STATE OF TEXAS §

March 3, 2025

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 Community Room of the Sherman Police Headquarters, 2600 W. Travis Street, on March 3, 2025.

MEMBERS PRESENT: MAYOR SHAWN TEAMANN; DEPUTY MAYOR JUSTON DOBBS. COUNCIL MEMBERS BARNETT, HOLLAND, HOWETH, MARROQUIN, STEVENSON.

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Teamann called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were led by Council Member Josh Stevenson.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of February 17, 2025. Council Member Howeth moved to approve the Minutes, as presented; Second by Council Member Holland; All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

CITIZEN'S COMMENTS

There were no citizen's comments.

CITIZEN'S COMMENTS

CONSENT AGENDA

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately.

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

CONSENT AGENDA

PROCLAMATION
"AMERICAN RED CROSS MONTH" - MARCH 2025

Council Member Howeth read and presented a proclamation designating March 2025 as "American Red Cross Month" to Israel Martinez, Board Member, American Red Cross North Texas Region.

AMERICAN RED CROSS MONTH (MARCH 2025)

Mayor Teamann introduced Ordinance No. 6814 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF SHERMAN, TEXAS, APPENDIX C (COMPREHENSIVE FEE SCHEDULE); MODIFYING CERTAIN EXISTING FEES RELATED TO THE HERITAGE ROW HISTORICAL DISTRICT APPLICATION FOR CERTIFICATE OF APPROPRIATENESS; PROVIDING A PENALTY CLAUSE WITH A MAXIMUM FINE OF $2,000, SAVINGS/REPEALING CLAUSE, SEVERABILITY CLAUSE AND AN

ORD 6814 HERITAGE ROW HISTORICAL DISTRICT

EFFECTIVE DATE; PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

Rob Rae, Director of Development Services, said the development fees are intended to cover the cost of staff services. The Historical Board has recommended that the Heritage Row Historical District Permit Application fee for a Certificate of Appropriateness, be reduced from $500 to $75.

They felt that the lower fee would encourage residents to come into compliance with modifications to their house.

No citizens appeared before the City Council to discuss Ordinance No. 6814.

Ordinance 6815
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ABANDONING WATER LINE EASEMENT LOCATED IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED IN THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES, WHICH EASEMENTS ARE ESTABLISHED IN VOLUME 862, PAGE 9 OF THE DEED RECORDS OF GRAYSON COUNTY, TEXAS.

ORD 6815 ABANDONING WATER LINE EASEMENT

Wayne Lee, Director of Engineering, said there was a "blanket" waterline easement on the old Johnson & Johnson property. With the Crossroads Development, the easement is no longer needed and the staff recommends abandonment of the easement.

No citizens appeared before the City Council to discuss Ordinance No. 6815.

The Public Hearing was closed.

Ordinance 6814
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF SHERMAN, TEXAS, APPENDIX C (COMPREHENSIVE FEE SCHEDULE); MODIFYING CERTAIN EXISTING FEES RELATED TO THE HERITAGE ROW HISTORICAL DISTRICT APPLICATION FOR CERTIFICATE OF APPROPRIATENESS; PROVIDING A PENALTY CLAUSE WITH A MAXIMUM FINE OF $2,000, SAVINGS/REPEALING CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

ORD 6814 HERITAGE ROW HISTORICAL DISTRICT

ACTION TAKEN.
Motion by Council Member Barnett to approve Ordinance No. 6814, as presented. Second by Council Member Holland.
VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

Ordinance 6815
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ABANDONING WATER LINE EASEMENT LOCATED IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED IN THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES, WHICH EASEMENTS ARE ESTABLISHED IN VOLUME 862, PAGE 9 OF THE DEED RECORDS OF GRAYSON COUNTY, TEXAS.

ORD 6815 ABANDONING WATER LINE EASEMENT

ACTION TAKEN.
Motion by Council Member Stevenson to approve Ordinance No. 6815, as presented. Second by Council Member Holland.
VOTING AYE: Teamann, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
ABSTAIN: Barnett.
MOTION CARRIED.

<u>RESOLUTION NO. 7483 -- AUTHORIZING EXECUTION OF A COMMERCIAL CONTRACT - UNIMPROVED PROPERTY WITH MT. CARMEL CHURCH OF GOD FOR THE PURCHASE OF APPROXIMATELY 0.87 ACRES OF LAND GENERALLY LOCATED AT THE CORNER OF VERNON HOLLAND MEMORIAL DRIVE AND N. BROUGHTON STREET IN THE CITY OF SHERMAN, TEXAS</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A COMMERCIAL CONTRACT – UNIMPROVED PROPERTY WITH MT. CARMEL CHURCH OF GOD FOR THE PURCHASE OF APPROXIMATELY 0.87 ACRES OF LAND, GENERALLY LOCATED AT THE CORNER OF VERNON HOLLAND MEMORIAL DRIVE AND N. BROUGHTON STREET IN THE CITY OF SHERMAN, TEXAS.

RES 7483 PURCHASE PROPERTY

Terrence Steele, Assistant City Manager, said this was for the first of four empty lots that are adjacent to Martin Luther King Park. They had previously asked Mt. Carmel Church of God if they would give the City the first opportunity to purchase the property if they decided to sell. A survey and appraisal were completed and the appraisal came in higher than the purchase price.

He said a house currently sits on the property and they are talking to the owner, but needed to purchase the property first. If the lots are sold for infill building, Martin Luther King Park could never be expanded.

Council Member Stevenson confirmed that the future plan is to close Richards Street.

ACTION TAKEN.
Motion by Council Member Barnett to approve Resolution No. 7483, as presented. Second by Council Member Holland.
VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

RES 7484 CENTER STREET BRIDGE REHAB PROJECT

RESOLUTION NO. 7484 -- AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH A T CONSTRUCTION LLC BASED ON AN INVITATION TO BID FOR THE CENTER STREET BRIDGE REHAB PROJECT
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH A T CONSTRUCTION LLC BASED ON AN INVITATION TO BID FOR THE CENTER STREET BRIDGE REHAB PROJECT.

Mr. Lee said this project is for the Center Street Bridge Rehab Project. An inspection by the Texas Department of Transportation indicated that there was a lot of erosion of the bridge. They also need to lower a water line and complete some repairs to the bridge.

A T Construction LLC was the lowest responsible bidder, and construction is expected to begin in the Spring and be completed in late Fall or early Winter. One-way traffic will be maintained during the project.

ACTION TAKEN.
Motion by Council Member Barnett to approve Resolution No. 7484, as presented. Second by Council Member Marroquin.
VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

RES 7485 CERTIFICATES OF OBLIGATION

Mayor Teamann said Resolution 7485 would be considered after Executive Session.

RESOLUTION NO. 7485 -- APPROVING AND AUTHORIZING PUBLICATION AND POSTING OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING PUBLICATION AND POSTING OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION.

Mary Lawrence, Chief Financial Officer, said this resolution was to issue Certificates of Obligation, as discussed at last year's Budget Work Shop. The issue is for $25.1 million, and includes projects for streets, Fire Station No. 3 remodel, Blanton/McGee Street Drainage, and parks.

The language in the resolution was changed to comply with the Local Government Code and the Attorney General's Office, and has been given to the Council Members. Any motion made, should include a reference to the revised version of the resolution.

Mayor Teamann recommended taking action on this item after Executive Session, under Section 551.071, to obtain legal advice from the City Attorney.

RES 7486 POST OAK WWTP ELECTRICAL UPGRADES

<u>RESOLUTION NO. 7486 -- AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT BETWEEN GDC INDUSTRIAL INC. AND THE GREATER TEXOMA UTILITY AUTHORITY BASED ON AN INVITATION TO BID FOR THE POST OAK WASTEWATER TREATMENT PLANT ELECTRICAL UPGRADES PROJECT</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT BETWEEN GDC INDUSTRIAL INC. AND THE GREATER TEXOMA UTILITY AUTHORITY BASED ON AN INVITATION TO BID FOR THE POST OAK WASTEWATER TREATMENT PLANT ELECTRICAL UPGRADES.

Mr. Lee said this contract is for electrical improvements at the Wastewater Treatment Plant. The project was originally conceived in 2021 after the freeze, when the Council decided backup generators were needed. As part of the project, the electrical system needed to be repaired and upgraded, with additional equipment provided for future demand.

A lot of the equipment has been pre-ordered with previous Council approval, and this contract is for the construction work for installation.

GDC Industrial Inc. was the lowest responsible bidder. Work should begin in the Spring, and it's about a 22-month project.

The bid is over budget, but was re-bid once, and the money is available for the project.

ACTION TAKEN.
Motion by Council Member Barnett to approve Resolution No. 7486, as presented. Second by Deputy Mayor Dobbs.
VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

RES 7487 TASWA RADIO SYSTEM LICENSE AGREEMENT

<u>RESOLUTION NO. 7487 -- AUTHORIZING THE EXECUTION OF A RADIO SYSTEM LICENSE AGREEMENT BETWEEN THE TEXAS AREA SOLID WASTE AUTHORITY AND THE CITY OF SHERMAN</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A RADIO SYSTEM LICENSE AGREEMENT BETWEEN THE TEXAS AREA SOLID WASTE AUTHORITY AND THE CITY OF SHERMAN.
CONSENT AGENDA.

RES 7488 EQUIPMENT PURCHASE

<u>RESOLUTION NO. 7488 -- AUTHORIZING THE PURCHASE OF A KUBOTA TRACTOR FOR THE PARKS MAINTENANCE DEPARTMENT</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF A KUBOTA TRACTOR FOR THE PARKS MAINTENANCE.
CONSENT AGENDA.

RES 7489 DOWNTOWN BLDG IMPROVEMENT GRANT (321 W. HOUSTON ST)

RESOLUTION NO. 7489 -- AUTHORIZING EXECUTION OF AN AGREEMENT WITH GLENDA SUE JACOBS UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 321 W. HOUSTON STREET
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH GLENDA SUE JACOBS UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 321 W. HOUSTON STREET.
CONSENT AGENDA.

RES 7490 DOWNTOWN BLDG IMPROVEMENT GRANT (200 N. TRAVIS ST)

RESOLUTION NO. 7490 -- AUTHORIZING EXECUTION OF AN AGREEMENT WITH 200 N TRAVIS LP UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 200 N TRAVIS STREET
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH 200 N. TRAVIS LP UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 200 N TRAVIS STREET.
CONSENT AGENDA.

RES 7491 DOWNTOWN BLDG IMPROVEMENT GRANT (112 W. LAMAR ST)

RESOLUTION NO. 7491 -- AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 112 W LAMAR STREET
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 112 W. LAMAR STREET.
CONSENT AGENDA.

RES 7492 DOWNTOWN BLDG IMPROVEMENT GRANT (210 S. TRAVIS ST)

RESOLUTION NO. 7492 -- AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 210 S TRAVIS STREET
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 210 S. TAVIS STREET.
CONSENT AGENDA.

RES 7493 DOWNTOWN BLDG IMPROVEMENT GRANT (208 S. TRAVIS ST)

RESOLUTION NO. 7493 -- AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 208 S TRAVIS STREET
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 208 S. TRAVIS STREET.
CONSENT AGENDA.

RES 7494 DOWNTOWN BLDG IMPROVEMENT GRANT (219-221 W. HOUSTON ST)

RESOLUTION NO. 7494 -- AUTHORIZING EXECUTION OF AN AGREEMENT WITH RP SHERMAN PROPERTIES II, LLC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 219-221 W. HOUSTON STREET
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH RP SHERMAN PROPERTIES II, LLC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 219 -221 W. HOUSTON STREET.
CONSENT AGENDA.

REQ TO ADVERTISE WATER METERS

REQUEST TO ADVERTISE
ANNUAL PURCHASE OF WATER METERS FOR THE CITY OF SHERMAN AUTOMATED METER READING SYSTEM
The City Council approved the request to advertise for the purchase of water meters for the City's Automated Meter Reading System. The water meters will range in size from 5/8" to 2" and will be compatible with the ITRON automated reading systems, MRVS and AMI.
CONSENT AGENDA.

CHANGE ORDER WATER TREATMENT PLANT EXPANSION

CHANGE ORDER NO. 1
APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO EXECUTE PROPOSED CHANGE ORDER #1 WITH VIKING PAINTING, LLC
The City Council approved the Greater Texoma Utility Authority's proposed Change Order #1, with Viking Painting, LLC, for the Stephens Ground Storage Tank.

The Stephens Ground Storage Tank was scheduled through the City's CIP Program for rehabilitation and repainting this year. During the inspection, the tank was found to have many deficiencies and additional damage that needed attention during the repair and rehabilitation project. During the on-site inspection a leak was also discovered and temporary emergency repairs were made.

The original budget for the project was $2,600,000 (not including $400,000 ARPA). The Change Order is $374,000, and is still within the budgeted money for the project.
CONSENT AGENDA.

OTHER BUSINESS

COMMERCIAL DEMOLITION

RECEIVE PRESENTATION ON POTENTIAL COMMERCIAL DEMOLITION
Nate Strauch, Community and Support Services Manager, presented a presentation on a potential commercial demolition program. He said there is currently no money in the budget for this program.

The program references the grain elevators in Sherman, many of which are not in great condition. The staff approached Martinek Grain to see if they could make a "trade" to get their grain elevators

repainted, in exchange for something they want from the City, which is $350,000 to demolish some of the buildings.

Currently there are four different grain elevator companies in Sherman, and all are active.

The Martinek Grain Elevator includes an old flour mill and a part of the granary that is no longer used. If the commercial demolition program is approved, the City would remove everything on their property that isn't associated with the weigh/dump facility and the grain elevator.

He explained that outside crews would be used to remove some of the buildings and City crews would be used to remove the one and two story facilities, leveling it, and making it a flat lot.

This would also open up better usage of a Royal Case building that they would like to connect to their building across the street.

Mr. Strauch said the project would cost $350,000, which is not currently included in the budget. In return, Martinek would repaint and rehab the grain elevator structure, which would cost "slightly more" than the $350,000.

He also hoped that this program would continue for the next several years to continue with the other granaries, to enhance their look in the City.

Mr. Strauch said they have also talked with Martinek about painting something, such as a logo, representing Sherman, on the elevators. The cost for this would be born by Sherman.

<u>Peter Tracy, 705 S. Valentine</u>
Mr. Tracy suggested that the vacant lot be used as a parking lot. Mr. Strauch said the property would continue to be owned by Martinek, and they haven't decided what to do with it.

If the Council is in favor of the project, any contract let will be brought back for Council approval. Council Member Stevenson recommended doing the project now, if possible. Otherwise, it could be included in next year's budget. He also suggested that the property be fenced.

<u>ACCEPT ANNUAL AUDIT REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2024, FROM WEAVER AND TIDWELL, L.L.P.</u> **ANNUAL AUDIT**
Ms. Lawrence said the Audit Committee met last week to receive the Annual Audit Report and recommended that the Council approve the Audit.

<u>Claire Wootton, CPA, Director, Public Sector Services, Weaver and Tidwell, LLP</u>
Ms. Wootton presented the Audit Report to the Council, and discussed the types of Audits that were performed, and the tests for compliance with provisions of laws. No changes were made to the risks or internal controls.

An "unmodified opinion" was issued on the Financial Statement, on compliance with federal programs, and internal controls. No uncorrected misstatements were identified and there were no other significant adjustments, or internal control letters.

ACTION TAKEN.
Motion by Council Member Stevenson to accept the Annual Audit Report for the year ended September 30, 2024, as presented. Second by Deputy Mayor Dobbs.
VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

CONSIDER AND ACT ON AUTHORIZING DISBURSEMENTS TO OR CREATION OF FINANCIAL OBLIGATIONS BY ELECTED OFFICIALS UNDER ARTICLE X, SECTION 2(E) OF THE SHERMAN HOME RULE CHARTER

CHARTER COUNCIL OBLIGATIONS

Mayor Teamann said, over the years there are many Council Members that have had business relationships with the City, that are disclosed and on the record. He said this is just a transparency item, even though many of the items never come before the Council for an actual vote.

Ryan Pittman, City Attorney, said the City's Charter talks about disclosure and a majority vote by the Council, to approve in advance, disbursements to elected officials that are in excess of $2,500. The State also has the Conflict of Interest Statue, that applies to any transactions involving the City, where the City is entering into a business arrangement with a City official, or their close family members, when those items come before Council. This provision will fill the gap between $2,500 and $50,000 for transactions that wouldn't be required to be submitted to Council for a full vote.

The Charter says those items should be disclosed, voted on, and approved by a majority vote of the Council. He said it is a transparency provision.

Zach Flores, Acting City Manager, said there are four Council Members that the staff is aware of that this provision might apply to. Therefore, there should be four separate motions.

ACTION TAKEN.
Motion by Council Member Stevenson to authorize anticipated disbursements and/or financial obligations to Mayor Shawn Teamann, subject to Article X, Section 2 (E) of the Sherman Home Rule Charter, where applicable, as presented. Second by Council Member Howeth.
VOTING AYE: Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
ABSTAIN: Teamann.
MOTION CARRIED.

ACTION TAKEN.

Motion by Council Member Stevenson to authorize anticipated disbursements and/or financial obligations to Council Member Henry Marroquin, subject to Article X, Section 2 (E) of the Sherman Home Rule Charter, where applicable, as presented. Second by Deputy Mayor Dobbs.

VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Stevenson.
VOTING NAY: None.
ABSTAIN: Marroquin.
MOTION CARRIED.

ACTION TAKEN.

Motion by Council Member Stevenson to authorize anticipated disbursements and/or financial obligations to Council Member Clay Barnett, subject to Article X, Section 2 (E) of the Sherman Home Rule Charter, where applicable, as presented. Second by Deputy Mayor Dobbs.

VOTING AYE: Teamann, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
ABSTAIN: Barnett.
MOTION CARRIED.

ACTION TAKEN.

Motion by Council Member Stevenson to authorize anticipated disbursements and/or financial obligations to Council Member Daron Holland, subject to Article X, Section 2 (E) of the Sherman Home Rule Charter, where applicable, as presented. Second by Deputy Mayor Dobbs.

VOTING AYE: Teamann, Barnett, Dobbs, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
ABSTAIN: Holland.
MOTION CARRIED.

COUNCIL COMMENTS — **COUNCIL COMMENTS**

- **Congratulations to the Financial Team for a great Annual Audit. (Daron Holland, Juston Dobbs)**
- **Excellent program on the painting of the grain elevators. (Clay Barnett)**

ANNOUNCEMENTS — **ANNOUNCEMENTS**

Mayor Teamann announced the following:

- **The Annual Celtic Festival will be held March 21 through 23, 2025, at Pecan Grove Park.**
- **Coffee with the Mayor will be held March 7, 2025, at 8:00 a.m., at Fairview Park, for the grand opening and ribbon cutting for the new playground.**
- **Next month's Coffee with the Mayor will be the announcement of the Hot Summer Nights line-up reveal. It will be held on April 4, 2025, at 8:00 a.m., in the Municipal Ballroom.**

- **The Inaugural Sherman Showdown Food Truck Competition will be held on May 3, 2025, starting at 11:00 a.m., in Downtown Sherman.**

EXECUTIVE SESSION

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

TEX. GOV'T CODE § 551.071 --
SEEKING THE ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS OR ANY MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE TEXAS OPEN MEETINGS ACT

A) Receive legal advice regarding Chapter 3000 of the Texas Government Code

B) Receive legal advice regarding City Manager retirement

TEX. GOV'T CODE § 551.072 --
DELIBERATING THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

A) F.M. 1417 right-of-way negotiations

TEX. GOV'T CODE § 551.073 --
DELIBERATING A NEGOTIATED CONTRACT FOR A PROSPECTIVE GIFT OR DONATION TO THE CITY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.074 --
DELIBERATING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE; OR TO HEAR A COMPLAINT OR CHARGE AGAINST AN OFFICER OR EMPLOYEE UNLESS THE OFFICER OR EMPLOYEE WHO IS THE SUBJECT OF THE DELIBERATION OR HEARING REQUESTS A PUBLIC HEARING

A) Planning and Zoning Commission (1)

TEX. GOV'T CODE § 551.076 –
DELIBERATING THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES OR A SECURITY AUDIT

TEX. GOV'T CODE § 551.087 –
DISCUSSING OR DELIBERATING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A

BUSINESS PROSPECT THAT THE CITY SEEKS TO HAVE LOCATE, STAY OR EXPAND IN OR NEAR THE CITY AND WITH WHICH THE CITY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR DELIBERATING THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT

A) Crossroads Development

TEXAS GOV'T CODE § 551.089 --
DELIBERATING SECURITY ASSESSMENTS OR DEPLOYMENTS RELATING TO INFORMATION RESOURCES TECHNOLOGY, NETWORK SECURITY INFORMATION, OR THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL, CRITICAL INFRASTRUCTURE OR SECURITY DEVICES

Mayor Teamann added Item G3, entitled "Resolution 7485 - Approving and Authorizing Publication and Posting of Notice of Intention to Issue Certificates of Obligation," to the Executive Session, to receive legal advice under Tex. Gov't Code § 551.071.

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:53 p.m.

On Motion duly made and carried, the Executive Session recessed at 7:31 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.

Mayor Teamann said Resolution 7485 would be considered after Executive Session.

RES 7485 CERTIFICATES OF OBLIGATION

RESOLUTION NO. 7485 -- APPROVING AND AUTHORIZING PUBLICATION AND POSTING OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING PUBLICATION AND POSTING OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION.

ACTION TAKEN.
Motion by Council Member Barnett to approve Resolution No. 7485, authorizing the publication and posting of Notice of Intention to issue Certificates of Obligation, as presented. Second by Council Member Stevenson.
VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

ACTION TAKEN.
Motion by Council Member Barnett to amend his motion to use the revised wording in the Resolution 7485, as presented. Second by Council Member Stevenson.

VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED TO AMEND MOTION.

BOARDS/COMMISSION APPOINTMENT
PLANNING AND ZONING COMMISSION (1)

PLANNING & ZONING COMMISSION

ACTION TAKEN.

Motion by Council Member Stevenson to reappoint Paul Manley to the Planning and Zoning Commission, for a term from December 18, 2024 to December 18, 2027, as presented. Second by Deputy Mayor Dobbs.

VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

CITY MANAGER'S RETIREMENT

CITY MANAGER'S RETIREMENT

ACTION TAKEN.

Motion by Deputy Mayor Dobbs to authorize the Mayor to execute a retirement severance agreement with Robby Hefton, on the terms discussed in Executive Session under Item L1-B. Second by Council Member Barnett.

VOTING AYE: Teamann, Barnett, Dobbs, Holland, Howeth, Marroquin, Stevenson.
VOTING NAY: None.
MOTION CARRIED.

ADJOURNMENT

ADJOURNMENT

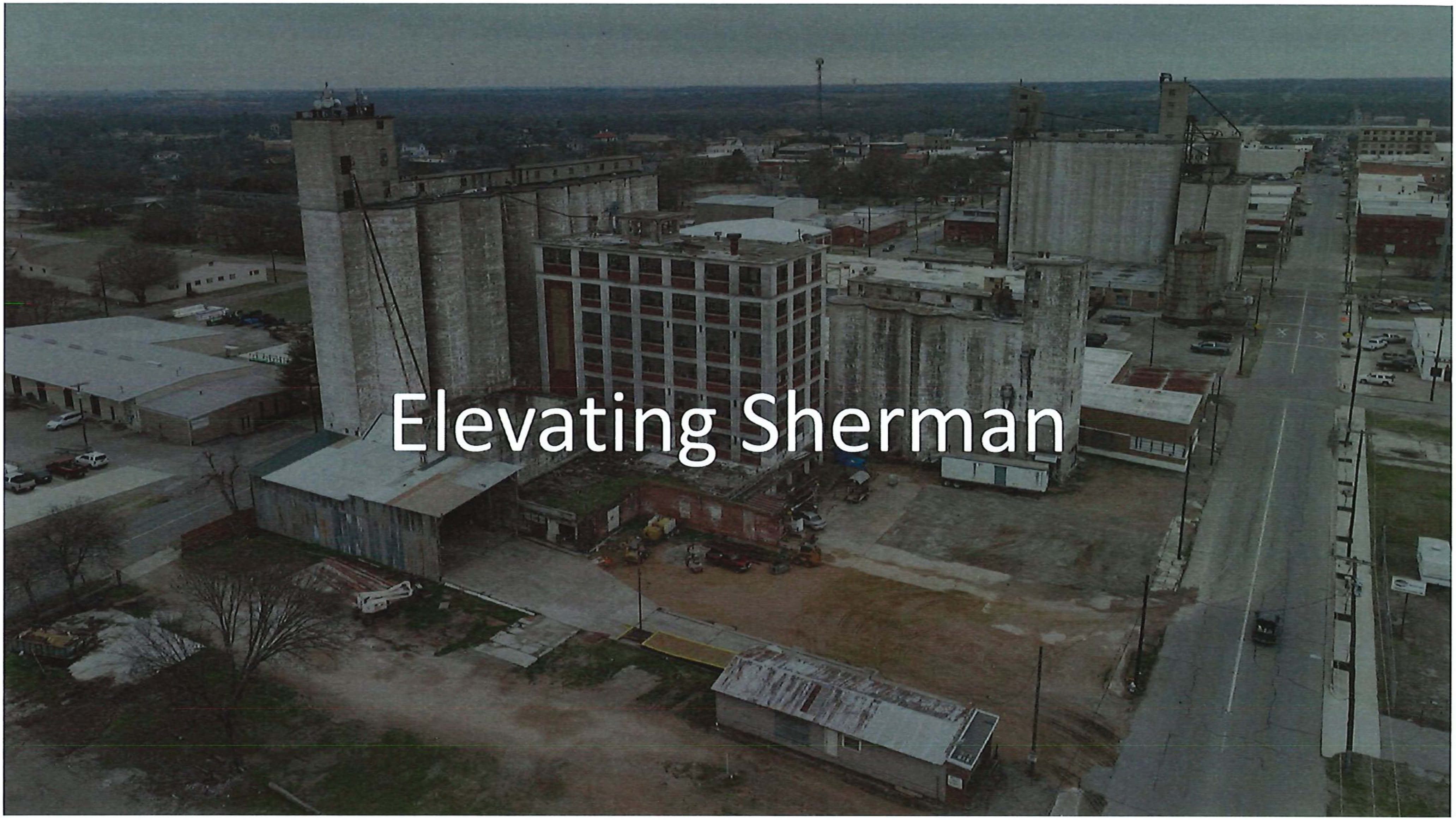
On Motion duly made and carried, the meeting adjourned at 7:36 p.m.

Signed by:
Shawn Teamann
0C787D145E324EB...

MAYOR

Signed by:
Linda Ashby
6298DDBE293944D...

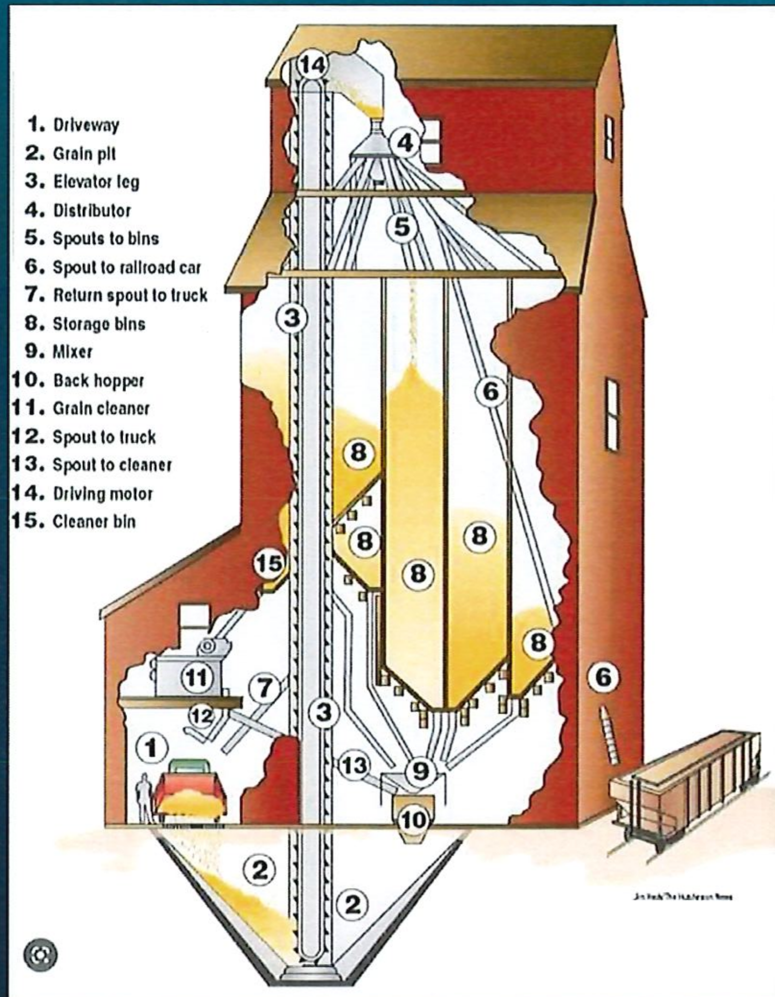
CITY CLERK


Elevating Sherman


Quality Grain
Martinek
Trenton Grain
Conagra

Remedial Agriculture

- Grayson County has 2,093 farms covering 289k acres (nearly 50% of the county)
- County produces approximately $17.5 million in crops each year
  - Net farm income is $23,614
- GrayCo grows:
  - 1.4m bushels of corn
  - 385k bushels of soybeans
  - 345k bushels of wheat
  - 139k tons of hay
- County ranks among the top 50 in the state (highest quintile)


1. Driveway
2. Grain pit
3. Elevator leg
4. Distributor
5. Spouts to bins
6. Spout to railroad car
7. Return spout to truck
8. Storage bins
9. Mixer
10. Back hopper
11. Grain cleaner
12. Spout to truck
13. Spout to cleaner
14. Driving motor
15. Cleaner bin

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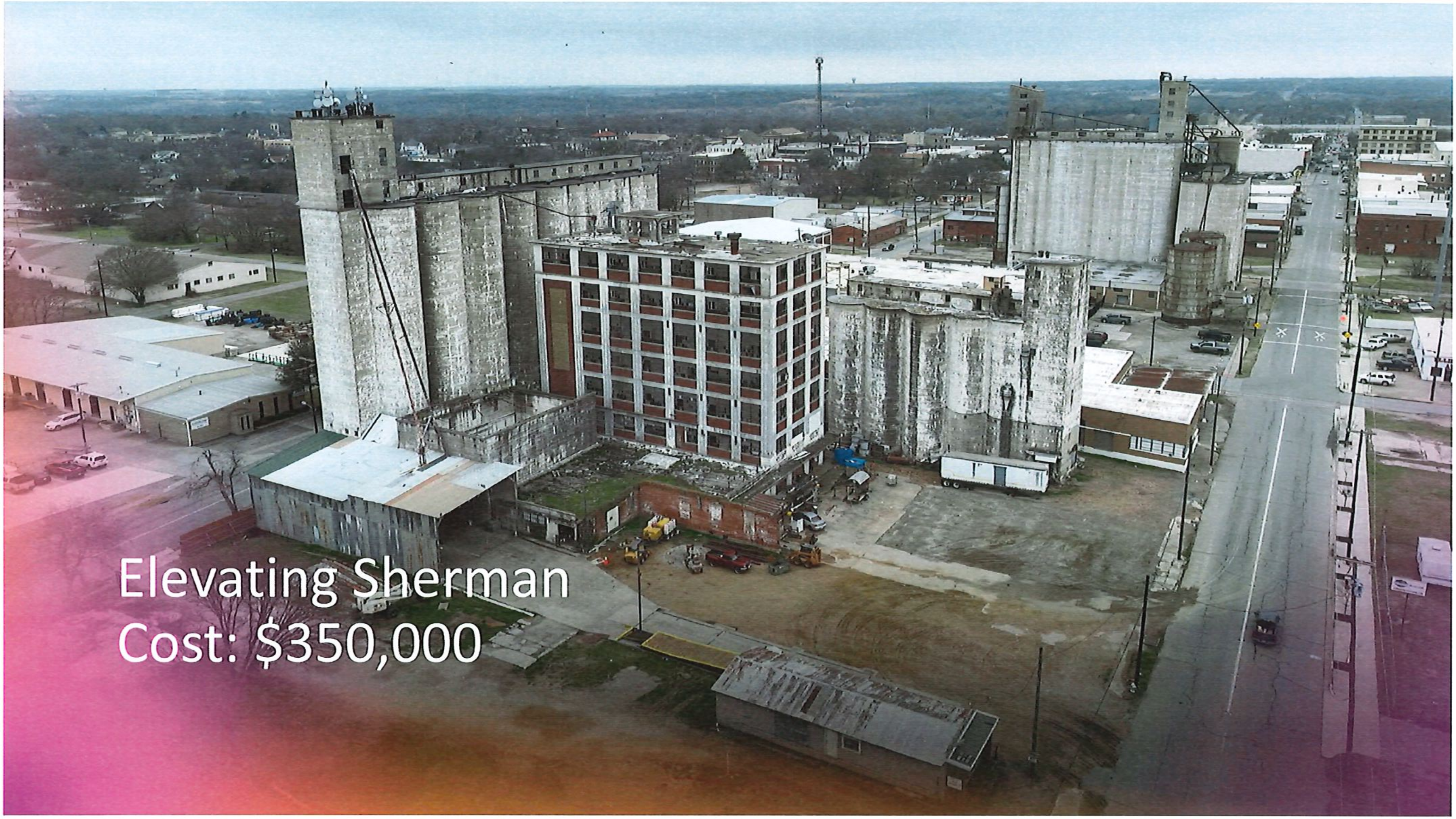
Elevating Sherman
Cost: $350,000

City of Sherman, Texas

City Council Presentation

For the Year Ended September 30, 2024

Today's Presenters

Sara Dempsey, CPA
Partner-in-Charge, Public Sector Services

- Your engagement partner
- 20+ years of experience
- Practice emphasis in auditing and consulting for governmental entities across the state of Texas

Claire Wootton, CPA
Director, Public Sector Services

- Your audit director
- 14 years of experience
- Practice emphasis in auditing and consulting for governmental entities across the state of Texas

Audit Process

AUDIT STANDARDS

- Performed the audit in accordance with:
  - *Generally Accepted Auditing Standards* (GAAS)
  - *Generally Accepted Government Auditing Standards* (GAGAS)

SINGLE AUDIT

- Performed the single audit of federal awards in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

COMPLIANCE

- Performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, including items such as compliance with:
  - Public Funds Investment Act (PFIA)

Overview

weaver
Assurance • Tax • Advisory

SIGNIFICANT CHANGES TO OUR PLANNED AUDIT STRATEGY

- There were no changes to our planned audit approach from those communicated to the City.
- There were no changes to our significant risks identified.
  - Significant Risks include:
    - Improper revenue recognition
    - Management override of controls

RESULTS OF WORK PERFORMED

- During the course of our audit, we identified no uncorrected misstatements. There were no misstatements identified by us and corrected by management.
- There are no identified significant deficiencies or material weaknesses to report based on the financial statement audit and single audit.
- There are no independence matters to report.

OUR AUDIT REPORTS

- We will issue an unmodified opinion on the financial statements.
- We will issue an unmodified opinion on compliance for the major federal program and on internal control over compliance required by Uniform Guidance.
- We will issue a report on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards.

OTHER MATTERS

- As of the date of these communications, there are no items outstanding requiring the governing body's attention.

Significant Risks

The following significant risks were identified during the performance of our risk assessment procedures:

SIGNIFICANT RISK IDENTIFIED	RELATED ASSERTIONS	RESULTS OF WORK PERFORMED
Management Override of Controls *(Note: This is a presumed risk on all audit engagements.)*	Pervasive	Journal entry testing, incorporating elements of unpredictability into testing, and the review of significant estimates for bias. No audit findings noted.
Risk of Fraud in Revenue Recognition – • Charges for Services [Utility billing] • Grants	Accuracy, Cutoff, Existence/ Occurrence	Detailed transaction testing of items that are individually immaterial. No audit findings noted.

Required Communications

REQUIRED COMMUNICATIONS	COMMENTS
Significant Accounting Policies	A summary of the significant accounting policies adopted by City is included in Note I to the financial statements. There have been no changes in significant accounting policies. The City implemented GASB Statement No. 100, which had no significant impact on the City's financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Significant Accounting Estimates	We evaluated the key factors and assumptions used to develop the accounting estimates and determined that each is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Required Communications

REQUIRED COMMUNICATIONS	COMMENTS
Significant Unusual Transactions	No significant unusual transactions were identified during the course of the audit.
Identified or Suspected Fraud	No identified or suspected fraud noted.
Significant Difficulties Encountered during the Audit	We encountered no significant difficulties in dealing with management relating to the performance of the audit.
Disagreements with Management	No such disagreements arose during the course of the audit.
Representations Requested from Management	We will receive certain written representations from management in the form of a letter addressed to Weaver and Tidwell, L.L.P.

Required Communications

REQUIRED COMMUNICATIONS	COMMENTS
Management's Consultations with Other Accountant's	Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.
Other Significant Matters, Findings, or Issues	We encountered no other matters that require communication at this time.

Assurance • Tax • Advisory

Sara Dempsey, CPA

Partner-in-Charge, Public
Sector Services

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sara.dempsey@weaver.com

Claire Wootton, CPA

Director, Public Sector Services

972.448.6934
claire.wootton@weaver.com