

STATE OF TEXAS

§

November 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 November 1, 2010.

MEMBERS PRESENT:

MAYOR BILL MAGERS.

COUNCIL MEMBERS ADAMI, HOWETH, SOFTLY, WACKER.

MEMBERS ABSENT:

DEPUTY MAYOR WILLIE STEELE.

COUNCIL MEMBER SMITH.

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 Council Member Chip Adami.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of October 18, 2010. Council Member Wacker moved to approve the Minutes as presented; Second by Council Member Softly. All present voted AYE. MOTION CARRIED.

APPROVE MINUTES

CONSENT AGENDA

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

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 5533 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH WEISINGER WATER WELL, INCORPORATED FOR REPAIR OF THE SHEPHERD DRIVE #1 WOODBINE WELL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH WEISINGER WATER WELL, INCORPORATED FOR REPAIR OF THE SHEPHERD DRIVE #1 WOODBINE WELL.

CONSENT AGENDA.

RES 5533
WATER WELL
REPAIRS

RESOLUTION NO. 5534 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TIMOTHY L. MORRIS, P.E. D/B/A MORRIS ENGINEERS FOR DESIGN OF THE SURFACE WATER DISTRIBUTION PIPELINE EAST PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TIMOTHY L. MORRIS, P.E. D/B/A MORRIS ENGINEERS FOR DESIGN OF THE SURFACE WATER DISTRIBUTION PIPELINE EAST PROJECT.

CONSENT AGENDA.

RES 5534
SURFACE WATER
DISTRIBUTION
PIPELINE EAST
PROJECT

OTHER BUSINESS

**RECEIVE PRESENTATION FROM ASSISTANT CITY
MANAGER ROBBY HEFTON ON CITY OF SHERMAN'S
ADMINISTRATIVE DEPARTMENTS**

**CITY ADMINISTRATIVE
DEPARTMENT UPDATE**

Robby Hefton, Assistant City Manager/CFO, presented an update on the City's Administrative Departments, which include Human Resources, the Legal Department, the City Manager's Office, the City Clerk's Office, Finance, Purchasing, and the City Council.

In 2001, staffing for these departments was at 19 employees. By 2010, there had been a reduction in staff by 5 employees or 25%. From an efficiency standpoint, Mr. Hefton said the staff feels good about the job they are doing.

Projects underway include the Long-Term Planning Meeting that has been scheduled for November 19, 2010, which will lay the groundwork for a five-year financial plan. The meeting will include discussions on the historical and prospective financials for the major funds, the essential / complementary discussion, revenue sources, and the Sales Tax Election, which should be coming up in the Fall of 2011.

Another current project that includes the Finance Department as well as other departments, is the in-house ambulance billing. Currently the City spends \$125,000 or 10% annually on the collection of ambulance bills with its current vendor.

The City has used the current vendor for eight or ten years, however some customer service issues have developed. These services were previously provided in-house, however at the time software for both the business end and the medical end was cumbersome, inefficient, and not user friendly.

Currently the software is more efficient and more capable of integrating the medical and business aspects of billing. Mr. Hefton emphasized that the staff is not committing at the present time, but is studying the possibility. If the City does implement the program, Mr. Hefton said there would probably be a two-year payback and a possible savings of \$60,000 annually, even if one additional employee was hired.

Mayor Magers said the Council reviewed the contract for ambulance billing more recently than eight to ten years ago. Mr. Hefton explained that the City has been with Intermedix since early 2000. At the time they were "up and coming" and did a great job for the City at a very good price. Since that time the company sold to a bigger company that just recently contracted with the City of Dallas. Sherman is now just a small City and the service is poor.

Mr. Hefton said the citizens and the staff deserve to have good customer service, good responsiveness, and good reporting. One other alternative might be to contract with

another company. The staff is looking at all the alternatives, and they continue to look at ways to be more efficient and to save money.

Mayor Magers asked how much of their collections are “bad debt.” Mr. Hefton said that is not bad debt. The bad debt is being transferred after 180 days to another company for collection. Council Member Howeth verified that the contract has an “out” clause if the City wants to change companies.

Another project is for utility billing. In 2004 the City replaced water meters with the mobile read unit. Prior to that the City used actual meter readers that walked a route. The current system takes one employee two or three days a month to read all the meters, whereas the old system took four employees the entire month to read the meters.

The life of the mobile reading system we now have is approximately eight to ten years and the City has had the system for seven years. The staff plans to recommend a new system with the 2012 budget recommendations. Currently there are fixed base systems that don’t even require an employee to drive around. They just transmit to a static location.

The City may be able to make the replacement in-house instead of going to an outside company. The process might be slower, but it will definitely be cheaper. Mayor Magers addressed the estimated cost of \$2 million adding that was a lot to get back in employee savings. Mr. Hefton said as meters get older they start to lose their efficiency. He added that 1% in efficiency equates to \$200,000 in revenue.

The staff has also started working on website development and is currently interviewing companies in order to make a recommendation to the City Council, probably after the first of the year. The staff wants to see a dynamic website instead of a static website.

APPROVE QUARTERLY INVESTMENT REPORTS FOR PERIOD ENDING SEPTEMBER 30, 2010

The City Council approved the Quarterly Investment Report for the period ending September 30, 2010. As of September 30, 2010 the Operating Portfolio and Debt Proceeds Portfolio were both in compliance with applicable State laws and the City’s internal Investment Policy.

The Operating Portfolio had a book value of about \$19.8 million, down about \$2 million from three months ago due to seasonally slow property tax collections during the period. This portfolio is appropriately liquid, and its weighted-average maturity increased to about 192 days, up from 169 days last period, because of investment purchases during the quarter.

**QUARTERLY
INVESTMENT
REPORT**

The portfolio yield of 0.66% for the quarter is higher than the benchmark yield of 0.19%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The Debt Proceeds Portfolio balance decreased about \$0.9 million due to payments made for construction projects during the period. The portfolio remains adequately liquid, with all of the funds available within one day. Its yield of 0.21% for the quarter is higher than the benchmark yield of 0.19%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

CONSENT AGENDA.

CITIZENS REQUESTS

WEST WASHINGTON STREET IMPROVEMENTS

Sherman Noble, 2701 W. Washington Street, told the City Council that the Washington Street project was a "total disaster." Sand Creek Bridge was supposed to be completed in six months and it's now past six months and the bridge isn't even half completed. Citizens on the east side of Sand Creek are angry.

Mr. Noble's house is the first house west of the bridge, and he said that area is a "total disaster" too. Many times he has had to ask someone to move a vehicle so he can exit his driveway. In the original contract, it was stated that he would be able to use his driveway 24 hours a day, 7 days a week. The ditches by his driveway are 7 feet deep and there are no barricades.

Mr. Noble said the City staff "missed a few things" when they reviewed the original drawings. The drawings state that sidewalks should be on both sides of any new road constructed. He added that this is a lie and listed several new roads that do not have sidewalks on both sides of the street.

They are also laying sidewalks inside of curves. The degree of the curve will be reduced, however the curves will still be very sharp. He expressed concern about the speed of traffic on the curves and felt it would only increase after the degree of the curve is reduced.

He added that many of the neighbors in that area are not in favor of the improvements to Washington Street. They were not informed about the complexity or time frame that would be needed for completion of the project.

Mayor Magers said not one single home on Washington Street was condemned by the City of Sherman for this project. Every single landowner sold their property for fair market value. Mr. Noble said he did not feel he received what his property was worth.

**WEST WASHINGTON
STREET
IMPROVEMENTS**

COUNCIL MINUTES – NOVEMBER 1, 2010

Mayor Magers verified that the scheduled completion date for the project is June 2011. He asked Don Keene, Executive Director of Planning and Public Works, if the project was on schedule. Mr. Keene said there has been some delays, some weather related, some materials related, and some contractor related. He talked with the contractor two weeks ago and was assured that they are not significantly "off the schedule." He has asked for an updated schedule from the contractor.

Mayor Magers asked Mr. Keene to make sure that every individual affected by the street closing received the information as soon as it is received. Mr. Noble said he understood that the original contractor, J&T Construction is no longer in service and has filed bankruptcy. Mr. Keene said that information is incorrect. J&T Construction, the original contractor, is still on the job. Mr. Keene clarified that Mr. Beasley is the new superintendent for the project but it is still under J&T Construction. George Olson, City Manager, reiterated that the City still has the same contractor under the same contract on the job. Who they choose to use as their superintendent is their choice.

Mayor Magers agreed that the project is a hassle for all that are affected by it. But there is a price of progress. The completion date for the project is June of 2011. The staff has asked for an updated schedule for the project and as soon as that is received, it will be distributed to those citizens affected.

Mr. Noble said with some of the changes discussed, this has definitely increased the cost to the City for the project and it would cost another half million dollars to complete. Mr. Keene verified that the City is not over budget on the project.

Mr. Noble expressed concern about the pipeline along the south side of Washington Street that dumps water into the creek directly toward the west bank, behind his property. The water should be directed into the flow of the creek.

He also addressed equipment and material that was sitting on his neighbor's property waiting to be installed. He felt it was the City's responsibility to protect his property and asked for rip rap against the banks of the creek to keep them from eroding. Mayor Magers said the City has professional engineers on staff. Mark Gibson, Director of Engineering and Public Works, said the retaining walls were not part of the original project and would be on private property.

Mayor Magers asked Mr. Noble what he wanted the City Council to do on this issue. The City will provide an updated schedule of completion to all the property owners affected. Retaining walls are outside the original scope of work.

Mr. Noble felt that retaining walls or rip rap should have been included because they are redirecting the water flow in the

COUNCIL MINUTES – NOVEMBER 1, 2010

creek. He added that the contractor is tearing up land for which they have not compensated the owners. Mayor Magers verified that the staff is unaware of any property owner that has approached the City with a claim.

Mr. Keene said there is an agreement that the City will work with the property owners on the embankment. He did not consider that a claim for damages. Mr. Gibson said a flood plain permit could be issued tomorrow for work in the flood plain. Mr. Noble said he understood the City would pay for the embankment work.

Mayor Magers asked the staff to meet with Mr. Noble to work out these issues and then come back to the City Council at that time. He reiterated that the main issues were the timeframe, the budget, the agreement for the embankment work, and property damage.

Mr. Noble also requested that the City Council discontinue work on Washington Street on the west side of Sand Creek. Mayor Magers said the road construction is a pain for everyone, but the reality is that Sherman's City limits are moving westward. The developer's have paid the road escrow fees and the road has not been repaired. The City Council issued bonds to complete this project and every indication from the staff is that the project is on or under budget and the timeframe is for June of 2011.

The Council is aware that there have been difficulties with some of the subcontractors on the deal but the City is working through those issues. He committed to getting some information and some updated timeframes for the citizens. The City is moving forward with western roads on both Washington Street and Lamberth Road, and will do the best they can to get the projects completed in a timely manner.

Mayor Magers said the Council wants to hear the citizen's concerns and address them, but everyone is on the same team and is trying to complete the projects in a timely manner. The contractor is on the job and the process is moving forward. He apologized for any inconvenience caused by the projects, adding that the projects are not over budget and not significantly behind schedule.

Mr. Noble said the bridge was supposed to be completed in 6 months. Mayor Magers reiterated that the only date he knows of is the June 2011 completion date.

Mr. Noble asked the City to review the portion of the project that will be located west of the bridge since the City limits will not be expanding farther west within the next three to five years. He asked why the City would build a "road to nowhere" for \$2 million. He expressed concern about Friendship Road, the damage that is being done during the detour, and who would repair that road.

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Mr. Noble asked the City Council to have the contractor move the porta potties off the sides of the road and from in front of his house.

Mayor Magers reiterated that the information discussed will be collected and distributed to the affected citizens. The City is reconstructing a road that has been a County road for many years. The City is taking development west to set the stage for Highway 289 and the growth that will be coming on both Washington Street and Lamberth Road. He again apologized for the inconvenience from the projects.

WEST WASHINGTON STREET IMPROVEMENTS

Dr. Ogden T. Baur, 15 Timbercreek, said the problem with Friendship Road during the current street detour is that it is so narrow. He suggested that a yellow stripe be painted on the road to mark the lanes at night. It should also be designated as a no passing zone.

Dr. Baur added that there is a short time to complete the Washington Street bridge and he did not see the effort being put forth. He felt the remaining construction would need to be completed in phases so access to homes will not be cut off. He suggested that the staff put a man on-site to oversee the project.

Mayor Magers reiterated that the staff will get information to the property owners on the items that were discussed this evening. In the original plan the bridge was to be completed last and it was moved to the beginning of the project. Then half of the road will be completed at a time.

He added that he will contact Grayson County Commissioner Jackie Crisp about the request to paint a yellow stripe on Friendship Road.

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

WASHINGTON STREET PROJECT

Council Member Adami said that no one wants to inconvenience the citizens with the Washington Street or Lamberth Road project. Since he has been on the City Council, he has received the most calls on the poor shape of Washington Street, west of FM 1417, and Taylor Street, between Travis and Ricketts Streets, where the “dips” were. This City Council has addressed both of these issues.

The City was able to get some bond money for these projects and they were very “up front” in an Election when they presented the street improvement plan to the voters. The Election passed and as a Council Member, Mr. Adami said he felt they had an obligation to move forward and complete the projects they said they would do.

WEST WASHINGTON STREET IMPROVEMENTS

MEDIA QUESTIONS

WASHINGTON STREET PROJECT

COUNCIL MINUTES – NOVEMBER 1, 2010

The project is not meant to be an inconvenience, but the road will be a much better road to travel when it's completed.

ANNUAL FRIGHT FEST

Council Member Wacker thanked the Police Department, the Fire Department, the City staff, and the community groups that helped put together a great Fright Fest. This gives the children of the community a safe, fun place for families to come for trick or treating. It's a great example of community spirit and cooperation.

ANNUAL FRIGHT
FEST

ELECTION DAY

Council Member Howeth reminded everyone that tomorrow is Election Day and she urged all citizens to vote.

ELECTION DAY

ANNUAL FRIGHT FEST

Mayor Magers said the Magers' Family Boys were unanimous in their vote that the Sherman City tent had the best candy of any booth at Fright Fest. He thanked Pam Cloer, Assistant to the City Manager, and all the City Staff that made the event possible.

ANNUAL FRIGHT
FEST

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 CONTEMPLATED
LITIGATION

SECTION 551.087

DELIBERATION REGARDING
ECONOMIC DEVELOPMENT
NEGOTIATIONS:
DELIBERATE REGARDING
COMMERCIAL OR FINANCIAL
INFORMATION THAT THE CITY
HAS RECEIVED FROM BUSINESS
PROSPECTS AND DELIBERATE
ANY OFFERS OR INCENTIVES TO
THE BUSINESS PROSPECTS,
INCLUDING THE FOLLOWING:
GLOBITECH INCORPORATED

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:55 p.m.

COUNCIL MINUTES – NOVEMBER 1, 2010

On Motion duly made and carried, the Executive Session recessed at 6:34 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

INTRODUCTION OF ORDINANCES

Mayor Magers introduced Ordinance 5674:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS AN INDUSTRIAL REINVESTMENT ZONE, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE.

ORD 5674
INDUSTRIAL
REINVESTMENT
ZONE - GLOBITECH

Council Member Adami thanked Terry Kluesner, Controller of GlobiTech, for his comments and presentation to the City Council adding that they appreciate GlobiTech and all it is to the community.

ACTION TAKEN.

Motion by Council Member Adami to introduce Ordinance No. 5674, as presented. Second by Council Member Wacker.

VOTING AYE: Magers, Adami, Howeth, Softly, Wacker.

VOTING NAY: None.

MOTION CARRIED.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:36 p.m.

ADJOURNMENT

MAYOR

CITY CLERK