

STATE OF TEXAS §
COUNTY OF GRAYSON §

November 21, 2016

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 November 21, 2016.

MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR JASON SOFEY. COUNCIL MEMBERS COUCH, DAVIS, HOWETH, JOHNSON, STEELE.

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Plyler called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Lawrence Davis.

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of November 7, 2016. Council Member Steele moved to approve the Minutes as presented; Second by Council Member Howeth. All present voted AYE. MOTION CARRIED.

SPECIAL RECOGNITION

**COUNCIL MEMBER TAMMY JOHNSON'S PRESENTATION
OF AN AWARD TO THE POLICE ASSOCIATION AND FIRE
ASSOCIATION**

Council Member Johnson said she heard this afternoon that the Police Department has received a majority of their body armor. She asked Police Chief Otis Henry to explain.

Chief Henry said several months ago, the Council was instrumental in allowing the City to purchase tactical armor for the officers. He demonstrated the new body armor saying it was a “safety measure for the officers.”

The armor contains two, seven-pound plates and would be used by the officers if they go to a “hot call” or “shots fired.” The armor is contained in a “go bag” that could be grabbed by the officer in an emergency situation. It is not designed to be worn all the time. He added that helmets are also on order.

Chief Henry thanked Council Member Johnson and the entire City Council for their support in obtaining the armor.

Council Member Johnson said an initiative was started in June to offer yard signs in support of the Sherman Police and First Responders. Money was collected through donations for the signs and will be given to the Police and Fire Associations.

She thanked the donors for making the initiative possible and for purchasing the signs. These include Wilson N. Jones Regional Medical Center, Plyler Construction, Douglass Distributing, Tom and Melida Ailshire, and Nautilus Family Fitness.

She also thanked CBC Creative and Nancy Sims at Texoma Neon for creation of the signs. Council Member Johnson thanked the Sherman Chamber of Commerce, Courthouse Market, and Texoma Neon for making the signs available and for taking donations, and Nate Strauch, Communications Manager for delivery of the signs.

Most importantly she thanked the citizens of Sherman for their generosity and their support. She said the initiative was never about money, but it was about citizens supporting the Police Department and the First Responders.

Council Member Johnson presented Hunter Nichols, from the Sherman Fire Association, and Sergeant Kevin Garbacik, from the Sherman Police Association, with checks in the amount of \$2,675 each for their organizations.

DECLARE RESULTS OF NOVEMBER 8, 2016 REGULAR AND SPECIAL MUNICIPAL ELECTIONS

CANVASS OF ELECTION RETURNS

Mayor Plyler asked Linda Ashby, City Clerk, to canvass the Election returns of the November 8, 2016 Regular and Special Municipal Elections by reading the number of early votes, Election Day votes, and total votes received for each candidate and for the Local Option Election.

The detail of the Election returns are maintained in the permanent record file entitled "Elections" in the Office of the City Clerk. The canvass statistics are attached and made a part of these Minutes. (Exhibit A)

Mayor Plyler asked for a motion accepting Resolution 6161, declaring the official results of the November 8, 2016 Regular and Special Municipal Elections.

RESOLUTION NO. 6161 – DECLARING THE RESULTS OF THE NOVEMBER 8, 2016 REGULAR AND SPECIAL MUNICIPAL ELECTIONS HELD IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING THE RESULTS OF THE NOVEMBER 8, 2016 REGULAR AND SPECIAL MUNICIPAL ELECTIONS HELD IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS.

ACTION TAKEN.

Motion by Council Member Couch to adopt Resolution No. 6161, as presented. Second by Council Member Steele.

**CANVASS OF
ELECTION RETURNS**

**RES 6161
DECLARING
ELECTION RESULTS**

COUNCIL MINUTES – NOVEMBER 21, 2016

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

VOTING NAY: None.

MOTION CARRIED.

RECOGNITION OF OUTGOING COUNCIL MEMBERS

Mayor Plyler recognized Council Member Tammy Johnson and Council Member Lawrence Davis for their service to the City and presented them with plaques and crystals listing their dates of service.

He said Council Member Johnson has been a tireless advocate for police and fire, and has had a lot of new initiatives as a Council Member, and a lot of energy. Council Member Johnson thanked the Mayor and City Council, saying it has been an honor serving.

Mayor Plyler said he has known Council Member Davis for a number of years and has served with him on the Planning and Zoning Commission and on City Council. He thanked Council Member Davis for his service, saying he has always put the citizens first and has offered a fiscally conservative outlook and “looked out for Sherman’s small businesses.”

OATH OF OFFICE

OATH OF OFFICE AND PRESENTATION OF CERTIFICATE OF ELECTION

Linda Ashby, City Clerk, administered the Oath of Office to the following Council-elect positions.

Council Member, District 3 Pamela Howeth
Council Member, District 4 Charles H. Brown, Sr.

Britton Brooks, Assistant Grayson County District Attorney, administered the Oath of Office to the following Council-elect position.

Council Member, District 1 Shawn Teamann

A Certificate of Election was presented to each of the newly sworn-in Council Members. The new members were seated at the Council table.

NEW COUNCIL SEATED

MEMBERS PRESENT: Mayor David Plyler.

Council Members Brown, Couch,
Howeth, Sofey, Steele, Teamann.

MEMBERS ABSENT: None.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Howeth moved to approve the Consent Agenda, as presented. Second by Deputy Mayor Sofey. All present voted AYE.

**RECOGNITION OF
OUTGOING
COUNCIL MEMBERS**

OATH OF OFFICE

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 6162 – AUTHORIZING THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH HUITT-ZOLLARS, INC. FOR PRELIMINARY ENGINEERING AND RIGHT-OF-WAY/EASEMENT DOCUMENTS FOR THE SCHEMATIC DESIGN LAYOUT AND ENVIRONMENTAL STUDIES TO DEVELOP THE FRIENDSHIP ROAD FROM S.H. 56 TO U.S. HIGHWAY 82 EXTENSION PROJECT

**RES 6162
FRIENDSHIP ROAD
EXTENSION**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH HUITT-ZOLLARS, INC. FOR PRELIMINARY ENGINEERING AND RIGHT-OF-WAY/EASEMENT DOCUMENTS FOR THE SCHEMATIC DESIGN LAYOUT AND ENVIRONMENTAL STUDIES TO DEVELOP THE FRIENDSHIP ROAD FROM S.H. 56 TO U.S. HIGHWAY 82 EXTENSION PROJECT.

Clay Barnett, Director of Public Works and Engineering, said this was for the preliminary design of Friendship Road, between SH 56 and US Hwy 82. He said the project will be very challenging and will cross the Site 8A Dam.

He introduced John Ho, Engineer with Huitt-Zollars, Inc., who was available to answer any questions.

ACTION TAKEN.

Motion by Council Member Steele to adopt Resolution No. 6162, as presented. Second by Council Member Couch.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6163 – ACCEPTING THE CONTRACT WITH LYNN VESSELS CONSTRUCTION COMPANY, LLC AS COMPLETE FOR CONSTRUCTION OF THE SOUTH SHERMAN RELIEF SEWER PROJECT

**RES 6163
SOUTH SHERMAN
RELIEF SEWER**

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING THE CONTRACT WITH LYNN VESSELS CONSTRUCTION COMPANY, LLC AS COMPLETE FOR CONSTRUCTION OF THE SOUTH SHERMAN RELIEF SEWER PROJECT.

Mark Gibson, Director of Utilities, said this is the last of the three major sewer projects in the Capital Improvement Program. The City has also reconstructed the Eastside Outfall, and this project runs from the Eastside Outfall to the Wastewater Treatment Plant. The other project is the Sand Creek Sewer in Northwest Sherman.

The project replaced an inferior system and increased the pipe size for future capacity, and came in on budget. The project is complete and in place.

ACTION TAKEN.

Motion by Council Member Couch to adopt Resolution No. 6163, as presented. Second by Council Member Howeth.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

CONSIDER THE APPLICATION OF LESLIE ARCHER TO ENROLL HER BUSINESS, LESLIE JEAN'S UNIQUE HOME FURNISHINGS, INTO THE SHERMAN DOWNTOWN OCCUPANCY INCENTIVE GRANT PROGRAM

Don Keene, Assistant City Manager, said in October, the City Council approved an updated Downtown Sherman incentive program. Part of that program is an Occupancy Incentive Grant Program to allow an approved business to recoup a portion of their rent or mortgage on their Downtown business.

DOWNTOWN
OCCUPANCY
INCENTIVE GRANT
PROGRAM
(LESLIE JEAN'S
UNIQUE HOME
FURNISHINGS)

He explained that Leslie Archer is the first applicant for this program for her business, Leslie Jean's Unique Home Furnishings, which will be located at 107 South Travis. Ms. Archer has submitted her application, paid the fee, and met all the eligibility requirements.

Ms. Archer said it is an honor to be part of the Downtown businesses. Council Member Couch thanked her for opening her business in the Downtown area and being the first to apply for this Downtown incentive.

ACTION TAKEN.

Motion by Council Member Couch to approve the application of Leslie Archer to enroll Leslie Jean's Unique Home Furnishings into the Sherman Downtown Occupancy Incentive Grant Program, as presented. Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RECEIVE PRESENTATION FROM FINANCE DIRECTOR MARY LAWRENCE ON THE CITY OF SHERMAN'S INVESTMENT POLICY AND LONG-TERM DEBT POLICY

Mary Lawrence, Director of Finance, presented the City's Investment Policy and Long-Term Debt Policy. She said the City is required by law, through the Public Funds Investment Act, to have an Investment Policy. The law also states that the City Council retains ultimate responsibility for the investment practices.

INVESTMENT POLICY
& LONG-TERM
DEBT POLICY

She said the policy is written and formally adopted annually, and Quarterly Investment Reports are made to the City Council, after review by the Investment Committee.

The primary objective of the Investment Policy is the safety of the City's principal. She added that when the market was very volatile in 2008 and 2009, the City did not lose any principal or any income and the City's portfolio was stable.

The City employs a "buy and hold" strategy, holding the investments until maturity, to protect against any "swings" in the market. The standard of care is the "prudent person" test which recognizes what a prudent person would do with investments in their own portfolio.

The City has two Investment Officers, named by position. They are Ms. Lawrence as Finance Director, and Tammy Davis as Controller. She also outlined the procedure used for purchasing a security and the safekeeping measures in place to protect the City.

Ms. Lawrence said the authorized investments that are listed in the City's Investment Policy are more restrictive than those listed in the Public Funds Investment Act, and include U.S. Government Bonds, fully-insured deposits, State of Texas obligations, and public funds investment pools.

Each type of security is limited in the portfolio for diversification and Ms. Lawrence discussed the limits and the actual percentage of the securities in the City's portfolio. In the past year, the market has been good for the State of Texas political subdivision, and the City currently holds a lot of those securities.

The City's deposits are secured at the bank with FDIC Insurance and Letters of Credit, and could be secured with a pledge of U.S. Securities as collateral.

Council Member Steele referred to the "buy and hold" strategy asking what the City would do if a security was below value. Ms. Lawrence said the security has a maturity date and on that maturity date, the City would receive the full face value. Therefore there is never a loss.

Ms. Lawrence presented the City's Long-Term Debt Policy, which was adopted in 2009. This policy is a signal to rating agencies, that the City is well-managed and more likely to repay the debt service on time. It also provides an internal operational guideline.

The City issues debt for capital projects and for long-term assets of at least five years, provided the life is longer than the term of the debt. The City also looks at other financing sources, such as reserves, pay-as-you-go, grants, Texas Department of Transportation matches, Sherman Economic Development Corporation, and user fees. Ms. Lawrence said Sherman currently has a low debt per capita, especially compared to other comparable cities.

In the past 10 years, she said the City has only issued two kinds of debt. One is a Certificate of Obligation, authorized by the City Council. A CO was issued in July 2016 for the Public Library remodel, Swan Ridge, Canyon Creek, Friendship Road, money to match the TxDOT funding for engineering on FM 1417, and other projects. The other form of debt is Tax Notes, and is being used for the Loy Lake Road project.

Ms. Lawrence said there are some restrictions and limitations on debt, including the community's ability to repay the debt service. She also outlined the organizations that are involved in the issuance and management of debt for the City.

Robby Hefton, City Manager, said Ms. Lawrence and her staff are very qualified in managing the City's assets as well as compliance issues with the internal policies, State, and Federal requirements. The review of these policies is indicative of the professionalism of the financial staff. He said they do a great job of managing the City's funds and investments and have not had a loss of funds, revenue, or principal on any of the City's investments.

APPROVAL OF THE 2016 AD VALOREM TAX ROLL VALUE AND TAX LEVY

The City Council approved the 2016 Ad Valorem Tax Roll Value and Tax Levy for fiscal year 2016-2017. The Grayson County Tax Assessor/Collector's Office has provided Sherman's taxable value as \$2,784,965,160, which equates to a levy of \$10,785,537.85, based on the City's total tax rate of \$.394300 per \$100 valuation.

CONSENT AGENDA.

CITIZENS REQUESTS

TEXAS HOMELESS COALITION

Sarah Pierce, 1102 S. Elm, recognized Council Member Couch and former Council Member Tammy Johnson, for making a presence on November 17, 2016, at the community conversation regarding the Homeless Coalition.

MEDIA QUESTIONS

There were no media questions.

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

COUNCIL AUDIT COMMITTEE (3)

INVESTMENT COMMITTEE (2)

TAX REINVESTMENT COMMITTEE (2)

TAX INCREMENT FINANCING BOARD #1 (3)

TAX INCREMENT FINANCING BOARD #2 (3)

TAX INCREMENT FINANCING BOARD #3 (3)

Council Members discussed a list of proposed appointments to the various boards and commissions.

AD VALOREM TAX
ROLL VALUE &
TAX LEVY

TEXAS HOMELESS
COALITION

MEDIA QUESTIONS

APPOINTMENTS TO
VARIOUS COUNCIL
BOARDS

COUNCIL MINUTES – NOVEMBER 21, 2016

ACTION TAKEN.

Motion by Council Member Steele to appoint David Plyler, Kevin Couch, and Shawn Teamann to the Council Audit Committee; Jason Sofey and Pam Howeth to the Investment Committee; Terrence Steele and Charles Brown, Sr. to the Tax Reinvestment Committee; David Plyler, Jason Sofey, and Shawn Teamann to the Tax Increment Financing Board #1; David Plyler, Kevin Couch, and Charles Brown, Sr. to the Tax Increment Financing Board #2; and David Plyler, Terrence Steele, and Pam Howeth to the Tax Increment Financing Board #3; for terms from November 22, 2016 to November 2017.

Second by Council Member Couch.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

COUNCIL COMMENTS

INTRODUCTION OF FAMILY

Council Member Brown introduced his family members that were in attendance at the meeting to see him sworn in as a City Council Member.

He thanked the citizens for voting for him and former Council Member Tammy Johnson for “running a good, clean race.” He said he hoped to work with the City and with the people to do the best that he can do. He looked forward to working with the Mayor and the other City Council Members.

INTRODUCTION OF FAMILY

Council Member Howeth introduced her husband who was in attendance at the meeting to see her sworn in as a City Council Member.

She wished everyone a happy Thanksgiving and “safe travels.”

THANKS FOR SERVICE

Deputy Mayor Sofey thanked former Council Members Lawrence Davis and Tammy Johnson for their service on the City Council. He said he was also excited to work with incoming Council Members Charles Brown and Shawn Teamann.

He said Sherman is a “fantastic” City and there are a lot of exciting things going on and Sherman is in good financial shape. Deputy Mayor Sofey said he looked forward to serving the next couple of years.

THANKS FOR SERVICE

Council Member Steele said it has been great serving with former Council Members Lawrence Davis and Tammy Johnson. He said there were great things in store for them.

INTRODUCTION OF
FAMILY MEMBERS

INTRODUCTION OF
FAMILY MEMBERS

THANKS FOR
SERVICE

THANKS FOR
SERVICE

He recognized the many citizens in the audience and challenged all citizens to attend City Council Meetings to see how the City runs. He added that by attending meetings, the citizens can also offer input to Council Members.

Council Member Steele wished everyone a happy Thanksgiving.

DOWNTOWN INCENTIVE GRANT

Council Member Couch congratulated Ms. Archer on her application for the Downtown Incentive Grant. He said he was also excited about public/private partnerships. He said investing “real dollars” in the Downtown area impacts the City of Sherman in a “great way.”

DOWNTOWN
INCENTIVE GRANT

FINANCIAL INVESTMENT PRESENTATION

Council Member Couch thanked Ms. Lawrence for her presentation on the Investment Policy. He recognized good government and good stewardship through good policy in the City government. He commended all the City staff involved in the financial health of Sherman.

FINANCIAL
INVESTMENT
PRESENTATION

SERVICE ON CITY COUNCIL

Council Member Teamann said he was excited that he made it through the first meeting. He said he was humbled and honored to be serving with these great leaders of Sherman. He said it was “humbling” to be able to fill former Council Member Lawrence Davis’ chair. He said Mr. Davis has done a lot for Sherman over the past years and it is an honor for him to continue the great work he has done.

SERVICE ON
CITY COUNCIL

He introduced his family members that were in attendance at the meeting to see him sworn in as a City Council Member.

Council Member Teamann said he was excited about the direction that the City was moving and was excited to be a part of it. He thanked those that supported him and most importantly, he thanked God for giving him the opportunity to serve on the City Council.

ANNOUNCEMENTS

Mayor Plyler announced the following:

- The City offices will be closed for Thanksgiving on Thursday and Friday. He urged everyone to be mindful of the first responders that will be working during the holidays.
- There will be no trash collection on Thursday, Thanksgiving Day. Put trash out early for pickup on Wednesday. Friday routes will run as usual.
- Sherman Parks and Recreation will continue taking applications for Toys for Tots, through December 9, 2016. Citizens can apply at the Parks and Recreation Department, the Senior Citizens Center, or online.

ANNOUNCEMENTS

COUNCIL MINUTES – NOVEMBER 21, 2016

- The Annual Snowflake Festival and Christmas Parade will be held December 3, 2016.

GOOD LUCK TO CLAY BARNETT

Mayor Plyler recognized Mr. Barnett, who is attending his last City Council Meeting as a City employee.

**GOOD LUCK TO
CLAY BARNETT**

He said Mr. Barnett has really “made a mark” on the City during his time in Sherman. He has had a part in dozens of engineering projects, both big and small, over the last few years. He was also instrumental in the Loy Lake Bridge Expansion Project.

Mayor Plyler thanked Mr. Barnett for his leadership and for all he has done for the City and wished him well at Grayson County.

Mr. Barnett said he appreciated the kind words and has been very humbled to work for the City of Sherman for the past five years, and looked forward to continuing the relationship at Grayson County.

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 551.074

**PERSONNEL MATTERS:
CONSIDER THE
QUALIFICATIONS,
APPOINTMENT, AND REMOVAL
OF MEMBERS TO BOARDS AND
COMMISSIONS:
TEXOMA COUNCIL OF
GOVERNMENTS (TCOG)
GOVERNING BODY (1)**

SECTION 551.087

**DELIBERATE 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**

Mayor Plyler said there was no need to hold an Executive Session.

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

TCOG GOVERNING
BODY

ACTION TAKEN.

Motion by Deputy Mayor Sofey to appoint Kevin Couch to the Texoma Council of Governments Governing Body for a term from November 22, 2016 to November 2017.

Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

ADJOURNMENT

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:46 p.m.

MAYOR

CITY CLERK