STATE OF TEXAS §

February 1, 2010

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on February 1, 2010.

MEMBERS PRESENT: **MAYOR BILL MAGERS; DEPUTY MAYOR JOE SMITH. COUNCIL MEMBERS ADAMI, HOWETH, SOFTLY, STEELE, WACKER.**

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance and the Invocation were given by Mayor Bill Magers.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of January 18, 2010. Deputy Mayor Smith moved to approve the Minutes as presented; Second by Council Member Steele. All present voted AYE.
MOTION CARRIED.

PROCLAMATION
"BLACK HISTORY MONTH" – FEBRUARY 2010 — **BLACK HISTORY MONTH (FEB. 2010)**

Mayor Magers presented a proclamation to Erik Jackson, President of the NAACP, proclaiming February 2010 as "Black History Month." Mr. Jackson thanked the Mayor and City Council for the proclamation.

CONSENT AGENDA — **CONSENT AGENDA**

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

REQUEST TO ADVERTISE
PARK RESTROOM CLEANING SERVICES — **REQ TO ADVERTISE PARK RESTROOM CLEANING**

The City Council approved the request to advertise for private contract cleaning of eight public park restrooms. In March 2006 the City contracted the cleaning of its park restrooms, but since that time, additional restrooms have been added within the park system.

With the construction of the Center Street Sports Fields and Pecan Grove Park, the City would like to seek proposals that would include cleaning and securing of the facilities, seven days a week for a minimum of a 9 month period.
CONSENT AGENDA.

CONCESSION STAND(S) FOR THE CITY OF SHERMAN'S PARK SYSTEM — **CONCESSION STANDS**

The City Council approved the request to advertise for the

operation of a concession stand(s) within Fairview, Hawn and Rosedale Parks for a 12 month period. A concession stand has been operating under contract at these parks since 1995 and the previous two year contract has expired.
CONSENT AGENDA.

CITY RIGHT-OF-WAY AND PROPERTY MOWING — **R-O-W MOWING**

The City Council approved the request to advertise for the annual mowing of City boulevards, islands, street right-of-ways, and other City properties. Previous contracts for mowing expired in November 2009.
CONSENT AGENDA.

TRAVIS STREET MILL AND OVERLAY PROJECT, FROM WASHINGTON STREET TO JONES STREET — **TRAVIS STREET MILL & OVERLAY**

The City Council approved the request to advertise for the mill and overlay of a section of Travis Street, from Washington Street to Jones Street. The project is included in the 2009-2010 Capital Improvement Program. The City will continue to coordinate with David Baca Studios on the other street design issues as part of the overall Travis Street improvement project.
CONSENT AGENDA.

OTHER BUSINESS

CONSIDER MR. E. LEE WARREN III'S PROPOSAL TO REVISE THE SOLID WASTE, WATER AND SEWER RATE STRUCTURE PERTAINING TO MULTIUNIT DWELLINGS — **WATER, SEWER RATES FOR MULTI-UNIT DWELLINGS**

Lee Warren, P.O. Box 326, Farmersville, Texas, appeared before the City Council to present his proposal to revise the solid waste, water and sewer rate structure for multi-unit dwellings.

Mr. Warren explained that he recently purchased two seperate, four-plexes in Sherman. During his due diligence he researched the water charges for the structures and it seemed reasonable.

After he received his first bill it seemed excessive and he determined that he was being charged a minimum charge for each of the eight units. There is one meter on the property for both structures and the amount of water usage and the size of the structures would be consistent with a single family, three bedroom, two bath house with a sprinkler system.

Mr. Warren questioned why he was being charged a minimum usage charge on all units even though the water usage and the demand on the City's infrastructure is the same as a single family residence.

He added that the City did tell him he could individualize the meters which would be expensive for both him and the City and really wouldn't "fix" the problem. He said another option presented was to install a commercial meter but he hasn't received information about the cost.

Mayor Magers said he previously spoke with Mr. Warren and discussed the option of making the four-plexes into single family residences which would carry only one minimum charge per residence. He added that one option is to meter the units individually, however the commercial meter is not an option.

Mayor Magers felt it was an equitable and fair solution to pay four minimum charges per residence and with that charge they should also have four trash cans at each residence. The standard in Sherman is that multi-family units pay a minimum charge for each unit.

Council Member Steele asked if one ¾ inch meter was common to supply four units. Mr. Warren said neither he nor his residents had any problem with water pressure in the units.

Deputy Mayor Smith asked how this situation was billed in other Cities. George Olson, City Manager, said Sherman is not the only City that charges by this method. When the staff looks at the overall distribution of the rate structure, they feel the charges are where they need to be.

Council Member Wacker said the Council would need to look at the overall impact of the situation. Council Member Adami felt any change would dramatically change many events in the City and Mr. Warren's charges should be included in his rental charges. He felt it would be unfair to the remaining citizens of Sherman to make this change in one specific circumstance.

Mr. Warren said a four-plex is still classified as residential property where five and above is multi-family. He said the water usage is about the same as a single-family residence with a sprinkler system.

Council Member Adami did not feel the water usage would be the same for a single family residence and for a four-plex with four families.

Mayor Magers asked for a motion. The issue died without a motion.

BROCKETT STREET IMPROVEMENTS

<u>RECEIVE PUBLIC WORKS DIRECTOR JEFF MILLER'S UPDATE ON THE BROCKETT STREET IMPROVEMENT PROJECT</u>

Jeff Miller, Director of Public Works, presented an update on the Brockett Street Improvement Project, which he said was one of the toughest street rebuild projects that the City has tackled. There are still some minor repairs that need to be made such as broken concrete or bricks and some sidewalks that need to be replaced.

Special design features of the project include brick crosswalks, ADA compliant ramps, a nice asphalt street, new

curb and gutter, full length sidewalks, and decorative lighting. Most of the old lighting has or will be removed. The City will also perform a survey to determine if there are additional dark areas that need lighting. In conjunction with the project all residence received a new concrete drive approach.

Mr. Miller explained that a major concern of the project was the movement of storm water off the street, so a lot of time was spent determining elevations and grades that would be effective. A major part of the project included moving the utilities back, and at this time, Verizon is still working to complete their part.

Another challenge of the project was the Branch Street crossing where an old railroad grade caused a "hump" in the street. That hump has now been removed and the street grade lowered.

After the intersections were finished the project required the milling of about two inches of asphalt from the street without damaging the decorative bricks. Two layers of asphalt were laid down with a fabric material in-between to give it strength and to help stop cracking from the old street and the railroad track that are underneath.

Mr. Miller said the remaining part of the project is street striping. The project includes a center turn lane, however to accommodate this, there cannot be parking on either side of Brockett Street. No parking signs are now being installed and an ordinance will be presented to the Council in 90 days to approve the no parking.

He estimated that within another 30 days all issues should be cleaned up and a ribbon cutting will be planned.

Mayor Magers said Brockett Street is a total different view from what it originally was and is a much better street. He also recognized Austin College's 25% financial contribution to the project adding that it now links Austin College with the downtown area.

Council Member Softly felt that there were two churches located on Brockett Street that would probably have problems with the no parking designation.

R-O-W ACQUISITIONS FOR HWY 75 NORTH SEWER, WASHINGTON ST. & LAMBERTH RD.

<u>RECEIVE UPDATE ON THE RIGHT-OF-WAY ACQUISITIONS FOR THE HIGHWAY 75 NORTH SEWER, WASHINGTON STREET, AND LAMBERTH ROAD CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECTS</u>

Don Keene, Project Manager, presented an update on the right-of-way acquisition for three CIP projects.

<u>Highway 75 North Sewer Project</u>

Mr. Keene said this project will provide sewer service to both sides of Highway 75, north from Loy Lake Road to Highway

691. Twenty nine easements will be required and the City has obtained 27 of those easements. Condemnation proceedings are underway on the two remaining parcels. That process should take between 45 and 60 days and should be completed toward the end of March 2010.

The project is divided into four construction phases with Phase 1 being the northern third, Phase 2 being the middle third, Phase 3 being the southern third, and Phase 4 being two lift stations.

The staff has advertised for bids and the bid opening for Phase 1 will be held tomorrow with construction on that phase beginning in late March 2010. Bids for Phase 2 will be opened on February 23, 2010. Construction time for the entire projects should be between 10 and 12 months. Mayor Magers confirmed that the target date for completion will be during the first quarter of 2011.

Council Member Steele asked what phase of construction the condemnations were in. Mr. Keene said they are not in Phase 1 and should not slow the project down. The petition has been filed for the condemnation hearing on one of the parcels and the other petition will be filed later this week.

Council Member Steele verified that the water line has already been installed in the right-of-way and didn't require easements.

<u>Washington Street</u>
Mr. Keene said ten easements are required on the Washington Street Project and the City has obtained seven of those. Final offer letters were mailed today and condemnation may be necessary on two parcels.

<u>Lamberth Road</u>
Mr. Keene said eight easements are required on the Lamberth Road Project and the City has obtained four of those. Final offer letters were mailed today and condemnation may be necessary on two parcels. The staff plans to time the advertisement and award of the construction contract to coordinate with the condemnation proceedings.

The estimated construction time on both the Washington Street Project and the Lamberth Road Project is ten months.

Council Member Howeth verified that, if all goes as scheduled, the Washington Street Project will begin construction near the end of April 2010.

<u>Larry Morriss, 1404 Bentbrook Lane</u>
Mr. Morriss appeared representing the residents of the Bentbrook Homeowners Association, which urged the

completion of the Washington Street Project. He thanked the City Council for the low taxes adding that this project was a great project for the City.

He added that since there are some homeowners on the west side of the bridge that are not satisfied with their offer, the City might consider breaking the project into two phases, with the division at the bridge. This would allow the first phase of the project to begin, and would give relief for citizens living east of the bridge. He said that if the condemnation proceedings were only going to take 45 days, the City might not need to complete the project in phases.

Mr. Morriss also asked that the City Council do something about the pot holes located in the same area along Washington Street. He thanked the City Council for their efforts.

LIVESTOCK IN RESIDENTIAL DISTRICTS

<u>RECEIVE BRIEFING FROM DEVELOPMENT SERVICES DIRECTOR SCOTT SHADDEN ON CODE PROVISIONS: LIVESTOCK IN RESIDENTIAL DISTRICTS</u>

Scott Shadden, Director of Development Services, briefed the City Council on the ordinance relating to livestock in residential districts. Last Fall, Council Member Howeth asked the staff to review the ordinance regulating livestock in the developed residential areas.

The current ordinance is working, however when the staff makes a call on a complaint about livestock they must consider the care of the animal and determine if it has adequate food, water, and shelter. The ordinance does not address the number allowed or the location where they are allowed.

Scott Parker, Chief Animal Control Officer, added that as long as the animals have proper food, water, and shelter, the citizen keeps the area clean and odor free, and the noise is kept in check, it's hard for the City to build a case against the livestock.

Mr. Shadden said the staff is recommending that they bring back an ordinance to address livestock in the residential area for City Council consideration.

Council Member Wacker asked if the ordinance would exclude horses if the home has acreage in town. Mr. Shadden said the ordinance would address regular residential developed neighborhoods. If a citizen had acreage, they could still have some livestock.

Council Member Howeth said she has received a number of complaints and felt it should be reviewed before it becomes a serious problem.

Mr. Shadden said the staff will bring back an ordinance for Council consideration.

APPROVE QUARTERLY INVESTMENT REPORTS FOR PERIOD ENDING DECEMBER 31, 2009

QUARTERLY INVESTMENT REPORT

The City Council approved the Quarterly Investment Report for the period ending December 31, 2009. As of this period, all portfolios were in compliance with applicable State laws and the City's internal Investment Policy.

The Operating Portfolio had a book value of about $18.9 million, down about $1 million from three months ago. The portfolio is appropriately liquid and its weighted-average maturity decreased to about 47 days from about 70 days last period.

The portfolio yield of 0.65% for the quarter is higher than the benchmark yield of 0.20% and the portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The CO Debt Proceeds Portfolio balance decreased about $1.3 million due to payments for construction during the period. The portfolio remains appropriately liquid, with all funds available within one day. Its yield of 0.2% for the quarter is the same as the benchmark yield of 0.20% and the portfolio value on the City's books is essentially equal to the market value of the overall portfolio.
CONSENT AGENDA.

CITIZENS REQUESTS
OIL AND GAS LEASE

OIL AND GAS LEASE

Pat Garrard, Vice President Land, Longfellow Energy, 4801 Gallardia Parkway, Ste. 205, Oklahoma City, Oklahoma
Mr. Garrard appeared before the City Council to discuss an oil and gas lease on City property near the Wastewater Treatment Plant on F.M. 1417 and Hwy 11.

In 2008, Longfellow Energy began negotiating with the City about an oil and gas lease. It was for a three year term, with $100 per acre bonus, 3/16 royalty, and with provisions to protect the City's facility in case drilling was done. They are looking at depths of approximately 12,000 feet.

Mr. Garrard said their leasing program originally operated under the name of Grayson County Properties. They have been buying leases in Grayson County since 2007 and currently have about 12,000 acres leased. However, they have not drilled any wells.

They are now preparing to perform a 3D Geophysical Program over this property, which also includes the City's property. The proposed geophysical survey covers a 43 square mile area, and is 2,400 parcels of land with 1,250 different land owners. They have permits from about 90% of the land owners. The project is estimated at $2 million.

Mr. Garrard reiterated that they have not yet drilled any wells but they have already used about two years of their primary

term on most of the leases. The next step is to perform the 3D geophysical survey to determine what is underground.

Andrew Bell, Geophysicist, Longfellow Energy, 4801 Gallardia Parkway, Ste. 205, Oklahoma City, Oklahoma
Mr. Bell explained that the geophysical survey will help them isolate and determine the best way to attach potential oil and gas developments underground. This is not the Barnett Shale that is of concern in Ft. Worth. The survey will address property in the eastern part of Sherman and the southwestern corner approaches the City's property at the Wastewater Treatment Plant.

Mr. Bell asked the City Council for their consent to have an oil and gas lease with the City of Sherman as well as consideration to conduct a seismic operation over the property. They have hired Dawson Geophysical to perform the geophysical survey.

Mayor Magers reminded Mr. Bell that the City Council can not take any action on this item tonight since it was not on the agenda. He asked if Longfellow Energy had discussed their proposal with the City staff. Mr. Garrard said they had previously discussed the proposal with Former City Attorney Doreen McGookey and Former Development Coordinator Rita Gaither.

Mayor Magers asked the representatives to meet with the City staff. Mr. Olson said the staff is concerned about the safety and security of the Wastewater Treatment Plant. They also feel that the request should be approached from a fairness point of view. Mayor Magers asked the representatives to meet with the staff and let them make a recommendation to the City Council.

MEDIA QUESTIONS — **MEDIA QUESTIONS**
There were no media questions.

COUNCIL COMMENTS

BROCKETT STREET REBUILD — **BROCKETT ST. REBUILD**
Council Member Softly said he was happy to see the completion of the Brockett Street Rebuild Project.

DOWNTOWN MERCHANTS — **DOWNTOWN MERCHANTS**
Council Member Howeth complimented the downtown merchants on a recent scavenger hunt that was held through the various downtown stores. The event was organized by the Funky Monkey and helped bring shoppers to the downtown area.

PROGRESS OF CITY PROJECTS — **PROGRESS OF CITY PROJECTS**
Mayor Magers said it was nice to hear about the progress of the City projects and the fiscal responsibility of the City staff.

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

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 551.072	**DELIBERATIONS REGARDING REAL PROPERTY: DELIBERATE REGARDING THE POTENTIAL PURCHASE, EXCHANGE, LEASE, OR VALUE OF A PIECE OF REAL PROPERTY: BLALOCK FIRE STATION IN THE 100 BLOCK OF HIGHWAY 1417 EAST**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:49 p.m.

On Motion duly made and carried, the Executive Session recessed at 5:57 p.m. and reconvened in Open Meeting.

OPEN MEETING **OPEN MEETING**

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

ADJOURNMENT **ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 5:57 p.m.

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MAYOR

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CITY CLERK