

Mayor Plyler introduced Ordinance 5926 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CLOSING AND VACATING A CERTAIN EASEMENT IN LOT 1 OF BLOCK "A" OF THE REPLAT OF BLOCKS "A", "B" AND "D" OF THE SHERMAN COMMONS ADDITION IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS; PROVIDING FOR THE REVERSION OF INTEREST TO THE OWNER OF SAID PROPERTY.

ORD 5926
CLOSE & VACATE
EASEMENT IN
SHERMAN COMMONS
ADDITION

Clay Barnett, Director of Public Works and Engineering, said the owner of Sherman Commons has proposed placing another building between Kohl's and JoAnn's Fabrics.

There is an unused easement that runs through the property and the City is requesting to vacate the easement so the owner can move forward with the building.

No citizens appeared before the City Council to discuss Ordinance 5926.

Mayor Plyler introduced Ordinance 5927 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES, ENTITLED "BUSINESS REGULATIONS", ARTICLE 4.14, ENTITLED "ALCOHOLIC BEVERAGES", AT DIVISION 2, ENTITLED "LAWFUL CONSUMPTION", SECTION 4.14.031, ENTITLED "PERMIT CERTIFICATIONS; PROCEDURES", TO REQUIRE SELLER/SERVER TRAINING CERTIFIED BY THE TEXAS ALCOHOLIC BEVERAGE COMMISSION; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5927
REQUIRE TABC
TRAINING FOR
SELLERS & SERVERS
OF ALCOHOL

Brandon Shelby, City Attorney, explained that at the last Council Meeting the Council approved the ordinance for late hours for alcohol. The staff was asked to research whether or not server training was currently required by the Texas Alcoholic Beverage Commission.

It is required that the "certificate holder," the owner of the establishment, undergo the training, but it is not required that the wait staff or bartenders undergo the training. The Council wanted to amend the City's ordinance to make that a requirement.

With this amendment, Mr. Shelby said any person serving alcohol as a part of their job, would be required to undergo the training. He felt that most restaurants today were already requiring this.

Council Member Davis verified that the training is offered through an online course through TABC. At the end of the course, a certificate is printed off.

COUNCIL MINUTES – JANUARY 4, 2016

No citizens appeared before the City Council to discuss Ordinance 5927.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5925

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ISSUANCE OF “CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2016”; SPECIFYING THE TERMS AND FEATURES OF SAID NOTES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID NOTES; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT AND DELIVERY OF SAID NOTES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A NOTE PURCHASE AGREEMENT; PROVIDING AN EFFECTIVE DATE.

ORD 5925
TAX NOTES FOR
LOY LAKE RD
IMPROVEMENTS

ACTION TAKEN.

Motion by Deputy Mayor Sofey to adopt Ordinance No. 5925, authorizing the issuance of “City of Sherman, Texas, Limited Tax Notes, Series 2016” and approving and authorizing the execution of a Paying Agent/Registrar Agreement and a Note Purchase Agreement in relation to such notes. Second by Council Member Watt.

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

VOTING NAY: None.

MOTION CARRIED.

Ordinance 5926

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CLOSING AND VACATING A CERTAIN EASEMENT IN LOT 1 OF BLOCK “A” OF THE REPLAT OF BLOCKS “A”, “B” AND “D” OF THE SHERMAN COMMONS ADDITION IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS; PROVIDING FOR THE REVERSION OF INTEREST TO THE OWNER OF SAID PROPERTY.

ORD 5926
CLOSE & VACATE
EASEMENT IN
SHERMAN COMMONS
ADDITION

Ordinance 5927

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES, ENTITLED “BUSINESS REGULATIONS”, ARTICLE 4.14, ENTITLED “ALCOHOLIC BEVERAGES”, AT DIVISION 2, ENTITLED “LAWFUL CONSUMPTION”, SECTION 4.15.031, ENTITLED “PERMIT CERTIFICATIONS; PROCEDURES”, TO REQUIRE SELLER/SERVER TRAINING CERTIFIED BY THE TEXAS ALCOHOLIC BEVERAGE COMMISSION; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5927
REQUIRE TABC
TRAINING FOR
SELLERS & SERVERS
OF ALCOHOL

COUNCIL MINUTES – JANUARY 4, 2016

ACTION TAKEN.

Motion by Council Member Watt to approve Ordinance Nos. 5926 and 5927, as presented. Second by Deputy Mayor Sofey.

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

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

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

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 6046 – AUTHORIZING EXECUTION OF A CONTRACT WITH THE SHERMAN CHAMBER OF COMMERCE FOR THE PROMOTION OF TOURISM IN SHERMAN AND ITS SURROUNDING AREA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A CONTRACT WITH THE SHERMAN CHAMBER OF COMMERCE FOR THE PROMOTION OF TOURISM IN SHERMAN AND ITS SURROUNDING AREA.

CONSENT AGENDA.

**RES 6046
TOURISM CONTRACT
WITH CHAMBER
OF COMMERCE**

RESOLUTION NO. 6047 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH LANDMARK STRUCTURES I, L.P. FOR CONSTRUCTION OF THE SOUTHWEST SHERMAN ELEVATED STORAGE TANK

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH LANDMARK STRUCTURES I, L.P. FOR CONSTRUCTION OF THE SOUTHWEST SHERMAN ELEVATED STORAGE TANK.

**RES 6047
ELEVATED STORAGE
TANK**

Mark Gibson, Director of Utilities, said the bids were received on December 8, 2015, for the Southwest Elevated Storage Tank which will be located at the site of the Southwest Booster Pump Station on FM 1417, near the Valero Station.

Four bidders responded to the request for bids with the low bidder coming in about \$477,000 below the engineer's estimated cost. The second bidder was about \$40,000 below the estimate.

Construction of the tank will be linked in tandem to the Gallagher Water Tower and allow the City to make repairs to the Gallagher Tower. The new water tower will also provide for future growth to the south and southwest.

Mr. Gibson said construction time on the water tower will be 450 calendar days, or about 15 months. The low bid was also the shortest construction timeframe.

COUNCIL MINUTES – JANUARY 4, 2016

He asked the Council to approved the Greater Texoma Utility Authority's award of bid to Landmark Structures in the amount of \$2,352,000.

Council Member Davis confirmed that the company has a good reputation for work in this area. Mr. Gibson said they have 15 years experience and have built over \$45 million worth of tanks in the Metroplex. They are a good company and have a lot of tanks on the ground.

ACTION TAKEN.

Motion by Council Member Steele to approve Resolution No. 6047, as presented. Second by Council Member Couch.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6048 – AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED UNDER THE U.S. DEPARTMENT OF HOMELAND SECURITY – FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) TO FUND THE PURCHASE OF FIVE POWER-LOAD COT FASTENING SYSTEMS FOR USE WITH FIVE AMBULANCES OF THE CITY OF SHERMAN FIRE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED UNDER THE U.S. DEPARTMENT OF HOMELAND SECURITY – FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) TO FUND THE PURCHASE OF FIVE POWER-LOAD COT FASTENING SYSTEMS FOR USE WITH FIVE AMBULANCES OF THE CITY OF SHERMAN FIRE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY.

CONSENT AGENDA.

RESOLUTION NO. 6049 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH ARK CONTRACTING SERVICES, LLC FOR THE EROSION PROTECTION FOR FALLON DRIVE BRIDGE AND KESSLER BOULEVARD SLOPE FAILURE REPAIR PROJECTS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH ARK CONTRACTING SERVICES, LLC FOR THE EROSION PROTECTION FOR FALLON DRIVE BRIDGE AND KESSLER BOULEVARD SLOPE FAILURE REPAIR PROJECTS.

Mr. Barnett said the Fallon Drive bridge was identified in the 2012 Texas Department of Transportation Bridge Assessment as needing some erosion repair under the

RES 6048
FEMA GRANT FOR
POWER-LOAD
AMBULANCE COTS

RES 6049
FALLON DR.
EROSION & KESSLER
BLVD. SLOPE
FAILURE PROJECTS

bridge. The project was budgeted in the FY 2014 Capital Improvement Program.

On May 8, 2015, Kessler Boulevard received an extensive amount of damage from the rain and there was a slope failure. A large portion of the roadway eroded away.

Due to the similarity of both projects, Mr. Barnett said the Fallon Drive bridge project was put on hold and the design of the Kessler Boulevard improvements moved forward so the two projects could be bid together for a cost savings. The projects were bid and four bids were received with a low bid of \$771,000.

ACTION TAKEN.

Motion by Council Member Couch to approve Resolution No. 6049, as presented. Second by Council Member Steele.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6050 – AUTHORIZING EXECUTION OF A DEVELOPER’S AGREEMENT WITH S & P TEXOMA PROPERTIES, LLC FOR CONSTRUCTION OF PUBLIC FACILITIES IN A 19-ACRE SUBDIVISION ON RIDGEVIEW ROAD IN THE CITY OF SHERMAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPER’S AGREEMENT WITH S & P TEXOMA PROPERTIES, LLC FOR CONSTRUCTION OF PUBLIC FACILITIES IN A 19-ACRE SUBDIVISION ON RIDGEVIEW ROAD IN THE CITY OF SHERMAN.

Mr. Barnett said this is for a 19-acre subdivision on Ridgeview Road, which is one block west of F.M. 1417. The developer will be constructing one-acre, single family lots along the existing roadway.

The Developer’s Agreement is needed because there will be installation of some public structure, mostly water lines.

ACTION TAKEN.

Motion by Council Member Davis to approve Resolution No. 6050, as presented. Second by Council Member Watt.

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

VOTING NAY: None.

ABSTAIN: Sofey.

MOTION CARRIED.

RESOLUTION NO. 6051 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH HUITT-ZOLLARS, INC. FOR THE DESIGN OF THE DOWNTOWN SHERMAN STREETSCAPE, PHASE 2 AND THE GRAND AVENUE PEDESTRIAN IMPROVEMENT PROJECTS

RES 6050
CONSTRUCTION OF A
SUBDIVISION ON
RIDGEVIEW RD.

RES 6051
DOWNTOWN
SHERMAN
STREETSCAPE
PHASE 2 & GRAND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH HUITT-ZOLLARS, INC. FOR THE DESIGN OF THE DOWNTOWN SHERMAN STREETScape, PHASE 2 AND THE GRAND AVENUE PEDESTRIAN IMPROVEMENT PROJECTS.

AVE. PEDESTRIAN
IMPROVEMENT
PROJECTS

Mr. Barnett said last summer the City applied for a Transportation Alternative Program Grant from TxDOT and received the grant late last year. The City is moving forward with the design and will work through any details with TxDOT as they arise.

Mayor Plyler verified that the current agreement was for engineering only on the TAP grant, as well as the pedestrian improvements on Grand Avenue. Mr. Barnett said both projects are similar in nature and there should be cost savings by bidding them together.

ACTION TAKEN.

Motion by Council Member Johnson to approve Resolution No. 6051, as presented. Second by Deputy Mayor Sofey.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6052 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH JPMORGAN CHASE BANK, NA FOR THE LEASE-PURCHASE FINANCING OF CAPITAL EQUIPMENT

RES 6052
FINANCING FOR
UTILITY EQUIPMENT
PURCHASES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH JPMORGAN CHASE BANK, NA FOR THE LEASE-PURCHASE FINANCING OF CAPITAL EQUIPMENT.
CONSENT AGENDA.

RESOLUTION NO. 6053 – AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO WESTAR HOME BUILDERS, LLC., FOR THE PLACEMENT OF A RETAINING WALL WITHIN THE 10' UTILITY EASEMENT LOCATED ON LOT 4, BLOCK 2 OF THE PARKHAVEN ADDITION, SECTION 5 (CALGARY DRIVE) IN THE CITY OF SHERMAN

RES 6053
ENCROACHMENT
EASEMENT FOR
RETAINING WALL
(CALGARY DR.)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO WESTAR HOME BUILDERS, LLC., FOR THE PLACEMENT OF A RETAINING WALL WITHIN THE 10' UTILITY EASEMENT LOCATED ON LOT 4, BLOCK 2 OF THE PARKHAVEN ADDITION, SECTION 5 (CALGARY DRIVE) IN THE CITY OF SHERMAN.
CONSENT AGENDA.

**REQUEST TO ADVERTISE
ANNUAL WATER AND SEWER MAINTENANCE SUPPLIES
AND PARTS**

REQ TO ADVERTISE
ANNUAL WATER &
SEWER MAINT.

The City Council approved the request to advertise for bids for the annual water and sewer maintenance supplies and parts.

CONSENT AGENDA.

SUPPLIES & PARTS

OTHER BUSINESS

RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD CHAIRMAN WILLIE STEELE AND SEDCO PRESIDENT JOHN J. PLOTNIK

SEDCO QUARTERLY REPORT

Willie Steele, Sherman Economic Development Corporation Chairman, and John Plotnik, SEDCO President, presented SEDCO's Quarterly Progress Report.

SEDCO continued the Business Retention and Expansion Program and increased their existing industry visits up to 22 for the quarter. They partnered with the City of Sherman, Chamber of Commerce, and Austin College to hold the second annual SEDCO Summit.

Mr. Steele said on September 30, 2015, SEDCO made the second and final payment of \$230,000 on the Tyson Fresh Meats Performance Agreement, which closes out the \$11 million equipment investment which was started in July 2013.

On October 22, 2015, SEDCO presented the final incentive payment of \$218,500 to Texas Instruments, which closes out an \$18 million equipment expansion project which began in June 2013.

SEDCO has partnered with Midway Warehouses and are in the process of starting construction on a 60,000 square foot warehouse, possibly light manufacturing building. Lack of square footage in which to put new tenants has been a problem in Sherman. The groundbreaking is set for two weeks from now, but the new facility is close to capacity now.

Mr. Steele said SEDCO is currently working 18 active projects, with an estimated \$370 million in investments and 1,934 new jobs. Even though Sherman probably won't get all those projects, he said it gives an idea of the volume of projects they are currently working.

On October 2, 2015, SEDCO partnered with Denison Industries and Denison Schools to sponsor "Manufacturing Day". The program is an effort to acquaint local students with manufacturing jobs and give them an alternative to the college track.

Council Members previously appointed Brad Douglass and Tom Shields to serve on the SEDCO Board and Mr. Steele said they have attended their orientation.

COUNCIL MINUTES – JANUARY 4, 2016

Council Member Davis asked if the building at Midway Industries would be multi-tenants or for one tenant. Mr. Steele said it could be divided into two or three tenants, but there is one existing company that is looking at the entire building. He said it would be “a shell” and could be divided anyway it is needed.

Council Member Couch commended SEDCO and their search committee that recruited John Plotnik. He said it has been a joy to work with him and he likes his direct, personal approach. Mr. Steele said, from the Board’s perspective, they couldn’t agree more. They feel they have a good team with the Board and the staff.

Council Member Steele said as a result of “Manufacturing Day”, next year Grayson College will offer a two tier dual credit in the manufacturing industry to “grow our own.” He said manufacturing is no longer that “dirty old job.” Mr. Steele said manufacturing jobs are now high tech.

Mr. Steele added that next year, “Manufacturing Day” will be expanded to the Grayson County area and will involve additional manufacturing facilities as well as other schools that aren’t in the Sherman, Denison area.

Mr. Steele said the Denison Economic Summit will be held Friday, January 8, 2016. The SEDCO Board and staff will attend and he invited Council Members to attend as well. He felt it was a good sign of working together.

RECEIVE ASSISTANT CITY MANAGER DON KEENE’S PRESENTATION ON FIRE INSPECTION PROGRAM FUNDING

Don Keene, Assistant City Manager, said in October 2015 the staff presented a report on fire safety inspections. At that time the Council asked for some additional information and some other options on funding the program.

He explained that the City adopted the International Fire Code in 2010 and it was updated in 2013. In order to provide a reasonable level of safety, inspections are necessary to ensure compliance with the code. Inspections are made at businesses, schools, nursing homes, apartments, hotels and motels, churches, and non-profits. Residential homes are not inspected.

Over the past five years, the Sherman Fire Department has responded to 46 commercial or business fires, and 44 apartment fires.

Mr. Keene said currently about 1,900 inspections per year are needed, which would amount to 7.5 inspections per day. In the past, the Fire Department has completed the inspections with overtime, but could not provide the number of inspections needed. During the last year, they actually performed about 1,600 inspections at a cost of approximately \$70,000 in overtime.

FIRE INSPECTION PROGRAM FUNDING

In October, the staff proposal was to add two positions to the Fire Department dedicated to inspections. Discussions were also held as to whether three new positions were needed, but the staff felt that two would work. He estimated that the incremental annual cost would be approximately \$90,000 annually, and would help reduce overtime.

He explained that the inspection process includes a pre-inspection letter with a checklist advising when their facility will be inspected and what they will be looking for; the initial inspection and notification of any issues or concerns that were identified; a 30 day correction period; and a re-inspection.

Mr. Keene presented two methods for funding the inspections including through inspection fees and through taxes. With fees, the owner of the structure would pay for the inspection, and a fee of about \$50 would fund two inspectors. He added that billing and collection of this fee would be a challenge.

The other funding option would be through taxes and would be funded by all Sherman property owners. He said .36 of one cent property tax increase would fund two inspectors. In either case, Mr. Keene said the staff was proposing a re-inspection fee if needed, of \$50 for the first re-inspection, \$100 for the second re-inspection, and \$200 for any subsequent re-inspections.

He also presented the proposed cost of the initial inspection as presented in October and with an additional level as the Council directed. Cost of the inspection depends on the size of the facility.

Mr. Keene reiterated that if paid through property taxes, the funding option would require a .36 of one cent increase in the property tax rate to generate annual revenue to cover the \$90,000 net annual cost of the program.

Council Member Steele said originally the proposal was for three inspectors so there would be one per shift, and he asked if it was customary to perform inspections at night. Mr. Keene said some businesses are open later and some inspections could be done at a later hour. He said that was why the staff then looked at two inspectors.

Council Member Steele said he was not in support of the tax option because he didn't feel that citizens that weren't in a commercial business should be funding these businesses. The funding should come from the businesses themselves.

He also asked what authority the Fire Department or the City had if a business failed an inspection. Could they "red tag" the business or give them a warning that it must be corrected or they could be "closed down"?

COUNCIL MINUTES – JANUARY 4, 2016

Danny Jones, Fire Chief, said the City's authority was through fines and through the court system. Council Member Steele asked if the staff had established the procedure or options if they have to re-inspect a third time.

Mr. Keene said most people are very cooperative. Chief Jones said the current procedure is that they perform the inspection, notify the owner of any violation, and set up a time for a re-inspection in 30 days. For the most part, the violations are taken care of within that 30 day period. If the violation hasn't been abated, then they give the owner an additional 10 days.

Last year there were no reports that, when they re-inspected after 30 days, the violations weren't corrected.

Council Member Davis verified that the proposed tax increase to fund the program would be .36 of one cent. Robby Hefton, City Manager, said it would increase the tax rate "a fraction of a penny" for a total of \$0.38.

Council Member Davis said the fire inspections are presented as a public safety issue and would benefit the entire City. Many cities fund this program through their property taxes. He felt it would be hard to enforce a fee based system because of the tenant-landlord situation. He felt it would also be an administrative problem to locate the owners of the buildings.

Even though the tenant has the Certificate of Occupancy, the inspection fee would be collected from the owner. Chief Jones said most of the time his officers deal with the manager. He felt the person that had the business would probably be responsible for keeping his business up to code or working something out with the building owner. But Council Member Davis said there wasn't a fee before.

Council Member Davis asked if neither the business tenant or the building owner pay the fee, who would the City "go after." Council Member Steele felt it was the tenant that was in violation and they had the potential to be shut down.

Mr. Hefton said the City's first contact is with the person operating the business. If there is still no compliance after notice of the violation and additional fees, there might need to be a provision for a lien against the property.

Mayor Plyler said several options for fee structures were presented tonight including an option for an increase in property tax. He asked what the staff needed tonight.

Mr. Hefton said the City needs to be providing fire inspections now and it is currently not built into the budget from a tax rate standpoint. If the inspections were started immediately it would be funded out of current operations.

COUNCIL MINUTES – JANUARY 4, 2016

If the overall budget wouldn't support the program, changes could be made then. If the direction from Council is a tax rate change, that could not be accomplished now anyway and would need to be discussed during upcoming budget discussions for FY 2017. If the direction from Council is for fees, that could be implemented anytime.

As a staff, Mr. Hefton said they would like to know if the Council wants them to move forward with the fire inspections, which would mean hiring two additional people. If so, that will be presented as an ordinance for approval.

Funding that program long-term would be a discussion later as to whether it is funded through fees or through the tax rate.

Council Member Watt said he is in favor of hiring two inspectors, but only if there is a valid process for the inspections, including who gets a citation and when, and at what steps a business is shut down. He also asked if the City has a legal sanction in place where that can happen.

Mr. Shelby said if it is a City ordinance, there is a general penalty provision in the Code of Ordinances that would apply. Chief Jones said with the City adopting the International Fire Code, they have the authority to enforce those Codes.

Council Member Johnson asked about billing and collection for the two options. Mr. Keene said that would probably be done through the Utility Department, but would be a challenge because it would be additional work.

Council Member Davis said he was in favor of hiring two additional fire inspectors, but felt it would be hard to collect fees and fines. He felt there would be more cost somewhere else.

Mr. Hefton said administratively there would be more cost with fees than building it into the tax rate. He said the budget is built "in whole" and the revenues and expenses are added up. Whatever is needed to balance the budget is done through the tax rate.

He agreed that it would be easier to administer if it was built into the tax rate. Mr. Hefton added that if there is economic growth, tax base growth, and sales tax growth, that might help offset a tax rate increase that would be needed for the program.

Deputy Mayor Sofey asked if it would hurt the City through manpower or financially, if the program is continued for now and revisited during the budget work session. Even if the two additional people are hired now, the funding source could be determined during budget discussions. Mr. Hefton said that could be done and would be his preference.

COUNCIL MINUTES – JANUARY 4, 2016

Council Member Watt said in the past the staff has been asked to do more and more without hiring any additional people and he said this is a cost of “doing business.”

Mayor Plyler said he thought it would be less expensive for the citizens to use property tax to fund the program, due to the additional cost of overhead by billing the fees.

Council Member Steele said he would not support the program being funded through property taxes because he felt that the fee would be a “cost of doing business” for those establishments.

Council Member Couch said he agreed with Council Member Steele and felt the Council needed to contact business “stake holders” to determine their thoughts on the fees.

Mayor Plyler said between now and the budget discussions, everyone can do some research on the issue and discuss again.

Mr. Keene verified that the Council was saying to proceed with hiring the two additional fire inspectors and discussions will be held during the budget sessions about how to fund the program.

Council Member Davis felt the pre-inspection letter was a good idea to let people know what needs to be completed for the upcoming inspection. He felt it would increase compliance.

CONSIDER CALLING A SPECIAL MEETING OF THE CITY COUNCIL FOR A TRANSPORTATION SUMMIT ON MONDAY, JANUARY 11, 2016

Mr. Hefton said the staff is requesting a Special Council Meeting to discuss transportation issues. The discussions and direction from this meeting will help shape the upcoming budget work session.

ACTION TAKEN.

Motion by Council Member Watt to call a Special Council Meeting on January 11, 2016, at 11:00 a.m., for a Transportation Summit, as presented. Second by Deputy Mayor Sofey.

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

VOTING NAY: None.

MOTION CARRIED.

CITIZENS REQUESTS

There were no citizen’s requests.

MEDIA QUESTIONS

There were no media questions.

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

**SET CALLED MEETING
FOR
TRANSPORTATION
SUMMIT
(JAN. 11, 2016)**

CITIZENS REQUESTS

MEDIA QUESTIONS

COUNCIL MINUTES – JANUARY 4, 2016

KEEP SHERMAN BEAUTIFUL COMMISSION (5)
ACTION TAKEN.

Motion by Deputy Mayor Sofey to reappoint Jennifer Thompson, Angela Krieger, and Dusty Payne, and to appoint Kimberly Whaley and Jessica Peters to the Keep Sherman Beautiful Commission for a term from January 1, 2016 to January 1, 2018. Second by Council Member Davis.

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

VOTING NAY: None.

MOTION CARRIED.

**KEEP SHERMAN
BEAUTIFUL
COMMISSION**

COUNCIL COMMENTS

ATTENDING FIRST FULL MEETING

Council Member Johnson said this is her first full meeting and she is happy to be back, and excited to see what will happen.

**ATTENDING FIRST
FULL MEETING**

HAPPY NEW YEAR

Deputy Mayor Sofey wished everyone a Happy New Year.

HAPPY NEW YEAR

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.

EXECUTIVE SESSION

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:
SHERMAN ECONOMIC
DEVELOPMENT CORPORATION
EX-OFFICIO BOARD MEMBERS
(2)**

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 5:56 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:26 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

SHERMAN ECONOMIC DEVELOPMENT CORPORATION EX-OFFICIO BOARD MEMBERS (2)

SEDCO EX-OFFICIO
BOARD MEMBERS

ACTION TAKEN.

Motion by Council Member Couch to appoint Deputy Mayor Jason Sofey and Council Member Lawrence Davis to serve as Ex-Officio Board Members on the Sherman Economic Development Corporation Board of Directors for a term from January 5, 2016 to January 2018. Second by Council Member Johnson.

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

VOTING NAY: None.

MOTION CARRIED.

ADJOURNMENT

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:27 p.m.

MAYOR

CITY CLERK