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The Public Hearing was closed.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Couch moved to approve the Consent Agenda, as presented. Second by Council Member Watt. All present voted AYE.

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 6055 – AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH GRAYSON COUNTY FOR THE PURCHASE OF VARIOUS COMMODITIES FOR THE CITY OF SHERMAN'S STREET MAINTENANCE PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH GRAYSON COUNTY FOR THE PURCHASE OF VARIOUS COMMODITIES FOR THE CITY OF SHERMAN'S STREET MAINTENANCE PROGRAM.

**RES 6055
GRAYSON COUNTY
INTERLOCAL
AGREEMENT FOR
STREET
MAINTENANCE**

Clay Barnett, Director of Public Works and Engineering, said usually at this time the staff is requesting to advertise for the rock and oil for the City's chip seal program. This year the staff looked at different local entities with which they could "partner".

Grayson County was the most advantageous entity for the City to partner with, and the staff expects to save some money, while partnering with another local government.

Council Member Steele verified that the City would be purchasing materials directly from the County's vendors at the same price for which the County has contracted.

ACTION TAKEN.

Motion by Deputy Mayor Sofey to approve Resolution No. 6055, as presented. Second by Council Member Watt.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6056 – AUTHORIZING THE TEXAS COALITION FOR AFFORDABLE POWER, INC. (TCAP) TO NEGOTIATE AN ELECTRIC SUPPLY AGREEMENT FOR FIVE YEARS FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018; AUTHORIZING TCAP TO ACT AS AN AGENT ON BEHALF OF THE CITY TO ENTER INTO A CONTRACT FOR ELECTRICITY; AUTHORIZING THE EXECUTIVE DIRECTOR OF TCAP OR THE CITY OF SHERMAN MAYOR OR CITY MANAGER TO EXECUTE AN ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018 AND COMMITTING TO BUDGET FOR ENERGY PURCHASES IN 2018 THROUGH 2022 AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER FOR ITS ELECTRICAL NEEDS IN 2018 THROUGH 2022 THROUGH

**RES 6056
ELECTRICAL
SERVICE THROUGH
TCAP**

TCAP

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE TEXAS COALITION FOR AFFORDABLE POWER, INC. (TCAP) TO NEGOTIATE AN ELECTRIC SUPPLY AGREEMENT FOR FIVE YEARS FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018; AUTHORIZING TCAP TO ACT AS AN AGENT ON BEHALF OF THE CITY TO ENTER INTO A CONTRACT FOR ELECTRICITY; AUTHORIZING THE EXECUTIVE DIRECTOR OF TCAP OR THE CITY OF SHERMAN MAYOR OR CITY MANAGER TO EXECUTE AN ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018 AND COMMITTING TO BUDGET FOR ENERGY PURCHASES IN 2018 THROUGH 2022 AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER FOR ITS ELECTRICAL NEEDS IN 2018 THROUGH 2022 THROUGH TCAP.

Mary Lawrence, Director of Finance, said this agreement is similar to one the City entered five years ago with the Texas Coalition for Affordable Power, Inc. The Coalition consists of 170 political subdivisions, mostly cities. They negotiate directly in the wholesale electric market on behalf of the members to give them "buying power".

This contract is different from the previous one, in that the City has three options. The first option is a fixed price 24/7 contract, like we currently have. The other two options have a variable rate component.

However, when these options were developed in 2014, there was a bigger difference between the fixed rate and the market rate. Since then, prices have fallen to historic lows and the difference is a lot smaller. She said the City would still have the market risk if they took a variable rate option. It's hard to justify the market risk when the additional savings aren't there. Most of the other TCAP members have also taken option 1, which is what the staff is recommending.

The contract will "lock in" one of the lowest rates since the retail electric market was deregulated in 2002. The electric rate is comprised of kilowatt hours (of which the City has some control) and some other charges over which the City has no control. The City will see significant savings of about 25%, which amounts to "hundreds of thousands of dollars" for the City.

Ms. Lawrence said the contract won't begin until January 1, 2018, but the City will be locking in prices this summer through December 2022, at these historically low rates.

ACTION TAKEN.

Motion by Council Member Davis to approve Resolution No. 6056, as presented. Second by Council Member Steele.

COUNCIL MINUTES – FEBRUARY 1, 2016

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6057 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH TOBAR PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 407 VERNON HOLLAND MEMORIAL DRIVE
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH TOBAR PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 407 VERNON HOLLAND MEMORIAL DRIVE.
CONSENT AGENDA.

RES 6057
RESIDENTIAL TAX
ABATEMENT
(407 VERNON
HOLLAND MEMORIAL
DR)

REQUEST TO ADVERTISE
AGRICULTURAL LEASE AT THE WASTEWATER
TREATMENT PLANT

REQ TO ADVERTISE
WWTP AG LEASE

The City Council approved the request to advertise for an agricultural lease on approximately 200 acres of City property at the Wastewater Treatment Plant.

In the past, the property was used for land application of biosolids and has been leased for agricultural purposes for three years. The lease will expire on May 14, 2016.
CONSENT AGENDA.

OTHER BUSINESS
APPROVE QUARTERLY INVESTMENT REPORT FOR
QUARTER ENDED DECEMBER 31, 2015

QUARTERLY
INVESTMENT REPORT

The City Council approved the Quarterly Investment Report for the quarter ended December 31, 2015. As of December 31, 2015, the portfolio was in compliance with applicable State laws and the Investment Policy.

The Operating investment portfolio had a book value of about \$15.7 million, a decrease of about \$2 million from the prior quarter of \$17.8 million. This decrease was due to withdrawal from the Local Government Investment Pool and an Agency maturity.

The underlying investments were adequately diversified among four different types of securities and are appropriately liquid. Its weighted-average maturity was about 487 days, down slightly from 490 days last period. The portfolio yield of 0.812% for the quarter is higher than the benchmark yield of 0.65%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.
CONSENT AGENDA.

CITIZENS REQUESTS
There were no citizen's requests.

CITIZENS REQUESTS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

THANK YOU TO THE FIRE DEPARTMENT

Council Member Couch recognized the Fire Department saying they had a busy day yesterday with some structure fires. He thanked them for their hard work and thanked the other surrounding agencies that aided during the fires.

ELECTRICITY NEGOTIATIONS WITH TCAP

Deputy Mayor Sofey said the TCAP negotiations were very important and he thanked the staff for looking into the future and finding an opportunity that could save the City as much money as “landing” a large industrial revenue business. He commended the staff for their hard work.

TOURISM / MAIN STREET OFFICE

Deputy Mayor Sofey said he was happy to see that the Tourism / Main Street Office would be located downtown on Sherman’s main street. He also welcomed Sarah McRae to the City of Sherman as the new Tourism / Main Street Manager.

TOURISM / MAIN STREET MANAGER

Council Member Watt welcomed Ms. McRae to the City saying she had “landed in a good spot” and he was looking for good things from her.

TOURISM / MAIN STREET MANAGER

Council Member Johnson welcomed Ms. McRae to the City.

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW)

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

SECTION 551.071

CONSULTATION WITH CITY
ATTORNEY CONCERNING
PENDING OR CONTEMPLATED
LITIGATION:
RECEIVE THE CITY ATTORNEY’S
BRIEFING ON PENDING OR
CONTEMPLATED LITIGATION

SECTION 551.074

PERSONNEL MATTERS:
CONSIDER THE
QUALIFICATIONS, APPOINTMENT
AND REMOVAL OF MEMBERS TO
BOARDS AND COMMISSIONS:

MEDIA QUESTIONS

THANK YOU TO
THE FIRE DEPT.

ELECTRICITY
NEGOTIATIONS
WITH TCAP

TOURISM / MAIN
STREET OFFICE

TOURISM / MAIN
STREET MANAGER

TOURISM / MAIN
STREET MANAGER

EXECUTIVE SESSION

TEXOMA COUNCIL OF
GOVERNMENTS (TCOG)
GOVERNING BODY (1)

SECTION 551.087

DELIBERATION REGARDING
ECONOMIC DEVELOPMENT
NEGOTIATIONS:
DELIBERATE REGARDING
COMMERCIAL OR FINANCIAL
INFORMATION THAT THE CITY
HAS RECEIVED FROM A
BUSINESS PROSPECT AND
DELIBERATE ANY OFFERS OR
INCENTIVES TO THE BUSINESS
PROSPECT

On Motion duly made and carried, the Open Meeting
recessed and reconvened in Executive Session at 5:09 p.m.

On Motion duly made and carried, the Executive Session
recessed at 6:16 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on
items discussed in Executive Session.

OPEN MEETING

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO
BOARDS AND COMMISSIONS:

TEXOMA COUNCIL OF GOVERNMENTS (TCOG)
GOVERNING BODY (1)

TCOG GOVERNING
BODY

ACTION TAKEN.

Motion by Council Member Couch to appoint Council
Member Tammy Johnson to fill an unexpired term as
Sherman's representative to the Texoma Council of
Governments Governing Body, from February 2, 2016 to
November 2016. Second by Council Member Davis.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele, Watt.

VOTING NAY: None.

MOTION CARRIED.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at
6:20 p.m.

ADJOURNMENT

MAYOR

CITY CLERK