and Parking, of the Code of Ordinances of the City of Plano, Texas, is hereby adopted to read as follows:

“Sec. 12-104. – Three-hour parking.

No person shall, at any time, park, in a designated parking space, a vehicle for a period longer than three (3) hours in the following locations:

- (1) Head-in parking spaces along the north side of 15th Street between its intersection with K Avenue and its intersection with Alex Schell Place;
- (2) Head-in parking spaces along the south side of 15th Street between its intersection with K Avenue and its intersection with I Avenue;

ORDINANCE NO. 2017-1-14

- (3) Head-in and parallel parking spaces along the north side of 15th Place between its intersection with K Avenue and its intersection with Alex Schell Place;
- (4) Parallel parking spaces along the west side of K Avenue between its intersection with 15th Place and its intersection with 16th Street;
- (5) Parallel parking spaces along the east side of K Avenue, between its intersection with Vontress Drive and its intersection with 14th Street;
- (6) Head-in parking spaces along the north side of 14th Street between its intersection with K Avenue and its intersection with Municipal Avenue/L Avenue; and
- (7) Head-in parking spaces along the west curb line of Municipal Avenue/L Avenue, starting at a point 170 feet south of its intersection with 15th Street and continuing north to its intersection with 15th Street."

"Sec. 12-104.1. - Three-hour parking during specified periods.

- (a) It shall be unlawful for any person to park a motor vehicle for a period of time longer than three (3) hours in the following locations during the specified times:

K Avenue: Along the east side of K Avenue from one hundred eighty-five (185) feet north of 15th Place to thirty-three (33) feet north of 15th Place between the hours of 8:00 a.m. and 5:00 p.m.

K Avenue: Along the east side of K Avenue from forty-five (45) feet south of 15th Street to one hundred twenty-five (125) feet south of 15th Street between the hours of 8:00 a.m. and 5:00 p.m."

"Sec. 12-104.5. - Parking in public lots in the downtown area.

- (a) It shall be unlawful for any person to park a motor vehicle in the following public parking lots for a period in excess of three (3) hours during the hours of 5:00 a.m. to 5:00 p.m. Monday through Friday without having a valid City of Plano issued parking permit prominently displayed in said vehicle:

The public parking lot bounded by the DART light rail line, 14th Street, J Avenue and an east-west line located 392 feet south of the intersection of J Avenue and 14th Street.

The public parking lot bounded by 14th Street, K Avenue, a line running east-west 170 feet south of the centerline of 14th Street and J Place.

The public parking spaces located in the Eastside Village II Development parking garage, located immediately west of Municipal Avenue between 14th Street and 15th Street.

The public parking spaces located in the Eastside Village I Development parking garage located immediately west of K Avenue between 15th Place and 16th Street.

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- (b) It shall be unlawful for any person to park a motor vehicle in the following public parking lots for a period in excess of three (3) hours during the hours of 5:00 a.m. to 5:00 p.m. Monday through Friday:

Haggard Park parking lot bounded by 15th Street, H Avenue, 16th Street and the DART light-rail line.

This provision shall not apply to a motor vehicle parked with a valid City of Plano issued parking permit prominently displayed in said vehicle or a motor vehicle parked in a designated handicap parking space when the vehicle displays a valid handicap placard or handicap license plate.

- (c) It shall be unlawful for any person to park a motor vehicle in the public parking lots bounded by 15th Street, K Avenue, 14th Street and the DART rail line for a period in excess of three (3) hours during the hours of 5:00 a.m. to 5:00 p.m. Monday through Friday without having a valid City of Plano issued parking permit prominently displayed in said vehicle, except that when signs are placed giving notice thereto, parking shall be prohibited in certain designated parking spaces between the hours of 4:00 a.m. and 7:30 a.m.”

Section III. The Traffic Engineer of Plano is hereby authorized and directed to cause placement or removal of traffic control signs along the portions of the roadways and parking lots described herein, and such sign shall give notice to all persons of the prohibition against parking in these areas.

Section IV. All provisions of the ordinances of the City of Plano, codified or uncoded, in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano, codified or uncoded, not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section V. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or constitutionality of any other portion of this Ordinance.

Section VI. Any violation of any provision or term of this ordinance shall be a Class C Misdemeanor offense. Any person, firm, corporation, or association who is adjudged guilty of a Class C Misdemeanor offense under this ordinance shall be punished by a fine not to exceed TWO HUNDRED AND NO/100 DOLLARS (\$200.00) for each offense. Each and every violation shall be deemed to constitute a separate offense.

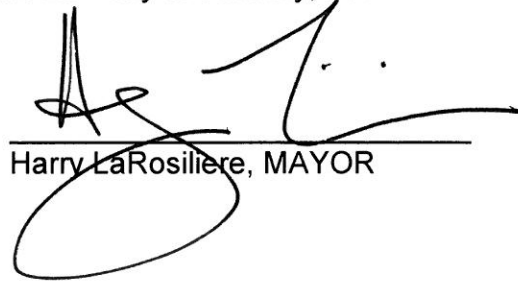
Section VII. The repeal of any Ordinance or part of an Ordinance effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying, or altering any penalty accruing or to accrue, or as affecting any rights of the municipality

ORDINANCE NO. 2017-1-14

under any section or provisions of any Ordinances at the time of passage of this Ordinance.

Section VIII. This Ordinance shall become effective from and after its passage and publication as required by law and after all necessary signs and pavement markings have been installed.

DULY PASSED AND APPROVED this the 23rd day of January, 2017.



Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

RESOLUTION NO. 2017-1-15(R)

A Resolution of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.

WHEREAS, Section 3.14 of the City Charter requires that a complete audit be made by a duly licensed Public Accountant at the close of each fiscal year; and

WHEREAS, the City Council has been presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015-16, a copy of which has been filed with the City Secretary, available for public inspection, and incorporated herein by reference (hereinafter called "CAFR"); and

WHEREAS, upon full review and consideration of the CAFR, and the included opinion of the City's duly appointed auditors, KPMG LLP, the City Council is of the opinion that the requirements of the Charter have been satisfied.

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

Section I. The findings and opinions of the CAFR have been reviewed by the City Council of the City of Plano, and are hereby in all things accepted.

Section II. The City Manager, or in his absence, the Director of Finance, is hereby instructed to publish the results of the CAFR and all other documents in connection therewith on behalf of the City of Plano, as provided in Section 3.14 of the City Charter.

RESOLUTION NO. 2017-1-15(R)

Section III. This Resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED this the 23rd day of January, 2017.



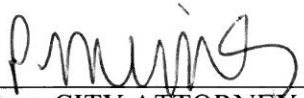
Harry LaRosiere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016

CITY OF PLANO, TEXAS





CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016

Prepared By:

Accounting Division

**Director of Finance – Denise Tacke
Controller – Allison Friloux**

**Tyler Anderson
Natalie Chavez
Charline Grant
Pam Hanks
Debbie Hartwell
Theresa King
Ebony Lusk
Melissa McClanahan
Katherine McGuire
Brandon Potemra
Heather Potyok
Sheri Stephens
Crystal Swiere
Valerie Tidwell
Leeia Wiggins**



CITY OF PLANO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016
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City of Plano
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January 12, 2017

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Plano, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2016, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

KPMG LLP has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2016. The independent auditors' report is located in the beginning of the financial section of the CAFR.

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

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers, and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined, in addition to two blended component units as discussed in the accompanying footnotes), as well as the Tax Increment Financing District, a discretely presented component unit. Discretely presented component units are legally separate entities and are not part of the primary government's operations. The government provides a full range of services including police and fire protection, environmental health, sanitation services, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, environmental waste services, streets and infrastructure, and convention, tourism, and cultural events. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2014, Plano's population grew an estimated 2.4% to 276,700 in 2016. According to residential development projections by the City's planning department, it is projected to grow to 290,200 by 2026 and to 300,000 by 2036.

According to the U.S. Census Bureau, the median household income of Plano is \$82,944.

In September 2016, MONEY Magazine named Plano as the #3 Best Place to Live in America and the #1 Best Place to Live in Texas analyzing 60 key factors including taxes, health care, education, and crime rate. Additionally, MONEY Magazine named Plano the 3rd Hardest Working City in America factoring in the labor force participation rate, volunteer hours per resident, leisure time and average hours worked.

According to *wallethub.com*, Plano is the best city for job finding taking into consideration two key dimensions, "Job Market" and "Socioeconomic Environment." Metrics factored into the rankings included number of job opportunities, employment growth, median starting salary, unemployment rate, and commute and work time.

Zipppia.com ranks Plano as the #8 Most Successful City in America commenting on the various headquarters located within city limits and the low unemployment rate.

According to *Niche.com*, Plano is ranked the #5 Best City to Live in America based on crime, cost of living, public schools, local amenities, and job opportunities. *Niche.com* also ranked Plano as the 14th Safest City in America in 2016.

Taking into consideration median income, cost of living, and median home listing price, Plano was ranked by *huffingtonpost.com* as the #2 Best Place to Live if You are Trying to Save Money.

Plano's Environmental Health and Sustainability Department was awarded the 2016 Excellence in Sustainability Award. This program recognizes businesses, organizations, individuals as well as associations who solve environmental challenges through environmentally sustainable and innovative practices.

Plano was awarded 1st place in the Governor's Community Achievement Award for environmental efforts in the Populations over 180,000 category. Criteria used in judging include Public Awareness, Education, Community Leadership and Coordination, Beautification and Community Improvement, Litter Prevention and Cleanup, Litter Law and Illegal Dumping Enforcement, and Solid Waste Management. The funds are used for landscaping projects along local rights-of-way.

Plano was also awarded 1st in the Government Awards category of populations over 40,000 by Keep Texas Beautiful. The Government Award recognizes outstanding contributions to the Texas environment made by government departments.

Plano remains one of only a few cities in the United States receiving an "AAA" bond rating, the highest possible bond rating from Moody's Investor Services, Standard & Poor's and Fitch IBCA. In issuing their ratings, they praised the City for its stable financial position driven by conservative budgeting as well as its large and diverse tax base and strong management practices.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. Tax collections totaled \$152.5 million for fiscal year 2016, an increase of 9.1% from the prior year. According to the Collin County Appraisal District, Plano property appraisals increased 8.5% for 2016 on property tax estimates.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base which includes, two major shopping malls, The Shops at Legacy, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of specialty shops and major retailers, which together, accommodate over 16 million square feet of rentable retail building area in the City.

Sales tax allocations to the City totaled \$76.3 million from October 2015 through September 2016, a decrease of 0.6% compared to fiscal year 2015.

Employment

A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The four largest job industries are trade, transportation, and utilities; professional and business services; government; and education and health services. According to the U.S. Census Bureau, 54% of Plano residents have a bachelor's degree or higher. The unemployment rate in Plano for fiscal year 2016 was 3.7% compared to 3.5% in 2015.

Plano's large businesses, employing 1000+, include Bank of America Home Loans, Capital One Finance, CIGNA, Dell Services, Dr. Pepper Snapple Group, Ericsson, FedEx Office & Print Services, Frito-Lay, Hewlett Packard Enterprise Services, Intel Security, J.C. Penney, JPMorgan Chase NA, Liberty Mutual Insurance Company, Medical Center of Plano, Nokia, PepsiCo, Toyota Motor North America, Inc. and Texas Health Presbyterian Hospital Plano. Employing 500-999, companies having significant operations in Plano include AT&T, Baylor Scott & White Medical Center - Plano, Children's Medical Center Plano, CROSSMARK, CVE Technologies Group, Denbury Resources, Intuit, KFC Global, Pizza Hut Global and Pizza Hut U.S., NetScout, nThrive, Raytheon, Rent-A-Center, St. Jude Medical Neuromodulation Division, The Heart Hospital Baylor Plano, Transamerica, Tyler Technologies, and XO Communications. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2016, the following businesses announced relocation and expansion:

JPMorgan Chase & Co., a global financial services firm, is constructing its new regional operations campus in the Legacy West development. The \$300 million campus will total over 1,000,000 square feet and will house over 4,800 employees. On the corner of Dallas North Tollway and State Highway 121, the campus will be situated next to Liberty Mutual and the Gaedeke building. The company expects to start moving employees in the second half of 2017.

Fannie Mae (Federal National Mortgage Association), a government-sponsored enterprise, announced the consolidation of its three locations in North Texas, into a new 10-story, 330,000-square-foot building in Granite Park. Currently being constructed, Fannie Mae plans to open its doors in late 2017, and will employ up to 2,000 employees.

CompuCom Systems, Inc., a technology infrastructure services company, relocated their headquarters to Legacy Business Park, located on 8383 Dominion Parkway. The company occupies over 92,000 square feet of office space and will house up to 600 employees. In business since 1987, CompuCom has over 11,000 employees globally.

PennyMac Financial Services, Inc., the largest non-bank correspondent lender in the United States, has leased over 75,000 square feet at 2201 West Plano Parkway. The company is expanding their service operations to support growth and investment in technology.

Misys Financial Software, a global financial software company, opened its new office in the International Business Park located on 6400 International Parkway. Misys, a London-based company, occupies over 26,900 square feet, and expects to have over 120 employees.

Coca-Cola, a global beverage distributor, will consolidate its Dallas-Fort Worth regional office and relocate operations to Granite Park at 5800 Granite Parkway. The company, leasing over 26,000 square feet, plans to move in the fall or winter of 2016 and transition 100 employees to Granite Park One.

Toyota Connected Inc., a data science hub and product development company, was launched by Toyota in 2016 to expand the company's capabilities in data management and data services development. The company, temporarily located on 5360 Legacy Drive, will occupy 20,000 square feet of office space in the Legacy West development beginning December 2016.

APCON, an Oregon-based intelligent network monitoring solutions provider, announced the relocation of their regional office to a new building in Plano at Coit Road and Mapleshade Lane. The company is building a 58,000-square-foot office, and will occupy over 19,000 square feet, leaving additional space for other tenants. Opening in late 2016, the company will have 25 employees.

Forescout Technologies, a computer and network security company, is opening its new 12,000-square-foot Customer Care & Sustaining Engineering Center at 2400 North Dallas Parkway. The new office, opening Fall 2016, will employ up to 60 support, sustaining and quality assurance engineers.

Balance Credit, an online provider of unsecured personal loans and credit services, opened a state-of-the-art call center, located at 6504 International Parkway. Occupying 10,000 square feet, the company moved to Plano in June 2016, and anticipates employing over 100 technical and customer service employees.

Creston Electronics, a New Jersey-based high-tech firm, has moved into Legacy Tower, located on 7250 Dallas Parkway, occupying over 56,000 square feet. With over 90 locations in over 35 countries, the new office in Plano is the company's largest operation outside its headquarters in Rockleigh, N.J. Housing approximately 250 employees, the new office supports research and development, customer and technical support, manufacturing and engineering.

Long-Term Financial Planning

Long-term planning and responsiveness to changing economic conditions are a key factor in maintaining the City's fiscal health. While economic forecasts for Plano and the North Texas region remain favorable, a diminishing supply of undeveloped land and economic uncertainties at both the regional and national level remain factors when planning Plano's financial future. As Plano continues to transition to a mature community, it continues to utilize its Core Business Matrix to ensure expenditures are aligned with the Plano City Council's strategic plan and community goals.

Combined fiscal year 2017 budget appropriations across all of Plano's operating funds equal \$528.0 million, which is a \$30.7 million or 6.2% increase from the 2016 re-estimated budget. General Fund revenues in fiscal year 2017 are projected at \$279.8 million, an increase of \$14.2 million from the fiscal year 2016 re-estimated budget. Total appropriation in the General Fund for fiscal year 2017 are set at \$295.9 million, which is an increase of \$16.2 million from the fiscal year 2016 re-estimated budget.

Capital Reserve funding will be primarily supported by transfers of \$24.6 million from the General Fund, \$1.5 million from the Water and Sewer Fund, \$1.5 million from the Convention & Tourism Fund and

\$500,000 from the Municipal Drainage Fund. As an established resource for renovating, repairing and replacing existing infrastructure, the Capital Reserve Fund has been a significant factor in maintaining the City's AAA bond ratings.

Of the \$89.6 million budgeted for General Obligation capital expenditures in fiscal year 2017, \$1.2 million pertains to municipal facilities, \$27.0 million for parks and recreation, \$55.4 million for street improvements and enhancements and \$6.0 million for public infrastructure.

The Equipment Replacement Fund allows the City to minimize budgetary impacts by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life. The fund collects regularly scheduled depreciation charges from city departments with vehicles and capital equipment, and then uses those funds to purchase new equipment on an as needed basis. For fiscal year 2017, the Equipment Replacement Fund's projected revenues total \$11.0 million, with depreciation charges totaling \$10.3 million being the primary source of revenue. The fund is also expected to collect \$512,500 from the auction of City equipment and \$175,000 from interest earnings.

In fiscal year 2017 the City anticipates a General Obligation bond sale of \$45.0 million, a Tax Note sale of \$15.0 million and a Municipal Drainage Revenue bond sale of \$6.4 million. The General Obligation sale will fund the continued development of Plano's park system, numerous street improvements, renovation and expansion of Plano's Senior Center and design work on two upcoming renovations of recreation facilities, and public infrastructure improvements. The Tax Note sale will fund a number of technology projects associated with Plano's NextGen program as well as support the introduction of body cameras for the Plano Police Department. Municipal Drainage revenue bond sales will fund utility infrastructure construction and rehabilitation for Plano's municipal drainage utility system.

On November 1, 2015 billing for water use was increased at various amounts depending on consumption volumes, ranging from 11.1% to 11.9% to help pay for a 10.5% increase in water related fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The NTMWD has raised rates 73.8 percent since 2010. The Plano City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to residents to offset the increases. In a continuing effort to minimize the overall effect of the increases, Plano City Council has elected to keep all minimum water and sewer charges static. In a continuing effort to minimize the overall effect to the residents, beginning November 1, 2016, the City of Plano elected to not pass on a water rate increase to the residents.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance/reserve levels. The City Council adopted these policies and on a periodic basis, the financial policies are reviewed and updated.

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

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Recognizing the value of internal control, an internal audit program has been in place since 1988. This program serves to enhance controls to safeguard the City's assets and provide a reasonable assurance of proper recording of financial transactions, which, due to the changing complexity of the organization, require greater attention.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget, Director of Finance, and Director of Human Resources. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Budget Committee and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Budget Committee. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

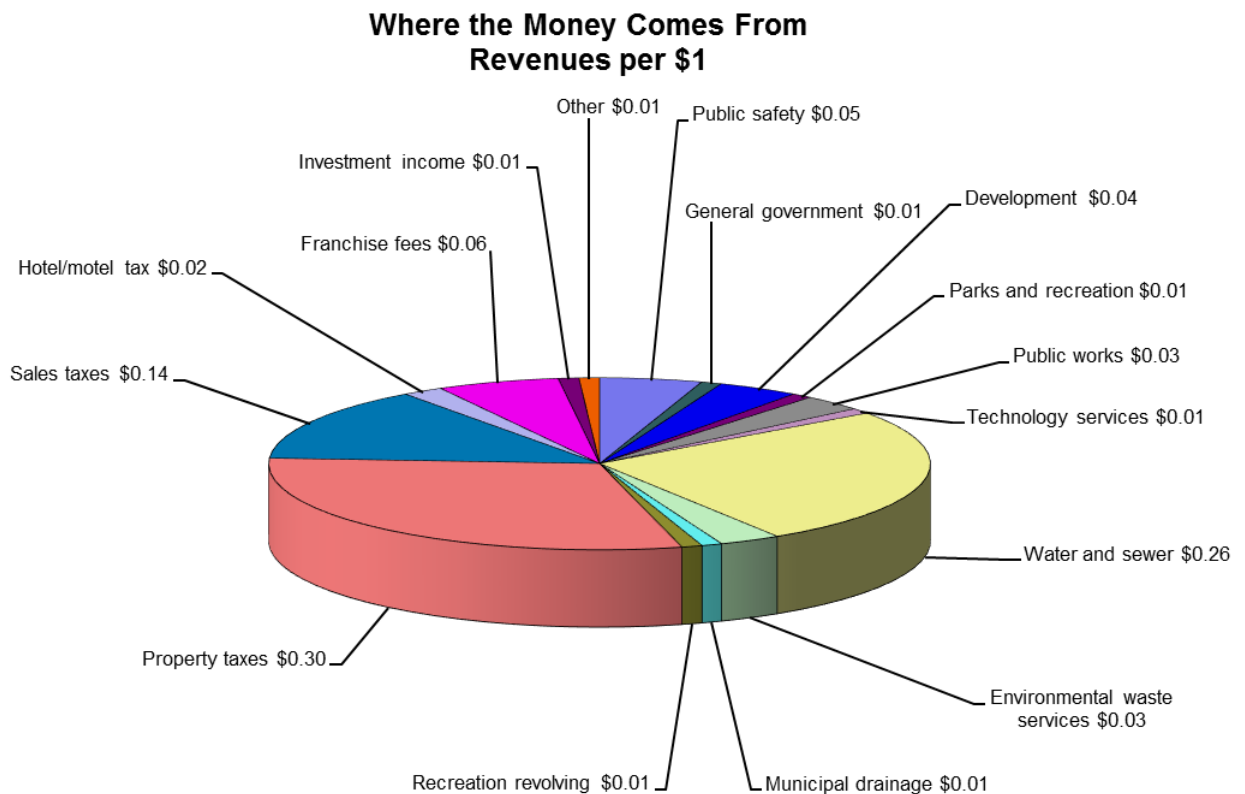
The City's Finance Department publishes a Comprehensive Monthly Finance Report (CMFR) directed at providing internal and external users with a general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations, and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The CMFR is presented quarterly to the City Council.

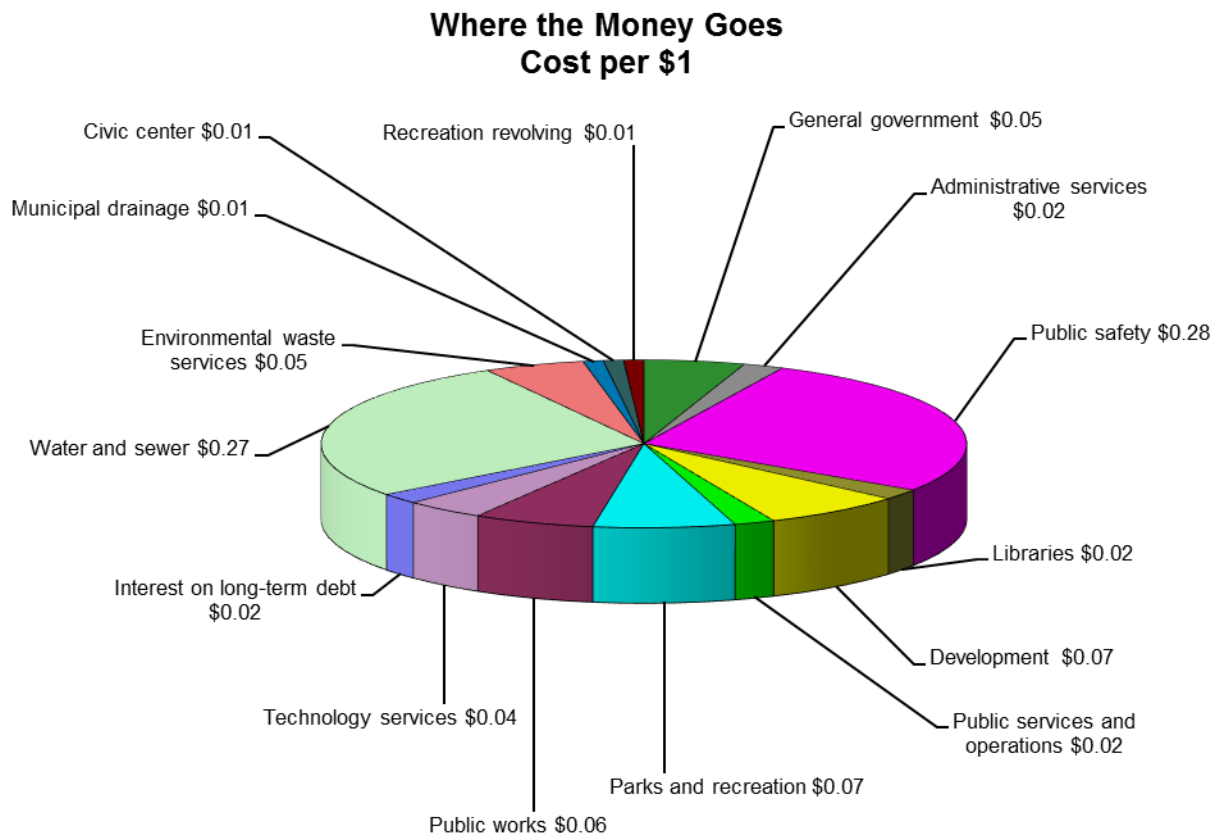
Major Initiatives

The fiscal year 2017 Community Investment Program (CIP) will continue to reflect the City's commitment to enhancing and maintaining its infrastructure. Significant facility projects from the fiscal year 2016 CIP included completion of the Jack Carter Pool Renovation, the conclusion of the reconfiguration of two fire stations and a police substation. The Technology Services Department implemented a server/storage solution as the first project of the NextGen program to expand and improve the City of Plano's technology infrastructure. Plano's park system saw \$8.4 million in expenditures to improve parks, connect trails and obtain land for future park development. Numerous major street projects were undertaken in fiscal year 2016, most notably the completion of the 15th Street renovation, Windhaven Parkway expansion, Pedestrian Crossing at US 75 and Park Boulevard projects as well as rebuilding a portion of Royal Oaks Drive. Design and initial construction took place on other joint venture street projects, including roadway construction and reconstruction, intersection improvements, and signal systems improvements. Major water and sewer projects in fiscal year 2016 included completion of the Stadium Pump Station renovation, substantial progress on the Rowlett Creek Cured In Place Pipe and Brown Branch Sewer Line Projects, and nearly \$2.7 million in expenditures to address inflow and infiltration problems within Plano's sewer system. In addition, nearly \$31.1 million was invested through the Capital Reserve Fund in repairs, renovations and rehabilitation projects for City streets, facilities, and park assets with the express intent of extending the useful life of those assets.

The City budgeted \$6.8 million for economic development incentives for fiscal year 2017 in order to remain competitive with surrounding neighboring cities. Fiscal year 2016 was the tenth year that two-cents of the property tax rate was dedicated for these incentives. The Economic Development Incentive fund is utilized to attract and retain major business and employees to the City.

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year-end 2016:





Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

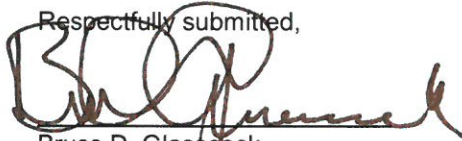
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 35 consecutive years (fiscal years ended 1981-2015). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,



Bruce D. Glasscock
CITY MANAGER



Denise Tacke, CPA
DIRECTOR OF FINANCE



Allison Friloux
CONTROLLER



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

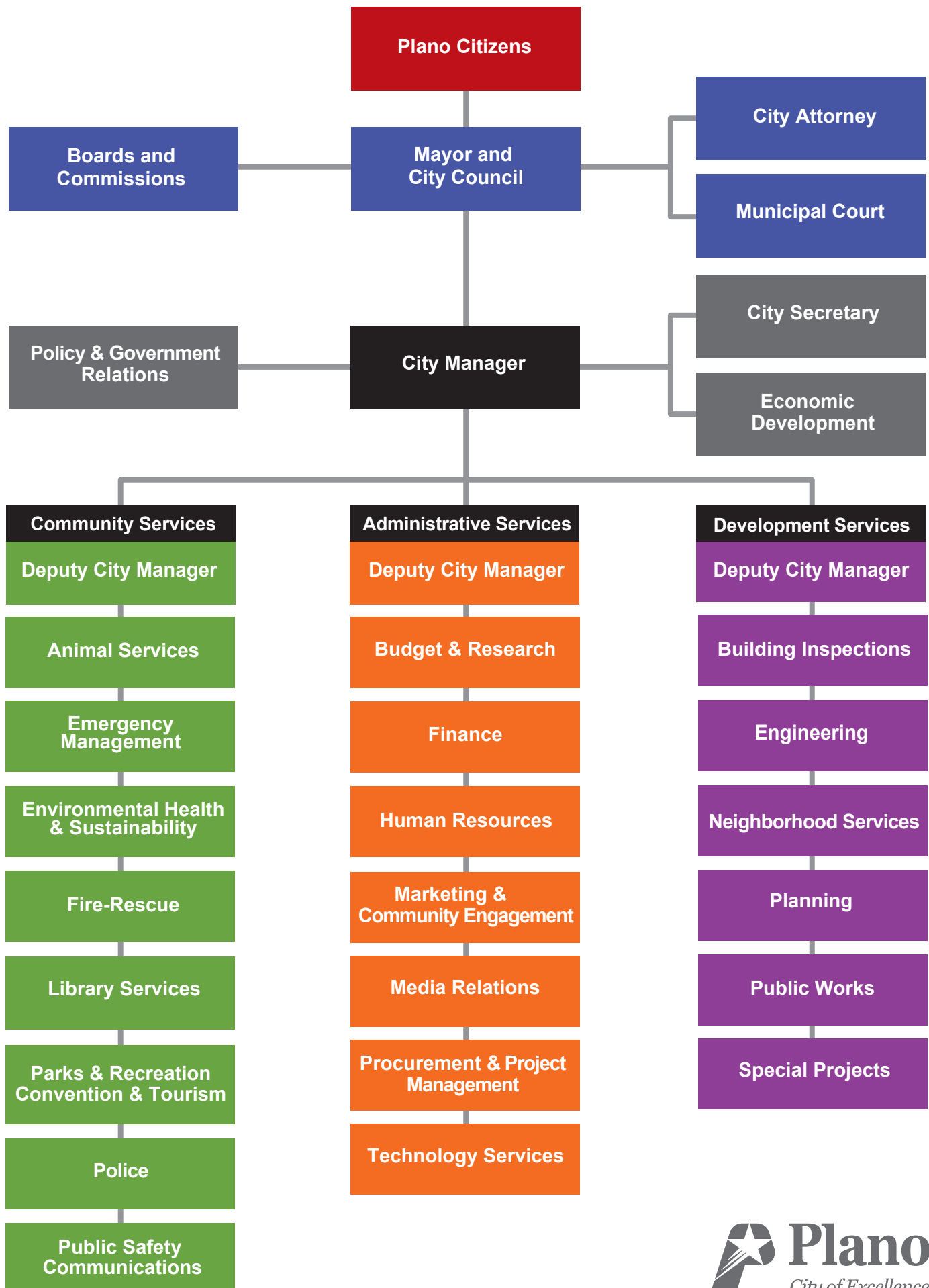
**City of Plano
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

**CITY OF PLANO
ORGANIZATION CHART**



CITY OF PLANO, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

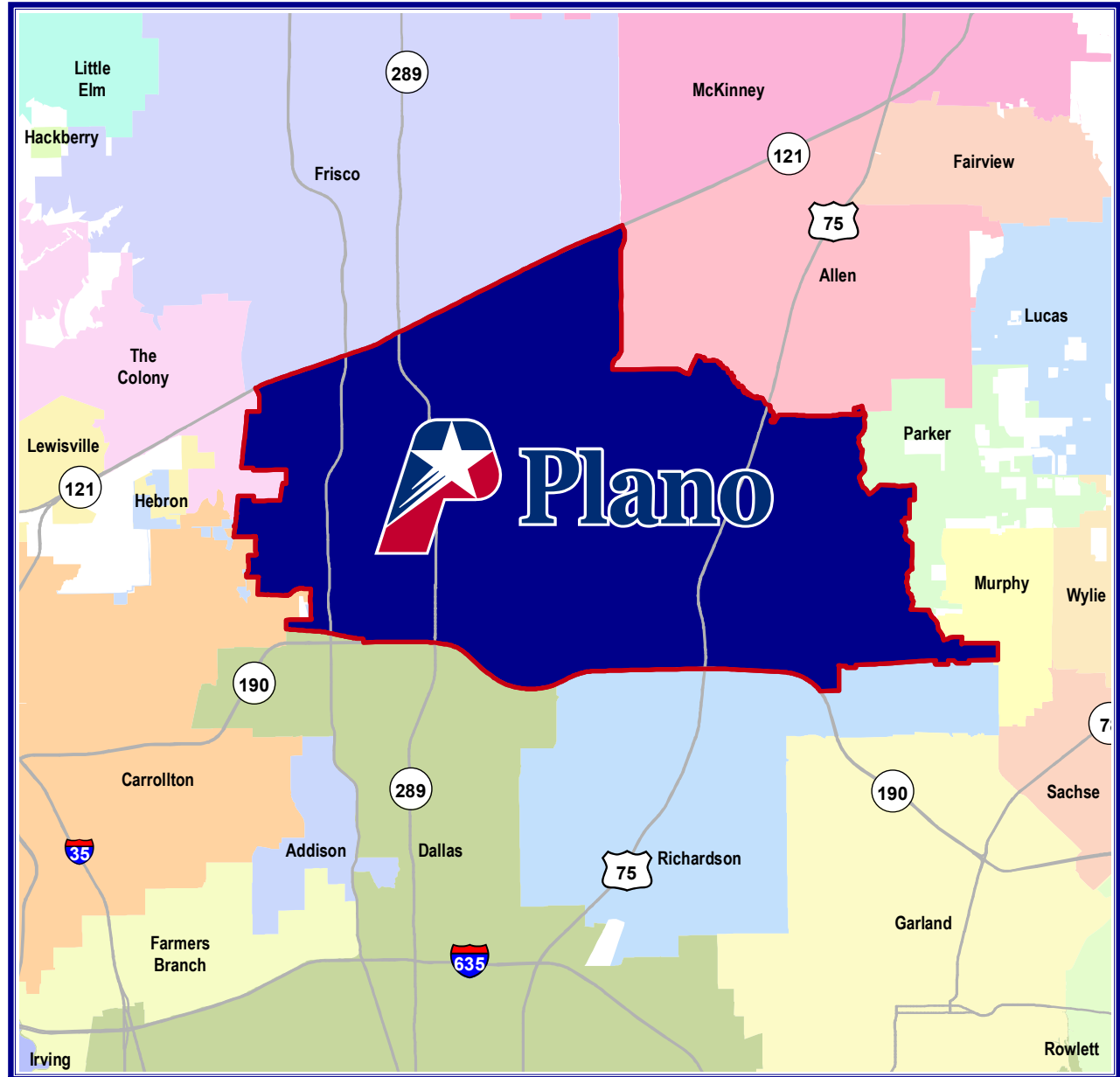
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
Harry LaRosiliere Mayor Place 6	May 2017
Lissa Smith Mayor Pro Tem Place 4	May 2017
Ben Harris Deputy Mayor Pro Tem Place 2	May 2017
Angela Miner Place 1	May 2019
Rick Grady Place 3	May 2019
Ron Kelley Place 5	May 2019
Tom Harrison Place 7	May 2019
David Downs Place 8	May 2017

Administrative Officers

<u>Name</u>	<u>Position</u>
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller

The City of Plano and Surrounding Areas







KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Independent Auditors' Report

The Honorable Mayor and Members of the City Council
The City of Plano, 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 the City of Plano, Texas (the City), as of and for the year ended September 30, 2016, 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 U.S. generally accepted accounting principles; 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.

Auditors' 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 auditors' 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 Plano, Texas, as of September 30, 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information as listed in the table of contents 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.

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

The introductory section and statistical section 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 January 12, 2017 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.

KPMG LLP

Dallas, Texas
January 12, 2017

CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Our discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2016. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.5 billion (net position). Of this amount, \$1.1 billion (77.5 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$71.5 million (4.9 percent). The remaining \$255.7 million (17.6 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$46.8 million. Property tax revenues are higher over prior year by \$12.7 million as a result of higher assessed property values in the current year. For fiscal year 2017, the total appraised value will include an increase in new property coming on-line of \$750.7 million while existing property values are expected to increase by \$2.3 billion. Sales tax revenues increased over prior year by \$622 thousand. Hotel/Motel tax revenues are higher over prior year by \$921 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by \$8.6 million primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Development charges for services increased over prior year by \$2.4 million due to several large-scale projects occurring in the current fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$290.2 million, an increase of \$17.9 million in comparison with the prior year. Within this total, \$110.5 million (38.1 percent) is restricted by specific legal requirements and \$132.6 million (45.7 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$46.3 million (15.9 percent) and can be used for any lawful purpose. The remaining \$806 thousand (0.3 percent) is nonspendable.
- The City's total debt increased by \$35.6 million primarily because of a larger general obligation and refunding bond issuance, as well as new revenue bonds issued in the current year related to the waterworks and sewer system.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the 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 is improving or deteriorating. The Statement of Net

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016**

Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City'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 the 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 not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. Additionally, the City has two blended component units that are detailed in the accompanying footnotes.
- **Business-type activities** – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer system, environmental waste system, municipal drainage system, plano centre, municipal golf course, recreation revolving activities and downtown center development activities are reported as business-type activities.
- **Component unit** – The City includes one separate legal entity in its report – Tax Increment Financing District (TIF) East Side. Although legally separate, the City is financially accountable for the TIF.

The government-wide financial statements can be found on pages 16-18 of this report.

Fund Financial Statements

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

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 statements, it is useful to compare the 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

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016**

fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 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, debt service fund, capital reserve fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund, all of which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19-24.

- **Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, environmental waste services, municipal drainage, convention and tourism, golf course, recreation centers, and downtown development. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, employee health and disability programs, municipal warehouse and its information systems. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions, as they are considered major funds. Data from the remaining four enterprise funds are combined into a single, aggregated presentation. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 25-31 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 32 and 33 of this report.

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

The notes to the financial statements can be found on pages 34-73 of this report.

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

The required supplementary information can be found on pages 74-80 of this report.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016

The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service, agency, and component unit funds can be found on pages 81-111 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. The City's combined net position was \$1.5 billion as of September 30, 2016. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (77.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 404,901	\$ 399,287	\$ 142,608	\$ 115,640	\$ 547,509	\$ 514,927
Capital assets	1,030,694	991,337	392,535	385,815	1,423,229	1,377,152
Total assets	1,435,595	1,390,624	535,143	501,455	1,970,738	1,892,079
Deferred outflows	80,645	33,101	9,140	3,648	89,785	36,749
Noncurrent liabilities	495,294	447,822	60,915	30,006	556,209	477,828
Other liabilities	29,760	31,941	16,408	14,160	46,168	46,101
Total liabilities	525,054	479,763	77,323	44,166	602,377	523,929
Deferred inflows	5,860	90	702	11	6,562	101
Net position:						
Invested in capital assets, net of related debt	749,830	716,648	374,463	370,220	1,124,293	1,086,868
Restricted	68,249	47,465	3,299	2,377	71,548	49,842
Unrestricted	167,247	179,759	88,496	88,329	255,743	268,088
Total net position	<u>\$ 985,326</u>	<u>\$ 943,872</u>	<u>\$ 466,258</u>	<u>\$ 460,926</u>	<u>\$ 1,451,584</u>	<u>\$ 1,404,798</u>

An additional portion of the City's net position (4.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (17.6 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The City's net position increased by \$46.8 million during the current fiscal year. Property tax revenues are higher over prior year by \$12.7 million as a result of higher assessed property values in the current year.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016

For fiscal year 2017, the total appraised value will include an increase in new property coming on-line of \$750.7 million while existing property values are expected to increase by \$2.3 billion. Sales tax revenues increased over prior year by \$622 thousand. Hotel/Motel tax revenues are higher over prior year by \$921 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by \$ 8.6 million as a result of less stringent water restrictions in the current year as well as a change in rate structure. Development charges for services increased over prior year by \$2.4 million due to several large projects occurring in the current fiscal year.

Governmental Activities

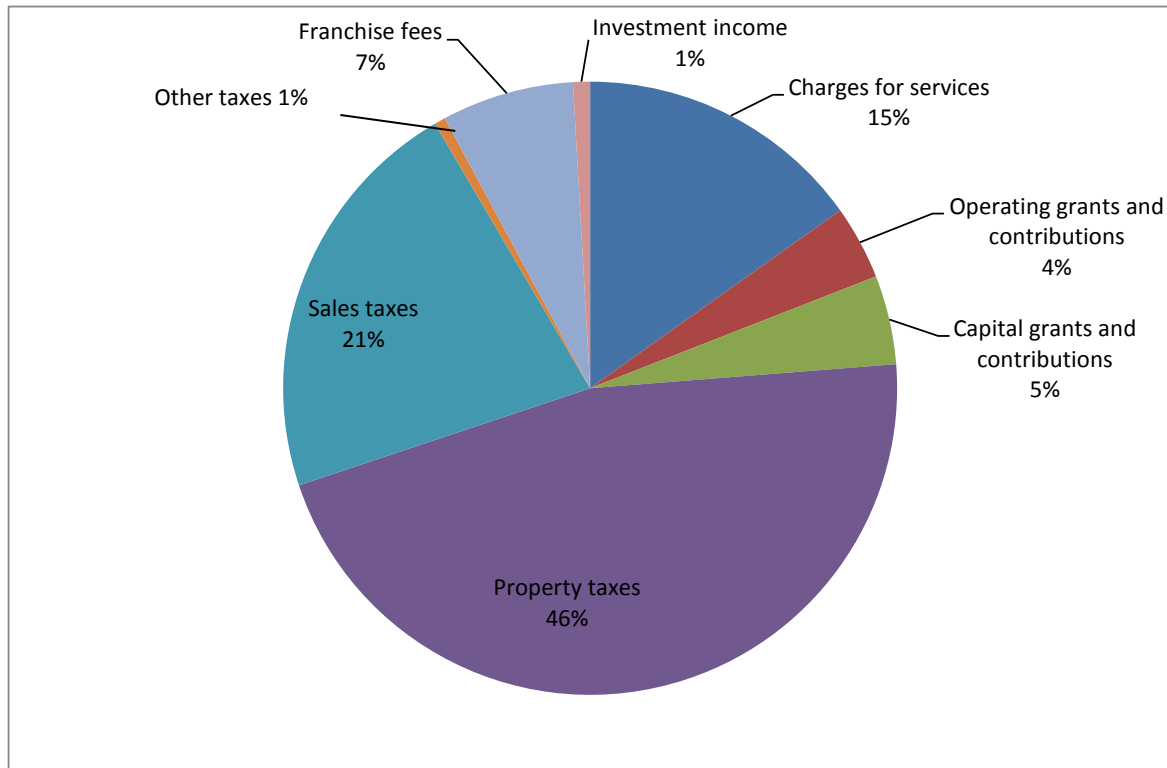
Governmental activities increased the City's net position by \$41.5 million, thereby accounting for 88.6 percent of the total growth in net position of the City. Key elements of this increase are as follows (Table 2):

Table 2
Change in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 53,760	\$ 49,475	\$ 171,377	\$ 162,352	\$ 225,137	\$ 211,827
Operating grants and contributions	13,847	18,587	1	61	13,848	18,648
Capital grants and contributions	16,642	19,044	4,451	5,548	21,093	24,592
General revenues:						
Property taxes	163,620	150,961	-	-	163,620	150,961
Sales taxes	76,948	76,326	-	-	76,948	76,326
Other taxes	2,076	1,893	8,263	7,343	10,339	9,236
Franchise fees	24,665	25,341	8,500	7,958	33,165	33,299
Investment income	3,180	3,096	540	544	3,720	3,640
Total revenues	354,738	344,723	193,132	183,806	547,870	528,529
Expenses:						
General government	27,018	27,637	-	-	27,018	27,637
Administrative services	10,635	9,556	-	-	10,635	9,556
Police	80,837	74,607	-	-	80,837	74,607
Fire	56,725	51,268	-	-	56,725	51,268
Libraries	12,108	10,647	-	-	12,108	10,647
Development	36,860	33,116	-	-	36,860	33,116
Public services and operations	7,638	6,576	-	-	7,638	6,576
Parks and recreation	32,463	30,934	-	-	32,463	30,934
Public works	32,288	30,532	-	-	32,288	30,532
Technology services	18,524	18,194	-	-	18,524	18,194
Interest on long-term debt	10,309	8,887	-	-	10,309	8,887
Water and sewer	-	-	133,482	117,748	133,482	117,748
Environmental waste services	-	-	25,354	22,044	25,354	22,044
Municipal drainage	-	-	4,933	4,614	4,933	4,614
Convention and tourism	-	-	7,402	9,093	7,402	9,093
Municipal golf course	-	-	1,198	1,789	1,198	1,789
Recreation revolving	-	-	3,296	3,350	3,296	3,350
Downtown center development	-	-	14	11	14	11
Total expenses	325,405	301,954	175,679	158,649	501,084	460,603
Increase in net position before transfers	29,333	42,769	17,453	25,157	46,786	67,926
Transfers	12,121	10,492	(12,121)	(10,492)	-	-
Increase in net position	41,454	53,261	5,332	14,665	46,786	67,926
Net position – October 1	943,872	890,611	460,926	446,261	1,404,798	1,336,872
Net position – September 30	\$ 985,326	\$ 943,872	\$ 466,258	\$ 460,926	\$ 1,451,584	\$ 1,404,798

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016**

Revenues by Source – Governmental Activities



Program revenues were \$84.2 million, compared to \$87.1 million in fiscal year 2015. The breakdown of the decrease is as follows:

- Charges for services for governmental activities increased \$4.3 million. Development charges for services increased over prior year by \$2.4 million due to several large-scale projects occurring in the current fiscal year.
- Operating grants and contributions for the police activity decreased \$4.2 million primarily due to settlement of a federal case in the prior year.
- Capital grants decreased \$2.4 million primarily due to decreased contributions from external agencies related to streets projects.

General revenues increased from \$257.6 million in fiscal year 2015 to \$270.5 million in fiscal year 2016. Property tax revenues increased by \$12.7 million due to an increase in assessed valuations. For fiscal year 2017, the total appraised value will include an increase in new property coming on-line of \$750.7 million while existing property values are expected to increase by \$2.3 billion.

Overall, governmental activities expenses were \$325.4 million, an increase of \$23.5 million over the prior year primarily as a result of increased net pension expense for the City's retirement plans as required by Governmental Accounting Standards Board Statement (GASB) No. 68 which is explained in detail in the accompanying Notes to Basic Financial Statements.

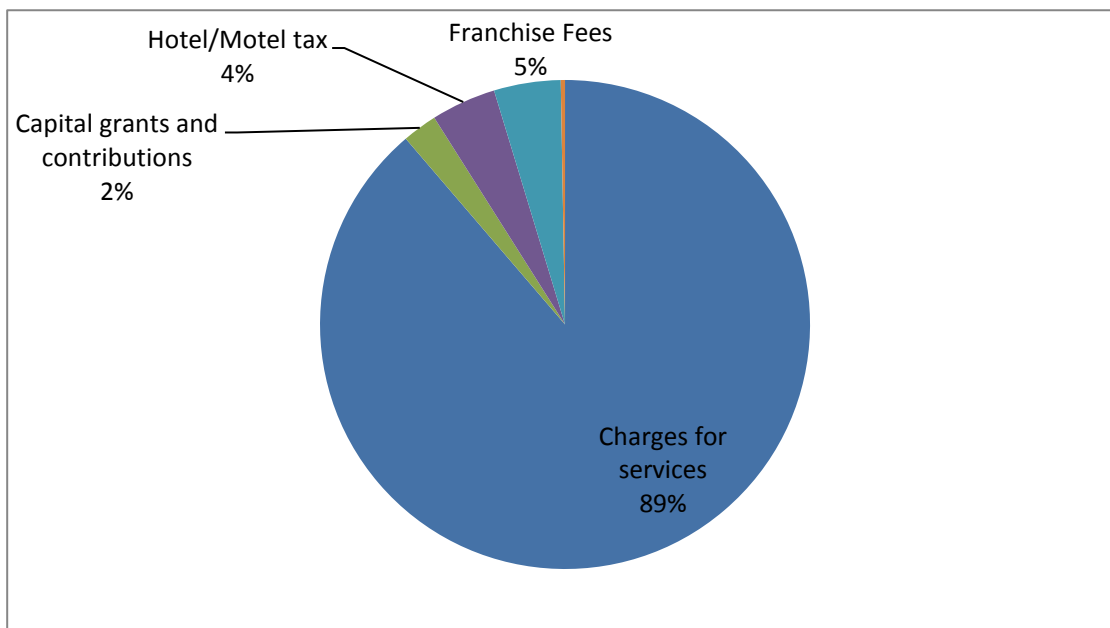
City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016

Business-Type Activities

Revenues of the City's business-type activities were \$193.1 million for the fiscal year ended September 30, 2016. Revenues increased approximately \$9.3 million or 5.1 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$17.0 million or 10.7 percent. The increase in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$140.7 million, an increase of \$8.6 million or 6.5 percent from the prior year primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. The increase in water and sewer revenues is offset by an increase in expenses of \$15.7 which primarily relates to higher waste water treatment and water supply costs in the current year.
- The City's environmental waste services activities operated with program expenses exceeding program revenues by \$9.1 million compared to \$5.8 million in fiscal year 2015. The City's percentage of contractual payments to North Texas Municipal Water District (NTMWD) increased \$651 thousand over the prior year. Payment is based on allocation of tonnage between member cities. Franchise fee revenue increased \$542 thousand due to an increase in collection fees and disposal volumes.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$2.4 million, compared to \$2.6 million in the prior year. The municipal drainage system recorded charges for services of \$7.3 million, which is comparable to the prior year as rates for residential billing have not changed since November 2014.
- The City's convention and tourism activity operated with expenses exceeding charges for services by \$5.0 million as compared to \$6.9 million in the prior fiscal year. Charges for services are reported at \$2.4 million, an increase of \$206 thousand, due to new events booked as well as price increases.

Revenues by Source – Business-Type Activities



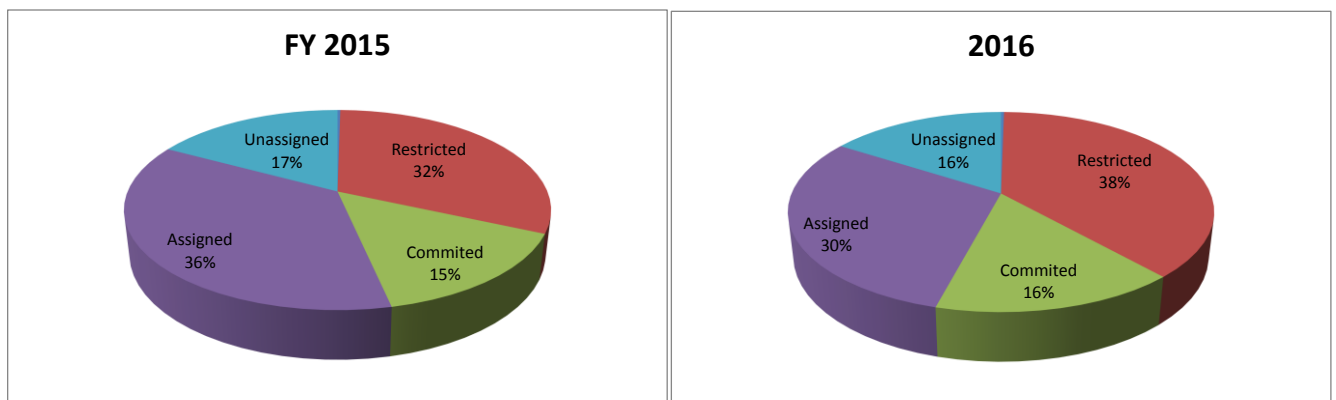
**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016**

Financial Analysis of the City's Funds

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$290.2 million. Within this total \$110.5 million is restricted by specific legal requirements, such as by debt covenants, and \$132.6 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$46.3 million and can be used for any lawful purpose. The remaining \$806 thousand is nonspendable.



The general fund is the chief operating fund of the City. The fund balance of the City's general fund increased by \$2.6 million during the current fiscal year. Key factors in this increase are as follows:

- Expenditures increased \$9.3 million primarily due to a 3% across the board pay increase for non-civil and civil service employees, as well as the addition of 42 full-time positions.
- The increases to expenditures are offset by increased revenue related to higher property tax revenues of \$13.1 million as a result of increased property valuations.

The debt service fund has a total fund balance of \$3.9 million, all of which is restricted for the payment of debt service. The debt service fund increased by \$224 thousand primarily because of the City's refunding of general obligation debt.

The capital reserve fund balance of \$50.3 million is assigned for replacement and renewals of the City's infrastructure. The capital reserve fund balance decreased \$2.0 million from the prior year as the result of capital outlay expenditures of \$32.1 million.

The street improvements fund balance of \$37.4 million is divided between restricted for street improvements (\$25.5 million), assigned to encumbrances (\$11.9 million) and nonspendable (\$60 thousand). The street improvements fund balance increased \$1.5 million primarily due to other financing sources related to debt issuance of \$5.6 million exceeding net expenditures of \$4.1 million.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016**

The municipal facilities fund balance of \$9.7 million is divided between restricted for municipal facilities (\$8.7 million) and assigned to encumbrances (\$1.0 million). The municipal facilities fund balance decreased \$5.7 million due to \$9.8 million in capital outlay expenditures primarily related to fire facilities reconfiguration.

The park improvements fund has a total fund balance of \$42.1 million, which has \$31.5 million in restricted and \$10.6 million in assigned fund balance. The park improvements fund balance increased over prior year \$12.5 million due to increased debt proceeds in fiscal year 2016.

The economic development incentive fund balance of \$45.9 million increased over prior year by \$4.7 million as a result of revenues exceeding expenditures. Although fund balance increased compared to last year, contributions from the general fund decreased \$866 thousand.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer fund net position of \$410.0 million increased by \$2.7 million over the prior year. In the current fiscal year, total operating revenues are \$140.2 million while operating expenses are \$132.6 million. Revenue is higher primarily attributable to less stringent water restrictions in the current year as well as a change in rate structure. Contractual payments to NTMWD are \$86.7 million of the total operating expense and increased compared to prior year due to a rate increase effective October 1, 2015.
- The City's Environmental Waste Services fund net position of \$2.9 million decreased by \$501 thousand over the prior year. Contractual payments to NTMWD are higher in fiscal year 2016 due to a 10% increase in waste tonnage in both residential and commercial customers.
- The City's Municipal Drainage fund net position increased over the prior year by \$1.4 million. Drainage rates remained constant in fiscal year 2016 with revenues reported at \$7.3 million and operating expenses and transfers out of \$5.3 million.

General Fund Budgetary Highlights

During the current year, the actual on a budgetary basis expenditures were \$248.7 million compared to the re-estimated final budget amount of \$255.4 million. Actual expenditures on a budgetary basis were \$6.3 million lower than the original budget implemented for fiscal year 2016 and \$6.6 million lower as compared to the re-estimate final. Decreases were due to continued prudent spending by the various departments, as well as salary savings from the original budget.

For fiscal year 2016, the actual on a budgetary basis revenues were \$259.8 million as compared to the re-estimated final budget amount and original budget amount of \$256.6 million and \$255.0 million, respectively. The primary reason for the increase in actual revenue compared to the re-estimated budget is related to a \$3.6 million increase in sales tax revenue as a result of the slight improvement in the local economy. The City Council has capped the amount that can be budgeted for sales tax revenue based upon a rolling three-year average, which is \$72.8 million.

The City has an actual on budgetary basis general fund balance of \$47.0 million as of the fiscal year-end, compared to the re-estimated budget fund balance and original budget fund balance of \$37.5 million and \$35.6 million, respectively. The variance in fund balance is primarily due to the aforementioned variance in sales tax and continued prudent spending by the departments.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2016, the City had \$1.4 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of \$46.1 million over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 139,756	\$ 138,798	\$ 6,510	\$ 6,478	\$ 146,266	\$ 145,276
Buildings and improvements	211,343	197,039	337,907	325,074	549,250	522,113
Equipment	50,915	50,960	740	694	51,655	51,654
Construction in progress	40,748	49,986	18,028	23,530	58,776	73,516
Public art	1,699	1,699	-	-	1,699	1,699
Infrastructure	586,233	552,855	-	-	586,233	552,855
Drainage improvements	-	-	29,350	30,039	29,350	30,039
Totals	\$ 1,030,694	\$ 991,337	\$ 392,535	\$ 385,815	\$ 1,423,229	\$ 1,377,152

This year's major capital outlay additions for governmental capital projects included (in millions):

Reconstruction of pavement and sidewalks	\$ 6.4
Residential street and alley repairs	3.5
Repair screening walls	1.0
Arterial concrete repair	3.7
Arterial joint sealing program	2.4
Infiltration and inflow repairs	1.2
Rowlett creek rehabilitation	4.9
Brown Branch sewer line replacement	3.9
Sanitary sewer manhole sealing	1.5
Various intersection improvements	8.5
Athletic field renovations	5.2
Jack Carter pool renovation	8.7
Municipal center renovations	1.1
Headquarters at Communications reconfiguration	1.4
Server storage solution	1.9
Fire station reconfiguration	5.7
Downtown enhancements	1.2
Plano Centre enhancements	1.3
	\$ 63.5

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016

The City's fiscal year 2017 general obligation capital budget includes \$89.6 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional \$46.6 million in general obligation bond proceeds will be required to support the entire 2016-2017 general obligation capital investment program.

Street Improvements and Enhancements. The City plans to spend \$55.5 million on street improvements and enhancements including \$3.3 million for Legacy Drive corridor improvements, \$3.1 million for Park Boulevard corridor improvements, \$2.3 million for 18th Street and Rigsbee Drive street rehabilitation, \$2.6 million for Dallas North Estates, \$2.4 million for intersection improvements at Plano Parkway and Los Rios Boulevard, \$2.2 million for Russell Creek Drive from Independence to Sutherland, \$2.1 million for the Preston Road and Plano Parkway intersection, \$2.1 million for Preston Road and State Highway 190 intersection improvements and \$2.9 for various bridge inspections and repairs. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are \$27.0 million including \$6.0 million to expand the Senior Center, \$5.0 million for Carpenter Park renovation, \$2.4 million for Plano Transit Veloweb, \$1.0 million for Oak Point Park and Nature Preserve, \$1.0 million for Windhaven Meadows Park development, \$1.0 million for Cottonwood Creek Trail, \$1.4 million for various land acquisitions and \$3.4 million for various park improvements. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are \$1.2 million including work scheduled for the fire training center, police headquarters and gun range and various libraries.

Public Infrastructure Improvement. Estimated expenditures of \$6.0 million are to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

Debt

At year-end, the City had \$374.9 million in bonds and tax anticipation notes outstanding as compared to \$339.2 million at the end of the prior fiscal year, an increase of 10.5 percent – as shown in Table 4.

Table 4
Outstanding Debt, at Year-end
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
General obligation bonds and tax anticipation notes (backed by the City)	\$ 332,367	\$ 322,852	\$ -	\$ -	\$ 332,367	\$ 322,852
Revenue bonds (backed by fee revenues)	-	-	42,490	16,368	42,490	16,368
Totals	\$ 332,367	\$ 322,852	\$ 42,490	\$ 16,368	\$ 374,857	\$ 339,220

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016**

During the current fiscal year, the City issued \$33.6 million in new general obligation bonds and refunded \$36.6 million of general obligation debt. Additionally, the City issued \$24.8 million in waterworks and sewer system revenue bonds in fiscal year 2016.

The City's general obligation bonds and tax notes continue to carry an "AAA" rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's Investor Service, Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry Aa2 and AAA ratings, as assigned by two of the national rating agencies. 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 City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of \$5.9 million outstanding at year-end compared with \$5.9 million at the end of the prior fiscal year. Claims and judgements of \$3.5 million relate to property/liability losses while \$2.4 million relate to health claims which are \$41 thousand higher than prior year. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials addressed a variety of factors, departmental requests and public input when setting the budget and tax rates for fiscal year 2017. In keeping with our commitment, the 2016-17 Combined Budget provides for continued exceptional, quality services for residents, businesses and the Plano community. The Budget also provides for continued maintenance and improvements to the City's \$2.4 billion infrastructure and ensures that our Capital Reserve Fund is adequately funded. In addition, we continue to focus on initiatives that help the City of Plano better engage with the community to deliver services that address needs and concerns across Plano neighborhoods and improve the quality of life across the city. With additional revenues available as a result of increased property values and increased building and development also comes the opportunity to better serve our citizens through existing service offerings, Public Safety Program additions, neighborhood reinvestment, and infrastructure maintenance.

The largest single revenue source in the fiscal year 2017 General Fund Budget is property taxes, which account for 42.8% of total revenues. Assessed property values in Plano increased 9.8% from the prior year, including \$750.7 million in new property entering the tax roll for the first time. The 2016-17 Budget does include a one-cent tax rate decrease from 48.86 cents to 47.86 cents per \$100 of assessed property valuation in order to recognize taxpayers concerns over increasing assessed property values. Sales tax revenue remains the City's second largest revenue source, making up 27.0% of General Fund revenues.

NTMWD is projecting both water and sewer rate increases for 2016-17. Wholesale water purchased from the district is projected to increase by 10.5% per thousand gallons and is based on the full take-or-pay contract volume of 26.7 billion gallons. The increased costs are directly tied to payments for the NTMWD debt service associated with the pipeline that brings raw water from Lake Texoma to the Wylie treatment plant and the Lower Bois d'Arc Creek Reservoir project. Due to increased water revenue collections last summer as a result of NTMWD lifting water restrictions, the pass through water rate increase will not be necessary for 2016-17. However, a 5% wastewater rate increase will be required to offset the \$2.6 million in increased contract cost from NTMWD. The increase in the wastewater rate is to pay for increased NTMWD debt service costs along with requirements by Texas Commission on Environmental Quality (TCEQ) for Capacity Management, Operations and Maintenance (CMOM).

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2016**

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Accounting Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.



Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 78,338,717	\$ 10,232,744	\$ 88,571,461	\$ 2,539,581
Investments	286,504,168	34,629,657	321,133,825	9,454,908
Receivables (net of allowance for uncollectibles)	20,296,968	21,168,621	41,465,589	-
Internal balances	(13,693,620)	13,693,620	-	-
Due from other governments	9,952,431	-	9,952,431	-
Inventories	1,179,827	78,026	1,257,853	-
Prepays and other assets	22,322,737	2,424,633	24,747,370	-
Restricted assets:				
Cash and cash equivalents	-	12,784,362	12,784,362	-
Investments	-	47,316,197	47,316,197	-
Receivables	-	280,226	280,226	-
Capital assets:				
Nondepreciable	182,203,438	24,537,759	206,741,197	1,579,168
Depreciable (net)	848,490,424	367,997,087	1,216,487,511	-
Total assets	1,435,595,090	535,142,932	1,970,738,022	13,573,657
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	72,473,578	8,768,168	81,241,746	-
Deferred charges on refunding	8,171,352	372,086	8,543,438	-
	80,644,930	9,140,254	89,785,184	-
LIABILITIES				
Accounts payable	5,984,144	6,038,512	12,022,656	400
Accrued liabilities	9,433,212	2,877,121	12,310,333	-
Accrued interest payable	1,106,514	465,463	1,571,977	-
Contracts payable	4,352,482	2,108,583	6,461,065	-
Customer deposits	-	3,030,732	3,030,732	-
Escrow liability	-	6,320	6,320	-
Unearned revenue	4,797,001	699,378	5,496,379	-
Due to other governments	2,252,417	-	2,252,417	-
Retainage payable	1,767,672	1,182,536	2,950,208	-
Seized assets payable	65,717	-	65,717	-
Noncurrent liabilities				
Due within one year:				
Compensated absences	4,917,493	377,838	5,295,331	-
Bonds and notes payable	31,233,091	2,756,130	33,989,221	-
Liability for insurance claims	5,568,803	-	5,568,803	-
Due in more than one year:				
Compensated absences	33,413,459	3,589,199	37,002,658	-
Bonds and notes payable	301,133,517	39,734,456	340,867,973	-
Net pension liability	118,699,071	14,457,009	133,156,080	-
Liability for insurance claims	328,977	-	328,977	-
Total liabilities	525,053,570	77,323,277	602,376,847	400
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	5,860,033	702,253	6,562,286	-
NET POSITION				
Net investment in capital assets	749,829,714	374,462,834	1,124,292,548	1,579,168
Restricted for:				
Capital projects, special revenue and component unit	64,323,810	-	64,323,810	11,994,089
Debt service	3,925,760	3,298,965	7,224,725	-
Unrestricted	167,247,133	88,495,857	255,742,990	-
Total net position	\$ 985,326,417	\$ 466,257,656	\$ 1,451,584,073	\$ 13,573,257

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

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 27,017,457	\$ 6,691,140	\$ 1,424,913	\$ -
Administrative services	10,635,244	3,928	-	-
Police	80,837,474	17,981,734	1,391,197	151,516
Fire	56,724,482	5,798,677	129,795	-
Libraries	12,107,913	245,954	107,694	-
Development	36,859,600	12,573,047	9,162,452	-
Public services and operations	7,638,382	1,534,663	154,648	-
Parks and recreation	32,462,901	5,049,382	326,873	399,959
Public works	32,287,926	18,829	1,149,131	16,090,646
Technology services	18,524,241	3,862,930	-	-
Interest on long-term debt	10,309,486	-	-	-
Total governmental activities	325,405,106	53,760,284	13,846,703	16,642,121
Business-type Activities:				
Water and sewer	133,481,605	140,654,894	-	4,451,393
Environmental waste services	25,354,273	16,288,331	1,041	-
Municipal drainage	4,933,219	7,318,823	-	-
Convention and tourism	7,402,651	2,420,541	-	-
Municipal golf course	1,198,346	887,717	-	-
Recreation revolving	3,295,974	3,733,821	-	-
Downtown center development	14,273	73,206	-	-
Total business-type activities	175,680,341	171,377,333	1,041	4,451,393
Total primary government	\$ 501,085,447	\$ 225,137,617	\$ 13,847,744	\$ 21,093,514
Component unit:				
TIF East Side	\$ 2,947,017	\$ 3,000	\$ -	\$ -

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel/Motel tax
Other taxes
Franchise fees based upon gross receipts
Investment income
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

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

Exhibit "A" to Resolution No. 2017-1-15(R)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (18,901,404)		\$ (18,901,404)	
(10,631,316)		(10,631,316)	
(61,313,027)		(61,313,027)	
(50,796,010)		(50,796,010)	
(11,754,265)		(11,754,265)	
(15,124,101)		(15,124,101)	
(5,949,071)		(5,949,071)	
(26,686,687)		(26,686,687)	
(15,029,320)		(15,029,320)	
(14,661,311)		(14,661,311)	
(10,309,486)		(10,309,486)	
<u>(241,155,998)</u>		<u>(241,155,998)</u>	
	\$ 11,624,682	11,624,682	
	(9,064,901)	(9,064,901)	
	2,385,604	2,385,604	
	(4,982,110)	(4,982,110)	
	(310,629)	(310,629)	
	437,847	437,847	
	58,933	58,933	
	<u>149,426</u>	<u>149,426</u>	
<u>(241,155,998)</u>	<u>149,426</u>	<u>(241,006,572)</u>	
			<u>(2,944,017)</u>
163,619,692	-	163,619,692	3,996,240
76,948,348	-	76,948,348	-
1,930,054	-	1,930,054	-
-	8,263,231	8,263,231	-
145,579	-	145,579	-
24,665,352	8,499,964	33,165,316	-
3,180,298	539,844	3,720,142	-
12,121,270	(12,121,270)	-	-
<u>282,610,593</u>	<u>5,181,769</u>	<u>287,792,362</u>	<u>3,996,240</u>
41,454,595	5,331,195	46,785,790	1,052,223
943,871,822	460,926,461	1,404,798,283	12,521,034
<u>\$ 985,326,417</u>	<u>\$ 466,257,656</u>	<u>\$ 1,451,584,073</u>	<u>\$ 13,573,257</u>

Exhibit "A" to Resolution No. 2017-1-15(R)

**CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016**

	General	Debt Service	Capital Reserve	Street Improvements
ASSETS				
Cash and cash equivalents	\$ 12,135,203	\$ 830,099	\$ 11,459,588	\$ 6,974,737
Investments	44,857,910	3,072,277	42,413,072	25,814,195
Receivables (net of allowance for uncollectibles)				
Taxes	14,453,144	266,957	-	-
Accounts	1,669,161	-	-	-
Accrued interest	265,668	18,195	251,189	152,883
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	249,340	-	-	-
Due from other governments	12,770	-	-	9,575,042
Inventories	85,078	-	-	-
Prepaid items and other assets	370,353	-	-	60,480
Total assets	74,098,627	4,187,528	54,123,849	43,943,458
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	2,713,718	-	-	-
Accrued liabilities	7,959,885	-	-	-
Contracts payable	-	-	3,309,043	896,118
Unearned revenue	1,203,121	-	-	4,935,001
Due to other funds	13,195	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	548,373	713,258
Seized assets payable	-	-	-	-
Total liabilities	12,101,518	-	3,857,416	6,544,377
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	7,807,136	261,768	-	-
Fund Balance:				
Nonspendable:				
Prepaid items and inventories	455,431	-	-	60,480
Restricted for:				
Debt service	-	3,925,760	-	-
Street improvements	-	-	-	25,471,864
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	1,467,631	-	-	-
Administrative services	137,514	-	-	-
Police	486,882	-	-	-
Fire	424,768	-	-	-
Libraries	438,946	-	-	-
Development	1,414,002	-	-	-
Public services and operations	218,640	-	-	-
Parks and recreation	1,447,926	-	-	-
Public works	1,118,121	-	-	-
Capital reserve	-	-	50,266,433	-
Street improvements	-	-	-	11,866,737
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	328,144	-	-	-
Unassigned	46,251,968	-	-	-
Total fund balance	54,189,973	3,925,760	50,266,433	37,399,081
Total liabilities, deferred inflows, and fund balance	\$ 74,098,627	\$ 4,187,528	\$ 54,123,849	\$ 43,943,458

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

Exhibit "A" to Resolution No. 2017-1-15(R)

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
\$ 2,086,656 7,722,926	\$ 9,276,207 34,332,163	\$ 9,685,691 35,847,700	\$ 11,167,810 37,953,843	\$ 63,615,991 232,014,086
-	-	-	-	14,720,101
-	-	-	483,913	2,153,074
45,739	203,330	212,306	382,522	1,531,832
-	-	-	-	1,366,121
-	-	-	189,356	189,356
-	-	-	-	249,340
-	-	-	364,619	9,952,431
-	-	-	-	85,078
-	-	145,600	143,991	720,424
<u>9,855,321</u>	<u>43,811,700</u>	<u>45,891,297</u>	<u>50,686,054</u>	<u>326,597,834</u>
-	-	-	584,941	3,298,659
-	1,195,483	-	23,639	9,179,007
147,321	-	-	-	4,352,482
-	-	-	25,000	6,163,122
-	-	-	239,534	252,729
-	-	-	2,040,818	2,252,417
-	506,041	-	-	1,767,672
-	-	-	65,717	65,717
<u>147,321</u>	<u>1,701,524</u>	<u>-</u>	<u>2,979,649</u>	<u>27,331,805</u>
-	-	-	1,000,046	9,068,950
-	-	145,600	143,991	805,502
-	-	-	-	3,925,760
-	-	-	-	25,471,864
8,719,691	-	-	3,922,637	12,642,328
-	31,497,339	-	-	31,497,339
-	-	-	36,922,587	36,922,587
-	-	-	60,274	60,274
-	-	45,745,697	-	45,745,697
-	-	-	-	1,467,631
-	-	-	-	137,514
-	-	-	-	486,882
-	-	-	-	424,768
-	-	-	-	438,946
-	-	-	-	1,414,002
-	-	-	-	218,640
-	-	-	-	1,447,926
-	-	-	-	1,118,121
-	-	-	-	50,266,433
-	-	-	-	11,866,737
988,309	-	-	-	988,309
-	10,612,837	-	-	10,612,837
-	-	-	5,656,870	5,656,870
-	-	-	-	328,144
-	-	-	-	46,251,968
<u>9,708,000</u>	<u>42,110,176</u>	<u>45,891,297</u>	<u>46,706,359</u>	<u>290,197,079</u>
<u>\$ 9,855,321</u>	<u>\$ 43,811,700</u>	<u>\$ 45,891,297</u>	<u>\$ 50,686,054</u>	<u>\$ 326,597,834</u>

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF GOVERNMENTAL FUNDS
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2016**

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

Total fund balance per balance sheet	\$ 290,197,079
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	991,787,500
Deferred outflows represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	8,171,352
Deferred outflows related to pensions.	72,473,578
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds.	22,535,016
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	86,808,947
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(371,156,901)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.	9,068,950
Net pension liability and deferred inflows related to pensions.	(124,559,104)
Net position of governmental activities	<u>\$ 985,326,417</u>

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



Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General	Debt Service	Capital Reserve	Street Improvements
REVENUES				
Taxes:				
Property taxes	\$ 111,458,536	\$ 41,017,981	\$ -	\$ -
Sales taxes	76,347,085	-	-	-
Other taxes	2,043,529	-	-	-
Franchise fees	23,795,403	-	-	-
Fines and forfeitures	7,093,728	-	-	-
Contributions	-	-	928,500	6,865,122
Rollback taxes	-	-	2,080,324	-
Licenses and permits	13,864,396	-	-	-
Intragovernmental	9,845,021	-	-	-
Intergovernmental	1,039,506	-	-	4,810,092
Fees for services	13,793,976	-	-	-
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment income	826,979	315,273	412,491	250,474
Miscellaneous	1,785,782	151,516	54,760	-
Total revenues	261,893,941	41,484,770	3,476,075	11,925,688
EXPENDITURES				
Current operating:				
General government	28,719,550	-	-	-
Administrative services	10,137,693	-	-	-
Police	71,176,863	-	-	-
Fire	53,812,611	-	-	-
Libraries	10,827,105	-	-	-
Development	30,749,720	-	-	-
Public services and operations	6,362,128	-	-	-
Parks and recreation	23,043,731	-	-	-
Environmental waste services	-	-	-	-
Public works	6,328,770	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	1,482,113	-	32,126,652	16,020,148
Interest and fiscal charges	-	-	-	37,584
Debt service:				
Principal retirement	-	28,540,000	-	-
Interest and fiscal charges	-	12,982,753	-	-
Total expenditures	243,640,284	41,522,753	32,126,652	16,057,732
Excess (deficiency) of revenues over (under) expenditures	18,253,657	(37,983)	(28,650,577)	(4,132,044)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	4,731,051
Issuance of debt - refunding	-	33,585,000	-	-
Escrow payment - refunding	-	(39,339,873)	-	-
Premium on sale of bonds	-	6,016,819	-	876,533
Capital receipt of land	-	-	-	-
Capital disposal of land	-	-	-	-
Proceeds from sale of land	-	-	-	-
Transfers in	9,021,278	-	26,700,000	-
Transfers out	(24,688,978)	-	-	-
Total other financing sources (uses)	(15,667,700)	261,946	26,700,000	5,607,584
Net change in fund balances	2,585,957	223,963	(1,950,577)	1,475,540
Fund balances-beginning	51,604,016	3,701,797	52,217,010	35,923,541
Fund balances-ending	\$ 54,189,973	\$ 3,925,760	\$ 50,266,433	\$ 37,399,081

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

Exhibit "A" to Resolution No. 2017-1-15(R)

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 152,476,517
-	-	-	-	76,347,085
-	-	-	-	2,043,529
-	-	-	-	23,795,403
-	-	-	6,135,205	13,228,933
-	-	7,193,442	1,078,864	16,065,928
-	-	-	-	2,080,324
-	-	-	-	13,864,396
-	-	-	-	9,845,021
-	399,959	-	2,351,429	8,600,986
-	-	-	3,682,594	17,476,570
-	-	-	96,327	96,327
-	-	-	52,553	52,553
89,866	167,329	311,598	334,812	2,708,822
-	-	85,950	10,215	2,088,223
<u>89,866</u>	<u>567,288</u>	<u>7,590,990</u>	<u>13,741,999</u>	<u>340,770,617</u>
-	-	-	-	28,719,550
-	-	-	-	10,137,693
-	-	-	6,573,895	77,750,758
-	-	-	181,120	53,993,731
-	-	-	83,861	10,910,966
-	-	2,875,851	1,653,555	35,279,126
-	-	-	961,689	7,323,817
-	-	-	-	23,043,731
-	-	-	877	877
-	-	-	-	6,328,770
-	-	-	-	1,000,000
9,842,375	17,324,593	-	2,347,466	79,143,347
21,592	197,705	-	10,121	267,002
-	-	-	-	28,540,000
-	-	-	-	12,982,753
<u>9,863,967</u>	<u>17,522,298</u>	<u>2,875,851</u>	<u>11,812,584</u>	<u>375,422,121</u>
<u>(9,774,101)</u>	<u>(16,955,010)</u>	<u>4,715,139</u>	<u>1,929,415</u>	<u>(34,651,504)</u>
2,718,019	24,886,859	-	1,274,071	33,610,000
-	-	-	-	33,585,000
-	-	-	-	(39,339,873)
503,573	4,610,846	-	236,050	12,243,821
-	-	-	650,000	650,000
-	-	-	(650,000)	(650,000)
830,000	-	-	-	830,000
-	-	-	550,020	36,271,298
-	-	-	(8)	(24,688,986)
<u>4,051,592</u>	<u>29,497,705</u>	<u>-</u>	<u>2,060,133</u>	<u>52,511,260</u>
(5,722,509)	12,542,695	4,715,139	3,989,548	17,859,756
15,430,509	29,567,481	41,176,158	42,716,811	272,337,323
<u>\$ 9,708,000</u>	<u>\$ 42,110,176</u>	<u>\$ 45,891,297</u>	<u>\$ 46,706,359</u>	<u>\$ 290,197,079</u>

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

Net change in fund balance - total governmental funds	\$ 17,859,756
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	29,792,138
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,092,092
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(10,814,902)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.	(7,318,099)
Other long-term liabilities related to pension expense in internal service funds	(435,401)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	3,280,827
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds are reported within governmental activities.	4,998,289
Grant revenues included in the special revenue funds which are used for the benefit of business-type activities. The net expenses of certain activities are reported within the business-type activities.	(105)
Change in net position of governmental activities	<u>\$ 41,454,595</u>

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



Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2016

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 7,191,485	\$ 897,431	\$ 589,960	\$ 1,553,868	\$ 10,232,744	\$ 14,722,726
Investments	23,436,425	3,277,839	2,183,501	5,731,892	34,629,657	54,490,082
Receivables (net of allowance for uncollectibles)						
Accounts	16,136,642	1,113,010	728,350	858,129	18,836,131	13,770
Accrued interest	138,801	19,413	12,932	33,947	205,093	322,714
Other	5,344	2,103,471	-	18,582	2,127,397	-
Due from other funds	12,662	-	2,692	-	15,354	-
Inventories	78,026	-	-	-	78,026	1,094,749
Prepaid expenses and other assets	1,526,303	451,095	2,070	445,165	2,424,633	433,418
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	169,778	-	781,509	-	951,287	-
Investments	628,368	-	1,698,459	-	2,326,827	-
Accrued interest receivable	3,721	-	17,130	-	20,851	-
Revenue bond reserve fund-						
Investments	-	-	1,193,981	-	1,193,981	-
Revenue bond construction fund-						
Cash and cash equivalents	11,328,258	-	504,817	-	11,833,075	-
Investments	41,927,011	-	1,868,378	-	43,795,389	-
Accrued interest receivable	248,310	-	11,065	-	259,375	-
Total current assets	102,831,134	7,862,259	9,594,844	8,641,583	128,929,820	71,077,459
Capital assets:						
Land	3,414,248	-	103,548	2,992,154	6,509,950	62,522
Buildings	2,748,029	342,458	52,921	13,782,224	16,925,632	5,947,894
Improvements other than buildings	598,939,625	-	-	3,533,627	602,473,252	-
Equipment	123,045	479,091	15,048	1,383,042	2,000,226	38,359,513
Furniture and fixtures	129,460	2,448	4,421	286,820	423,149	283,444
Rolling equipment	2,417	-	-	-	2,417	52,967,839
Drainage improvements	-	-	37,775,933	-	37,775,933	-
Construction in progress	13,608,224	-	4,419,585	-	18,027,809	-
Less accumulated depreciation	(266,529,200)	(142,092)	(8,457,855)	(16,474,375)	(291,603,522)	(58,714,850)
Total capital assets (net of accumulated depreciation)	352,435,848	681,905	33,913,601	5,503,492	392,534,846	38,906,362
Total noncurrent assets	352,435,848	681,905	33,913,601	5,503,492	392,534,846	38,906,362
Total assets	\$ 455,266,982	\$ 8,544,164	\$ 43,508,445	\$ 14,145,075	\$ 521,464,666	\$ 109,983,821
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	4,000,640	2,590,856	719,930	1,456,742	8,768,168	4,050,418
Deferred charges on refunding	-	-	372,086	-	372,086	-
	4,000,640	2,590,856	1,092,016	1,456,742	9,140,254	4,050,418

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

(continued)

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2016
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 5,744,353	\$ 114,122	\$ 103,819	\$ 76,218	\$ 6,038,512	\$ 2,685,485
Accrued liabilities	285,531	2,333,578	44,608	213,404	2,877,121	254,205
Unearned revenue	180	13,500	-	685,698	699,378	-
Due to other funds	-	-	-	1,430	1,430	10,535
Customer deposits	2,837,574	-	-	193,158	3,030,732	-
Escrow liability	6,320	-	-	-	6,320	-
Liability for compensated absences	197,061	109,556	27,180	44,041	377,838	94,125
Liability for insurance claims	-	-	-	-	-	5,568,803
Total current liabilities	<u>9,071,019</u>	<u>2,570,756</u>	<u>175,607</u>	<u>1,213,949</u>	<u>13,031,331</u>	<u>8,613,153</u>
Current liabilities payable from restricted assets:						
Contracts payable	2,108,583	-	-	-	2,108,583	-
Current portion of long-term debt	934,241	-	1,821,889	-	2,756,130	-
Accrued interest payable	274,917	-	190,546	-	465,463	-
Retainage payable	1,147,236	-	35,300	-	1,182,536	-
Total current liabilities payable from restricted assets	<u>4,464,977</u>	<u>-</u>	<u>2,047,735</u>	<u>-</u>	<u>6,512,712</u>	<u>-</u>
Total current liabilities	<u>13,535,996</u>	<u>2,570,756</u>	<u>2,223,342</u>	<u>1,213,949</u>	<u>19,544,043</u>	<u>8,613,153</u>
Noncurrent liabilities:						
Bonds payable	27,276,451	-	12,458,005	-	39,734,456	-
Net pension liability	6,587,482	4,282,774	1,159,033	2,427,720	14,457,009	6,551,273
Liability for compensated absences	1,550,197	1,159,461	281,678	597,863	3,589,199	553,048
Liability for insurance claims	-	-	-	-	-	328,977
Total noncurrent liabilities	<u>35,414,130</u>	<u>5,442,235</u>	<u>13,898,716</u>	<u>3,025,583</u>	<u>57,780,664</u>	<u>7,433,298</u>
Total liabilities	<u>48,950,126</u>	<u>8,012,991</u>	<u>16,122,058</u>	<u>4,239,532</u>	<u>77,324,707</u>	<u>16,046,451</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	320,903	207,641	58,654	115,055	702,253	328,111
	<u>320,903</u>	<u>207,641</u>	<u>58,654</u>	<u>115,055</u>	<u>702,253</u>	<u>328,111</u>
NET POSITION						
Net investment in capital assets	351,501,607	681,905	44,052,281	5,503,492	401,739,285	38,906,362
Restricted for:						
Debt service	801,867	-	2,497,098	-	3,298,965	-
Unrestricted	57,693,119	2,232,483	(18,129,630)	5,743,738	47,539,710	58,753,315
Total net position	<u>\$ 409,996,593</u>	<u>\$ 2,914,388</u>	<u>\$ 28,419,749</u>	<u>\$ 11,247,230</u>	<u>\$ 452,577,960</u>	<u>\$ 97,659,677</u>

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

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2016**

Amounts reported for business-type activities in the statement of net position are different because:

Total net position of proprietary funds	\$ 452,577,960
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Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.

The net receivable due from activities of the internal service funds which is reported within business-type activities.	13,679,696
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Net position of business-type activities	<u><u>\$ 466,257,656</u></u>
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The notes to the financial statements are an integral part of this statement.



Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 139,770,025	\$ 13,444,490	\$ 7,307,311	\$ 7,018,199	\$ 167,540,025	\$ 73,400,892
Franchise fees	-	8,499,964	-	-	8,499,964	-
Compost products	-	1,793,498	-	-	1,793,498	-
Subrogation receipts	-	-	-	-	-	1,002,039
Contributions	-	119,707	-	-	119,707	-
Miscellaneous charges	455,968	903,613	-	90,633	1,450,214	9,146
Total operating revenues	140,225,993	24,761,272	7,307,311	7,108,832	179,403,408	74,412,077
Operating expenses:						
Personnel services	11,289,424	6,900,899	2,501,375	4,686,505	25,378,203	10,221,719
Pension expense (net)	424,380	274,339	77,802	152,120	928,641	435,401
Contractual services	8,088,464	7,996,931	600,442	6,290,308	22,976,145	15,579,362
Supplies	2,032,379	437,235	315,614	896,354	3,681,582	7,086,262
Claims expense	-	-	-	-	-	29,563,145
Depreciation	14,498,494	22,587	760,393	313,140	15,594,614	8,598,835
Solid waste disposal	-	8,310,401	-	-	8,310,401	-
Wastewater treatment	27,597,420	-	-	-	27,597,420	-
Charges in lieu of taxes	8,675,731	1,169,290	-	-	9,845,021	-
Water supply	59,057,251	-	-	-	59,057,251	-
Miscellaneous	966,189	202,533	28,516	99,487	1,296,725	65,533
Total operating expenses	132,629,732	25,314,215	4,284,142	12,437,914	174,666,003	71,550,257
Operating income (loss)	7,596,261	(552,943)	3,023,169	(5,329,082)	4,737,405	2,861,820
Nonoperating revenues (expenses):						
Investment income	388,027	24,471	73,395	53,951	539,844	471,476
Gain on property disposition	299,191	-	-	-	299,191	945,709
Interest and fiscal charges	(166,837)	-	(653,345)	-	(820,182)	-
Capital disposal	(650,000)	-	-	-	(650,000)	-
Hotel/Motel tax	-	-	-	8,263,231	8,263,231	-
Intergovernmental revenues	-	-	-	-	-	159,520
Miscellaneous	129,710	27,023	11,512	6,453	174,698	42,185
Total nonoperating revenue (expenses)	91	51,494	(568,438)	8,323,635	7,806,782	1,618,890
Income before contributions and transfers	7,596,352	(501,449)	2,454,731	2,994,553	12,544,187	4,480,710
Contributions from developers	4,451,393	-	-	-	4,451,393	-
Transfers in	-	8	-	-	8	788,958
Transfers out	(9,301,419)	-	(1,008,777)	(1,811,082)	(12,121,278)	(250,000)
Change in net position	2,746,326	(501,441)	1,445,954	1,183,471	4,874,310	5,019,668
Total net position-beginning	407,250,267	3,415,829	26,973,795	10,063,759	447,703,650	92,640,009
Total net position-ending	\$ 409,996,593	\$ 2,914,388	\$ 28,419,749	\$ 11,247,230	\$ 452,577,960	\$ 97,659,677

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

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position - total proprietary funds	\$ 4,874,310
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds are reported within business-type activities.	456,780
The net revenues of grant activities of special revenue funds are reported within business-type activities.	105
Change in net position of business-type activities	<u>\$ 5,331,195</u>

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

Exhibit "A" to Resolution No. 2017-1-15(R)

**CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 143,811,768	\$ 15,356,662	\$ 7,304,431	\$ 6,794,124	\$ 173,266,985	\$ 73,566,117
Cash received from subrogation	-	-	-	-	-	1,002,039
Franchise fees	-	8,499,964	-	-	8,499,964	-
Charges in lieu of taxes	(8,675,731)	(1,169,290)	-	-	(9,845,021)	-
Cash payments to suppliers for goods and services	(98,608,559)	(17,066,292)	(1,543,616)	(7,742,469)	(124,960,936)	(50,964,035)
Cash paid to or on behalf of employees for services	(11,243,229)	(6,367,722)	(2,458,553)	(4,570,869)	(24,640,373)	(10,557,393)
Net cash provided (used) by operating activities	25,284,249	(746,678)	3,302,262	(5,519,214)	22,320,619	13,046,728
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayments to other funds	-	1,893	-	-	1,893	-
Hotel/Motel tax	-	-	-	8,263,231	8,263,231	-
Transfers to other funds	(9,301,419)	-	(1,008,777)	(1,704,839)	(12,015,035)	(250,000)
Transfers from other funds	-	8	-	-	8	788,958
Intergovernmental receipts	-	-	-	-	-	159,520
Net cash provided (used) by noncapital financing activities	(9,301,419)	1,901	(1,008,777)	6,558,392	(3,749,903)	698,478
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(13,546,116)	(236,323)	(1,064,447)	(1,496,255)	(16,343,141)	(11,543,069)
Bond proceeds	27,975,000	-	-	-	27,975,000	-
Bond issuance costs paid	-	-	(3,750)	-	(3,750)	-
Proceeds from sale of equipment	-	-	-	-	-	998,723
Principal paid on long-term debt	-	-	(2,045,000)	-	(2,045,000)	-
Interest and fees paid on long-term debt	-	-	(505,382)	-	(505,382)	-
Proceeds from insurance damages	129,710	27,023	11,512	6,453	174,698	42,185
Net cash provided (used) by capital and related financing activities	14,558,594	(209,300)	(3,607,067)	(1,489,802)	9,252,425	(10,502,161)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(65,991,804)	(3,277,839)	(6,944,319)	(5,731,892)	(81,945,854)	(54,490,082)
Proceeds from sale and maturities of investment securities	41,688,991	4,008,927	7,900,354	6,035,161	59,633,433	51,498,576
Interest on investments	262,651	30,585	86,954	58,433	438,623	476,682
Net cash provided (used) by investing activities	(24,040,162)	761,673	1,042,989	361,702	(21,873,798)	(2,514,824)
Net increase (decrease) in cash and cash equivalents	6,501,262	(192,404)	(270,593)	(88,922)	5,949,343	728,221
Cash and cash equivalents, beginning of year	12,188,259	1,089,835	2,146,879	1,642,790	17,067,763	13,994,505
Cash and cash equivalents, end of year	<u>\$ 18,689,521</u>	<u>\$ 897,431</u>	<u>\$ 1,876,286</u>	<u>\$ 1,553,868</u>	<u>\$ 23,017,106</u>	<u>\$ 14,722,726</u>
Classified as:						
Current assets	\$ 7,191,485	\$ 897,431	\$ 589,960	\$ 1,553,868	\$ 10,232,744	\$ 14,722,726
Restricted assets	11,498,036	-	1,286,326	-	12,784,362	-
Total	<u>\$ 18,689,521</u>	<u>\$ 897,431</u>	<u>\$ 1,876,286</u>	<u>\$ 1,553,868</u>	<u>\$ 23,017,106</u>	<u>\$ 14,722,726</u>
Noncash disclosures:						
Developers' contributions	\$ 4,451,393	\$ -	\$ -	\$ -	\$ 4,451,393	\$ -
Premium amortization	4,241	-	46,889	-	51,130	-
Amortization of deferred charge on refunding	-	-	(121,883)	-	(121,883)	-
Loss on property disposition	299,191	-	-	-	299,191	(53,675)
Decrease in fair value of investments	(47,605)	(6,308)	(12,158)	(9,047)	(75,118)	(74,053)
Transfer in (out) of capital assets	-	(202,632)	73,274	-	(129,358)	-

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

(continued)

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 7,596,261	\$ (552,943)	\$ 3,023,169	\$ (5,329,082)	\$ 4,737,405	\$ 2,861,820
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	14,498,494	22,587	760,393	313,140	15,594,614	8,598,835
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	3,218,409	21,364	(188)	(100,024)	3,139,561	145,394
Other accounts receivable	(2,816)	(930,510)	-	41,256	(892,070)	150
Due from other funds	(12,662)	-	(2,692)	-	(15,354)	-
Prepaid expenses and other assets	(1,370,102)	167,715	(1,470)	(389,742)	(1,593,599)	(98,329)
Inventories	(45,019)	-	-	-	(45,019)	(191,613)
Pensions	424,380	274,339	77,802	152,120	928,641	435,401
Increase (decrease) in-						
Accounts payable	541,945	(286,907)	(597,574)	(109,264)	(451,800)	1,409,484
Accrued liabilities	51,882	510,253	13,073	79,667	654,875	41,368
Due to other funds	-	-	-	1,430	1,430	10,535
Liability for compensated absences	(5,687)	22,924	29,749	35,969	82,955	(377,042)
Customer deposits	382,854	-	-	(110,436)	272,418	-
Escrow liability	6,320	-	-	-	6,320	-
Unearned revenue	(10)	4,500	-	(104,248)	(99,758)	-
Liability for insurance claims	-	-	-	-	-	210,725
Total adjustments	17,687,988	(193,735)	279,093	(190,132)	17,583,214	10,184,908
Net cash provided (used) by operating activities	\$ 25,284,249	\$ (746,678)	\$ 3,302,262	\$ (5,519,214)	\$ 22,320,619	\$ 13,046,728

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

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY AND AGENCY FUNDS
AS OF SEPTEMBER 30, 2016
(EXCEPT PENSION TRUST FUND, WHICH IS AS OF DECEMBER 31, 2015)

	Pension Trust Fund	Postemployment Benefits Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 1,468,138	\$ 1,013,989	\$ 599,687
Investment pool	-	-	2,219,502
Other U.S. government obligations	28,577,505	501,915	-
Corporate bonds	16,293,041	5,964,391	-
Asset-backed securities	-	4,208,121	-
Common stocks	66,326,163	24,334,420	-
Foreign equities	6,396,663	-	-
Mutual funds	-	32,947,221	-
Master limited partnerships	1,566,199	-	-
Accrued interest	347,786	91,399	13,145
Total assets	120,975,495	69,061,456	2,832,334
LIABILITIES			
Accounts payable	53,802	-	-
Accrued liabilities	-	256,004	-
Payable from pending trades	-	362,179	-
Developers' escrow liability	-	-	2,713,657
Unclaimed property payable	-	-	118,677
Total liabilities	53,802	618,183	2,832,334
NET POSITION			
Held in trust for pension benefits	120,921,693	-	-
Held in trust for other postemployment benefits	-	68,443,273	-
Total net position	\$ 120,921,693	\$ 68,443,273	

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

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(EXCEPT PENSION TRUST FUND, WHICH IS YEAR ENDED DECEMBER 31, 2015)

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>
ADDITIONS		
Contributions		
From employers	\$ 3,959,196	\$ 5,530,675
From retirees	-	1,102,654
Total contributions	<u>\$ 3,959,196</u>	<u>\$ 6,633,329</u>
Investment return:		
Net increase (decrease) in fair value of investments	(707,541)	4,485,277
Interest	978,731	448,014
Dividends	1,736,161	940,080
Miscellaneous	69,347	-
Total investment return	<u>2,076,698</u>	<u>5,873,371</u>
Total additions, net	<u>6,035,894</u>	<u>12,506,700</u>
DEDUCTIONS		
Benefits	3,822,305	3,503,250
Administrative expenses	320,784	550,758
Miscellaneous expenses	6,744	17,003
Total deductions	<u>4,149,833</u>	<u>4,071,011</u>
Net increase	1,886,061	8,435,689
Net position held in trusts - beginning of year	<u>119,035,632</u>	<u>60,007,584</u>
Net position held in trusts - end of year	<u>\$ 120,921,693</u>	<u>\$ 68,443,273</u>



CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Plano, Texas (City) was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide*. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the 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; or
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Unit.

The City has established a Tax Increment Financing district (TIF) for project improvements within the City. The TIF provides financing for public improvements associated with the future development of East Plano. The project was approved by the City Council in fiscal year 1999. The TIF is legally separate from the City, and the City appoints a majority of its governing board for the TIF; however, the entity is fiscally dependent on the City. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15 year term will include participation with the City, as well as Collin County. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014. Financial reports may be obtained by request to the City's Accounting Department, 1520 Avenue K, Suite 370, Plano, Texas 75074.

Blended Component Units.

The City has established a Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval.

In fiscal year 2016, the Plano Improvement Corporation (PIC) was established to serve as a non-profit corporation to facilitate real estate transactions and serve as an independent foundation for acceptance of donations. The City desired to create the PIC for the purpose of transfer of land and improvements that the City wants developed pursuant to Texas Local Government Code §272.001(b)(4). Occasionally, individuals, as well as charitable corporations and foundations desire to donate real and/or personal property to the City to further the charitable purposes of the person or entity and to benefit the citizens of Plano. The City provides all financial support to the PIC and because the services provided by the PIC exclusively benefit the City, it is blended into the City's financial statements in the Other Governmental Funds category.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, it is not included in the primary government or as a discretely presented component unit.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component unit.

C. Upcoming and Newly Implemented Accounting Pronouncements

During fiscal year 2016, the City adopted the following GASB Statements:

GASB Statement No. 72, "*Fair Value Measurement and Application*," addresses accounting and financial reporting issues related to fair value measurement – the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. GASB Statement No. 72 provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement requires local governments to use valuation techniques which are appropriate under the circumstances and are either a market approach, cost approach or income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs. The adoption of Statement No. 72 is implemented in fiscal year 2016.

GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*," is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees are provided with pensions that are not within the scope of Statement No. 68, as amended. The implementation of this statement has no effect on the financial statements.

GASB Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*" reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*". It also amends Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989 FASB and AICPA Pronouncements*," paragraph 64, 74, and 82. There was no material impact on the City's financial statements as a result of the implementation of Statement No. 76.

GASB Statement No. 79, "*Certain External Investment Pools and Pool Participants*," establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost for financial reporting purposes. The City implemented this statement in the current fiscal year disclosing there are no restrictions or limitations on withdrawals in qualifying external investment pools.

The GASB has issued the following statements which will be effective in future years as described below:

GASB Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*," establishes financial reporting standards for state and local governmental other post employment benefit plans (OPEB). The statement replaces Statement No. 43, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*," as amended, and Statement No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*". The City is currently evaluating changes to the financial statements as a result of the implementation of this statement. Statement No. 74 is effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*," addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employees. This statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources and pension expense.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

The City is currently evaluating changes to the financial statements as a result of the implementation of this statement. Statement No. 75 is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 77, "*Tax Abatement Disclosures*," addresses financial reporting for tax abatement agreements entered into by state and local governments. This Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement. Statement No. 77 is effective for fiscal years beginning after December 15, 2015.

In fiscal year 2015, the City implemented GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*". The objective of this statement improves accounting and financial reporting by state and local government pensions and the decision-usefulness of information in contributing entity financial reports and to enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement impacted the City's Texas Municipal Retirement System Plan (TMRS) and Retirement Security Plan (RSP).

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, 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 certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (e.g., police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise fees and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, capital reserve fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (e.g., police, fire, public works, etc.). The City's internal service funds consist of equipment maintenance and replacement, municipal warehouse, technology services, risk management and health claims funds.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the pension trust, postemployment benefits trust, developers' escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, 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 government considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

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

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four to eight year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as unearned revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. 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 water and sewer, environmental waste services, municipal drainage, convention and tourism, municipal golf course, downtown center development and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- a. The General Fund accounts for several of the City's primary services (e.g., police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.
- b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. The Capital Reserve Fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.
- d. The Street Improvements Fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.
- e. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.
- f. The Park Improvements Fund accounts for the financing and construction of park project. Funds are primarily through bond sales and interest earnings.
- g. The Economic Development Incentive Fund accounts for \$0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City through usage of 380 agreements and tax incentives.
- h. Other Governmental Funds is a summarization of all of the nonmajor governmental funds.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

- a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure financial integrity of the fund.
- b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. The Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds are a summarization of all of the nonmajor enterprise funds.

3. Other Fund Types:

The City additionally reports for the following fund types:

- a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.
- b. Agency funds are used to account for assets held by the City in an agency capacity for individuals (Unclaimed property) or developers (Developers' escrow). Agency funds record only assets and liabilities and therefore have no measurement focus.
- c. Trust funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and government agencies, which are recorded at amortized cost. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. 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 either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Inventories, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all the City funds and are accounted for by the consumption method. They are valued at the lower of moving average (i.e., perpetual inventory) cost or market. Unit prices are adjusted as new inventory is added; thus, the moving average cost closely represents the cost of goods sold. Other inventories are stated at the lower of cost (i.e., first-in, first-out method) or market.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

The other assets category consists of other postemployment benefits.

I. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or nonroutine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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. For fiscal year 2016, \$343,771 and \$15,519 and of such interest costs were capitalized in the Water and Sewer and Municipal Drainage Funds, respectively.

Property, plant and equipment of the primary government and business-type activities are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 – 40
Improvements other than buildings	20 – 50
Equipment	2 – 10
Furniture and fixtures	5 – 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 – 50

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave in excess of 480 hours will not be reimbursed upon termination. Police and firefighters are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by state civil service law. All other full-time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employment of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal agencies including the Departments of Energy and Transportation, Housing and Urban Development, Justice, Treasury and Homeland Security, Office of National Drug Control Policy and Institute of Museum and Library Services which are accounted for within the Grant Fund (Special Revenue) and Street Improvements Fund (Capital Projects). Various state grants are also included in the Grant Fund and Street Improvements Funds. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

Deferred Inflows/Outflows of Resources

Deferred outflows of resources are used to report consumptions of net position by the City that are applicable to a future reporting period. Deferred inflows of resources are used to report acquisitions of net position by the City that are applicable to future reporting periods. The deferred inflow is reclassified to revenue on the government-wide financial statements.

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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category. First, the deferred charge on refunding reported in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt. Second, the City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year end. The last deferred outflow is the difference between projected and actual investment earnings that are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify in this category, which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. As a component of implementing GASB Statement No. 68, a deferred inflow is recorded in the government-wide Statement of Net Position and fund level financials for the proprietary Statements of Net Position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the Plan actuary. The differences are amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

M. Long-Term Debt

General obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage and waterworks and sewer system improvements. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. 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 issuance costs in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Retirement Plans

The City has two separate retirement plans, TMRS and RSP, covering substantially all employees. In addition, the City has a deferred compensation plan and a postemployment benefit plan. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

O. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(371,156,901) difference are as follows:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Bonds and tax anticipation notes payable	\$ (302,590,000)
Add: Premium	(29,776,608)
Accrued interest payable	(1,106,514)
Compensated absences	(37,683,779)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (371,156,901)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$29,792,138 difference are as follows:

Capital outlay	\$ 79,143,347
Depreciation expense	(48,252,630)
Other capital-related transactions	<u>(1,098,579)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 29,792,138</u></u>

Another element of the reconciliation states, “The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(10,814,902) difference are as follows:

Bonds issued:	
New money	\$ (33,610,000)
Refunded bonds	(33,585,000)
Premium	(12,243,821)
Difference in refunded principal/interest and escrow deposit	744,046
Payment to escrow agent	39,339,873
Principal payments	<u>28,540,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (10,814,902)</u></u>

The reconciliation also states, “Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds.” The details of this \$3,280,827 difference are as follows:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Changes in:	
Compensated absences	\$ 1,406,840
Accrued interest	(43,667)
Amortization of deferred charge on refunding	(2,876,597)
Amortization of bond premium	4,849,485
Change in net OPEB asset	<u>(55,234)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,280,827</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Compliance - Budgets

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there were no appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Statement, included in the basic financial statements, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

The portion of ad valorem tax revenues in the General Fund from "rolled back" tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund and includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

The details of fund balance classifications for other governmental funds are as follows:

Restricted for:

Other Capital Projects:

Public Infrastructure	\$ 3,635,890
DART	286,747
	<u>\$ 3,922,637</u>

Special Revenue funds:

Criminal investigation fund	\$ 5,139,334
Grant fund	492,241
PTV fund	1,522,257
Public safety communications fund	15,704,043
Municipal court fund	13,463,794
Memorial library fund	369,499
Libraries fund	36,797
Animal shelter donations fund	194,622
	<u>\$ 36,922,587</u>

Blended Component Unit:

PID	\$ 60,274
	<u>\$ 60,274</u>

Assigned to:

Other Capital Projects:

Park services fund	\$ 5,656,870
	<u>\$ 5,656,870</u>

Nonspendable:

Special Revenue funds:

Grant fund	\$ 1,022
PTV fund	127,431
Public safety communications fund	78
Municipal court fund	10,395
	<u>\$ 138,926</u>

Blended Component Unit:

PID	\$ 5,065
	<u>\$ 5,065</u>

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted, and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016**

balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a general fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2016, the carrying amount of the City's demand deposits was \$73,266,716, which includes component unit deposits of \$1,806,989. The bank balance was \$76,285,600. At September 30, 2016, the City's cash on hand totaled \$891,270. At September 30, 2016, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was \$40,348,463. At September 30, 2016 the carrying value of cash held in trust by a bank trust department for the City's Postemployment Benefit Trust Fund was \$1,013,989. At December 31, 2015 the carrying value of cash held in trust by a bank trust department for the City's Retirement Security Plan was \$1,468,138.

Investments – Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs).

The City has the following recurring fair value measurements as of September 30, 2016:

- U.S. Agencies of \$108.3 million are valued using matrix pricing (Level 2 inputs)
- Municipal Bonds of \$222.9 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

The Retirement Security Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of December 31, 2015:

- U.S. Government Obligations of \$28.6 million are valued using matrix pricing (Level 2 inputs)
- Corporate Bonds of \$16.3 million are valued using matrix pricing (Level 2 inputs)
- Equities of \$74.3 million are valued using quoted market prices (Level 1 inputs)

The Postemployment Benefit Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2016:

- U.S. Agencies of \$0.5 million are valued using matrix pricing (Level 2 inputs)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

- Corporate Bonds of \$6.0 million are valued using matrix pricing (Level 2 inputs)
- Asset-backed securities of \$4.2 million are valued using quoted market prices (Level 1 inputs)
- Equities of \$57.3 million are valued using quoted market prices (Level 1 inputs)

At September 30, 2016 (except Retirement Security Plan which is as of December 31, 2015), the City's investment balances were as follows:

Investments by Fair Value Level	Fair Value Measurements Using				Weighted Avg Maturity (Years)*
	9/30/2016	Quoted Prices in Active Markets for Identical Assets Primary Government (Level 1)	Significant Other Observable Inputs Primary Government (Level 2)	Significant Other Observable Inputs Component Unit (Level 2)	
U.S. Agencies	\$ 116,786,915	\$ -	\$ 108,321,979	\$ 8,464,936	0.5405
Municipal Bonds	222,932,970	-	222,932,970	-	0.9988
Total investments and cash equivalents by fair value level	\$ 339,719,885	\$ -	\$ 331,254,949	\$ 8,464,936	1.5393
Investment Trust Funds					
Retirement Security Plan:					
U.S. Government obligations	\$ 28,577,505	\$ -	\$ 28,577,505	\$ -	4.0900
Corporate bonds	16,293,041	-	16,293,041	-	4.2400
Equities:					
Common stocks	66,326,163	66,326,163	-	-	NA
Foreign equities	6,396,663	6,396,663	-	-	NA
Master limited partnerships	1,566,199	1,566,199	-	-	NA
Postemployment Benefit:					
Government agency obligations	501,915	-	501,915	-	2.7500
Corporate bonds	5,964,391	-	5,964,391	-	1.7040
Asset-backed securities	4,208,121	4,208,121	-	-	8.5060
Equities:					
Common stocks	24,334,420	24,334,420	-	-	NA
Mutual funds	32,947,221	32,947,221	-	-	NA
Total Investment Trust Funds	\$ 187,115,639	\$ 135,778,787	\$ 51,336,852	\$ -	
TOTAL INVESTMENTS	\$ 526,835,524	\$ 135,778,787	\$ 382,591,801	\$ 8,464,936	

* Fair-value basis

Equity securities are valued using prices in active markets and matrix pricing is used to value based on benchmarks

GASB Statement No. 79, establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawals.

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments. The City has contracted with a bank trust department to manage the investment portfolio of the Retirement Security Plan and Postemployment Benefit Trust Fund. The investments are subject to the policies and guidelines established by the Retirement Security Plan and Postemployment Benefit Trust Fund committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer; no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016**

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and First Federal Community Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The investment in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAm by Standard & Poor's as of September 30, 2013.

Concentration of Credit Risk. With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2015, five percent (5%) or more of the City's total investments are in: Municipal Bonds (41.17%), Federal Home Loan Mortgage Corporation securities (14.99%), Certificates of Deposits (8.94%), Investment Pools (9.26%) and Bank Accounts (13.60%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2015 upon which the original 2016 levy was based, was \$30,920,030,059. Subsequent adjustments decreased this value to \$30,911,500,205.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2016, were 99.8% of the tax levy.

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 tax rate to finance general governmental services, including debt service, for the year ended September 30, 2016, was \$0.4886 (\$0.3576 for general government and \$0.1310 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of approximately \$2.0114 per \$100 and could have levied up to approximately \$621,753,915 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

3. RECEIVABLES:

Receivables at September 30, 2016 for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Capital Reserve	Street Improvements	Municipal Facilities	Park Improvements	Economic Development Incentive	Water and Sewer	Environmental Waste Services	Municipal Drainage	Nonmajor and Other Funds	Total
Property Taxes	\$ 1,809,843	769,036	-	-	-	-	-	-	-	-	-	\$ 2,578,879
Sales Taxes	13,310,753	-	-	-	-	-	-	-	-	-	-	13,310,753
Mixed Drink Taxes	486,017	-	-	-	-	-	-	-	-	-	-	486,017
Accounts	1,669,161	-	-	-	-	-	-	16,380,393	1,157,315	739,964	1,355,812	21,302,645
Accrued Interest	265,668	18,195	251,189	152,883	45,739	203,330	212,306	390,832	19,413	41,127	739,183	2,339,865
Assessments	-	-	-	1,366,121	-	-	-	-	-	-	-	1,366,121
Other	-	-	-	-	-	-	-	5,344	2,103,471	-	207,938	2,316,753
Gross Receivables	17,541,442	787,231	251,189	1,519,004	45,739	203,330	212,306	16,776,569	3,280,199	781,091	2,302,933	43,701,033
Less: Allowance for Uncollectibles	(1,153,469)	(502,079)	-	-	-	-	-	(243,751)	(44,305)	(11,614)	-	(1,955,218)
Net total Receivables	\$ 16,387,973	285,152	251,189	1,519,004	45,739	203,330	212,306	16,532,818	3,235,894	769,477	2,302,933	\$ 41,745,815

The enterprise fund accounts receivable includes unbilled charges for services of \$7,110,962 rendered at September 30, 2016.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

4. CAPITAL ASSETS:

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

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 138,798,282	\$ 1,808,073	\$ (850,000)	\$ 139,756,355
Construction in progress	49,986,448	76,997,021	(86,235,126)	40,748,343
Public art	1,698,740	-	-	1,698,740
Total capital assets, not being depreciated	190,483,470	78,805,094	(87,085,126)	182,203,438
Capital assets, being depreciated:				
Buildings	207,620,430	19,326,557	-	226,946,987
Improvements other than buildings	195,358,165	9,707,975	-	205,066,140
Equipment	216,159,722	17,613,093	(8,175,013)	225,597,802
Infrastructure	1,102,741,459	58,146,541	-	1,160,888,000
Total capital assets being depreciated	1,721,879,776	104,794,166	(8,175,013)	1,818,498,929
Less accumulated depreciation for:				
Buildings	(116,378,234)	(8,670,886)	-	(125,049,120)
Improvements other than buildings	(89,561,983)	(6,059,004)	-	(95,620,987)
Equipment	(165,199,618)	(17,352,507)	7,869,143	(174,682,982)
Infrastructure	(549,886,348)	(24,769,068)	-	(574,655,416)
Total accumulated depreciation	(921,026,183)	(56,851,465)	7,869,143	(970,008,505)
Total capital assets, being depreciated, net	800,853,593	47,942,701	(305,870)	848,490,424
Governmental activities capital assets, net	\$ 991,337,063	\$ 126,747,795	\$ (87,390,996)	\$ 1,030,693,862

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

Governmental activities:	
General government	\$ 11,727,270
Administrative services	28,423
Police	821,520
Fire	390,741
Libraries	1,234,330
Development	191,932
Public services and operations	88,498
Parks and recreation	8,614,482
Public works	25,155,434
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	8,598,835
Total depreciation expense - governmental activities	\$ 56,851,465

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,478,241	\$ 43,709	\$ (12,000)	\$ 6,509,950
Construction in progress	23,530,412	16,466,151	(21,968,754)	18,027,809
Total capital assets, not being depreciated	30,008,653	16,509,860	(21,980,754)	24,537,759
Capital assets, being depreciated:				
Buildings	16,765,994	159,638	-	16,925,632
Improvements other than buildings	576,026,568	27,801,918	(1,355,234)	602,473,252
Drainage improvements	37,705,157	70,776	-	37,775,933
Furniture and fixtures	426,344	56,556	(59,751)	423,149
Equipment	1,928,815	262,017	(188,189)	2,002,643
Total capital assets, being depreciated	632,852,878	28,350,905	(1,603,174)	659,600,609
Less accumulated depreciation for:				
Buildings	(14,912,165)	(277,265)	-	(15,189,430)
Improvements other than buildings	(252,806,158)	(14,512,593)	1,016,426	(266,302,325)
Drainage improvements	(7,666,789)	(758,734)	-	(8,425,523)
Furniture and fixtures	(246,085)	(2,921)	3,195	(245,811)
Equipment	(1,415,237)	(43,101)	17,905	(1,440,433)
Total accumulated depreciation	(277,046,434)	(15,594,614)	1,037,526	(291,603,522)
Total capital assets, being depreciated, net	355,806,444	12,756,291	(565,648)	367,997,087
Business-type activities capital assets, net	\$ 385,815,097	\$ 29,266,151	\$ (22,546,402)	\$ 392,534,846

Business-type activities:	
Water and sewer	\$ 14,498,494
Environmental waste services	22,587
Convention and tourism	121,106
Municipal drainage	760,393
Municipal golf course	185,889
Recreation Revolving	6,145
Total depreciation expense - business-type activities	<u>\$ 15,594,614</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF East side activities:				
Capital Assets, not being depreciated:				
Land	\$ 2,921,432	\$ 830,000	\$(2,172,264)	\$ 1,579,168
Total capital assets, not being depreciated	2,921,432	830,000	(2,172,264)	1,579,168
 TIF East side activities capital assets, net	 \$ 2,921,432	 \$ 830,000	 \$(2,172,264)	 \$ 1,579,168

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2009, \$128,622,500 of various purpose general obligation bonds were authorized and \$125,419,500 of the 2009 bonds have been issued. In May 2013, \$98,313,000 of various purpose general obligation bonds were authorized and \$19,280,500 have been issued.

5. EMPLOYEE BENEFIT PLANS:

During fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The benefit plans impacted by GASB Statement No. 68 pertain to TMRS and RSP.

Summary of Significant Accounting Policies

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 TMRS and RSP and additions to/deductions from TMRS and RSP's fiduciary net position have been determined on the same basis as they are reported by the Plans. 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.

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by 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) where further information can be obtained at www.tmrs.com.

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

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.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

Deposit rate	7%
Matching Ratio (City to Employee)	2 – 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: 5 years of service and age 60 or 20 years of service and any age.

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

Inactive employees or beneficiaries currently receiving benefits	1,011
Inactive employees entitled to but not yet receiving benefits	844
Active employees	2,243
	<hr/> 4,098

Contributions and Funding Policy

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 actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 18.11% in 2016. The City's contributions to TMRS for fiscal year 2016, were \$26,364,866, and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions:

The TPL in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

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

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

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

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

Discount Rate

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

Changes in the Net Pension Liability

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at December 31, 2014	\$ 848,866,792	\$ 759,944,419	\$ 88,922,373
Changes for the year:			
Service cost	25,341,004	-	25,341,004
Interest (on the total pension liability)	59,290,515	-	59,290,515
Difference between expected and actual experience	(6,117,445)	-	(6,117,445)
Changes of assumptions	(685,185)	-	(685,185)
Benefit payments, including refunds of employee contributions	(29,059,878)	(29,059,878)	-
Contributions - employer	-	25,429,543	(25,429,543)
Contributions - employee	-	9,831,426	(9,831,426)
Net investment income	-	1,121,428	(1,121,428)
Administrative expense	-	(683,011)	683,011
Other	-	(33,734)	33,734
Net changes	48,769,011	6,605,774	42,163,237
Balance at December 31, 2015	\$ 897,635,803	\$ 766,550,193	\$ 131,085,610

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

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

<u>1% Decrease 5.75%</u>	<u>Current Single Rate Assumption 6.75%</u>	<u>1% Increase 7.75%</u>
\$ 260,361,299	\$ 131,085,610	\$ 24,898,247

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2016, the City recognized pension expense of \$33,276,498.

At September 30, 2016, 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
Difference in expected and actual experience	\$ -	\$ (5,073,715)
Difference in assumption changes	-	(559,463)
Difference in projected and actual investment earnings on pension plan investments	47,092,593	-
Employer contributions subsequent to the measurement date	19,125,206	-
	<u>\$ 66,217,799</u>	<u>\$ (5,633,178)</u>

Deferred outflows of resources of \$19,125,206 related to pensions resulting from contributions subsequent to the measurement date. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2016	10,955,769
2017	10,955,769
2018	10,955,770
2019	9,153,792
2020	(561,685)
Total	<u>\$ 41,459,415</u>

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined-benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

As of the December 31, 2015 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	704
Inactive employees entitled to but not yet receiving benefits	68
Active employees	<u>2,076</u>
	2,848

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as detailed following.

For normal retirement, the monthly benefit payment is calculated as follows:

$.007 \times \text{City of Plano credited service since January 1, 1983 (not to exceed 25 years)} \times \text{average compensation (highest 3 years of last 10)}.$

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

$.007 \times \text{City of Plano credited service since January 1, 1983 (not to exceed 25 years)} \times \text{average compensation (highest 3 years of last 10)} \times \text{a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.}$

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

When lump-sum value is less than \$5,000, the benefit must be in form of a single lump-sum payment.

When lump-sum value is \$5,000 - \$12,000, participant has choice of single lump-sum payment or monthly annuity payments.

When lump-sum value exceeds \$12,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Total and permanent disability retirement benefits are provided. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%). This adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016**

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed \$4,081,765 for the year ended September 30, 2016.

The contribution amount is a 19-year level percentage of pay funding with a 3.25% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

Net Pension Liability

The City's NPL was measured as of December 31, 2015 and the TPL used to calculate the NPA was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2015. The TPL as of December 31, 2015 was determined by rolling forward the liability from the actuarial valuation date using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period	19 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.75%
Salary increases:	7.85% to 3.25% including inflation
Investment rate of return:	7.50%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

Notes	Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.
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CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
U.S. Government Obligations	2.8%	18%	0.50%
Government Agency Obligations	2.8%	2%	0.06%
Corporate Bonds	1.6%	12%	0.19%
U.S. Large Cap Stocks	5.9%	44%	2.60%
U.S. Mid Cap Stocks	7.2%	10%	0.72%
U.S. Small Cap Stocks	7.2%	3%	0.22%
Foreign Equities	6.8%	8%	0.54%
Alternatives (REITS)	6.3%	3%	0.19%
Total Expected Arithmetic Real Return:			5.02%
Inflation Assumption for Actuarial Valuation:			2.75%
Total Expected Arithmetic Nominal Return:			7.77%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability for the plan year ended December 31, 2015, while 7.75% was used for plan year 2014. This single discount rate was based on the expected rate of return on pension plan investment of 7.50%. Based on the stated assumptions and the projection of cash flows as of each plan year ending December 31, the pension plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Retirement Committee will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the closed period ending September 30, 2035, as a level percentage of payroll. Under this policy, there are 19 years remaining in the amortization period.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2014	\$ 108,563,549	\$ 119,035,632	\$ (10,472,083)
Changes for the year:			
Service cost	3,803,153	-	3,803,153
Interest (on the total pension liability)	8,412,933	-	8,412,933
Difference between expected and actual experience	(1,059,691)	-	(1,059,691)
Assumption changes	7,094,524	-	7,094,524
Benefit payments	(3,822,305)	(3,822,305)	-
Contributions - employer	-	3,959,196	(3,959,196)
Net investment income	-	2,076,698	(2,076,698)
Administrative expense	-	(320,784)	320,784
Other	-	(6,744)	6,744
Net changes	14,428,614	1,886,061	12,542,553
Balance at December 31, 2015	\$ 122,992,163	\$ 120,921,693	\$ 2,070,470

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

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

1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
\$ 19,410,747	\$ 2,070,470	\$ (12,331,533)

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

For the year ended September 30, 2016, the City recognized pension expense of \$5,852,271.

At September 30, 2016, 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
Difference between expected and actual experience	\$ -	\$ (929,108)
Assumption Changes	6,220,287	-
Difference between projected and actual earnings on pension plan investments	5,825,344	-
Employer contributions subsequent to the measurement date	2,978,316	-
	<u>\$ 15,023,947</u>	<u>\$ (929,108)</u>

Deferred outflows of resources of \$2,978,316 related to pensions resulting from contributions subsequent to the measurement date. Deferred outflows of resources of \$2,229,181, of which \$874,237 related to assumption changes and \$1,485,526 is the difference between projected and actual earnings on investments, will be recognized in the current fiscal year. Additionally, deferred inflows of \$130,583 related to differences between expected and actual experience and also will be recognized in the current fiscal year. The remaining years reported as deferred outflows of resources will be recognized in pension expense as follows:

2016	\$ 2,229,181
2017	2,229,181
2018	2,229,181
2019	2,112,420
2020	743,655
Thereafter	1,572,905
Total	<u>\$ 11,116,523</u>

Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City's basic financial statements.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Postemployment Benefits

The City offers its retired employees under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2016 was 431 of which 227 were on the same plan as the active employees and 204 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees report claims. Claims paid for retired employees for 2016 were \$3,503,250.

Postemployment Benefits Trust Fund - Section 115 Trust

Plan Description

On March 1, 2008, the City established a Section 115 Trust (the Trust) to comply with the requirements of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions* (OPEB), for the purpose of funding and providing certain benefits to its eligible retirees and dependents. The single-employer, joint contributor hybrid defined-benefit plan is created by City ordinance and administered by the Risk Pool Trustees who meet four times a year. The Risk Pool Trustees consist of three or more City employees who are appointed by the City pursuant to the Plano Welfare Benefit Plan. Professional investment management is used and a custodial bank retains the assets of the Trust. The Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the Trust's fiscal year-end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Receipt of Contributions

The City delivers to the Section 115 Trustee the amounts of money that are contributed to the Trust Fund by the City and by participants. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. For fiscal year ending September 30, 2016, the City contributed \$5,530,675 to the Trust, which represents approximately 100% of the annual required contribution of the employer (ARC). In addition, retirees contributed \$1,102,654 to the Trust.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the City's ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount annually contributed to the Trust, and the changes in the City's net OPEB asset to the Trust.

	2016	2015	2014
Annual required contribution (ARC)	\$ 5,530,675	\$ 5,050,024	\$ 5,050,024
Interest on net OPEB asset	(1,485,689)	(1,463,996)	(1,463,996)
Adjustment to the ARC	1,540,923	1,465,224	1,465,224
Annual OPEB cost	5,585,909	5,051,252	5,051,252
Contributions made	(5,530,675)	(5,192,408)	(5,219,998)
(Increase) Decrease in net OPEB asset	55,234	(141,156)	(168,746)
Net OPEB asset, beginning of year	(21,224,129)	(21,082,973)	(20,914,227)
Net OPEB asset, end of year	<u><u>\$ (21,168,895)</u></u>	<u><u>\$ (21,224,129)</u></u>	<u><u>\$ (21,082,973)</u></u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

The net OPEB asset has been recorded in prepaid and other assets in the government-wide financial statements.

The following table shows the assumed annual OPEB cost and net OPEB asset for the prior three years (7% discount and level percent of pay amortization):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/14	7.0%	5,051,252	103.3%	(21,082,973)
9/30/15	7.0%	5,051,252	102.8%	(21,224,129)
9/30/16	7.0%	5,585,909	99.0%	(21,168,895)

Funding Status and Funding Progress

The funding status as of the most recent actuarial valuation date, is as follows:

Fiscal Year	Valuation Date	Value of Assets at Fiscal Year End	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/14	10/01/13	50,780,101	73,844,336	68.8%	(23,064,235)	128,505,673	(17.9%)
9/30/15	10/01/13	60,478,815	73,844,336	81.9%	(13,365,521)	128,505,673	(17.9%)
9/30/16	10/01/15	60,007,584	84,392,988	71.1%	(24,385,404)	141,555,822	(17.2%)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

	2016	2015	2014
Actuarial valuation date	10/01/15	10/01/13	10/01/13
Actuarial cost method	Projected	Projected	Projected
	Unit Credit	Unit Credit	Unit Credit
Amortization method	Level%	Level%	Level%
Remaining amortization period	22.2 years-	22.2 years-	22.2 years-
	Closed	Closed	Closed
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7.0%	7.0%	7.0%
Payroll growth	3.0%	3.0%	3.0%
Inflation rate	2.5%	2.5%	2.5%
Medical inflation trend rate	5.9% initial	5.7% initial	5.7% initial

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

In the October 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the Trust assets and on the employer's own investments calculated based on the funded level of the Trust at the valuation date, and an annual healthcare trend rate of 5.9% initially, adjusted each year with an ultimate trend rate of 4.4% reached in 68 years. Both rates include a 2.5% inflation assumption. The initial UAAL was amortized over the maximum permissible period of 30 years as a level percentage of projected payroll on a closed basis, where salaries are assumed to increase at 3% per annum. The effective remaining amortization period at October 1, 2015 was 22.2 years. The value of assets is equal to the market value of assets as of the valuation date.

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2016, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds and certificates of obligation	\$ 294,010	\$ 67,195	\$ (63,235)	\$ 297,970	\$ 24,665
Tax anticipation notes	6,460	-	(1,840)	4,620	1,840
Deferred amounts:					
Premium	22,382	12,243	(4,849)	29,776	4,728
Total bonds and notes payable	322,852	79,438	(69,924)	332,366	31,233
Compensated absences	39,862	14,061	(15,592)	38,331	4,917
Liability for insurance claims	5,940	29,563	(29,605)	5,898	5,569
Net pension liability	79,168	39,531	-	118,699	-
Governmental activities Long-term debt	\$ 447,822	\$ 162,593	\$ (115,121)	\$ 495,294	\$ 41,719

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 96.3% has been paid by the General Fund, 0.8% by Special Revenue Funds and 3.0% by Internal Service Funds.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 83.7% of the claims and judgments liability. The Enterprise Funds bear approximately 11.0% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 5.0% and 0.3%, respectively.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Water and Sewer revenue bonds	\$ -	\$ 24,775	\$ -	\$ 24,775	\$930
Municipal Drainage revenue bonds	15,805	-	(2,045)	13,760	1,775
Deferred amounts:					
Premium	563	3,436	(43)	3,956	51
Total bonds payable	16,368	28,211	(2,088)	42,491	2,756
Compensated absences	3,884	1,674	(1,591)	3,967	378
Net pension liability	9,755	4,702	-	14,457	-
Business-type activities					
Long-term debt	\$ 30,007	\$ 34,587	\$ (3,679)	\$ 60,915	\$ 3,134

Long-term debt at September 30, 2016 includes the following individual issues (not including the unamortized premium of \$29,776,608 and the unamortized deferred charge on refunding of \$8,171,352 of the General Obligation Bonds, and the unamortized premium of \$519,893 and unamortized deferred charges of \$372,085 of the Municipal Drainage Revenue Bonds and the unamortized premium of \$3,435,692 of the Water and Sewer Revenue Bonds).

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2007 Various purpose	4.25 – 5.25	5/1/2007	9/1/2027	35,675,000	35,675,000	-
2008 Various purpose	3.50 – 5.00	1/15/2008	9/1/2028	41,295,000	39,410,000	1,885,000
2009 Refunding and Improvements	2.25 – 4.75	1/15/2009	9/1/2029	35,330,000	26,360,000	8,970,000
2010 Refunding and Improvements	2.00 – 4.00	1/15/2010	9/1/2030	28,520,000	12,970,000	15,550,000
2011 Various purpose	2.50 - 4.75	1/15/2011	9/1/2031	21,400,000	3,765,000	17,635,000
2011 Refunding and Improvements	2.00 – 5.00	10/15/2011	9/1/2032	46,400,000	9,960,000	36,440,000
2013 Refunding and Improvements	2.00 – 5.00	2/15/2013	9/1/2033	61,925,000	2,575,000	59,350,000
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	8,465,000	20,860,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	10,820,000	64,865,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	810,000	66,385,000
				442,750,000	150,810,000	291,940,000
Tax Anticipation Notes:						
2009 Tax anticipation notes	2.25 – 3.00	1/15/2009	9/1/2016	6,355,000	6,355,000	-
2015 Tax anticipation notes	2.00 - 3.00	5/1/2015	9/1/2021	5,745,000	1,125,000	4,620,000
				12,100,000	7,480,000	4,620,000
Certificates of Obligation:						
2010 Various purpose	2.00 – 4.00	1/15/2010	9/1/2022	9,660,000	3,630,000	6,030,000
				9,660,000	3,630,000	6,030,000
Water & Sewer Revenue						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	24,775,000	-	24,775,000
				24,775,000	-	24,775,000
Municipal Drainage Revenue						
Bonds:						
2006 Improvements	4.00 – 5.00	2/1/2006	5/15/2026	1,455,000	1,455,000	-
2007 Improvements	4.00 – 5.50	5/1/2007	5/15/2027	2,000,000	1,905,000	95,000
2008 Improvements	4.00 – 4.50	1/15/2008	5/15/2028	2,085,000	605,000	1,480,000
2009 Refunding and Improvements	3.00 – 3.50	1/15/2009	5/15/2029	4,790,000	3,120,000	1,670,000
2010 Refunding and Improvements	2.00 – 4.25	1/15/2010	5/15/2030	6,790,000	2,200,000	4,590,000
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	7,105,000	1,180,000	5,925,000
				\$ 24,225,000	10,465,000	13,760,000

The annual requirements to amortize debt outstanding as of September 30, 2016, including interest payments of \$117,594 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (noted in thousands).

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

Year Ended September 30	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Water & Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 26,505	13,278	930	907	1,775	469
2018	25,440	12,250	855	980	1,600	423
2019	25,000	11,187	880	955	1,440	380
2020	21,475	10,041	905	928	1,285	341
2021	21,485	9,037	945	892	1,330	296
2022-2026	96,540	31,009	5,375	3,799	4,585	881
2027-2031	59,265	12,843	6,715	2,461	1,745	166
2032-2036	26,880	3,065	8,170	1,006	-	-
Total	\$ 302,590	102,710	24,775	11,928	13,760	2,956

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

A. General Obligation Bonds and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$3,925,760 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2016.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. There are no future rebates estimated as of September 30, 2016. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In June 2016, the City issued \$67,195,000 in General Obligation refunding and improvements bonds, with interest rates ranging from 1.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2008 and 2009 general obligation bonds totaling \$36,535,000 and carried interest rates ranging from 4.0% to 5.0% with maturity dates of 2018 through 2029. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$3,641,918.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirement as they become due. At September 30, 2016, \$801,867 is restricted within the Water and Sewer Fund for debt service requirements.

A reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

In June of 2016, the City issued \$24,775,000 in Water and Sewer revenue bonds, with interest ranging from 1.0% to 5.0%.

Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2016. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2016.

Restricted assets of the Water and Sewer Fund at September 30, 2016 are as follows:

Cash and cash equivalents	\$ 11,498,036
Investments	42,555,379
Accrued interest receivable	<u>252,031</u>
	<u>\$ 54,305,446</u>

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2016, \$2,497,098 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2016 the reserve required and restricted within the Municipal Drainage Fund is \$1,193,981.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2016. The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2016.

Restricted assets of the Municipal Drainage Fund at September 30, 2016 are as follows:

Cash and cash equivalents	\$ 1,286,326
Investments	4,760,818
Accrued interest receivable	<u>28,195</u>
	<u>\$ 6,075,339</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2016 is as follows:

Due To	Due From			
	General Fund	Water & Sewer	Municipal Drainage	Total
General Fund	\$ -	11,933	1,262	\$ 13,195
Nonmajor Governmental Funds	239,534	-	-	239,534
Internal Service	9,806	729	-	10,535
Nonmajor Enterprise Funds	-	-	1,430	1,430
Total	<u>\$ 249,340</u>	<u>12,662</u>	<u>2,692</u>	<u>\$ 264,694</u>

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a complex calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2016, charges in lieu of taxes were \$9,845,021.

Transfers between funds during the year were as follows:

Transfers Out	Transfers In					
	General Fund	Environmental Waste Services	Capital Reserve	Internal Service	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ -	\$ 23,600,000	\$ 788,958	\$ 300,020	\$ 24,688,978
Nonmajor Governmental Funds	-	8	-	-	-	8
Internal Service	-	-	-	-	250,000	250,000
Water and Sewer	7,801,419	-	1,500,000	-	-	9,301,419
Municipal Drainage	508,777	-	500,000	-	-	1,008,777
Nonmajor Enterprise Funds	711,082	-	1,100,000	-	-	1,811,082
Total	<u>\$ 9,021,278</u>	<u>\$ 8</u>	<u>\$ 26,700,000</u>	<u>\$ 788,958</u>	<u>\$ 550,020</u>	<u>\$ 37,060,264</u>

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Reserve fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016**

8. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District is contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2016 was \$59,057,251. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2016, this payment was \$824,600. Future years' payments to debt service are as follows:

2017	\$ 836,650
2018	\$ 222,525

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016**

estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2016 was \$27,597,420, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2016 was \$8,310,401.

9. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$47,933,459 in the Capital Projects Funds, \$8,817,690 in the Water and Sewer Fund, and \$454,390 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, operating revenues in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

10. SELF-INSURANCE:

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 maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Fund (Internal Service) has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund (Internal Service), which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2016

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal 2016 and 2015 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2016				
Property/Liability Loss	\$ 3,840,044	\$ 2,837,630	\$ (3,217,552)	\$ 3,460,122
Health Claims	2,099,547	26,725,515	(26,387,404)	2,437,658
Total	<u>\$ 5,939,591</u>	<u>\$ 29,563,145</u>	<u>\$ (29,604,956)</u>	<u>\$ 5,897,780</u>
2015				
Property/Liability Loss	\$ 3,976,274	\$ 3,040,888	\$ (3,177,118)	\$ 3,840,044
Health Claims	2,474,426	24,153,002	(24,527,881)	2,099,547
Total	<u>\$ 6,450,700</u>	<u>\$ 27,193,890</u>	<u>\$ (27,704,999)</u>	<u>\$ 5,939,591</u>

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			Adjustments- Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual			
REVENUES:						
Taxes:						
Property taxes	\$ 110,692,516	\$ 110,796,325	\$ 111,458,536	\$ (2,080,324)	\$ 109,378,212	\$ (1,418,113)
Sales taxes	72,673,623	72,781,478	76,347,085	-	76,347,085	3,565,607
Other taxes	1,874,805	1,989,292	2,043,529	-	2,043,529	54,237
Franchise fees	24,950,109	23,772,478	23,795,403	-	23,795,403	22,925
Fines and forfeitures	7,643,903	7,195,663	7,093,728	-	7,093,728	(101,935)
Licenses and permits	10,382,467	12,963,256	13,864,396	-	13,864,396	901,140
Intragovernmental	9,845,021	9,845,021	9,845,021	-	9,845,021	-
Intergovernmental	947,419	1,008,690	1,039,506	-	1,039,506	30,816
Fees for services	13,697,705	13,831,968	13,793,976	-	13,793,976	(37,992)
Investment income	600,000	700,000	826,979	-	826,979	126,979
Miscellaneous	1,652,317	1,688,416	1,785,782	-	1,785,782	97,366
Total revenues	254,959,885	256,572,587	261,893,941	(2,080,324)	259,813,617	3,241,030
EXPENDITURES:						
General government	30,770,886	29,740,017	28,719,550	(612,693)	28,106,857	1,633,160
Administrative services	10,515,165	10,550,123	10,137,693	137,513	10,275,206	274,917
Police	74,675,607	71,912,446	71,176,863	344,567	71,521,430	391,016
Fire	53,590,875	53,890,572	53,812,611	424,768	54,237,379	(346,807)
Libraries	10,353,335	10,988,002	10,827,105	79,996	10,907,101	80,901
Development	32,608,496	34,285,997	30,749,720	1,384,068	32,133,788	2,152,209
Public services and operations	6,482,042	6,731,113	6,362,128	218,640	6,580,768	150,345
Parks and recreation	25,060,588	25,836,333	23,043,731	1,431,426	24,475,157	1,361,176
Public works	6,775,839	6,681,581	6,328,770	118,122	6,446,892	234,689
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	3,178,017	3,740,049	1,482,113	1,547,699	3,029,812	710,237
Total expenditures	255,010,850	255,356,233	243,640,284	5,074,106	248,714,390	6,641,843
Excess (deficiency) of revenues over (under) expenditures	(50,965)	1,216,354	18,253,657	(7,154,430)	11,099,227	9,882,873
OTHER FINANCING SOURCES (USES):						
Transfers in	8,388,680	9,021,278	9,021,278	-	9,021,278	-
Transfers out	(24,350,000)	(24,350,000)	(24,688,978)	-	(24,688,978)	(338,978)
Total other financing uses	(15,961,320)	(15,328,722)	(15,667,700)	-	(15,667,700)	(338,978)
Net change in fund balance	(16,012,285)	(14,112,368)	2,585,957	(7,154,430)	(4,568,473)	9,543,895
FUND BALANCE, October 1	51,604,016	51,604,016	51,604,016	-	51,604,016	-
FUND BALANCE, September 30	\$ 35,591,731	\$ 37,491,648	\$ 54,189,973	\$ (7,154,430)	\$ 47,035,543	\$ 9,543,895

See accompanying independent auditors' report.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER
FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Net Change in Fund Balance
GAAP basis	<u>\$ 2,585,957</u>
Revenues:	
Decrease due to rolled back taxes	(2,080,324)
Expenditures:	
Increase due to encumbrances	<u>(5,074,106)</u>
Budgetary basis	<u><u>\$ (4,568,473)</u></u>

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST FUNDING PROGRESS AND CONTRIBUTIONS
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Unit Credit	Unfunded Actuarial Liability UAAL		Funded Percent	Covered Payroll	UAAL Percent of Covered Payroll	Annual Required Contributions	Actual City Contributions	Actual Retiree Contributions	Percent Contributed By City
				UAAL	UAAL							
2011	10/1/09	33,647,178	50,657,828	(17,010,650)	(17,010,650)	66.42%	113,388,754	(15.0%)	4,036,553	4,192,847	908,333	103.87%
2012	10/1/11	35,008,862	59,410,089	(24,401,227)	(24,401,227)	58.93%	124,090,481	(19.7%)	4,579,847	4,243,468	812,013	92.66%
2013	10/1/11	51,322,263	59,410,089	(8,087,826)	(8,087,826)	86.39%	124,090,481	(6.5%)	4,579,847	4,911,473	938,320	107.24%
2014	10/1/13	50,780,101	73,844,336	(23,064,235)	(23,064,235)	68.77%	128,505,673	(17.9%)	5,050,024	5,219,998	1,001,647	103.37%
2015	10/1/13	60,478,815	73,844,336	(13,365,521)	(13,365,521)	81.90%	128,505,673	(10.4%)	5,050,024	5,192,408	1,042,959	102.82%
2016	10/1/15	60,007,584	84,392,988	(24,385,404)	(24,385,404)	71.10%	141,555,822	(17.2%)	5,530,675	5,530,675	1,102,654	100.00%

See accompanying independent auditors' report.



TMRS*Schedule of Changes in Net Pension Liability and Related Ratios (10 years)*

Fiscal year ending December 31,	2014	2015
Total pension liability		
Service cost	\$ 22,556,087	\$ 25,341,004
Interest (on the total pension liability)	55,667,118	59,290,515
Difference between expected and actual experience	(122,591)	(6,117,445)
Change of assumptions	-	(685,185)
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)
Net change in total pension liability	\$ 51,699,959	\$ 48,769,011
Total pension liability - beginning	797,166,833	848,866,792
Total pension liability - ending (a)	<u>\$ 848,866,792</u>	<u>\$ 897,635,803</u>
Plan fiduciary net position		
Contributions - employer	\$ 28,690,370	\$ 25,429,543
Contributions - employee	9,684,277	9,831,426
Net investment income	40,500,200	1,121,428
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)
Administrative expense	(422,815)	(683,011)
Other	(34,762)	(33,734)
Net change in plan fiduciary net position	\$ 52,016,615	\$ 6,605,774
Plan fiduciary net position - beginning	707,927,804	759,944,419
Plan fiduciary net position - ending (b)	<u>\$ 759,944,419</u>	<u>\$ 766,550,193</u>
Net pension liability (a) - (b)	<u>\$ 88,922,373</u>	<u>\$ 131,085,610</u>
Plan fiduciary net position as a percentage of the total pension liability	89.52%	85.40%
Covered - employee payroll	\$ 138,229,574	\$ 140,393,376
Net pension liability as a percentage of covered employee payroll	64.33%	93.37%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

See accompanying independent auditors' report.

Schedule of Contributions (10 years)

Fiscal year ending September 30,	2015	2016
Actuarially determined contributions	\$ 25,309,703	\$ 26,364,866
Contributions in relation to the actuarially determined contribution	28,309,703	26,364,866
Contribution deficiency (excess)	(3,000,000)	-
Covered employee payroll	\$ 138,720,040	\$ 145,557,931
Contributions as a percentage of covered employee payroll	20.4%	18.1%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combine Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

RSP*Schedule of Changes in Net Pension Asset/Liability and Related Ratios (10 years)*

Fiscal year ending December 31,	2014	2015
Total pension liability		
Service cost	\$ 3,674,544	\$ 3,803,153
Interest (on the total pension liability)	7,802,936	8,412,933
Difference between Expected and Actual Experience	-	(1,059,691)
Assumption Changes	-	7,094,524
Benefit payments	(3,518,902)	(3,822,305)
Net change in total pension liability	7,958,578	14,428,614
Total pension liability - beginning	100,604,971	108,563,549
Total pension liability - ending (a)	<u>\$ 108,563,549</u>	<u>\$ 122,992,163</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 4,037,995	\$ 3,959,196
Net investment income	8,012,049	2,076,698
Benefit payments	(3,518,902)	(3,822,305)
Administrative expense	(278,376)	(320,784)
Other	(22,051)	(6,744)
Net change in plan fiduciary net position	8,230,715	1,886,061
Plan fiduciary net position - beginning	110,804,917	119,035,632
Plan fiduciary net position - ending (b)	<u>\$ 119,035,632</u>	<u>\$ 120,921,693</u>
Net pension (asset)/liability (a) - (b)	(10,472,083)	2,070,470
Plan fiduciary net position as a percentage of the total pension liability	109.65%	98.32%
Covered - employee payroll	\$ 117,023,684	\$ 130,412,851
Net pension asset/liability as a percentage of covered employee payroll	(8.95)%	1.59%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

See accompanying independent auditors' report.

Schedule of Contributions (10 years)

Fiscal year ending September 30,	2015	2016
Actuarially determined contributions	\$ 3,908,790	\$ 4,081,765
Contributions in relation to the actuarially determined contribution	3,908,790	4,081,765
Contribution deficiency (excess)	-	-
Covered employee payroll	\$ 125,281,726	\$ 130,825,766
Contributions as a percentage of covered employee payroll	3.12%	3.12%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

*Notes to Schedule of Contributions***Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	19 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.75%
Salary increases:	7.85% to 3.25% including inflation
Investment rate of return:	7.50%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment.
	Males rates are multiplied by 1.09 and female rates are multiplied by 1.03.
	Generational mortality improvements applied using Scale BB.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CRIMINAL INVESTIGATION FUND – to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

GRANT FUND – to account for monies received from other governmental agencies.

PLANO TELEVISION (PTV) FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

PUBLIC SAFETY COMMUNICATIONS – to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency; juvenile case managers supervise youth under 17 years of age who have been charged with a crime, fees received are used to fund a portion of the juvenile case manager position; traffic safety fees collected in relation to motor vehicle code violations which are used for public safety purposes; child safety fees collected from \$1 for each registered vehicle, these fees are used to fund the school crossing guard program and other child safety related programs.

MEMORIAL LIBRARY FUND – to account for monies received in support of the City's library.

SEIZED ASSETS FUND – to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

LIBRARIES – to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

ANIMAL SHELTER DONATIONS – to account for donations to assist the animal shelter.

BLENDED COMPONENT UNITS:

PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

PLANO IMPROVEMENT CORPORATION – organized as a legally separate, nonprofit entity that serves the citizens of the City by facilitating real estate transactions and serve as an independent foundation for acceptance of donations.

CAPITAL PROJECTS FUNDS:

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

The City's nonmajor Capital Projects Funds are as follows:

DART – to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

PARK SERVICES – to account for building permit fees exclusively for the acquisition and development of new neighborhoods and parks.

PUBLIC INFRASTRUCTURE – to account for Improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.



Exhibit "A" to Resolution No. 2017-1-15(R)

**CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2016**

	Special Revenue			
	Criminal Investigation	Grant	PTV	Public Safety Communications
ASSETS				
Cash and cash equivalents	\$ 1,125,656	\$ 1,013,841	\$ 328,216	\$ 3,308,837
Investments	4,166,162	372,584	1,214,760	12,246,335
Receivables (net of allowance for uncollectible)				
Accounts	2,372	-	-	-
Accrued interest	24,674	2,206	7,194	72,528
Other	-	189,356	-	-
Due from other governments	11,593	157,656	-	97,400
Prepaid items and other assets	-	1,022	127,431	78
Total assets	5,330,457	1,736,665	1,677,601	15,725,178
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	191,123	3,040	14,040	21,057
Accrued liabilities	-	368	13,873	-
Unearned revenue	-	-	-	-
Due to other funds	-	239,534	-	-
Due to other governments	-	414	-	-
Seized assets payable	-	-	-	-
Total liabilities	191,123	243,356	27,913	21,057
Deferred inflows of resources:				
Unavailable revenue	-	1,000,046	-	-
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	1,022	127,431	78
Restricted for:				
Capital projects	-	-	-	-
Special revenue	5,139,334	492,241	1,522,257	15,704,043
Blended component unit	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Total fund balances	5,139,334	493,263	1,649,688	15,704,121
Total liabilities, deferred inflows, and fund balance	\$ 5,330,457	\$ 1,736,665	\$ 1,677,601	\$ 15,725,178

Exhibit "A" to Resolution No. 2017-1-15(R)

					Blended Component Units	
Municipal Court	Memorial Library	Seized Assets	Libraries	Animal Shelter Donations	Public Improvement District	Plano Improvement Corporation
\$ 3,234,382	\$ 80,032	\$ 13,914	\$ 7,791	\$ 41,167	\$ 19,203	\$ -
11,970,760	296,208	51,498	28,835	152,362	71,494	-
481,350	-	-	-	191	-	-
70,896	1,755	305	171	902	-	-
-	-	-	-	-	-	-
97,970	-	-	-	-	-	-
10,395	-	-	-	-	5,065	-
15,865,753	377,995	65,717	36,797	194,622	95,762	-
341,762	8,496	-	-	-	5,423	-
9,398	-	-	-	-	-	-
-	-	-	-	-	25,000	-
-	-	-	-	-	-	-
2,040,404	-	-	-	-	-	-
-	-	65,717	-	-	-	-
2,391,564	8,496	65,717	-	-	30,423	-
-	-	-	-	-	-	-
10,395	-	-	-	-	5,065	-
-	-	-	-	-	-	-
13,463,794	369,499	-	36,797	194,622	-	-
-	-	-	-	-	60,274	-
-	-	-	-	-	-	-
13,474,189	369,499	-	36,797	194,622	65,339	-
\$ 15,865,753	\$ 377,995	\$ 65,717	\$ 36,797	\$ 194,622	\$ 95,762	\$ -

(continued)

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2016
 (continued)

	Capital Projects			Total Nonmajor Governmental Funds
	DART	Public Infrastructure	Park Services	
ASSETS				
Cash and cash equivalents	\$ 60,713	\$ 736,335	\$ 1,197,723	\$ 11,167,810
Investments	224,703	2,725,249	4,432,893	37,953,843
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	483,913
Accrued interest	1,331	174,306	26,254	382,522
Other	-	-	-	189,356
Due from other governments	-	-	-	364,619
Prepaid items and other assets	-	-	-	143,991
Total assets	<u>286,747</u>	<u>3,635,890</u>	<u>5,656,870</u>	<u>50,686,054</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	584,941
Accrued liabilities	-	-	-	23,639
Unearned revenue	-	-	-	25,000
Due to other funds	-	-	-	239,534
Due to other governments	-	-	-	2,040,818
Seized assets payable	-	-	-	65,717
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,979,649</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	1,000,046
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	-	-	143,991
Restricted for:				
Capital projects	286,747	3,635,890	-	3,922,637
Special revenue	-	-	-	36,922,587
Blended component unit	-	-	-	60,274
Assigned to:				
Capital projects	-	-	5,656,870	5,656,870
Total fund balances	<u>286,747</u>	<u>3,635,890</u>	<u>5,656,870</u>	<u>46,706,359</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 286,747</u>	<u>\$ 3,635,890</u>	<u>\$ 5,656,870</u>	<u>\$ 50,686,054</u>



Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue			
	Criminal Investigation	Grant	PTV	Public Safety Communications
REVENUES				
Fines and forfeitures	\$ 156,881	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Intergovernmental	42,887	2,213,294	-	95,248
Fees for services	-	-	869,949	1,437,586
Assessed taxes	-	-	-	-
Loan repayments	-	52,553	-	-
Investment income	39,888	3,584	13,454	109,231
Miscellaneous	10,215	-	-	-
Total revenues	<u>249,871</u>	<u>2,269,431</u>	<u>883,403</u>	<u>1,642,065</u>
EXPENDITURES				
Police	546,798	254,373	-	502,525
Fire	-	78,193	-	102,927
Libraries	-	73,026	-	-
Development	-	1,503,280	-	-
Public services and operations	-	-	895,946	59,576
Environmental waste services	-	877	-	-
Capital outlay	32,507	28,870	581,881	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>579,305</u>	<u>1,938,619</u>	<u>1,477,827</u>	<u>665,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(329,434)</u>	<u>330,812</u>	<u>(594,424)</u>	<u>977,037</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	-
Premium on sale of bonds	-	-	-	-
Capital receipt	-	-	-	-
Capital disposal	-	-	-	-
Transfers in	-	20	500,000	-
Transfers out	-	(8)	-	-
Total other financing sources	<u>-</u>	<u>12</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	<u>(329,434)</u>	<u>330,824</u>	<u>(94,424)</u>	<u>977,037</u>
Fund balances-beginning	5,468,768	162,439	1,744,112	14,727,084
Fund balances-ending	<u>\$ 5,139,334</u>	<u>\$ 493,263</u>	<u>\$ 1,649,688</u>	<u>\$ 15,704,121</u>

Exhibit "A" to Resolution No. 2017-1-15(R)

				Blended Component Units	
Municipal Court	Memorial Library	Libraries	Animal Shelter Donations	Public Improvement District	Plano Improvement Corporation
\$ 5,978,324	\$ -	\$ -	\$ -	\$ -	\$ -
-	21,051	-	55,795	-	-
-	-	-	-	-	-
1,046,096	-	-	-	-	-
-	-	-	-	96,327	-
-	-	-	-	-	-
98,111	2,761	265	1,237	-	-
-	-	-	-	-	-
7,122,531	23,812	265	57,032	96,327	-
5,270,199	-	-	-	-	-
-	-	-	-	-	-
-	10,835	-	-	-	-
-	-	-	-	150,275	-
-	-	-	6,167	-	-
-	-	-	-	-	-
6,827	14,127	-	-	-	-
-	-	-	-	-	-
5,277,026	24,962	-	6,167	150,275	-
1,845,505	(1,150)	265	50,865	(53,948)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	650,000
-	-	-	-	-	(650,000)
-	-	-	-	50,000	-
-	-	-	-	-	-
-	-	-	-	50,000	-
1,845,505	(1,150)	265	50,865	(3,948)	-
11,628,684	370,649	36,532	143,757	69,287	-
\$ 13,474,189	\$ 369,499	\$ 36,797	\$ 194,622	\$ 65,339	\$ -

(continued)

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(continued)

	Capital Projects			Total Nonmajor Governmental Funds
	DART	Public Infrastructure	Park Services	
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 6,135,205
Contributions	1,002,018	-	-	1,078,864
Intergovernmental	-	-	-	2,351,429
Fees for services	-	-	328,963	3,682,594
Assessed taxes	-	-	-	96,327
Loan repayments	-	-	-	52,553
Investment income	-	26,521	39,760	334,812
Miscellaneous	-	-	-	10,215
Total revenues	<u>1,002,018</u>	<u>26,521</u>	<u>368,723</u>	<u>13,741,999</u>
EXPENDITURES				
Police	-	-	-	6,573,895
Fire	-	-	-	181,120
Libraries	-	-	-	83,861
Development	-	-	-	1,653,555
Public services and operations	-	-	-	961,689
Environmental waste services	-	-	-	877
Capital outlay	274,043	1,378,806	30,405	2,347,466
Interest and fiscal charges	-	10,121	-	10,121
Total expenditures	<u>274,043</u>	<u>1,388,927</u>	<u>30,405</u>	<u>11,812,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>727,975</u>	<u>(1,362,406)</u>	<u>338,318</u>	<u>1,929,415</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	1,274,071	-	1,274,071
Premium on sale of bonds	-	236,050	-	236,050
Capital receipt	-	-	-	650,000
Capital disposal	-	-	-	(650,000)
Transfers in	-	-	-	550,020
Transfers out	-	-	-	(8)
Total other financing sources	<u>-</u>	<u>1,510,121</u>	<u>-</u>	<u>2,060,133</u>
Net change in fund balances	<u>727,975</u>	<u>147,715</u>	<u>338,318</u>	<u>3,989,548</u>
Fund balances-beginning	<u>(441,228)</u>	<u>3,488,175</u>	<u>5,318,552</u>	<u>42,716,811</u>
Fund balances-ending	<u>\$ 286,747</u>	<u>\$ 3,635,890</u>	<u>\$ 5,656,870</u>	<u>\$ 46,706,359</u>





CITY OF PLANO, TEXAS
BUDGETARY COMPARISON SCHEDULE-GAAP BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 40,073,255	\$ 40,173,254	\$ 41,017,981	\$ 844,727
Investment income	120,000	200,000	315,273	115,273
Miscellaneous	151,516	151,516	151,516	-
Total revenues	40,344,771	40,524,770	41,484,770	960,000
EXPENDITURES:				
Principal retirement	27,730,000	28,540,000	28,540,000	-
Interest and fiscal charges	13,678,585	12,712,806	12,982,753	(269,947)
Total expenditures	41,408,585	41,252,806	41,522,753	(269,947)
Excess (deficiency) of revenues over (under) expenditures	(1,063,814)	(728,036)	(37,983)	690,053
OTHER FINANCING SOURCES (USES):				
Issuance of debt-refunding	-	-	33,585,000	33,585,000
Escrow payment-refunding	-	-	(39,339,873)	(39,339,873)
Premium from sale of bonds	-	-	6,016,819	6,016,819
Total other financing sources	-	-	261,946	261,946
Net change in fund balance	(1,063,814)	(728,036)	223,963	951,999
FUND BALANCE, October 1	3,701,797	3,701,797	3,701,797	-
FUND BALANCE, September 30	\$ 2,637,983	\$ 2,973,761	\$ 3,925,760	\$ 951,999



NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

CONVENTION AND TOURISM FUND – to account for the convention and tourism activities of the City's Civic Center.

MUNICIPAL GOLF COURSE FUND – to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

DOWNTOWN CENTER DEVELOPMENT FUND – to account for improvements and activities in support of the City's downtown area.

RECREATION REVOLVING FUND – to account for recreational programs and activities that are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2016

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
ASSETS					
Cash and cash equivalents	\$ 1,046,640	\$ 14,855	\$ 116,616	\$ 375,757	\$ 1,553,868
Investments	3,856,816	54,977	431,605	1,388,494	5,731,892
Receivables:					
Accounts	825,936	15,273	16,920	-	858,129
Accrued interest	22,842	326	2,556	8,223	33,947
Other	17,915	-	-	667	18,582
Prepaid expenses and other assets	429,374	-	-	15,791	445,165
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Buildings	11,354,841	2,427,383	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	1,496,254	3,533,627
Equipment	1,313,620	40,278	-	29,144	1,383,042
Furniture and fixtures	202,031	14,915	-	69,874	286,820
Less accumulated depreciation	(12,994,811)	(3,374,402)	-	(105,162)	(16,474,375)
Total capital assets (net of accumulated depreciation)	3,025,561	950,822	36,999	1,490,110	5,503,492
Total assets	9,225,084	1,036,253	604,696	3,279,042	14,145,075
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	1,027,236	223,398	-	206,108	1,456,742
	1,027,236	223,398	-	206,108	1,456,742
LIABILITIES					
Current liabilities:					
Accounts payable	56,232	14,076	-	5,910	76,218
Accrued liabilities	170,668	13,668	-	29,068	213,404
Unearned revenue	138,594	-	-	547,104	685,698
Due to other funds	-	-	1,430	-	1,430
Customer deposits	-	-	-	193,158	193,158
Liability for compensated absences	44,041	-	-	-	44,041
Total current liabilities	409,535	27,744	1,430	775,240	1,213,949
Noncurrent liabilities:					
Net pension liability	1,725,796	368,620	-	333,304	2,427,720
Liability for compensated absences	372,885	94,107	-	130,871	597,863
Total noncurrent liabilities	2,098,681	462,727	-	464,175	3,025,583
Total liabilities	2,508,216	490,471	1,430	1,239,415	4,239,532
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	80,641	17,822	-	16,592	115,055
	80,641	17,822	-	16,592	115,055
NET POSITION					
Net investment in capital assets	3,025,561	950,822	36,999	1,490,110	5,503,492
Unrestricted	4,637,902	(199,464)	566,267	739,033	5,743,738
Total net position	\$ 7,663,463	\$ 751,358	\$ 603,266	\$ 2,229,143	\$ 11,247,230

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
Operating revenues:					
Charges for sales and services:					
Service charges	\$ 2,394,541	\$ 881,469	\$ 73,206	\$ 3,668,983	\$ 7,018,199
Miscellaneous charges	26,000	-	-	64,633	90,633
Total operating revenues	2,420,541	881,469	73,206	3,733,616	7,108,832
Operating expenses:					
Personnel services	2,762,274	640,162	-	1,284,069	4,686,505
Pension expense (net)	106,438	23,621	-	22,061	152,120
Contractual services	4,358,400	215,630	13,973	1,702,305	6,290,308
Supplies	535,822	114,949	-	245,583	896,354
Depreciation	121,106	185,889	-	6,145	313,140
Miscellaneous	65,205	1,857	300	32,125	99,487
Total operating expenses	7,949,245	1,182,108	14,273	3,292,288	12,437,914
Operating income (loss)	(5,528,704)	(300,639)	58,933	441,328	(5,329,082)
Nonoperating revenues:					
Investment income	28,547	379	3,805	21,220	53,951
Hotel/motel tax	8,263,231	-	-	-	8,263,231
Miscellaneous	-	6,248	-	205	6,453
Total nonoperating revenue	8,291,778	6,627	3,805	21,425	8,323,635
Income (loss) before transfers	2,763,074	(294,012)	62,738	462,753	2,994,553
Transfers in	-	-	-	-	-
Transfers out	(1,587,214)	(48,567)	-	(175,301)	(1,811,082)
Change in net position	1,175,860	(342,579)	62,738	287,452	1,183,471
Total net position-beginning	6,487,603	1,093,937	540,528	1,941,691	10,063,759
Total net position-ending	\$ 7,663,463	\$ 751,358	\$ 603,266	\$ 2,229,143	\$ 11,247,230

Exhibit "A" to Resolution No. 2017-1-15(R)

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,254,607	\$ 872,532	\$ 73,806	\$ 3,592,503	\$ 6,793,448
Cash payments to suppliers for goods and services	(5,374,741)	(345,575)	(13,422)	(2,008,055)	(7,741,793)
Cash paid to or on behalf of employees for services	(2,684,483)	(613,551)	-	(1,272,835)	(4,570,869)
Net cash provided (used) by operating activities	(5,804,617)	(86,594)	60,384	311,613	(5,519,214)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	8,263,231	-	-	-	8,263,231
Transfers to other funds	(1,587,214)	(48,567)	-	(69,058)	(1,704,839)
Net cash provided (used) by noncapital financing activities	6,676,017	(48,567)	-	(69,058)	6,558,392
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	-	(1,496,255)	(1,496,255)
Proceeds from insurance damages	-	6,248	-	205	6,453
Net cash provided (used) in capital and related financing activities	-	6,248	-	(1,496,050)	(1,489,802)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(3,856,816)	(54,977)	(431,605)	(1,388,494)	(5,731,892)
Proceeds from sale and maturities of investment securities	3,148,225	155,457	380,708	2,350,771	6,035,161
Interest on investments	25,751	1,043	3,673	27,966	58,433
Net cash provided (used) in investing activities	(682,840)	101,523	(47,224)	990,243	361,702
Net increase (decrease) in cash and cash equivalents	188,560	(27,390)	13,160	(263,252)	(88,922)
Cash and cash equivalents, beginning of year	858,080	42,245	103,456	639,009	1,642,790
Cash and cash equivalents, end of year	<u>\$ 1,046,640</u>	<u>\$ 14,855</u>	<u>\$ 116,616</u>	<u>\$ 375,757</u>	<u>\$ 1,553,868</u>
Noncash disclosures:					
Decrease in fair value of investments	\$ (4,230)	\$ (285)	\$ (532)	\$ (4,000)	\$ (9,047)

(continued)

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(continued)

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (5,528,704)	\$ (300,639)	\$ 58,933	\$ 441,328	\$ (5,329,082)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	121,106	185,889	-	6,145	313,140
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(94,592)	(8,937)	600	2,905	(100,024)
Other receivable	42,455	-	-	(1,199)	41,256
Prepaid expenses and other assets	(386,084)	-	-	(3,658)	(389,742)
Pensions	106,438	23,621	-	22,061	152,120
Increase (decrease) in:					
Accounts payable	(71,685)	(13,139)	(579)	(23,861)	(109,264)
Accrued liabilities	68,854	2,036	-	8,777	79,667
Liability for compensated absences	8,937	24,575	-	2,457	35,969
Customer deposits	-	-	-	(110,436)	(110,436)
Due to other funds	-	-	1,430	-	1,430
Unearned revenue	(71,342)	-	-	(32,906)	(104,248)
Total adjustments	(275,913)	214,045	1,451	(129,715)	(190,132)
Net cash provided (used) by operating activities	\$ (5,804,617)	\$ (86,594)	\$ 60,384	\$ 311,613	\$ (5,519,214)



INTERNAL SERVICE FUNDS

Internal Service Funds accounts for the financing of goods or services provided by one department for another.

The City has five Internal Service Funds as follows:

EQUIPMENT MAINTENANCE FUND – to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

RISK MANAGEMENT FUND – to account for the operation of a self-insurance program for general liability, public officials errors and omission, police professional liability, property loss and worker's compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2016

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	\$ 5,436,564	\$ 19,345	\$ 2,716,057
Investments	20,121,262	71,412	10,052,397
Receivables:			
Accounts	-	13,770	-
Accrued interest	119,167	423	59,535
Inventories	35,826	1,058,923	-
Prepaid items	510	-	101,654
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	682,979
Equipment	16,362,269	-	21,569,558
Furniture and fixtures	217,595	9,413	55,625
Rolling equipment	52,967,839	-	-
Less accumulated depreciation	(46,036,192)	(9,413)	(12,240,748)
Total capital assets (net of accumulated depreciation)	28,827,941	-	10,078,421
Total assets	54,541,270	1,163,873	23,008,064
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	957,834	205,775	2,659,000
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	1,764,083	412,008	362,702
Accrued liabilities	52,311	12,027	165,691
Due to other funds	-	-	729
Compensated absences	24,290	486	68,892
Liability for insurance claims	-	-	-
Total current liabilities	1,840,684	424,521	598,014
NONCURRENT LIABILITIES:			
Net pension liability	1,559,449	334,351	4,285,684
Compensated absences	118,994	48,144	340,653
Liability for insurance claims	-	-	-
Total liabilities	3,519,127	807,016	5,224,351
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	76,701	16,592	216,443
	76,701	16,592	216,443
NET POSITION			
Net investment in capital assets	28,827,941	-	10,078,421
Unrestricted	23,075,335	546,040	10,147,849
Total net position	\$ 51,903,276	\$ 546,040	\$ 20,226,270

Exhibit "A" to Resolution No. 2017-1-15(R)

Risk Management	Health Claims	Total
\$ 1,590,460	\$ 4,960,300	\$ 14,722,726
5,886,450	18,358,561	54,490,082
-	-	13,770
34,862	108,727	322,714
-	-	1,094,749
5,448	325,806	433,418
-	-	62,522
-	-	5,947,894
427,686	-	38,359,513
811	-	283,444
-	-	52,967,839
(428,497)	-	(58,714,850)
-	-	38,906,362
<u>7,517,220</u>	<u>23,753,394</u>	<u>109,983,821</u>
227,809	-	4,050,418
114,201	32,491	2,685,485
24,176	-	254,205
9,806	-	10,535
457	-	94,125
<u>3,131,145</u>	<u>2,437,658</u>	<u>5,568,803</u>
3,279,785	2,470,149	8,613,153
371,789	-	6,551,273
45,257	-	553,048
328,977	-	328,977
<u>4,025,808</u>	<u>2,470,149</u>	<u>16,046,451</u>
18,375	-	328,111
<u>18,375</u>	<u>-</u>	<u>328,111</u>
-	-	38,906,362
3,700,846	21,283,245	58,753,315
<u>\$ 3,700,846</u>	<u>\$ 21,283,245</u>	<u>\$ 97,659,677</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Equipment Maintenance	Municipal Warehouse	Technology Services
REVENUES:			
Charges for services	\$ 15,915,532	\$ 4,157,996	\$ 19,259,400
Subrogation receipts	-	-	-
Miscellaneous	2,553	4,489	-
Total operating revenues	<u>15,918,085</u>	<u>4,162,485</u>	<u>19,259,400</u>
EXPENSES:			
Personnel services	2,468,164	621,532	6,595,389
Pension expense (net)	101,777	22,061	287,252
Contractual services	1,411,622	47,785	9,351,908
Supplies	2,642,224	3,715,584	704,085
Claims expense	-	-	-
Depreciation	7,478,860	-	1,119,975
Miscellaneous	19,278	24,875	2,846
Total operating expenses	<u>14,121,925</u>	<u>4,431,837</u>	<u>18,061,455</u>
Operating income (loss)	<u>1,796,160</u>	<u>(269,352)</u>	<u>1,197,945</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	178,121	313	66,267
Gain on capital asset disposal	934,699	11,010	-
Intergovernmental revenues	-	-	159,520
Miscellaneous	29,551	-	12,634
Total nonoperating revenues	<u>1,142,371</u>	<u>11,323</u>	<u>238,421</u>
Income (loss) before transfers	<u>2,938,531</u>	<u>(258,029)</u>	<u>1,436,366</u>
Transfers in	<u>288,958</u>	<u>-</u>	<u>500,000</u>
Transfers out	<u>-</u>	<u>-</u>	<u>(250,000)</u>
Change in net position	<u>3,227,489</u>	<u>(258,029)</u>	<u>1,686,366</u>
Total net position-beginning	<u>48,675,787</u>	<u>804,069</u>	<u>18,539,904</u>
Total net position-ending	<u><u>\$ 51,903,276</u></u>	<u><u>\$ 546,040</u></u>	<u><u>\$ 20,226,270</u></u>

Risk Management	Health Claims	Total
\$ 4,707,442	\$ 29,360,522	\$ 73,400,892
1,002,039	-	1,002,039
2,104	-	9,146
<u>5,711,585</u>	<u>29,360,522</u>	<u>74,412,077</u>
536,634	-	10,221,719
24,311	-	435,401
1,256,308	3,511,739	15,579,362
24,369	-	7,086,262
2,837,630	26,725,515	29,563,145
-	-	8,598,835
6,373	12,161	65,533
<u>4,685,625</u>	<u>30,249,415</u>	<u>71,550,257</u>
<u>1,025,960</u>	<u>(888,893)</u>	<u>2,861,820</u>
50,042	176,733	471,476
-	-	945,709
-	-	159,520
-	-	42,185
<u>50,042</u>	<u>176,733</u>	<u>1,618,890</u>
1,076,002	(712,160)	4,480,710
-	-	788,958
-	-	(250,000)
<u>1,076,002</u>	<u>(712,160)</u>	<u>5,019,668</u>
2,624,844	21,995,405	92,640,009
<u>\$ 3,700,846</u>	<u>\$ 21,283,245</u>	<u>\$ 97,659,677</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Equipment Maintenance	Municipal Warehouse	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 15,918,235	\$ 4,164,862	\$ 19,260,129
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(2,667,904)	(3,769,398)	(10,415,209)
Cash paid to or on behalf of employees for services	(2,493,207)	(607,073)	(6,667,090)
Net cash provided (used) by operating activities	<u>10,757,124</u>	<u>(211,609)</u>	<u>2,177,830</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	-	-	(250,000)
Transfers from other funds	288,958	-	500,000
Intergovernmental receipts	-	-	159,520
Net cash provided by noncapital financing activities	<u>288,958</u>	<u>-</u>	<u>409,520</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(11,072,682)	-	(470,387)
Proceeds on sale of equipment	987,713	11,010	-
Proceeds from insurance damages	29,551	-	12,634
Net cash provided (used) by capital and related financing activities	<u>(10,055,418)</u>	<u>11,010</u>	<u>(457,753)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(20,121,262)	(71,412)	(10,052,397)
Proceeds from sales and maturities of investment securities	19,175,320	228,005	8,318,617
Interest on investments	181,054	1,342	59,701
Net cash provided (used) by investing activities	<u>(764,888)</u>	<u>157,935</u>	<u>(1,674,079)</u>
Net increase (decrease) in cash and cash equivalents	225,776	(42,664)	455,518
Cash and cash equivalents, beginning of year	<u>5,210,788</u>	<u>62,009</u>	<u>2,260,539</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,436,564</u></u>	<u><u>\$ 19,345</u></u>	<u><u>\$ 2,716,057</u></u>
Noncash disclosure:			
Decrease in fair value of investments	\$ (27,668)	\$ (424)	\$ (11,256)

Risk Management	Health Claims	Total
\$ 4,862,369	\$ 29,360,522	\$ 73,566,117
1,002,039	-	1,002,039
(4,191,799)	(29,919,725)	(50,964,035)
<u>(790,023)</u>	<u>-</u>	<u>(10,557,393)</u>
 882,586	 (559,203)	 13,046,728
 -	 -	 (250,000)
 -	 -	 788,958
<u>-</u>	<u>-</u>	<u>159,520</u>
 -	 -	 698,478
 -	 -	 (11,543,069)
 -	 -	 998,723
<u>-</u>	<u>-</u>	<u>42,185</u>
 -	 -	 (10,502,161)
 (5,886,450)	 (18,358,561)	 (54,490,082)
5,147,549	18,629,085	51,498,576
<u>47,957</u>	<u>186,628</u>	<u>476,682</u>
 (690,944)	 457,152	 (2,514,824)
 191,642	 (102,051)	 728,221
<u>1,398,818</u>	<u>5,062,351</u>	<u>13,994,505</u>
<u>\$ 1,590,460</u>	<u>\$ 4,960,300</u>	<u>\$ 14,722,726</u>
 \$ (7,154)	 \$ (27,551)	 \$ (74,053)

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(continued)

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 1,796,160</u>	<u>\$ (269,352)</u>	<u>\$ 1,197,945</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	7,478,860	-	1,119,975
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	2,377	-
Other receivable	150	-	-
Prepaid items	1,665	-	(77,049)
Inventories	20,689	(212,302)	-
Pensions	101,777	22,061	287,252
Increase (decrease) in:			
Accounts payable	1,382,866	231,148	(279,321)
Accrued liabilities	1,929	1,369	37,830
Due to other funds	-	-	729
Compensated absences	(26,972)	13,090	(109,531)
Liability for insurance claims	-	-	-
Total adjustments	<u>8,960,964</u>	<u>57,743</u>	<u>979,885</u>
Net cash provided (used) by operating activities	<u><u>\$ 10,757,124</u></u>	<u><u>\$ (211,609)</u></u>	<u><u>\$ 2,177,830</u></u>

<u>Risk Management</u>	<u>Health Claims</u>	<u>Total</u>
<u>\$ 1,025,960</u>	<u>\$ (888,893)</u>	<u>\$ 2,861,820</u>
-	-	8,598,835
143,017	-	145,394
-	-	150
(1,518)	(21,427)	(98,329)
-	-	(191,613)
24,311	-	435,401
61,785	13,006	1,409,484
240	-	41,368
9,806	-	10,535
(253,629)	-	(377,042)
<u>(127,386)</u>	<u>338,111</u>	<u>210,725</u>
<u>(143,374)</u>	<u>329,690</u>	<u>10,184,908</u>
 <u><u>\$ 882,586</u></u>	 <u><u>\$ (559,203)</u></u>	 <u><u>\$ 13,046,728</u></u>



AGENCY FUNDS

DEVELOPERS' ESCROW FUND – to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

UNCLAIMED PROPERTY FUND – to account for assets under \$100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners or escheatment to the State of Texas.

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF SEPTEMBER 30, 2016**

	Agency Funds		
	Developers' Escrow	Unclaimed Property	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 574,560	\$ 25,127	\$ 599,687
Investment pool	2,126,503	92,999	2,219,502
Accrued interest	12,594	551	13,145
Total Assets	<u>2,713,657</u>	<u>118,677</u>	<u>2,832,334</u>
LIABILITIES			
Developers' escrow liability	2,713,657	-	2,713,657
Unclaimed property payable	-	118,677	118,677
Total Liabilities	<u>\$ 2,713,657</u>	<u>\$ 118,677</u>	<u>\$ 2,832,334</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
Developers' Escrow				
ASSETS:				
Cash and cash equivalents	\$ 1,460,076	\$ -	\$ 885,516	\$ 574,560
Investments	5,372,973	-	3,246,470	2,126,503
Accrued interest receivable	34,213	-	21,619	12,594
Total Assets	<u>\$ 6,867,262</u>	<u>\$ -</u>	<u>\$ 4,153,605</u>	<u>\$ 2,713,657</u>
LIABILITIES:				
Developers' escrow liability	<u>\$ 6,867,262</u>	<u>\$ -</u>	<u>\$ 4,153,605</u>	<u>\$ 2,713,657</u>
	<u>\$ 6,867,262</u>	<u>\$ -</u>	<u>\$ 4,153,605</u>	<u>\$ 2,713,657</u>
Unclaimed Property				
ASSETS:				
Cash and cash equivalents	\$ 18,849	\$ 6,278	\$ -	\$ 25,127
Investments	69,361	23,638	-	92,999
Accrued interest receivable	442	109	-	551
Total Assets	<u>\$ 88,652</u>	<u>\$ 30,025</u>	<u>\$ -</u>	<u>\$ 118,677</u>
LIABILITIES:				
Unclaimed property payable	<u>\$ 88,652</u>	<u>\$ 30,025</u>	<u>\$ -</u>	<u>\$ 118,677</u>
Total Agency Funds				
ASSETS:				
Cash and cash equivalents	\$ 1,478,925	\$ 6,278	\$ 885,516	\$ 599,687
Investments	5,442,334	23,638	3,246,470	2,219,502
Accrued interest receivable	34,655	109	21,619	13,145
Total Assets	<u>\$ 6,955,914</u>	<u>\$ 30,025</u>	<u>\$ 4,153,605</u>	<u>\$ 2,832,334</u>
LIABILITIES:				
Developers' escrow liability	\$ 6,867,262	\$ -	\$ 4,153,605	\$ 2,713,657
Unclaimed property payable	88,652	-	-	118,677
Total Assets	<u>\$ 6,955,914</u>	<u>\$ -</u>	<u>\$ 4,153,605</u>	<u>\$ 2,832,334</u>



COMPONENT UNIT

TIF EAST SIDE – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

**CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
AS OF SEPTEMBER 30, 2016**

	TIF East Side
ASSETS	
Current:	
Cash and cash equivalents	\$ 2,539,581
Investments	9,454,908
Noncurrent:	
Capital assets, net	1,579,168
Total assets	13,573,657
LIABILITIES	
Current:	
Accounts payable	400
Total liabilities	400
NET POSITION	
Net investment in capital assets	1,579,168
Restricted	11,994,089
Total net position	\$ 13,573,257

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	TIF East Side
REVENUES	
Charges for services	\$ 3,000
Total revenues	<u>3,000</u>
EXPENSES	
Contractual services	<u>2,947,017</u>
Total operating expenses	<u>2,947,017</u>
Operating loss	(2,944,017)
NONOPERATING REVENUES	
Property taxes	<u>3,996,240</u>
Total nonoperating revenues	<u>3,996,240</u>
NET INCOME	<u>1,052,223</u>
Change in net position	1,052,223
Total net position-beginning	12,521,034
Total net position-ending	<u><u>\$ 13,573,257</u></u>

**CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	TIF East Side
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 3,000
Cash payments to suppliers for goods and services	<u>(2,963,317)</u>
Net cash used by operating activities	<u>(2,960,317)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	<u>3,996,240</u>
Net cash provided by noncapital financing activities	<u>3,996,240</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	<u>1,342,264</u>
Net cash provided by operating and related financing activities	<u>1,342,264</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(9,454,908)
Proceeds from sales and maturities of investment securities	7,571,742
Interest on investments	<u>-</u>
Net cash used by investing activities	<u>(1,883,166)</u>
Net increase in cash and cash equivalents	495,021
Cash and cash equivalents, beginning of year	<u>2,044,560</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,539,581</u></u>

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(continued)

	<u>TIF East Side</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	<u>\$ (2,944,017)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities-	
Decrease in:	
Accounts payable	<u>(16,300)</u>
Total adjustments	<u>(16,300)</u>
 Net cash used by operating activities	 <u><u>\$ (2,960,317)</u></u>



**STATISTICAL SECTION
(unaudited)**

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	113-118
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	119-122
<u>Debt Capacity</u> - 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.	123-128
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	129-130
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	131-135

Table 1

CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net investment in capital assets	\$ 749,829,714	\$ 716,648,113	\$ 695,615,093	\$ 672,747,769	\$ 663,420,473	\$ 665,695,098	\$ 663,597,387	\$ 728,662,561	\$ 700,704,326	\$ 680,315,170
Restricted	68,249,570	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136	1,182,560	3,270,626	5,473,218	4,647,374
Unrestricted	167,247,133	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262	165,352,118	72,524,094	78,416,391	78,312,580
Total governmental activities net position	985,326,417	943,871,822	942,763,667	918,901,436	899,674,180	874,642,496	830,132,065	804,457,281	784,593,935	763,275,124
Business-type activities:										
Net investment in capital assets	374,462,834	370,220,021	360,960,813	362,997,446	363,340,513	362,757,006	367,024,467	383,531,217	376,593,433	370,233,734
Restricted	3,298,965	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172	2,639,954	3,911,737	6,588,596	4,735,897
Unrestricted	88,495,857	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936	57,584,753	25,620,288	25,092,659	19,637,859
Total business-type activities net position	466,257,656	460,926,461	452,567,428	453,911,822	444,621,293	446,509,114	427,249,174	413,063,242	408,274,688	394,607,490
Primary government:										
Net investment in capital assets	1,124,292,548	1,086,868,134	1,056,575,906	1,035,745,215	1,026,760,986	1,028,452,104	1,030,621,854	1,112,193,778	1,077,297,759	1,050,548,904
Restricted	71,548,535	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308	3,822,514	7,182,363	12,061,814	9,383,271
Unrestricted	255,742,990	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198	222,936,871	98,144,382	103,509,050	97,950,439
Total primary government net position	\$ 1,451,584,073	\$ 1,404,798,283	\$ 1,395,331,095	\$ 1,372,813,258	\$ 1,344,295,473	\$ 1,321,151,610	\$ 1,257,381,239	\$ 1,217,520,523	\$ 1,192,868,623	\$ 1,157,882,614

Source: Comprehensive Annual Financial Report

**CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

Table 2

		Fiscal Year									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses											
Governmental activities:											
General government											
Police		\$ 27,017,457	\$ 27,638,869	\$ 22,837,719	\$ 22,902,283	\$ 23,945,434	\$ 17,854,055	\$ 18,468,819	\$ 14,360,212	\$ 9,052,498	\$ 12,820,474
Fire		10,635,244	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755	7,799,815	8,294,111	8,423,416	7,814,137
Libraries		80,837,474	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966	66,061,326	65,225,173	68,433,179	60,136,573
Development		56,724,482	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064	43,654,787	44,279,959	44,201,284	39,368,057
Public services and operations		12,107,913	10,648,832	11,152,367	10,268,273	9,765,576	10,136,834	10,295,418	11,104,945	11,765,263	10,560,624
Parks and recreation		36,859,600	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554	18,945,171	19,929,365	20,447,190	19,508,839
Public works		7,638,382	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338	5,662,869	5,645,771	5,402,333	5,213,097
Technology services		32,462,901	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639	27,219,522	26,134,622	26,134,622	22,645,606
Other		32,287,926	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916	34,002,485	28,025,006	27,944,393	26,677,227
Interest on Long-Term Debt		18,524,241	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189	13,806,148	14,008,840	13,686,048	12,951,258
Unallocated depreciation		10,309,486	8,887,609	11,454,975	16,606,292	13,546,098	-	1,963,496	5,480,962	7,401,221	6,577,443
Total governmental activities expenses		325,405,106	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693	262,081,226	257,261,674	257,618,665	236,877,822
Business-type activities:											
Water and sewer		133,481,605	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618	97,546,366	96,352,987	83,264,179	78,413,719
Environmental waste services		25,354,273	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488	21,163,351	21,354,795	21,863,854	19,298,289
Municipal drainage		4,933,219	4,613,572	4,576,230	4,475,248	4,223,993	3,952,974	4,051,080	3,843,011	3,530,079	3,429,488
Convention and tourism		7,402,651	9,093,255	6,547,215	6,287,787	6,088,248	5,889,739	6,393,145	7,331,173	7,311,505	6,416,054
Municipal golf course		1,198,346	1,789,341	1,017,816	1,021,602	965,133	231,640	718,046	870,436	1,000,257	885,158
Property management		-	-	-	-	-	-	59,678	32,053	39,291	78,759
Recreation revolving		3,295,974	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716	3,216,311	3,191,594	3,096,166	2,642,687
Downtown center development		14,273	11,726	28,931	9,893	9,327	55,683	47,918	47,917	46,176	46,784
Total business-type activities expenses		175,680,341	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858	133,195,895	133,023,966	120,151,507	111,210,938
Total primary government expenses		\$ 501,085,447	\$ 460,603,596	\$ 452,185,008	\$ 432,872,624	\$ 418,491,062	\$ 400,554,551	\$ 395,277,121	\$ 390,285,640	\$ 377,770,172	\$ 348,088,760
Program Revenues											
Governmental activities:											
Charges for services:											
General government		\$ 6,691,140	\$ 6,551,280	\$ 6,152,383	\$ 5,913,645	\$ 5,561,420	\$ 4,739,503	\$ 1,394,826	\$ 994,964	\$ 1,634,183	\$ 1,009,164
Administrative services		3,928	21,428	5,296	11,515	8,200	-	-	-	-	-
Police		17,981,734	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080	15,429,740	15,344,518	12,939,924	12,413,238
Fire		5,798,677	5,496,159	4,898,085	4,549,906	4,461,129	3,682,667	3,882,667	4,161,383	3,801,412	3,446,175
Libraries		245,954	339,198	432,864	467,501	449,743	473,956	500,514	545,755	453,572	496,697
Development		12,573,047	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730	3,990,274	3,175,176	4,686,571	5,124,766
Public services and operations		1,534,663	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479	1,333,016	1,277,357	1,150,449	1,016,193
Parks and recreation		5,049,382	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352	4,058,923	3,952,244	3,685,465	2,357,306
Public works		18,829	39,452	48,710	112,267	175,256	194,348	247,408	40,592	104,028	84,217
Technology services		3,862,930	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768	2,870,243	2,882,354	2,590,036	2,459,419
Operating grants and contributions		13,846,703	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013	6,858,965	7,430,737	4,773,881	4,592,308
Capital grants and contributions		16,642,121	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398	20,765,810	10,939,098	9,654,400	13,499,864
Total governmental activities program revenues		84,249,108	87,105,289	70,368,602	65,276,360	56,332,467	56,815,653	61,332,386	50,744,178	45,473,921	46,499,347

Table 2
(continued)

CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-type activities:										
Charges for services:										
Water and sewer	\$ 140,654,894	\$ 132,067,317	\$ 114,554,767	\$ 121,115,371	\$ 114,415,670	\$ 128,109,639	\$ 116,516,442	\$ 108,076,125	\$ 100,049,904	\$ 83,598,039
Environmental waste services	16,288,331	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530	15,616,880	15,101,758	14,772,782	14,196,523
Municipal drainage	7,318,823	7,163,876	7,400,810	6,292,462	5,208,675	5,228,966	5,161,087	5,050,406	4,995,106	4,986,648
Convention and tourism	2,420,541	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231	2,180,520	2,439,129	2,693,882	2,589,358
Municipal golf course	887,717	954,645	965,465	994,125	933,533	65,906	600,919	792,753	846,096	823,353
Property management	-	-	-	-	-	9,967	7,594	42,309	72,567	81,587
Recreation revolving	3,733,821	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434	3,545,142	3,325,754	3,080,725	2,765,100
Downtown center development	73,206	147,789	93,896	67,928	67,828	68,128	68,127	68,127	68,127	68,127
Operating grants and contributions	1,041	60,980	-	358,588	1,070,468	1,568,388	60,194	339,804	60,609	289,052
Capital grants and contributions	4,451,393	5,548,273	3,483,123	4,254,902	2,078,980	1,377,582	3,721,845	5,128,295	7,354,169	7,991,489
Total business-type activities program revenues	\$ 175,829,767	\$ 167,961,432	\$ 148,126,183	\$ 155,067,366	\$ 145,554,822	\$ 157,966,791	\$ 147,478,751	\$ 140,384,460	\$ 133,993,967	\$ 117,389,276
Total primary government program revenues	\$ 260,078,875	\$ 255,066,721	\$ 218,494,785	\$ 220,343,726	\$ 201,887,289	\$ 214,782,444	\$ 208,811,137	\$ 191,108,638	\$ 179,467,888	\$ 163,888,623
Net (expense) revenue	(241,155,998)	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)	(200,748,840)	(206,517,496)	(212,144,744)	(190,378,475)
Governmental activities	149,426	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933	14,282,856	7,340,494	13,842,460	6,178,338
Business-type activities	\$ (241,006,572)	\$ (205,536,875)	\$ (233,690,223)	\$ (212,528,898)	\$ (216,603,773)	\$ (185,772,107)	\$ (186,465,984)	\$ (199,177,002)	\$ (198,302,284)	\$ (184,200,137)
Total primary government net (expense)	\$ (241,006,572)	\$ (205,536,875)	\$ (233,690,223)	\$ (212,528,898)	\$ (216,603,773)	\$ (185,772,107)	\$ (186,465,984)	\$ (199,177,002)	\$ (198,302,284)	\$ (184,200,137)
General revenues and transfers										
Governmental activities:										
Property taxes	\$ 163,619,692	\$ 150,960,855	\$ 140,180,751	\$ 133,922,409	\$ 130,761,336	\$ 128,274,660	\$ 129,741,125	\$ 127,265,332	\$ 123,054,998	\$ 114,157,316
Sales taxes	76,948,348	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697	58,652,787	56,064,538	62,122,119	61,573,210
Mixed drink taxes	1,930,054	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818	1,103,815	997,051	1,003,932	983,663
Other taxes	145,579	131,642	164,195	398,357	167,773	206,389	77,968	118,580	360,115	225,445
Franchise fees	24,665,352	25,341,454	24,332,547	23,283,089	22,668,521	23,220,368	22,361,082	23,995,388	23,022,217	22,463,447
Investment income	3,180,298	3,098,190	1,396,949	973,519	2,926,435	4,756,044	3,473,366	4,632,949	10,683,028	13,995,970
Transfers	12,121,270	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475	11,013,481	13,307,004	13,217,146	12,604,397
Total governmental activities	\$ 282,610,593	\$ 268,109,616	\$ 254,101,420	\$ 241,129,797	\$ 240,760,000	\$ 249,865,471	\$ 226,423,624	\$ 226,380,842	\$ 233,463,555	\$ 225,993,448
Business-type activities:										
Hotel/Motel tax	8,263,231	7,342,639	5,984,727	5,095,504	4,689,257	4,722,431	4,098,810	3,951,890	4,909,061	4,741,492
Franchise fees	8,499,964	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347	6,286,201	6,198,973	6,721,464	6,299,512
Investment income	539,844	544,194	449,967	196,590	639,758	795,789	531,546	604,201	1,411,359	1,803,285
Transfers	(12,121,270)	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)	(11,013,481)	(13,307,004)	(13,217,146)	(12,604,397)
Total business-type activities	\$ 5,181,769	\$ 5,352,918	\$ 2,106,640	\$ (83,114)	\$ (1,012,364)	\$ (322,983)	\$ (96,924)	\$ (2,551,940)	\$ (175,262)	\$ 199,892
Total primary government	\$ 287,792,362	\$ 273,462,534	\$ 256,208,060	\$ 241,046,683	\$ 239,747,636	\$ 249,542,478	\$ 226,326,700	\$ 223,828,902	\$ 233,288,293	\$ 226,193,340
Change in net position	\$ 41,454,595	\$ 53,260,676	\$ 23,862,231	\$ 19,227,256	\$ 25,031,684	\$ 44,510,431	\$ 25,674,784	\$ 19,863,346	\$ 21,318,811	\$ 35,614,973
Governmental activities	\$ 5,331,195	\$ 14,664,983	\$ (1,344,394)	\$ 9,290,529	\$ (1,887,821)	\$ 19,259,940	\$ 14,185,932	\$ 4,788,554	\$ 13,667,198	\$ 6,378,230
Business-type activities	\$ 46,785,790	\$ 67,925,659	\$ 22,517,837	\$ 28,517,785	\$ 23,143,863	\$ 63,770,371	\$ 39,860,716	\$ 24,651,900	\$ 34,986,009	\$ 41,993,203

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 3

	Fiscal year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Nonspendable	\$ 455,431	\$ 506,576	\$ 793,454	\$ 152,616	\$ 189,920	\$ 176,588	\$ 2,321,839	\$ 6,976,517	\$ 6,678,087	\$ 7,015,867
Assigned	7,482,574	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127	4,604,162	4,055,302	2,683,725	1,566,433
Unassigned	46,251,968	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010	34,474,576	31,712,311	35,379,734	37,101,360
Total general fund	\$ 54,189,973	\$ 51,604,016	\$ 51,324,818	\$ 56,310,424	\$ 52,966,763	\$ 44,833,725	\$ 41,400,577	\$ 42,744,130	\$ 44,741,546	\$ 45,683,660
All Other Governmental Funds										
Nonspendable	\$ 350,071	\$ 200,110	\$ 64,510	\$ 22,830	\$ 905	\$ 4,405	\$ -	\$ 2,680	\$ 6,195	\$ 2,702
Restricted	110,520,152	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218	61,975,246	85,435,605	74,471,250	56,380,230
Committed	45,745,697	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538	-	-	-	-
Assigned	79,391,186	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814	71,516,720	61,199,709	76,924,976	61,357,467
Unassigned	-	(441,228)	-	-	-	-	(374,071)	-	-	-
Total all other governmental funds	\$ 236,007,106	\$ 220,733,307	\$ 208,321,452	\$ 191,203,276	\$ 178,088,005	\$ 155,843,975	\$ 133,117,895	\$ 146,637,994	\$ 151,402,421	\$ 117,740,399

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4

	Fiscal year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Taxes:										
Property taxes	\$ 152,476,517	\$ 139,784,392	\$ 130,387,583	\$ 124,453,986	\$ 121,496,666	\$ 117,691,853	\$ 121,312,517	\$ 119,568,563	\$ 114,494,640	\$ 107,059,153
Other taxes	78,390,614	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345	59,176,584	57,577,341	63,266,376	63,425,218
Franchise fees	23,795,403	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634	21,886,667	23,586,443	22,628,847	22,039,441
Fines and forfeitures	13,228,933	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125	10,912,913	10,982,616	9,167,406	9,822,913
Contributions	16,065,928	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721	10,691,912	5,206,878	3,845,932	306,924
Rollback taxes	2,080,324	1,705,253	593,756	704,467	896,012	172,594	63,296	263,577	1,134,487	1,172,609
Licenses and permits	13,864,396	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204	5,763,535	4,786,291	5,235,695	5,524,955
Intragovernmental	9,845,021	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036	8,211,958	7,739,588	7,276,212	6,399,935
Intergovernmental	8,600,986	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550	7,236,142	7,118,445	3,432,643	3,915,812
Fees for services	17,476,570	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139	13,769,089	13,808,677	13,488,581	10,476,645
Assessments	-	4,555	-	13,512	56,776	157,805	88,375	10,094	25,465	99,741
Assessed taxes	96,327	-	-	-	-	-	-	-	-	-
Loan repayments	52,553	-	-	-	-	-	-	-	-	-
Investment income	2,708,822	2,566,239	539,548	803,395	2,323,962	3,932,542	2,884,604	3,988,091	8,420,799	10,779,409
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,088,223	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782	1,388,742	2,456,619	-	-
Total revenues	\$ 340,770,617	\$ 327,959,472	\$ 300,218,803	\$ 282,594,982	\$ 275,320,227	\$ 269,283,330	\$ 263,396,334	\$ 257,093,223	\$ 254,326,993	\$ 242,430,097
Expenditures:										
Current:										
General government	\$ 28,719,550	\$ 28,745,531	\$ 23,153,000	\$ 22,100,556	\$ 23,684,196	\$ 21,355,266	\$ 392,129	\$ 613,652	\$ 878,675	\$ 1,255,206
Administrative services	10,137,693	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998	7,901,744	8,239,334	8,208,019	7,916,611
Police	77,750,758	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061	65,289,730	63,987,283	61,831,212	59,114,102
Fire	53,993,731	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799	42,984,135	43,080,441	41,361,437	39,096,906
Libraries	10,910,966	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127	9,926,819	10,314,568	10,467,040	10,139,905
Development	35,279,126	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560	19,694,309	19,924,444	19,635,957	19,644,186
Public services and operations	7,323,817	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648	5,634,193	5,757,144	5,377,281	5,403,953
Parks and recreation	23,043,731	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674	19,909,176	21,407,832	20,681,818	18,785,397
Environmental waste services	877	51,856	-	664,613	875,569	1,284,956	88,202	300,339	53,576	258,275
Public works	6,328,770	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454	5,592,600	5,840,246	5,820,027	5,764,590
Technology services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Capital outlay	79,143,347	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962	27,809,863	27,609,726	27,266,420	26,335,719
Interest and fiscal charges	267,002	273,480	100,335	175,051	105,385	-	64,827,368	60,362,017	54,679,984	68,000,143
Debt service:										
Principal retirement	28,540,000	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000	27,650,000	25,645,000	23,510,000	21,020,000
Interest and fiscal charges	12,982,753	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251	14,553,158	15,037,063	14,598,200	12,837,888
Total expenditures	\$ 375,422,121	\$ 366,118,219	\$ 318,942,351	\$ 304,991,589	\$ 284,552,123	\$ 294,592,756	\$ 312,253,966	\$ 308,119,089	\$ 294,369,646	\$ 295,572,881
Deficiency of revenues over expenditures	\$ (34,651,504)	\$ (38,158,747)	\$ (18,723,548)	\$ (22,396,607)	\$ (9,231,896)	\$ (25,309,426)	\$ (48,857,632)	\$ (51,025,866)	\$ (40,042,653)	\$ (53,142,784)

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4
(continued)

	Fiscal year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other financing										
sources:										
Proceeds from sale of bonds	\$ 33,610,000	\$ 30,130,000	\$ 20,680,000	\$ 22,175,000	\$ 25,860,000	\$ 21,400,000	\$ 22,615,000	\$ 29,315,000	\$ 58,370,000	\$ 46,675,000
Bond proceeds-refunding	33,585,000	51,300,000	8,645,000	39,750,000	20,540,000	-	16,633,613	12,370,000	-	-
Premium on sale of bonds	12,243,821	10,503,390	952,750	11,439,780	3,820,972	114,918	444,228	250,350	925,415	1,162,822
Discount on sale of bonds	-	-	-	-	(253,786)	-	-	-	-	-
Escrow payment-refunding	(39,339,873)	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-	(16,777,204)	(12,428,331)	-	-
Capital receipt of land	650,000	-	-	-	-	-	-	-	-	-
Capital disposal of land	(650,000)	-	-	-	-	-	-	-	-	-
Sale of land	830,000	456,000	-	144,020	-	-	426,129	-	-	-
Disbursements from component unit	-	-	-	-	-	1,793,418	-	-	-	-
Transfer of assets from Plano Economic Development Board	-	-	-	-	-	16,052,538	-	-	-	-
Operating transfers in	36,271,298	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126	21,898,253	25,390,773	24,276,733	23,414,508
Operating transfers out	(24,688,986)	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)	(11,246,039)	(10,633,769)	(10,809,587)	(13,242,861)
Total other financing sources	\$ 52,511,260	\$ 50,849,800	\$ 30,856,118	\$ 38,855,539	\$ 39,608,964	\$ 51,964,988	\$ 33,993,980	\$ 44,264,023	\$ 72,762,561	\$ 58,009,469
Net change in fund balances	\$ 17,859,756	\$ 12,691,053	\$ 12,132,570	\$ 16,458,932	\$ 30,377,068	\$ 26,655,562	\$ (14,863,652)	\$ (6,761,843)	\$ 32,719,908	\$ 4,866,685

Debt service as a percentage of noncapital expenditures	14.0%	14.6%	15.0%	17.1%	17.2%	17.2%	17.1%	16.4%	15.9%	14.9%
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Table 5

**CITY OF PLANO, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)**

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2007	17,812,371,500	7,138,331,140	2,375,828,520	4,497,389,848	22,829,141,312	0.4735
2008	18,954,823,683	7,727,575,850	2,462,948,501	4,633,847,568	24,511,500,466	0.4735
2009	20,436,560,005	8,494,498,706	2,836,955,143	5,982,698,546	25,785,315,308	0.4735
2010	20,331,824,829	8,516,248,849	2,669,986,601	6,010,842,123	25,507,218,156	0.4886
2011	20,081,379,973	7,798,953,065	2,648,600,517	5,848,034,850	24,680,898,705	0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127	25,014,043,679	0.4886
2013	20,614,106,560	8,261,636,814	2,793,315,064	6,021,553,525	25,647,504,913	0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886
2016	25,513,643,395	10,228,975,248	3,332,540,330	7,795,148,020	31,280,010,953	0.4886

Source: City of Plano Budget Department and Collin County Central Appraisal District based on original tax roll.

Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

CITY OF PLANO, TEXAS
PROPERTY TAX RATES/ASSESSMENT RATIOS -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year (1)	City of Plano			Plano			Allen			Frisco			Lewisville			Denton County			Collin County			Assessment Ratio
	General Fund	Debt Service Fund	Rate	Assessment Ratio	School District	Rate	Assessment Ratio	School District	Rate	Assessment Ratio	School District	Rate	Assessment Ratio	School District	Rate	Assessment Ratio	School District	Rate	Assessment Ratio	School District	Rate	Assessment Ratio
2007	0.3080	0.1655	0.4735	100	1.5784	100	1.78	100	0.245	100	1.580	100	1.6400	100	0.2320	100	0.0880	100				100
2008	0.3210	0.1525	0.4735	100	1.2680	100	1.47	100	0.245	100	1.350	100	1.3800	100	0.2360	100	0.0800	100				100
2009	0.3268	0.1467	0.4735	100	1.3030	100	1.47	100	0.243	100	1.370	100	1.3800	100	0.2360	100	0.0860	100				100
2010	0.3284	0.1602	0.4886	100	1.3284	100	1.54	100	0.243	100	1.390	100	1.4087	100	0.2500	100	0.0860	100				100
2011	0.3135	0.1751	0.4886	100	1.3534	100	1.54	100	0.240	100	1.390	100	1.4267	100	0.2739	100	0.0863	100				100
2012	0.3149	0.1737	0.4886	100	1.3734	100	1.67	100	0.240	100	1.420	100	1.4260	100	0.2774	100	0.0863	100				100
2013	0.3192	0.1694	0.4886	100	1.3734	100	1.67	100	0.240	100	1.460	100	1.4530	100	0.2829	100	0.0836	100				100
2014	0.3296	0.1590	0.4886	100	1.4530	100	1.67	100	0.235	100	1.460	100	1.4770	100	0.2849	100	0.0836	100				100
2015	0.3438	0.1448	0.4886	100	1.4390	100	1.64	100	0.225	100	1.460	100	1.4770	100	0.2849	100	0.0820	100				100
2016	0.3576	0.1310	0.4886	100	1.4390	100	1.61	100	0.225	100	1.460	100	1.4767	100	0.2620	100	0.0820	100				100

(1) For School Districts, fiscal years ended on August 31 and include the County Education District tax rate.

NOTE: Property tax rates are levied per \$100 assessed valuation.

Sources: Representatives of the various taxing jurisdictions.

**CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Table 7

	2016				2007			
	Name of Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	
		\$						
	Oncor Electric Delivery Company	212,175,234	1	0.69%				
	J C Penney Corporation Inc	166,000,000	2	0.54%	169,039,157	2	0.74%	
	HP Enterprise Services LLC	151,351,731	3	0.49%				
	T5@Dallas LLC	146,000,000	4	0.47%				
	HSP Of Texas Inc	141,146,264	5	0.46%	81,064,731	6	0.35%	
	TM Willow Bend Shops LP	140,600,000	6	0.45%				
	Legacy Campus LP	133,735,904	7	0.43%	100,000,000	5	0.44%	
	Bank Of America NA	125,000,000	8	0.40%				
	UDR Legacy Village LLC	122,947,560	9	0.40%				
	Tollway/121 Partners LTD	114,367,577	10	0.37%	72,391,253	9	0.32%	
	TXU Electric Delivery Company				172,513,019	1	0.75%	
	Electronic Data Systems Corporation				138,310,883	3	0.60%	
	Willow Bend Shopping Center LP				127,000,000	4	0.55%	
	Collin Creek Mall LP				76,895,956	7	0.34%	
	Shops at Legacy (Inland) LP				75,393,638	8	0.33%	
	Countrywide Home Loans Inc				72,280,433	10	0.32%	
		<u>\$ 1,453,324,270</u>		<u>4.70%</u>	<u>\$ 1,084,889,070</u>		<u>4.74%</u>	

Source: Collin County Appraisal District

Table 8

CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Current Levy
2007	108,186,053	105,461,839	1,870,213	107,332,052	99.2	1,597,314	108,929,366	100.69
2008	116,214,292	113,215,333	2,127,954	115,343,287	99.3	1,279,307	116,622,594	100.35
2009	121,434,014	118,459,942	2,205,306	120,665,248	99.4	1,108,621	121,773,869	100.28
2010	123,231,506	120,537,005	1,976,550	122,513,555	99.42	775,512	123,289,067	100.05
2011 *	119,311,553	117,076,366	1,740,962	118,817,328	99.59	615,487	119,432,815	100.10
2012	121,179,947	120,112,398	682,096	120,794,494	99.68	1,384,268	122,178,762	100.82
2013	124,539,135	123,491,655	765,800	124,257,455	99.77	962,331	125,219,786	100.55
2014	130,892,241	129,629,986	765,689	130,395,675	99.62	757,597	131,153,272	100.20
2015	139,575,321	137,952,646	866,051	138,818,697	99.46	1,831,746	140,650,443	100.77
2016	151,033,590	149,652,774	1,032,587	150,685,361	99.77	2,823,743	153,509,104	101.64

* 2011 Total Levy has been reduced by \$29,552 refund for tax abatement.

Table 9

CITY OF PLANO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General	Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Water and Sewer Revenue Bonds	Drainage Revenue Bonds	Municipal Bonds				
2007		310,825,564	8,030,000		22,805,443		341,661,007	3.33	1,326
2008		344,466,792	5,750,000		23,482,263		373,699,055	3.44	1,429
2009		349,122,792	3,895,000		23,834,830		376,852,622	3.49	1,426
2010		342,254,729	1,955,000		26,060,884		370,270,613	3.77	1,397
2011		334,358,571	695,000		24,200,916		359,254,487	3.53	1,370
2012		332,298,643	365,000		22,210,947		354,874,590	3.49	1,345
2013		330,423,813	-		20,150,978		350,574,791	3.19	1,318
2014		319,362,266	-		18,016,010		337,378,276	3.06	1,249
2015		322,852,271	-		16,367,610		339,219,881	2.92	1,240
2016		332,366,608	28,210,692		14,279,894		374,857,194	3.19	1,355

Note: See Table 15 for personal income and population data.

Table 10

CITY OF PLANO, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2007	310,825,564	4,754,700	306,070,864	1.26	1,116
2008	344,466,792	3,250,126	341,216,666	1.26	1,179
2009	349,122,792	5,491,973	343,630,819	1.20	1,162
2010	342,254,729	1,175,155	341,079,574	1.17	1,126
2011	334,358,571	2,035,641	332,322,930	1.23	1,133
2012	332,298,643	2,224,744	330,073,899	1.20	1,134
2013	330,423,813	1,573,430	328,850,383	1.16	1,112
2014	319,362,268	3,340,771	316,021,497	1.08	1,075
2015	322,852,271	3,701,797	319,150,474	1.01	1,050
2016	332,366,608	3,925,760	328,440,847	0.94	1,055

Note: See Table 5 for property value data.

Note: See Table 15 for population data.

CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2016
(unaudited)

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 328,440,847	100.00%	\$ 328,440,847
Total direct debt	328,440,847		328,440,847
Plano Independent School District	800,902,806	69.81%	559,110,249
Collin County	395,590,000	33.38%	132,047,942
Denton County	608,895,000	1.58%	9,620,541
Frisco Independent School District	1,917,140,546	13.45%	257,855,403
Allen Independent School District	590,830,275	0.65%	3,840,397
Lewisville Independent School District	1,244,153,283	3.91%	48,646,393
Collin College	16,549,972	33.38%	5,524,381
Total overlapping debt	5,574,061,882		1,016,645,306
Total direct and overlapping bonded debt	\$ 5,902,502,729		\$ 1,345,086,153
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.35%
Per capita overlapping bonded debt			\$ 4,861

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

Table 12

CITY OF PLANO, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2016
(unaudited)

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue.
The City's Charter (Section 9.18) states

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2015 is \$0.4886 per \$100.00 with assessed valuation at 100% of market value.

**CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS
(unaudited)**

Table 13

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements		
				Principal	Interest	Total
2007	83,223,811	61,514,435	21,709,376	1,357,183	143,305	1,500,488
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043
2009	107,388,857	77,222,182	30,166,675	994,468	73,915	1,068,383
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	140,225,993	109,029,327	31,196,666	930,000	985,050	1,915,050
						1629%

Note: Direct operating expense excludes depreciation, charges in lieu of taxes, and net pension expense.
For the 2016 bond issue, a reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

**CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)**

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Average Annual Debt Service Requirement		
				Principal	Interest	Total Coverage
2007	5,590,039	2,099,427	2.66	1,123,750	397,823	1,521,573 2.29
2008	5,490,072	2,248,948	2.44	1,158,500	403,715	1,562,215 2.07
2009	5,250,108	2,444,101	2.15	1,250,250	436,656	1,686,906 1.66
2010	5,331,169	2,475,433	N/A	1,282,500	421,898	1,704,398 1.68
2011	5,432,677	2,411,295	N/A	1,253,421	387,407	1,640,828 1.84
2012	5,334,131	2,615,205	N/A	1,213,889	356,451	1,570,340 1.73
2013	6,327,655	2,524,631	N/A	1,165,588	325,751	1,491,339 2.55
2014	7,475,077	2,852,291	N/A	1,106,563	295,615	1,402,178 3.30
2015	7,256,952	3,350,309	N/A	1,053,667	230,741	1,284,408 3.04
2016	7,380,706	3,445,947	N/A	982,857	211,124	1,193,981 3.30

Note: Operating expense excludes depreciation and net pension expense.

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds.
Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

Table 15

CITY OF PLANO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	DEMOGRAPHICS				Unemployment Rate (%)
	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	
2007	257,600	10,250,853	39,794	52,997	3.9
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0
2011	262,200	10,167,592	38,778	55,570	7.4
2012	263,750	10,162,288	38,530	55,659	5.6
2013	265,900	11,004,272	41,385	54,735	5.6
2014	270,100	11,308,547	41,868	54,822	4.6
2015	273,600	11,604,197	42,413	54,689	3.5
2016	276,700	11,765,837	42,522	54,573	3.7

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau for the year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

Table 16

**CITY OF PLANO, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO
(unaudited)**

2016			2010		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Capital One Finance	5,500	3.51	HP Enterprise Services	6,000	4.37
Bank of America Home Loans	3,400	2.17	Bank of America Home Loans	5,400	3.93
HP Enterprise Services	3,250	2.08	JCPenney	5,000	3.64
Ericsson	3,020	1.93	Dell	3,000	2.19
Frito-Lay	2,500	1.60	Alcatel - Lucent	2,400	1.75
J. C. Penney Company, Inc.	2,420	1.55	Frito-Lay	2,400	1.75
Dell Services	2,250	1.44	Ericsson	2,200	1.60
Texas Health Presbyterian Hospital Plano	1,680	1.07	Capital One	1,800	1.31
Medical Center of Plano	1,600	1.02	Medical Center of Plano	1,300	0.95
PepsiCo	1,340	0.86	Dr. Pepper Snapple Group	1,250	0.91
Total	26,960	17.23	Total	30,750	22.40

Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

**CITY OF PLANO, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)**

Table 17

	Fiscal year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	90.0	93.0	91.0	96.5	95.0	93.5	54.5	64.5	63.5	65.0
Administrative services	91.5	87.5	83.5	81.5	79.5	79.0	79.5	79.5	86.0	79.0
Police	628.0	611.0	625.5	616.0	606.0	604.5	620.0	651.5	661.0	661.5
Fire	362.5	365.0	359.0	349.0	335.0	334.0	335.0	334.0	335.5	333.0
Libraries	155.0	149.0	148.5	148.5	149.0	159.0	157.0	156.0	172.0	170.0
Development	180.0	167.0	155.5	147.5	148.0	148.0	149.5	159.5	164.0	164.0
Public services and operations	73.0	71.5	69.0	66.5	66.5	67.5	60.5	66.0	64.0	66.5
Parks and recreation	360.5	358.0	347.5	386.0	357.0	342.0	387.5	378.0	376.5	311.5
Public works	66.0	61.0	61.0	61.0	55.0	56.5	64.0	61.5	65.5	61.0
Technology services	58.0	55.0	57.0	50.0	46.0	47.0	49.0	50.0	50.0	47.0
Water and sewer	145.5	147.0	150.0	147.0	146.0	144.5	152.0	153.0	146.5	147.5
Environmental waste services	94.5	95.5	97.5	94.0	95.5	95.5	95.0	93.0	90.5	89.5
Municipal drainage	28.0	28.0	25.0	22.0	22.0	20.0	22.0	19.0	18.0	18.0
Civic center	39.5	40.0	42.0	40.0	40.5	43.0	48.5	50.0	47.5	49.0
Municipal golf course	8.0	8.0	9.5	8.0	8.5	7.0	6.0	7.0	8.0	9.0
Recreation revolving	149.5	126.5	138.5	139.0	160.5	159.0	160.5	169.0	148.0	107.0
Total	2,529.5	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0	2,440.5	2,491.5	2,496.5	2,378.5

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 18

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Administrative Services										
Legal										
Ordinance/resolution review/preparation	226	194	226	237	240	258	266	552	658	677
Human Resources										
Full-time civilian employees	1,410	1,378	1,363	1,330	1,308	1,320	1,349	1,387	1,422	2,050
Accounting										
Payment requests processed	66,170	64,268	64,765	66,076	63,183	65,723	70,850	81,677	86,869	82,630
Police										
Employees (uniformed)	361	346	352	345	340	335	340	341	344	343
Citations	63,559	65,269	68,258	72,507	75,009	60,378	68,598	92,133	87,801	79,224
Public Safety Communications										
911 Calls*	159,795	166,304	164,299	160,196	150,508	150,614	157,277	234,876	228,214	165,194
911 Dispatches*	215,733	218,773	226,704	235,572	239,491	232,981	240,175	229,669	222,252	146,277
Fire										
Employees (uniformed)	343	347	341	333	316	315	313	323	317	319
Fire runs	25,005	24,618	22,615	21,801	20,342	21,040	19,893	20,235	19,665	18,964
EMS runs	15,689	15,462	14,521	14,155	13,293	12,902	12,782	13,693	12,297	11,734
Libraries										
Volumes in collection	770,701	786,982	803,074	811,941	807,343	798,347	757,837	793,073	804,410	761,236
Registered borrowers	181,131	200,369	203,478	205,512	206,550	204,234	200,386	196,093	192,578	173,341
Development										
Building Inspections										
Inspections (all construction)	65,230	59,384	56,014	62,479	58,217	53,890	50,790	52,805	80,600	80,732
New construction permits issued	5,446	1,070	810	818	854	1,885	1,010	825	1,718	1,578
Engineering										
New Streets/Alleys paved (miles)	4	4	5	5	2	4	3	2	9	15
New Water lines installed (miles)	18	24	16	21	14	10	23	28	36	46
Public Services and Operations										
Environmental Health										
Inspections	6,482	5,929	6,087	5,898	5,478	4,489	4,554	3,931	3,961	3,909
Animal Control										
Animals impounded	6,947	7,687	8,302	9,152	9,388	7,591	9,616	8,728	8,307	6,241

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 18
 (continued)

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Parks and Recreation										
Recreation attendance	2,561,438	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763	2,361,390	2,377,182	2,341,119	1,691,348
Recreation center members	51,254	49,857	52,664	50,476	35,222	21,690	22,246	22,083	38,341	16,371
Public Works										
Streets										
Streets, Alleys, and Sidewalks										
Excavate/Replace (Sq Ft)	2,109,483	1,661,006	1,607,939	1,490,877	975,140	1,639,893	1,377,388	877,475	984,657	1,091,732
Water and Sewer										
Water Customers										
Average Daily Water Consumption (gal)	82,388	80,371	79,139	78,534	78,144	77,720	79,243	77,082	77,440	77,961
Maximum Storage Capacity (gal)	56,517,827	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731	63,893,260	62,645,000	61,657,000	52,211,000
	85,500,000	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	60,287	58,703	57,154	57,191	57,810	62,078	59,530	60,670	62,982	63,154
Bulky waste pickups (tons)	6,535	5,095	4,925	4,600	4,194	5,544	5,142	5,264	5,650	5,240
Recyclables collected (tons)	18,406	18,627	18,623	18,816	18,882	19,216	19,435	19,632	20,867	20,469
Yard trimmings collected (tons)	21,199	20,840	24,299	21,108	19,614	21,139	21,704	21,465	26,836	24,541
Municipal Drainage										
Environmental assessment requests	171	207	133	92	74	70	65	54	82	120
Storm sewer inlets maintained	9,268	8,462	8,983	9,527	9,673	10,483	10,483	10,483	4,139	10,483
Civic Center										
Event days booked and serviced	246	275	247	249	693	883	834	1,145	1,200	1,256
Municipal Golf Course										
Rounds of golf played	48,982	45,223	50,447	53,324	50,759	4,902	41,592	54,109	55,004	51,254
Recreation Revolving										
Courses completed	6,971	7,137	6,966	7,172	6,810	6,924	7,046	6,822	6,896	6,504

Source: City Departments

Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.

Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 19

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	130	127	124	128	126	121	143	166	189	135
Number of motorcycle units	5	5	6	6	7	7	6	6	6	8
Fire										
Number of stations	13	13	13	13	13	13	12	11	11	11
Number of fire engines/trucks	22	22	22	22	22	22	22	22	22	21
Number of EMS trucks	11	10	10	10	10	10	10	7	7	8
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- Paved (miles)	1,039	1,035	1,031	1,026	1,021	1,019	1,016	1,014	1,012	1,004
Alleys- Paved (miles)	519	519	519	519	519	519	518	517	517	516
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	8	15	14
Parks and Recreation										
Parks* (acres)	4,268	4,244	4,241	4,002	3,995	3,994	3,936	3,858	3,858	3,858
Athletic fields	171	179	179	179	179	179	179	179	179	175
Playgrounds	69	70	69	69	69	71	71	71	71	68
Recreation centers	5	4	4	4	4	4	4	5	5	5
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natorium	8	7	8	9	9	9	9	9	9	4
Public Works										
Traffic signals	225	221	220	219	219	216	215	212	211	207

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Table 19
(continued)

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Water and Sewer										
Water mains (miles)	1,414	1,405	1,391	1,384	1,373	1,367	1,362	1,351	1,335	1,317
Sanitary sewers (miles)	1,032	1,029	1,024	1,019	1,014	1,009	1,007	1,001	999	992
Fire hydrants	15,256	15,111	14,918	14,817	14,677	14,604	14,516	14,369	14,109	13,840
Environmental Waste Services										
Collection trucks	50	50	50	50	50	48	45	45	45	42
Municipal Drainage										
Storm sewers (miles)	688	682	677	673	668	665	662	656	646	635
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments

Notes: N/A - Data not available.

*Includes Golf Course.

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.



CITY OF PLANO, TEXAS

Report on Federal and States Awards in accordance with
Uniform Guidance

Fiscal Year Ended September 30, 2016

(With Independent Auditor Reports Thereon)

CITY OF PLANO, TEXAS

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KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Mayor and Members of the City Council
The City of Plano, Texas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 12, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of this Report

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

KPMG LLP

Dallas, Texas
January 12, 2017



KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Independent Auditors' Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards Required by the Uniform Guidance and the State of Texas Uniform Grant Management Standards

The Honorable Mayor and Members of the City Council
The City of Plano, Texas:

Report on Compliance for Each Major Federal and State Program

We have audited the City of Plano, Texas' (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2016. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and UGMS. Those standards and the Uniform Guidance and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that



could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and State of Texas Uniform Grant Management Standards

We have audited the financial statements of the City as of and for the year ended September 30, 2016, and have issued our report thereon dated January 12, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and UGMS and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Dallas, Texas
January 12, 2017

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS

Schedule of Expenditures of Federal and State Awards

Fiscal Year ended September 30, 2016

<u>Federal</u>	<u>Contract number</u>	<u>Federal CFDA number</u>	<u>Passed through to subrecipients</u>	<u>FY2016 Total grant expenditures</u>
U.S. Department of Homeland Security, Federal Emergency Management Agency: Passed through Texas Office of the Governor – Homeland Security Grants Division: Homeland Security Grant Program Homeland Security Grant Program Passed through Texas Department of Public Safety: Homeland Security Grant Program Homeland Security Grant Program Total CFDA 97.067 Passed through Texas A&M Engineering Extension Service: National Urban Search and Rescue Response System Total U.S. Department of Homeland Security, Federal Emergency Management Agency	2942701 2984501 14-SR 58016-01 14-SR 58016-02 2016-0004	97.067 97.067 97.067 97.067 97.025	\$ — —	2,344 15,455 18,638 16,017 52,454 5,364 57,818
U.S. Department of Housing and Urban Development: Community Development Block Grants/Entitlement Grants HOME Investment Partnerships Program Total U.S. Department of Housing and Urban Development	B-15-MC-48-0035 M-15-MC-48-0234	14.218 14.239	166,631 94,254 260,885	1,555,823 224,069 1,779,892
U.S. Department of the Interior, National Park Service: Passed through Texas Historical Commission: Historic Preservation Fund Grants-In-Aid Total U.S. Department of the Interior, National Park Service	CLG-TX-16-040	15.904	 —	2,313 2,313
U.S. Department of Justice: Edward Byrne Memorial Justice Assistance Grant Program Edward Byrne Memorial Justice Assistance Grant Program Edward Byrne Memorial Justice Assistance Grant Program Total CFDA 16.738 Drug Enforcement Administration Task Force 2 Federal Bureau of Investigation Computer Crime Lab Task Force Federal Bureau of Investigation Cyber Crime Task Force Federal Bureau of Investigation Joint Terrorism Task Force Total U.S. Department of Justice	2014-DJ-BX-0698 2015-DJ-BX-0932 2016-DJ-BX-0496 N/A N/A N/A N/A	16.738 16.738 16.738 16.UNK 16.UNK 16.UNK 16.UNK	— 26,816 28,503 55,319 55,319	20 46,946 28,503 75,469 118,702
U.S. Department of Transportation: Passed through Dallas Area Rapid Transit: Enhanced Mobility of Seniors and Individuals with Disabilities Passed through Texas Department of Transportation: Windhaven – Spring Creek to West City State and Community Highway Safety Total U.S. Department of Transportation	N/A CSJ: 0918-24-143 2016-PlanoPD-S-1YG-0012	20.513 20.205 20.600	 —	20,000 787,777 138,384 946,161
U.S. Department of Treasury: U.S. Secret Service North Texas Financial Crimes Task Force Treasury Forfeiture Fund Program Total U.S. Department of Treasury	N/A N/A	21.UNK 21.000	 —	7,586 533,200 540,786
Institute of Museum and Library Services: Passed through Texas State Library and Archives Commission: Interlibrary Loan Lending Reimbursement Program Interlibrary Loan Lending Reimbursement Program Texas State Library and Archives Commission Impact Grant Program Total Institute of Museum and Library Services Total Federal Assistance	715-15157 900016 475-16020	45.310 45.310 45.310	 — \$ 316,204	31,359 45,283 10,000 86,642 3,532,314

See accompanying notes to schedule of expenditures of federal and state awards.

Exhibit "A" to Resolution No. 2017-1-15(R)

CITY OF PLANO, TEXAS
Schedule of Expenditures of Federal and State Awards
Fiscal Year ended September 30, 2016

<u>State</u>	<u>Contract number</u>	<u>Federal CFDA number</u>	<u>Passed through to subrecipients</u>	<u>FY2016 Total grant expenditures</u>
Texas A&M Forest Service:				
Texas Intrastate Fire Mutual Aid System Grant Assistance Program	N/A		\$ _____	7,500
Total Texas A&M Forest Service			—	7,500
Texas Department of Public Safety, Texas Division of Emergency Management:				
Passed through the City of Dallas:				
Texas Task Force 2	Garland Tornado			782
Passed through Texas A&M Engineering Extension Service:				
Texas Task Force 1	15-0028			5,263
Texas Task Force 1	16-0007			2,862
Texas Task Force 1	16-0008			11,253
Total Department of Public Safety, Texas Division of Emergency Management			—	20,160
Texas Department of State Health Services:				
Passed through North Central Texas Trauma Regional Advisory Council, Inc.:				
EMS Trauma Care System Program	N/A			3,075
Total Texas Department of State Health Services			—	3,075
Texas Department of Transportation:				
15th Street – G Avenue to U.S. 75	CSJ: 0918-24-144			500,000
Independence Parkway Corridor	CSJ: 0918-24-153			120,705
Parker Road Corridor Improvement	CSJ: 0918-24-156			75,287
Legacy Corridor Improvements	CSJ: 0918-24-154			24,256
12th Street – Cotton Belt Railway	CSJ: 0918-24-218			916,000
Total Texas Department of Transportation			—	1,636,248
Attorney General of Texas:				
Texas Crime Victims Compensation	N/A			25,817
Total Attorney General of Texas			—	25,817
Comptroller of Public Accounts:				
Law Enforcement Officer Standards and Education	N/A			41,923
Total Comptroller of Public Accounts			—	41,923
Criminal Investigation:				
State/Local Criminal Investigation	N/A			10,750
Total Criminal Investigation			—	10,750
Total State assistance			\$ —	1,745,473

See accompanying notes to schedule of expenditures of federal and state awards.

CITY OF PLANO, TEXAS

Notes to Schedule of Expenditures of Federal and State Awards

September 30, 2016

(1) General

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non Profit Organizations* and the State of Texas Uniform Grant Management Standards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City's reporting entity is defined in note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included on the schedule.

(2) Subrecipients

Program Title	Federal CFDA #	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$ 166,631
HOME Investment Partnerships Program	14.239	94,254
Edward Byrne Memorial Justice Assistance Grant Program	16.738	55,319
		<u>\$ 316,204</u>

(3) Loans

At September 30, 2016, the amount of loans outstanding related to the Community Development Block Grants and HOME Investment Partnerships Program was approximately \$817,405 and \$61,587, respectively.

(4) Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF PLANO, TEXAS
 Schedule of Findings and Questioned Costs
 Year ended September 30, 2016

Section I – Summary of Auditors’ Results

Financial Statements

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: | Unmodified |
| (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements: | |
| • Material weaknesses: | No |
| • Significant deficiencies: | None reported |
| (c) Noncompliance material to the financial statements: | No |

Federal and State Awards

- | | |
|------------------------------------------------------------------------------------------|---------------|
| (d) Internal control deficiencies over major programs disclosed by the audit: | |
| • Material weaknesses: | No |
| • Significant deficiencies: | None reported |
| (e) Type of report issued on compliance for major programs: | Unmodified |
| (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): | No |

(g) *Identification of Major Programs*

CFDA/grant number/state identification number	Name of federal and state program or cluster
Major federal programs: 14.218	Community Development Block Grants/Entitlement Grants
Major state programs:	State of Texas Department of Transportation

- | | |
|------------------------------------------------------------------------------|----------------------------------------------------------------|
| (h) Dollar threshold used to distinguish between type A and type B programs: | \$750,000 for federal programs
\$750,000 for state programs |
| (i) Auditee qualified as low risk auditee? | Yes |

CITY OF PLANO, TEXAS
Schedule of Findings and Questioned Costs
Year ended September 30, 2016

Section II – Findings Relating to the Financial Statements

The audit disclosed no findings required to be reported.

Section III – Findings and Questioned Costs Related to Federal and State Awards

The audit disclosed no findings required to be reported.

ORDINANCE NO. 2017-1-16

Zoning Case 2016-038

An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, granting Specific Use Permit No. 36 for Independent Living Facility on 6.5 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 825 feet east of Silverglen Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 23rd day of January, 2017, for the purpose of considering granting Specific Use Permit No. 36 for Independent Living Facility on 6.5 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 825 feet east of Silverglen Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 23rd day of January, 2017; and

WHEREAS, the City Council is of the opinion and finds that the granting of Specific Use Permit No. 36 for Independent Living Facility on 6.5 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 825 feet east of Silverglen Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial, would not be detrimental or injurious to the public health, safety and general welfare, or otherwise offensive to the neighborhood; and

WHEREAS, the City Council is of the opinion and finds that such change will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

ORDINANCE NO. 2017-1-16

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to grant Specific Use Permit No. 36 for Independent Living Facility on 6.5 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the south side of Mapleshade Lane, 825 feet east of Silverglen Drive, in the City of Plano, Collin County, Texas, presently zoned Corridor Commercial, said property being more fully described on the legal description in Exhibit "A" attached hereto.

Section II. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

Section III. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section IV. The repeal of any ordinance or part of ordinances affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section V. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section VI. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

ORDINANCE NO. 2017-1-16

Section VII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 23RD DAY OF JANUARY, 2017.



Harry LaResliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

Zoning Case 2016-038

Being all that certain lot, tract or parcel situated in the Martha McBride survey, Abstract No. 553, City of Plano, Collin County, Texas and being a portion of a tract land described in deed of gift to the board of regents of the University of Texas system recorded in volume 976, page 517 of the deed records of Collin County, Texas, said 6.52 acre tract of land being more particularly described by metes and bounds as follows:

Commencing at a 5/8" iron rod found for corner at the north end of a corner clip at the intersection of northwest right-of-way line of State Highway 190 and the southwest right-of-way line of Mapleshade Lane (92 feet right-of-way);

Thence North 21° 13' 54" West, and following along the southwest right-of-way line of Mapleshade Lane, for a distance of 247.82 feet to a 5/8" iron rod set for corner, said point being the beginning of a curve to the left having a radius of 540.00 feet with a central angle of 04°03'02" and a chord bearing North 23° 15' 26" West at a distance of 38.17 feet;

Thence northwesterly and following along said curve to the left and the southwest right-of-way line of said Mapleshade Lane, for an arc distance of 38.17 feet to a 5/8" iron rod set for the point of beginning for this description;

Thence South 68° 42' 36" West and departing the southeast right-of-way line of said Mapleshade Lane, for a distance of 416.28 feet to a 5/8" iron rod set for corner;

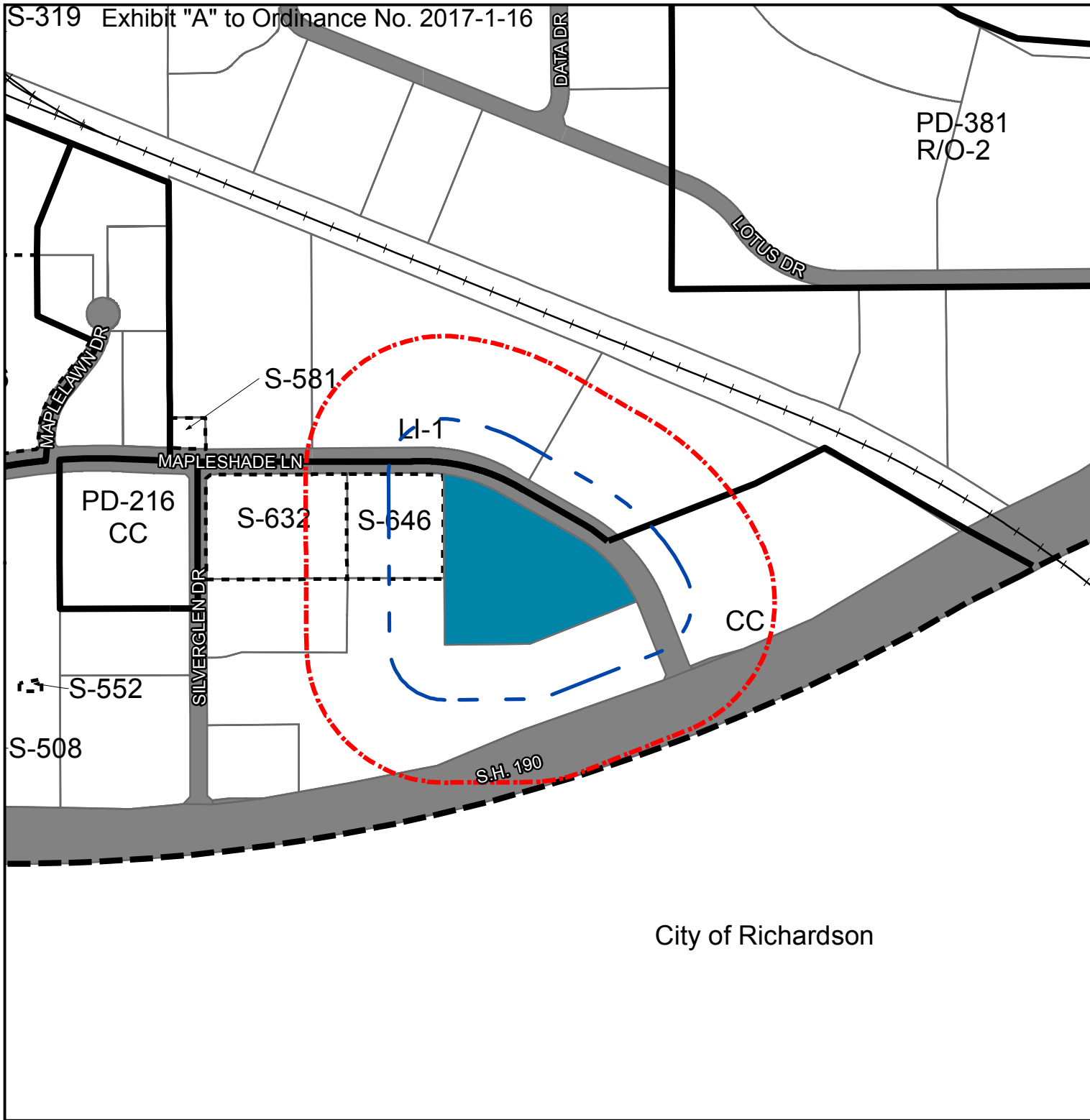
Thence west for a distance of 309.45 feet to a 5/8" iron rod set for corner;

Thence North 00° 01' 30" East, for a distance of 617.57 feet to a 5/8" iron rod set for corner, said point being in the southeast right-of-way line of said Mapleshade Lane, said point also being in the arc of a curve to the right having a radius of 539.65 feet with a central angle of 22° 58' 11" and a chord bearing South 71° 15' 30" East at a distance of 214.90 feet;

Thence southeasterly and following along said curve to the right and along the southeast right-of-way line of said Mapleshade Lane, for an arc distance of 216.34 feet to a 5/8" iron rod set for corner;

Thence South 59° 46' 45" East and continuing along the southeast right-of-way line of said Mapleshade Lane, for a distance of 320.65 feet to a 5/8" iron rod set for corner, said point being the beginning of a curve to the right having a radius of 540.00 feet with a central angle of 34° 29' 48" and a chord bearing South 42° 31' 51" East at a distance of 320.24 feet;


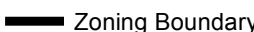





Thence southeasterly and following along said curve to the right and along the southeast right-of-way line of said Mapleshade Lane, for an arc distance of 325.12 feet to the POINT OF BEGINNING and CONTAINING 6.52 acres of land, more or less.

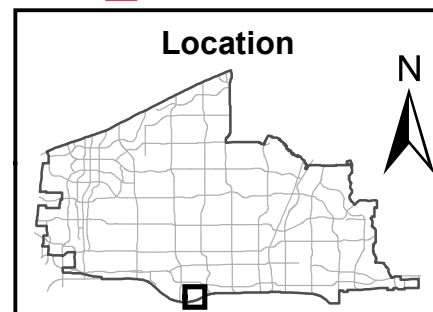


Zoning Case #: 2016-038

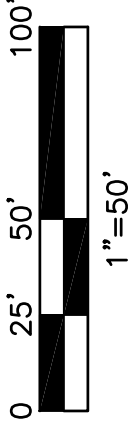
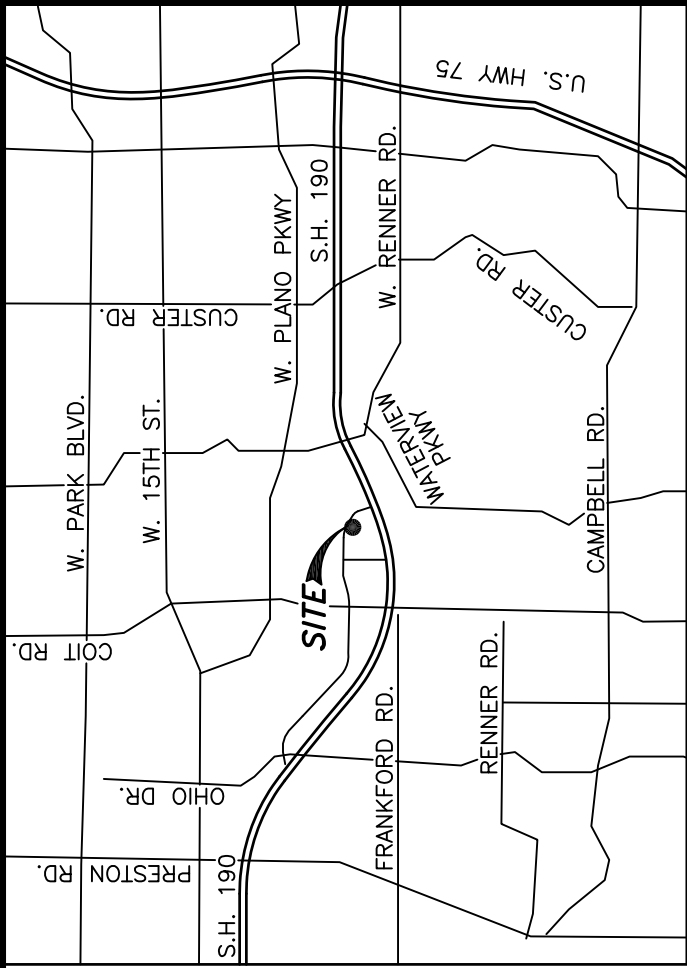
Existing Zoning: Corridor Commercial (CC)/190/Tollway/Plano Parkway Overlay District

Proposed Zoning: Specific Use Permit (SUP) for Independent Living Facility

- | | | | | | |
|-------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------|---------------------|
|  | 500' Courtesy Buffer |  | Zoning Boundary |  | Specific Use Permit |
|  | 200' Notification Buffer |  | City Limits |  | Right-of-Way |
|  | Subject Property | | | | |



Source: City of Plano Planning Department



~ CURVE TABLE ~				
NO.	RADIUS	DELTA	ARC	CH. BEARING
C1	540.00'	04°03'02"	38.17'	N 23°15'28" W 38.17'
C2	539.65'	22°58'11"	216.34'	S 71°15'30" E 214.90'
C3	540.00'	34°29'48"	325.12'	S 42°31'51" E 320.24'

APPROVAL OF THE ZONING CASE ASSOCIATED WITH THIS EXHIBIT SHALL NOT IMPLY APPROVAL OF ANY ASSOCIATED STUDY, PLAN, APPROVAL OF DEVELOPMENT STANDARDS SHOWN HEREON, OR THE INITIATION OF THE DEVELOPMENT PROCESS PLANNING & ZONING COMMISSION AND/OR CITY COUNCIL ACTION ON STUDIES, PLANS OR PLANS RELATING TO THE DEVELOPMENT OF THIS PROPERTY SHALL BE CONSIDERED AS AN ACTION SEPARATE FROM ACTION TAKEN ON THIS ZONING CASE.

PROPERTY DESCRIPTION

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF SITUATED IN THE CITY OF SITUATED IN THE MARTHA MCBRIDE SURVEY, ABSTRACT NO. 553, CITY OF PLANO, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT LAND DESCRIBED IN DEED OF GIFT TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM RECORDED IN VOLUME 976, PAGE 517 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, SAID 6.52 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 5/8" IRON ROD FOUND FOR CORNER AT THE NORTH END OF A CORNER CLIP AT THE INTERSECTION OF NORTHWEST RIGHT-OF-WAY LINE OF STATE HIGHWAY 190 AND THE SOUTHWEST RIGHT-OF-WAY LINE OF MAPLESHADE LANE (92 FEET RIGHT-OF-WAY);

THENCE NORTH 21° 13' 54" WEST, AND FOLLOWING ALONG THE SOUTHWEST RIGHT-OF-WAY LINE OF MAPLESHADE LANE, FOR A DISTANCE OF 247.82 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 540.00 FEET WITH A CENTRAL ANGLE OF 04°03'02" AND A CHORD BEARING NORTH 23° 15' 26" WEST AT A DISTANCE OF 38.17 FEET;

THENCE NORTHWESTERLY AND FOLLOWING ALONG SAID CURVE TO THE LEFT AND THE SOUTHWEST RIGHT-OF-WAY LINE OF SAID MAPLESHADE LANE, FOR AN ARC DISTANCE OF 38.17 FEET TO A 5/8" IRON ROD SET FOR THE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE SOUTH 68° 42' 36" WEST AND DEPARTING THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID MAPLESHADE LANE, FOR A DISTANCE OF 416.28 FEET TO A 5/8" IRON ROD SET FOR CORNER;

THENCE NORTH 90°00'00" WEST FOR A DISTANCE OF 309.45 FEET TO A 5/8" IRON ROD SET FOR CORNER;

THENCE NORTH 00° 01' 30" EAST, FOR A DISTANCE OF 617.57 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING IN THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID MAPLESHADE LANE, SAID POINT ALSO BEING IN THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 539.65 FEET WITH A CENTRAL ANGLE OF 22° 58' 11" AND A CHORD BEARING SOUTH 71° 15' 30" EAST AT A DISTANCE OF 214.90 FEET;

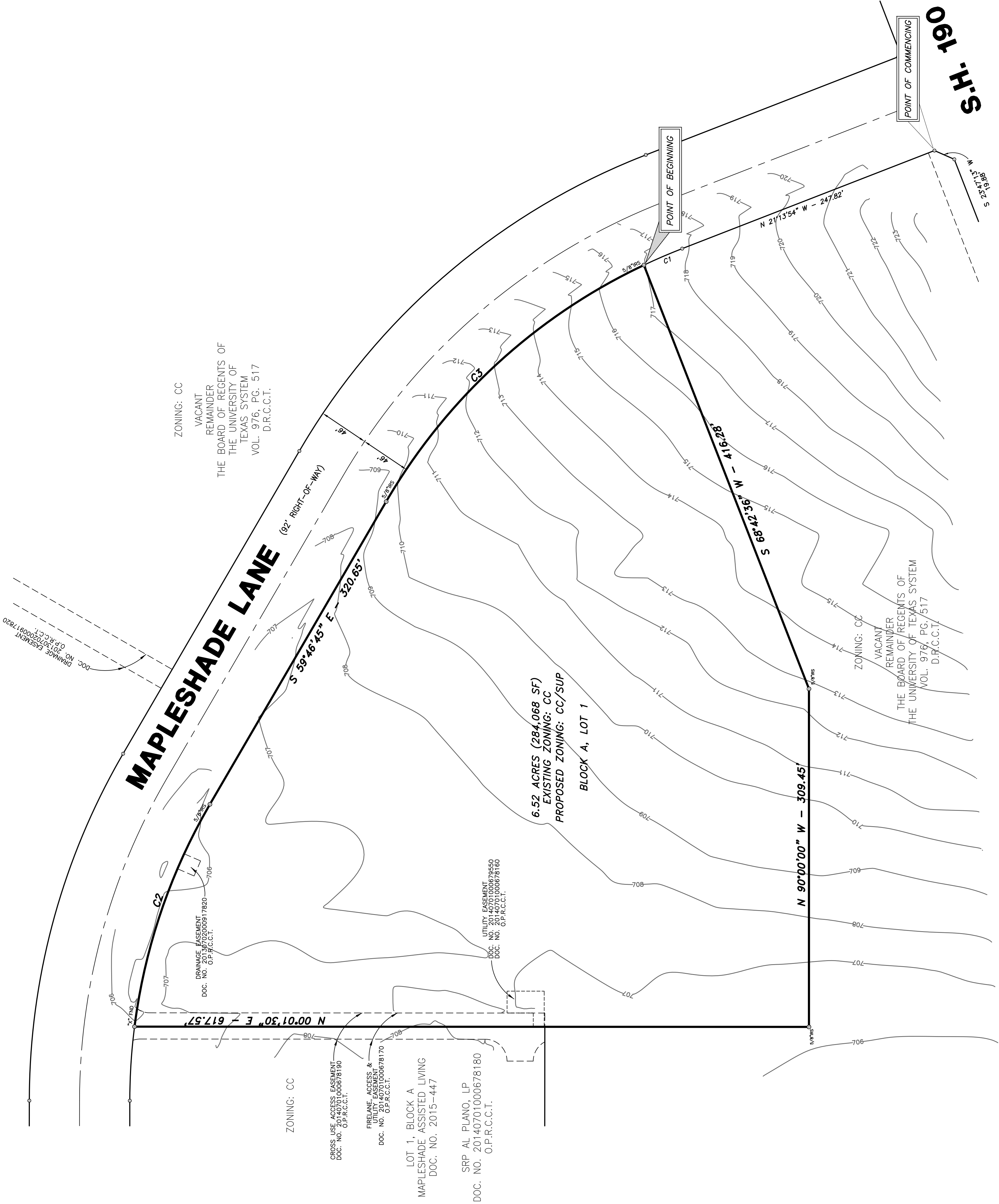
THENCE SOUTHEASTERLY AND FOLLOWING ALONG SAID CURVE TO THE RIGHT AND ALONG THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID MAPLESHADE LANE, FOR AN ARC DISTANCE OF 216.34 FEET TO A 5/8" IRON ROD SET FOR CORNER;

THENCE SOUTH 59° 46' 45" EAST AND CONTINUING ALONG THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID MAPLESHADE LANE, FOR A DISTANCE OF 320.65 FEET TO A 5/8" IRON ROD SET FOR CORNER, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 540.00 FEET WITH A CENTRAL ANGLE OF 34° 29' 48" AND A CHORD BEARING SOUTH 42° 31' 51" EAST AT A DISTANCE OF 320.24 FEET;

THENCE SOUTHEASTERLY AND FOLLOWING ALONG SAID CURVE TO THE RIGHT AND ALONG THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID MAPLESHADE LANE, FOR AN ARC DISTANCE OF 325.12 FEET TO THE POINT OF BEGINNING AND CONTAINING 6.52 ACRES (284,068 SF) OF LAND, MORE OR LESS.

OWNER	APPLICANT
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM 201 WEST 7TH STREET, SUITE 416 AUSTIN, TEXAS 78701 PHONE: (512) 499-4369 CONTACT: KIRK S. TAMES	DIAL SENIOR APARTMENT DEVELOPMENT GROUP, LLC 11506 NICHOLAS STREET, SUITE 100 OMAHA, NEBRASKA 68154 PHONE: (402) 493-2800 CONTACT: NEIL LABELLE
PLANNER	ENGINEER/SURVEYOR
MYCOSKIE-McINNIS ASSOCIATES 200 E. ABRAM STREET AUSTIN, TEXAS 78701 PHONE: (817) 385-1871 CONTACT: DOUGLAS COOPER, AICP	CATES-CLARK & ASSOCIATES, LLP 14800 QUORIN DRIVE, SUITE 200 FARMERSVILLE, TEXAS 77936 PHONE: (972) 385-2272 CONTACT: MICHAEL L. CLARK, P.E. TBPE F-3751

ZC #2016-038
ZONING EXHIBIT
DIAL MAPLESHADE ADDITION
BLOCK A, LOT 1
6.52 ACRES
MARTHA MCBRIDE SURVEY, ABSTRACT NO. 553
CITY OF PLANO, COLLIN COUNTY, TEXAS
JANUARY 6, 2017



ORDINANCE NO. 2017-1-17

Zoning Case 2016-040

An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to rezone 9.2 acres of land out of the Collin County School Land Survey, Abstract No. 150, located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway in the City of Plano, Collin County, Texas, from Commercial Employment to Single-Family Residence-6; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 23rd day of January, 2017, for the purpose of considering rezoning 9.2 acres of land out of the Collin County School Land Survey, Abstract No. 150, located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway in the City of Plano, Collin County, Texas, from Commercial Employment to Single-Family Residence-6; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 23rd day of January, 2017; and

WHEREAS, the City Council is of the opinion and finds that such rezoning would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to rezone 9.2 acres of land out of the Collin County School Land Survey, Abstract No. 150, located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway in the City of Plano, Collin County, Texas, from Commercial Employment to Single-Family Residence-6, said property being described in the legal description on Exhibit "A" attached hereto.

Section II. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

ORDINANCE NO. 2017-1-17

Section III. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section IV. The repeal of any ordinance or part of ordinances affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section V. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section VI. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

Section VII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 23RD DAY OF JANUARY, 2017.



Harry LaRosilliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

Zoning Case 2016-040

BEING a tract of land situated in the Collin County School Land Survey, Abstract No. 150, City of Plano, Collin County, Texas and being part of a tract of land described in deed to Starside Custom Builders, LLC, recorded in Instrument No. 20160805010003190, Official Public Records of Collin County, Texas, being part of Lots 1 and 2, Block A of Normandy Estates Corporate Drive Addition, Lots 1 and 2, Block A, an addition to the City of Plano according to the plat thereof recorded Cabinet 2016, Page 540, Map Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at the northwest corner of said Lot 2, Block A;

THENCE with the north line of said Lot 2, North 88°54'23" East, a distance of 1090.05 feet to a point for corner in the southwest right-of-way line of Corporate Drive (a variable width right-of-way);

THENCE departing said southwest right-of-way line of Corporate Drive, North 41°52'04" East, a distance of 42.51 feet to a point for corner in the centerline of said Corporate Drive,

THENCE with said centerline of Corporate Drive, South 48°07'56" East a distance of 127.12 feet point for corner in the centerline of said Corporate Drive;

THENCE departing said centerline of Corporate Drive, South 41°52'04 West, a distance of 42.51 feet to a point for corner in said southwest right-of-way line of Corporate Drive

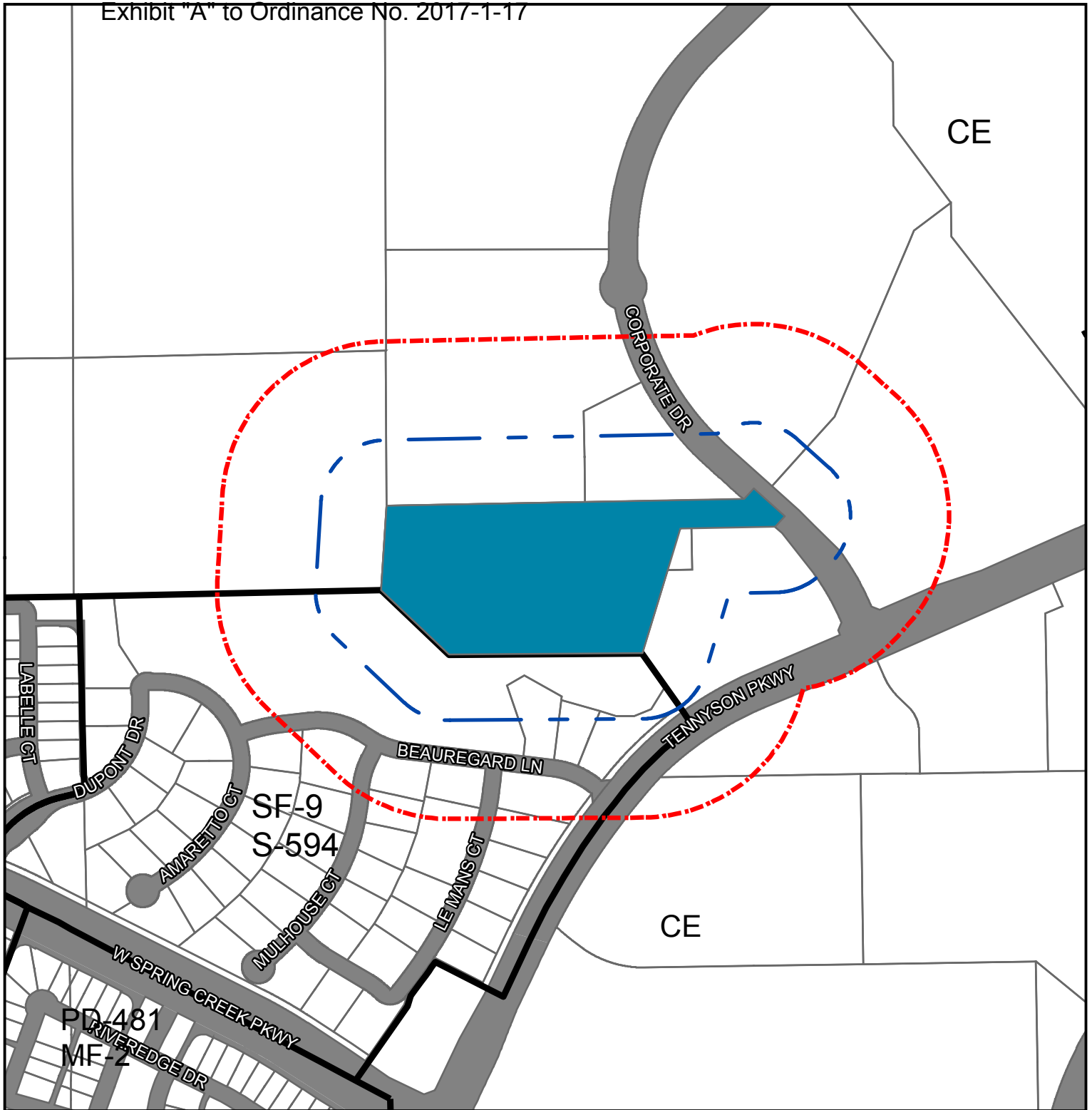
THENCE departing said southwest right-of-way line of Corporate Drive, the following courses and distances, to wit:

South 88°54'23" West, a distance of 290.05 feet to a point for corner;
South 16°51'24" West, passing at a distance of 130.82 feet an east corner of Lot 2 and continuing with an east line of said Lot 2 in all a total distance of 397.00 feet to a point for the most southerly southeast corner of said Lot 2;

THENCE with the south line of said Lot 2, the following courses and distances, to wit:

South 89°34'21" West, a distance of 587.90 feet to a point for corner;
North 46°32'37" West, a distance of 285.10 feet to a point for the most southerly southwest corner of said Lot 2;

THENCE with the west line of said Lot 2, North 3°25'29" East, a distance of 258.27 feet to the POINT OF BEGINNING and CONTAINING 9.21 acres of land.

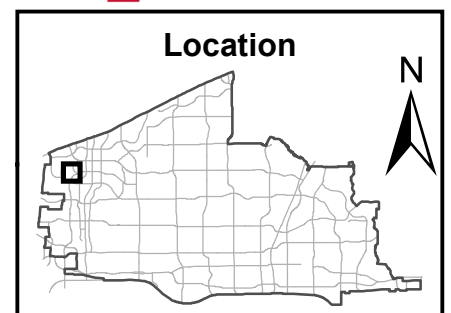


Zoning Case #: 2016-040

Existing Zoning: Commercial Employment (CE)

Proposed Zoning: Single-Family Residence-6 (SF-6)

- 500' Courtesy Notification Buffer
- 200' Notification Buffer
- Subject Property
- Zoning Boundary
- Specific Use Permit
- City Limits
- Right-of-Way



Source: City of Plano Planning Department

ORDINANCE NO. 2017-1-18

Zoning Case 2016-041

An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, to expand Specific Use Permit No. 594 for the additional use of Private Street Subdivision on 9.1 acres of land out of the Collin County School Land Survey, Abstract No. 150, located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway, in the City of Plano, Collin County, Texas, presently zoned Commercial Employment; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 23rd day of January, 2017, for the purpose of considering expanding of Specific Use Permit No. 594 for the additional use of Private Street Subdivision on 9.1 acres of land out of the Collin County School Land Survey, Abstract No. 150, located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway, in the City of Plano, Collin County, Texas, presently zoned Commercial Employment; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 23rd day of January, 2017; and

WHEREAS, the City Council is of the opinion and finds that expanding Specific Use Permit No. 594 for the additional use of Private Street Subdivision on 9.1 acres of land out of the Collin County Land Survey, Abstract No. 150, located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway, in the City of Plano, Collin County, Texas, presently zoned Commercial Employment, would not be detrimental or injurious to the public health, safety and general welfare, or otherwise offensive to the neighborhood; and

WHEREAS, the City Council is of the opinion and finds that such change will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

ORDINANCE NO. 2017-1-18

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to expand Specific Use Permit No. 594 for the additional use of Private Street Subdivision on 9.1 acres of land out of the Collin County Land Survey, Abstract No. 150, located on the west side of Corporate Drive, 425 feet north of Tennyson Parkway, in the City of Plano, Collin County, Texas, presently zoned Commercial Employment, said property being more fully described on the legal description in Exhibit "A" attached hereto.

Section II. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

Section III. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section IV. The repeal of any ordinance or part of ordinances affected by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section V. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section VI. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

ORDINANCE NO. 2017-1-18

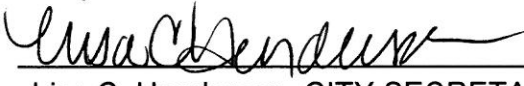
Section VII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 23RD DAY OF JANUARY, 2017.



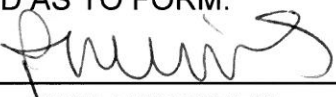
Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

Zoning Case 2016-041

BEING a tract of land situated in the Collin County School Land Survey, Abstract No. 150, City of Plano, Collin County, Texas and being part of a tract of land described in deed to Starside Custom Builders, LLC, recorded in Instrument No. 20160805010003190, Official Public Records of Collin County, Texas, being part of Lots 1 and 2, Block A of Normandy Estates Corporate Drive Addition, Lots 1 and 2, Block A, an addition to the City of Plano according to the plat thereof recorded Cabinet 2016, Page 540, Map Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at the northwest corner of said Lot 2, Block A;

THENCE with the north line of said Lot 2, North 88°54'23" East, a distance of 1090.05 feet to a point for corner in the southwest right-of-way line of Corporate Drive (a variable width right-of-way);

THENCE with said southwest right-of-way line of Corporate Drive, South 48°07'56" East, a distance of 127.12 feet to a point for corner;

THENCE departing said southwest right-of-way line of Corporate Drive, the following courses and distances, to wit:

South 88°54'23" West, a distance of 290.05 feet to a point for corner;

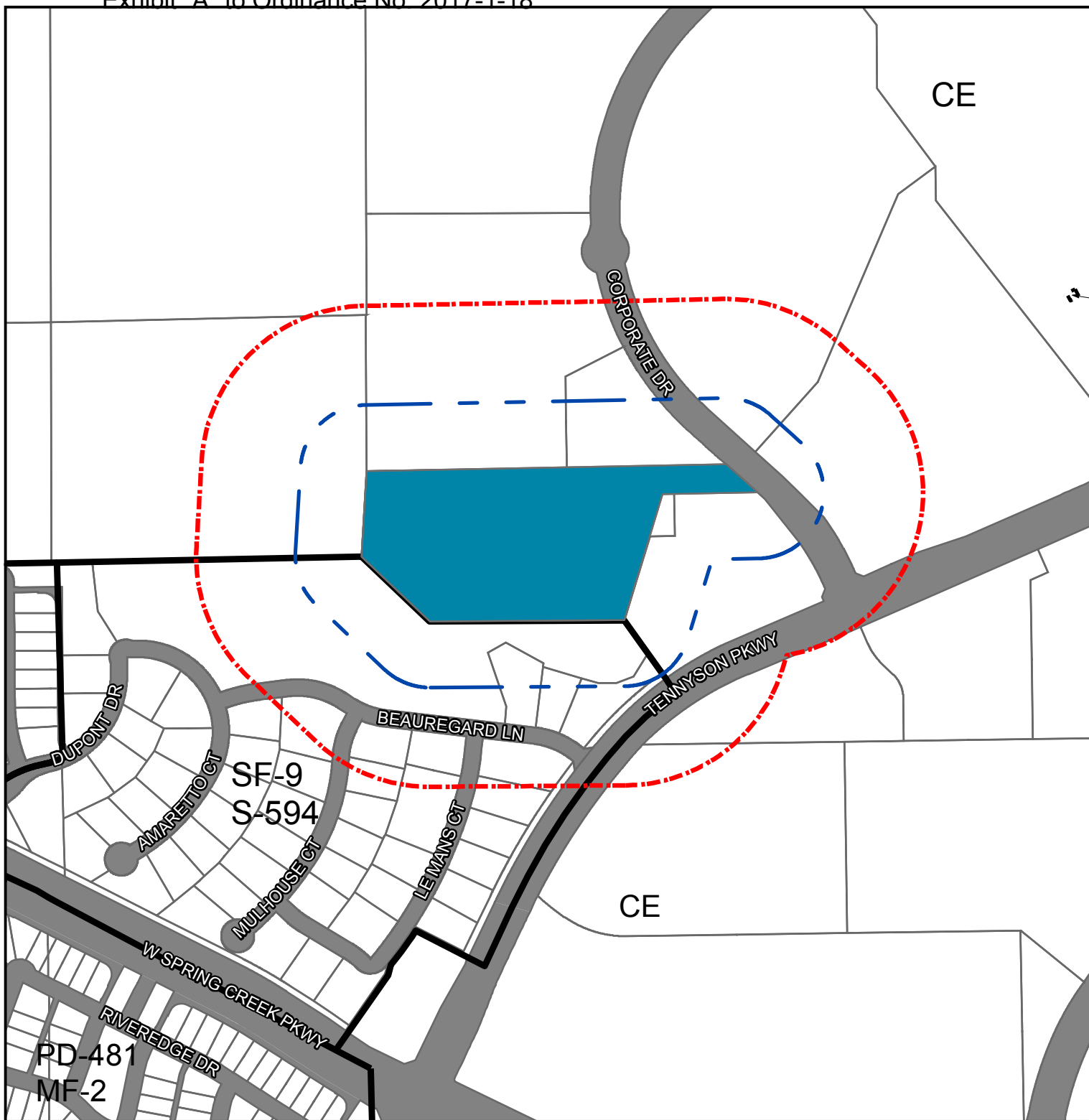
South 16°51'24" West, passing at a distance of 130.82 feet an east corner of Lot 2 and continuing with an east line of said Lot 2 in all a total distance of 397.00 feet to a point for the most southerly southeast corner of said Lot 2;

THENCE with the south line of said Lot 2, the following courses and distances, to wit:

South 89°34'21" West, a distance of 587.90 feet to a point for corner;

North 46°32'37" West, a distance of 285.10 feet to a point for the most southerly southwest corner of said Lot 2;

THENCE with the west line of said Lot 2, North 3°25'29" East, a distance of 258.27 feet to the POINT OF BEGINNING and CONTAINING 9.09 acres of land.



Zoning Case #: 2016-041

Existing Zoning: Commercial Employment (CE)

Proposed Zoning: Expand Specific Use Permit #594 for Private Street Subdivision



500' Courtesy Notification Buffer



200' Notification Buffer



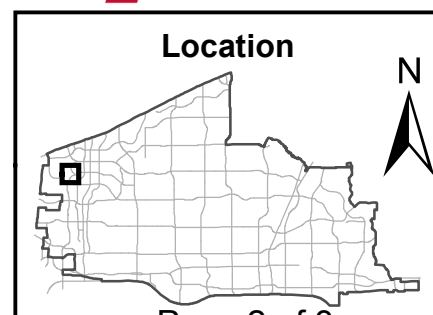
Subject Property

— Zoning Boundary

— City Limits

- - - Specific Use Permit

— Right-of-Way



ORDINANCE NO. 2017-1-19

Zoning Case 2016-043

An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to rezone 9.5 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the east side of Mapleshade Lane, 455 feet north of State Highway 190 in the City of Plano, Collin County, Texas, from Light Industrial-1 to Corridor Commercial; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 23rd day of January, 2017, for the purpose of considering rezoning 9.5 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the east side of Mapleshade Lane, 455 feet north of State Highway 190 in the City of Plano, Collin County, Texas, from Light Industrial-1 to Corridor Commercial; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 23rd day of January, 2017; and

WHEREAS, the City Council is of the opinion and finds that such rezoning would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to rezone 9.5 acres of land out of the Martha McBride Survey, Abstract No. 553, located on the east side of Mapleshade Lane, 455 feet north of State Highway 190 in the City of Plano, Collin County, Texas, from Light Industrial-1 to Corridor Commercial, said property being described in the legal description on Exhibit "A" attached hereto.

ORDINANCE NO. 2017-1-19

Section II. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

Section III. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section IV. The repeal of any ordinance or part of ordinances affectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section V. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.


Section VI. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of any section, clause or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

Section VII. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 23RD DAY OF JANUARY, 2017.


Harry LaRosiliere, MAYOR

ATTEST:


Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:


Paige Mims, CITY ATTORNEY

Zoning Case 2016-043

BEING a tract of land in the Martha McBride Survey, Abstract No. 553, Collin County, Texas and being part of a tract of land conveyed to the Board of Regents of The University of Texas System according to a document filed for record in Volume 976, Page 517, Deed Records, Collin County, Texas, part of a tract of land conveyed to the Board of Regents of The University of Texas System shown on Exhibit R according to the document filed for record in Instrument Number 94-0062867, Deed Records, Collin County, Texas, and being more particularly described as follows:

COMMENCING at a 5/8 inch iron rod with a yellow plastic cap stamped "ARS" found in the southerly line of the Kansas City Southern Railroad at the southeast corner of said Board of Regents Tract shown on Exhibit R, said point being in the northerly right of way line of State Highway 190;

THENCE in a Northwesterly direction following said KCS railroad southerly line on a curve to the left having a central angle of $5^{\circ} 59' 28''$, a radius of 5,679.58 feet, a chord length of 593.61 feet, bearing North $60^{\circ} 24' 52''$ West, on arc distance of 593.88 feet, to a point for corner and the Point of Beginning;

THENCE South $59^{\circ} 04' 49''$ West, a distance of 284.90 feet, departing said KCS railroad southerly line to a point for corner;

THENCE South $64^{\circ} 50' 59''$ West a distance of 550.12 feet to a point for corner on the centerline of Mapleshade Lane (92 feet wide) and the beginning of a curve to the left;

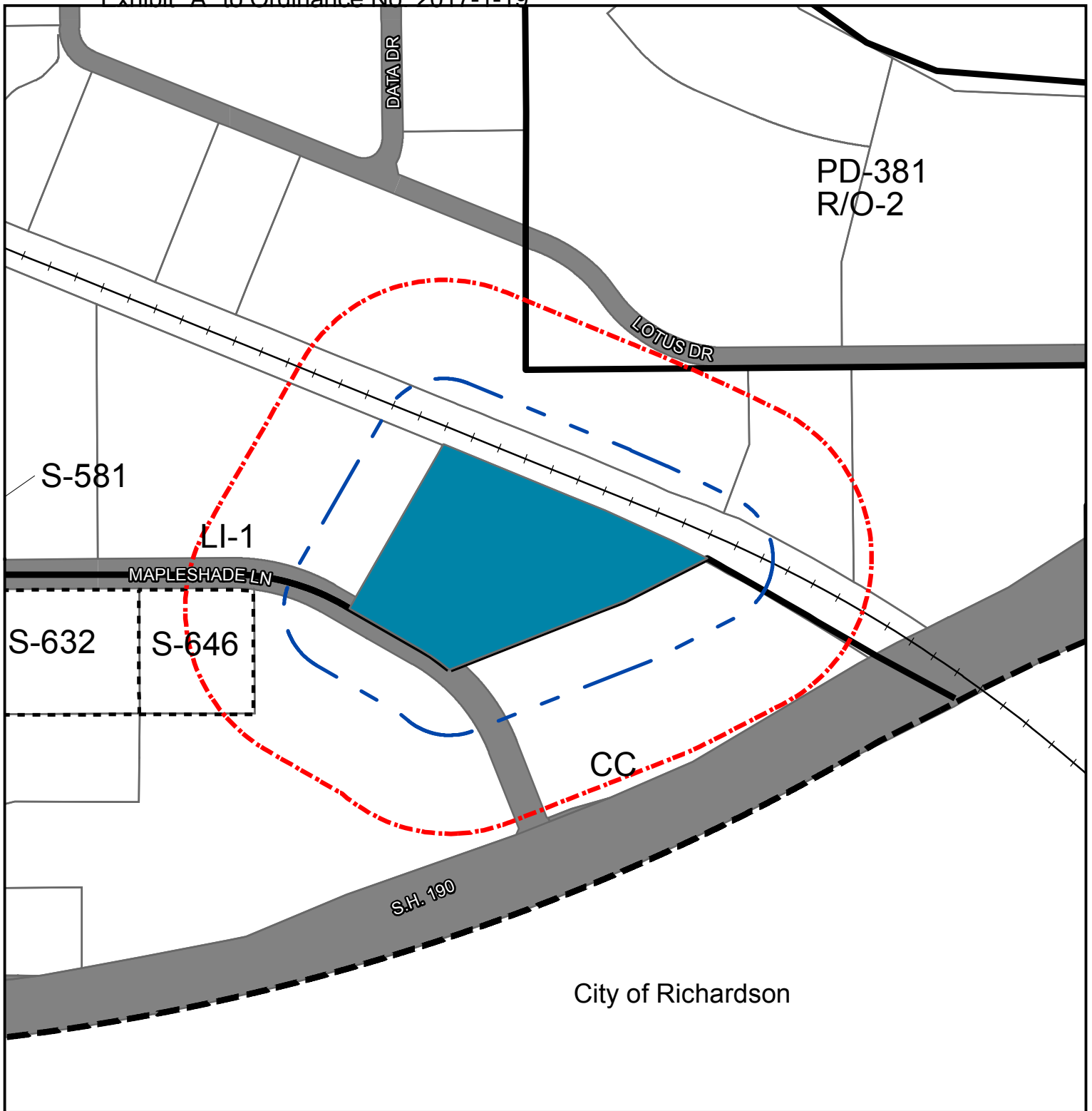
THENCE in a Northwesterly direction following the centerline of said Mapleshade Lane on a curve to the left having a central angle of $16^{\circ} 15' 18''$, a radius of 586.00 feet, a chord length of 165.69 feet, bearing North $51^{\circ} 56' 34''$ West, an arc distance of 166.25 feet to the end of said curve and a point for corner;

THENCE North $60^{\circ} 08' 13''$ West a distance of 251.28 feet to a point for corner;

THENCE North $29^{\circ} 51' 09''$ East a distance of 576.39 feet, departing the centerline of Mapleshade Lane and following the north line of subject tract to a point for corner on the southerly line of said KCS railroad;

THENCE South $67^{\circ} 42' 00''$ East with southerly line of said KCS railroad a distance of 416.08 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "ARS" found at the beginning of a curve to the right having a central angle of $4^{\circ} 38' 17''$, a radius of 5,679.58 feet, a chord length of 459.63 feet, bearing South $65^{\circ} 43' 44''$ East;


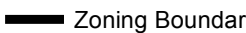





Following said curve to the right, being common with said southerly line, an arc distance of 459.76 feet to the POINT OF BEGINNING and CONTAINING 9.467 acres of land or 412,383 sq ft; more or less.

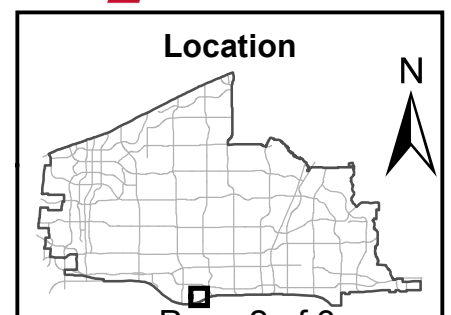


Zoning Case #: 2016-043

Existing Zoning: Light Industrial-1 (LI-1)/190 Tollway/Plano Parkway Overlay District

Proposed Zoning: Corridor Commercial (CC)/190 Tollway/Plano Parkway Overlay District

- | | | | | | |
|-------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------|---------------------|
|  | 500' Courtesy Notification Buffer |  | Zoning Boundary |  | Specific Use Permit |
|  | 200' Notification Buffer |  | City Limits |  | Right-of-Way |
|  | Subject Property | | | | |



ORDINANCE NO. 2017-1-20

An Ordinance of the City of Plano, Texas, determining a public use, need and necessity for the acquisition of a hike and bike trail easement for a portion of a tract of land conveyed to Effat Saifi, as described in Instrument Number 95-0074790, Official Public Records, Collin County, Texas, generally located west of Georgetown Drive, across from Chattham Court in the City of Plano, Collin County, Texas, as well as a portion of Lot 1, Block A, Hedgcoxe-Georgetown Addition, being an addition to the City of Plano, according to the plat recorded in Volume S, Page 8515, Plat Records of Collin County, Texas, both described in attached Exhibit “A”; for the public use of constructing, reconstructing, using, maintaining and operating a municipal hike and bike trail and related public improvements in the City of Plano, Collin County, Texas; authorizing the City Manager and City Attorney, or their respective designees, to acquire the property including making initial and bona fide offers, and authorizing the City Attorney to file proceedings in eminent domain to condemn the needed real property for public use, if necessary; and providing an effective date.

WHEREAS, the City Council of the City of Plano, Texas (the “City Council”), upon consideration of this matter, has determined that there is a public need and necessity for the health, safety, and welfare of the City of Plano and the public at large to acquire hike and bike trail easements (the “Easements”) on certain parcels of real property attached hereto as Exhibit “A”, also known as a portion of a tract of land conveyed to Effat Saifi, as described in Instrument Number 95-0074790, Official Public Records, Collin County, Texas, generally located west of Georgetown Drive, across from Chattham Court in the City of Plano, Collin County, Texas, as well as a portion of Lot 1, Block A, Hedgcoxe-Georgetown Addition, being an addition to the City of Plano, according to the plat recorded in Volume S, Page 8515, Plat Records of Collin County, Texas (both collectively the “Property”), for the public use of constructing, using, maintaining and operating a municipal hike and bike trail and related public improvements as part of the Hoblitzelle Park Trail (the “Project”) for use by the citizens of the City of Plano and the general public (the “Public Uses”); and

WHEREAS, the City Council finds that the description of the Property, attached hereto as Exhibit “A”, to be acquired by eminent domain for the Project complies with applicable law in that the same provides the property owners in and around the area reasonable notice that the owner’s property may be subject to condemnation proceedings during the planning or construction of the Project; and

WHEREAS, the City Council has further investigated and determined that the Project constitutes a public use for a public purpose; and

WHEREAS, the City is required to make an initial offer as defined by and in compliance with Texas Property Code § 21.0111 (“Initial Offer”) and a bona fide offer, as defined by and in compliance with Texas Property Code § 21.0113 (“Bona Fide Offer”) to acquire the Easements on the Property for public use, voluntarily, from the subject landowners prior to moving forward with the acquisition by eminent domain; and

ORDINANCE NO. 2017-1-20

WHEREAS, the City Council now deems it necessary to authorize the City Attorney to initiate condemnation proceedings in order to acquire the necessary Easements.

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

Section I. The City Council hereby finds and determines that the recitals made in the preamble of this Ordinance are true and correct, and incorporates such recitals the body of this ordinance as if copied in their entirety.

Section II. The City Council of the City of Plano hereby finds and determines that a public use and necessity exists for the Public Uses and authorizes acquisition of the necessary property rights in and to the Property for such purposes, as allowed by law, together with all necessary appurtenances, additions and improvements on, over, under, and through those certain lots, tracts or parcels of lands.

Section III. The City Council authorizes the City Attorney or her designee to negotiate for and to acquire the required property rights for the City, and to acquire said rights in compliance with State and any other applicable law. Moreover, the City Attorney, or designee, is specifically authorized and directed to do each and every act necessary to acquire the needed property rights including, but not limited to, the authority to negotiate, give notices, make written offers to purchase, prepare contracts, to retain and designate a qualified appraiser of the property interests to be acquired, as well as any other experts or consultants that she deems necessary for the acquisition process and, if necessary, to institute proceedings in eminent domain.

Section IV. The City Manager, or designee, is appointed as negotiator for the acquisition of the needed property interests and, as such, the City Manager or designee is authorized and directed to do each and every act and deed hereinabove specified or authorized by reference, subject to the availability of funds appropriated by the City Council for such purpose. Further, the City Manager or designee is specifically authorized to establish the just compensation for the acquisition of the Property. Additionally, if the City Manager or designee determines that an agreement as to damages or compensation cannot be reached, then the City Attorney or designee is hereby authorized and directed to file or cause to be filed, against the owner(s) and interested parties of the needed property interests, proceedings in eminent domain to acquire the above-stated interests in the Property.

Section V. This Ordinance shall become effective immediately upon its passage.

ORDINANCE NO. 2017-1-20

DULY PASSED AND APPROVED this the 23rd day of January, 2017.




Harry LaRosiliere, MAYOR

ATTEST:



Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:



Paige Mims, CITY ATTORNEY

EXHIBIT "A"
THE PROPERTY
CONSISTING OF

PARCEL #1: TRAIL EASEMENT, SAIFI
PROPERTY

PARCEL # 2: TRAIL EASEMENT, LOT 1,
BLOCK A, HEDGCOXE - GEORGETOWN
ADDITION

PARCEL #1

EXHIBIT "A"
LEGAL DESCRIPTION
CITY OF PLANO, TEXAS TRAIL EASEMENT
SAIFI PROPERTY

BEING A 0.205 ACRE TRACT OF LAND, IN THE GRIZZEL KENNEDY SURVEY, ABSTRACT NO. 499, COLLIN COUNTY, TEXAS, BEING A PORTION OF A TRACT OF LAND CONVEYED TO EFFAT SAIFI, AS DESCRIBED IN A DEED, RECORDED IN INSTRUMENT NO. 95-0074790, DEED RECORDS, COLLIN COUNTY, TEXAS (D.R.C.C.T.), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, AT A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING", S 88°56'02" W, A DISTANCE OF 153.70 FEET FROM THE NORTHEAST CORNER OF SAID SAIFI TRACT, FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, IN THE NORTH LINE OF SAID SAIFI TRACT, SAME BEING IN THE SOUTH LINE OF LOT 1, BLOCK A, HEDGCOXE-GEORGETOWN ADDITION, RECORDED IN VOLUME S, PAGE 8515, PLAT RECORDS, COLLIN COUNTY, TEXAS;

THENCE, CROSSING SAID SAIFI TRACT, THE FOLLOWING SIX (6) COURSES AND DISTANCES;

1.S 45°34'26" E, A DISTANCE OF 110.63 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";

2.S 43°59'20" W, A DISTANCE OF 4.79 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";

3.S 46°00'40" E, A DISTANCE OF 21.99 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";

4.S 23°05'53" E, A DISTANCE OF 15.56 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING", TO THE BEGINNING OF A CURVE TO THE LEFT, HAVING A RADIUS OF 30.00 FEET;

5.WITH SAID CURVE TO THE LEFT, A CHORD BEARING AND DISTANCE OF, S 56°33'45" E, 33.09 FEET, AN ARC LENGTH OF 35.05 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";

6.S 46°00'40" E, A DISTANCE OF 30.15 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING", FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, IN THE SOUTH LINE OF SAID SAIFI TRACT, IN A NORTH LINE OF LOT 1, BLOCK 1, HOBLITZELLE PARK ADDITION, RECORDED IN CABINET G, PAGE 687, MAP RECORDS, COLLIN COUNTY, TEXAS (M.R.C.C.T.);

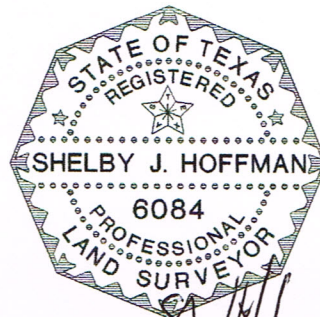
THENCE, WITH THE COMMON LINE BETWEEN SAID SAIFI TRACT, AND WITH SAID LOT 1, BLOCK 1, HOBLITZELLE PARK ADDITION, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1.S 43°59'20" W, A DISTANCE OF 36.82 FEET, TO A CAPPED IRON ROD SET, FOR THE SOUTHWEST CORNER OF SAID SAIFI TRACT;

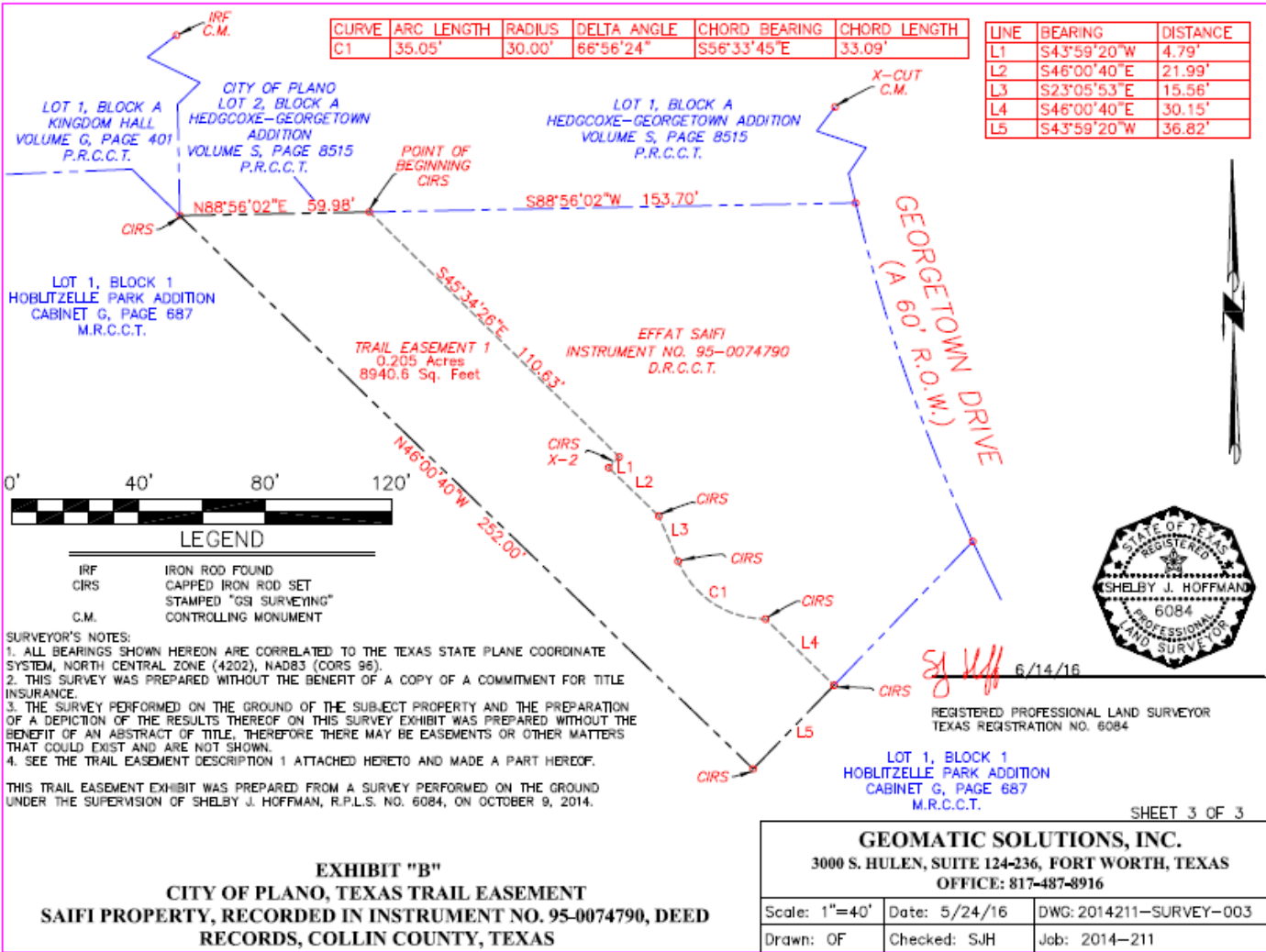
2.N 46°00'40" W, A DISTANCE OF 252.00 FEET, TO A CAPPED IRON ROD SET, FOR THE NORTHWEST CORNER OF SAID SAIFI TRACT, SAME BEING THE SOUTHERNMOST CORNER OF LOT 1, BLOCK A, KINGDOM HALL, RECORDED IN

VOLUME G, PAGE 401, P.R.C.C.T., SAME BEING THE SOUTHWEST CORNER OF LOT 2, BLOCK A, OF SAID HEDGCOXE-GEORGETOWN ADDITION;

THENCE, WITH THE COMMON LINE BETWEEN SAID SAIFI TRACT, AND WITH THE PERIMETER BOUNDARY OF SAID HEDGCOXE-GEORGETOWN ADDITION, N 88°56'02" E, A DISTANCE OF 59.98 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.205 ACRES OF LAND AS SURVEYED ON THE GROUND UNDER THE SUPERVISION OF SHELBY J. HOFFMAN, R.P.L.S. NO. 6084, ON OCTOBER 9, 2014.



6-14-2016



PARCEL #2

EXHIBIT "A"
LEGAL DESCRIPTION
CITY OF PLANO, TEXAS TRAIL EASEMENT
LOT 1, BLOCK A, HEDGCOXE-GEORGETOWN ADDITION

BEING A 0.013 ACRE TRACT OF LAND, IN THE GRIZZEL KENNEDY SURVEY, ABSTRACT NO. 499, COLLIN COUNTY, TEXAS, BEING A PORTION OF LOT 1, BLOCK A, HEDGCOXE-GEORGETOWN ADDITION, RECORDED IN VOLUME S, PAGE 8515, PLAT RECORDS, COLLIN COUNTY, TEXAS (P.R.C.C.T.), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, AT A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING", S 88°56'02" W, A DISTANCE OF 153.70 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1, SAME BEING THE NORTHEAST CORNER OF A TRACT OF LAND CONVEYED TO EFFAT SAIFI, AS DESCRIBED IN A DEED, RECORDED IN INSTRUMENT NO. 95-0074790, DEED, RECORDS, COLLIN COUNTY, TEXAS, (D.R.C.C.T.), FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, WITH THE COMMON LINE BETWEEN SAID LOT 1, AND WITH SAID SAIFI TRACT, S 88°56'02" W, A DISTANCE OF 14.21 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING", FOR THE SOUTHERNMOST SOUTHWEST CORNER OF SAID LOT 1, SAME BEING THE SOUTHEAST CORNER OF LOT 2, BLOCK A, OF SAID HEDGCOXE-GEORGETOWN ADDITION;

THENCE, WITH THE COMMON LINE BETWEEN SAID LOT 1, AND WITH SAID LOT 2, THE FOLLOWING FIVE (5) COURSES AND DISTANCES;

1. N 37°37'37" W, A DISTANCE OF 2.07 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";
2. N 40°28'16" W, A DISTANCE OF 18.02 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";
3. N 32°16'24" W, A DISTANCE OF 26.34 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";
4. N 70°45'15" W, A DISTANCE OF 13.11 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING";
5. S 85°55'18" W, A DISTANCE OF 7.16 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING", FOR THE NORTHERNMOST SOUTHWEST CORNER OF SAID LOT 1, SAME BEING THE NORTHWEST CORNER OF SAID LOT 2, IN THE EAST LINE OF LOT 1, BLOCK A, KINGDOM HALL, RECORDED IN VOLUME G, PAGE 401, P.R.C.C.T.;

THENCE, WITH THE COMMON LINE BETWEEN SAID LOT 1 HEDGCOXE-GEORGETOWN, AND WITH SAID LOT 1, KINGDOM HALL, N 01°03'09" W, A DISTANCE OF 18.72 FEET, TO A CAPPED IRON ROD SET, STAMPED "GSI SURVEYING", FOR THE NORTHERNMOST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, CROSSING SAID LOT 1, HEDGCOXE-GEORGETOWN, S 45°34'26" E, A DISTANCE OF 85.55 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 0.013 ACRES OF LAND AS SURVEYED ON THE GROUND UNDER THE SUPERVISION OF SHELBY J. HOFFMAN, R.P.L.S. NO. 6084, ON OCTOBER 9, 2014.

