

STATE OF TEXAS

§

October 17, 2011

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 October 17, 2011.

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

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Magers called the meeting to order at 5:01 p.m. The Pledge of Allegiance and the Invocation were given by Council Member Joe Smith.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of October 3, 2011 and the Called City Council Meeting (held jointly with the Sherman Economic Development Corporation Board of Directors) of October 3, 2011. Council Member Wacker moved to approve the Minutes as presented; Second by Council Member Softly. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 5723 AND AN APPLICATION TO DRILL AN OIL AND GAS WELL

Mayor Magers introduced Ordinance 5723 and called for a public hearing on the ordinance and on the application to drill an oil and gas well:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW THE DRILLING OF AN OIL/GAS WELL (SKAGGS #2) IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT / O-1 (75 & 82) OVERLAY DISTRICT AT 4335 U.S. HIGHWAY 82 EAST, BEING 194.896 ACRES IN THE WILLIAM BROGDEN SURVEY, ABSTRACT NO. 92 (JACK AND PATSY PIERCE, MINERAL RIGHTS OWNERS; GREG SPALDING, LONGFELLOW ENERGY, LP, REPRESENTATIVE; AND SARTIN & ASSOCIATES, INC., SURVEYORS); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 5723
OIL AND GAS
SUP AND PERMIT

No citizens appeared before the City Council to discuss Ordinance 5723 or the application to drill an oil and gas well.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Magers introduced Ordinance 5724 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO THE APPROVAL OF TAXATION OF GOODS-IN-TRANSIT THAT ARE OTHERWISE EXEMPT FROM TAXATION BY TEXAS TAX CODE SECTION 11.253; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5724
TAXATION OF
GOODS-IN-TRANSIT

No citizens appeared before the City Council to discuss Ordinance 5724.

Mayor Magers introduced Ordinance 5725 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 3, ENTITLED "BUILDING REGULATIONS", ARTICLE 3.12, ENTITLED "FLOOD DAMAGE PREVENTION", AT SECTION 3.12.041, ENTITLED "DESIGNATION OF FLOODPLAIN ADMINISTRATOR"; TO DESIGNATE THE CITY ENGINEER AS FLOODPLAIN ADMINISTRATOR; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5725
FLOODPLAIN
ADMINISTRATOR

No citizens appeared before the City Council to discuss Ordinance 5725.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5723

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW THE DRILLING OF AN OIL/GAS WELL (SKAGGS #2) IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT / O-1 (75 & 82) OVERLAY DISTRICT AT 4335 U.S. HIGHWAY 82 EAST, BEING 194.896 ACRES IN THE WILLIAM BROGDEN SURVEY, ABSTRACT NO. 92 (JACK AND PATSY PIERCE, MINERAL RIGHTS OWNERS; GREG SPALDING, LONGFELLOW ENERGY, LP, REPRESENTATIVE; AND SARTIN & ASSOCIATES, INC., SURVEYORS); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 5723
OIL AND GAS
SUP AND PERMIT

Ordinance 5724

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO THE APPROVAL OF TAXATION OF GOODS-IN-TRANSIT THAT ARE OTHERWISE EXEMPT FROM TAXATION BY TEXAS TAX CODE SECTION 11.253; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5724
TAXATION OF
GOODS-IN-TRANSIT

COUNCIL MINUTES – OCTOBER 17, 2011

Robby Hefton, Assistant City Manager/CFO, explained that the City is already taxing the goods-in-transit, this just reauthorizes the procedure. The City must elect to tax these goods-in-transit, stored by third parties on behalf of a manufacturer. State law requires that the City take action to continue to tax these goods.

The City is choosing to continue to tax distributors in Sherman who store goods and transport for other manufacturers.

Mayor Magers verified that this is considered a “Super Freeport” item, but is separate from the Freeport Exemption. Deputy Mayor Steele verified that the goods must be in Sherman 180 days before they are taxed.

Ordinance 5725

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 3, ENTITLED “BUILDING REGULATIONS”, ARTICLE 3.12, ENTITLED “FLOOD DAMAGE PREVENTION”, AT SECTION 3.12.041, ENTITLED “DESIGNATION OF FLOODPLAIN ADMINISTRATOR”; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5725
FLOODPLAIN
ADMINISTRATOR**

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance Nos. 5723, 5724, and 5725, as presented. Second by Council Member Adami.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

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

CONSENT AGENDA

RESOLUTIONS

TABLED AT THE OCTOBER 3, 2011 CITY COUNCIL MEETING:

RESOLUTION NO. 5620 – NOMINATING A CANDIDATE TO THE GRAYSON CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, NOMINATING A CANDIDATE TO THE GRAYSON CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS.

**RES 5620
GRAYSON APPRAISAL
DISTRICT CANDIDATE
(LEFT ON TABLE)**

No action was taken on Resolution No. 5620. It was left tabled.

(RESOLUTION REMAINS TABLED)

**RESOLUTION NO. 5626 – REPEALING IN ITS ENTIRETY
RESOLUTION NO. 5280, WHICH AUTHORIZED THE
EXECUTION OF AN AGREEMENT WITH PANDA SHERMAN
POWER, LLC FOR WATER SERVICES**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REPEALING IN ITS ENTIRETY RESOLUTION NO. 5280, WHICH AUTHORIZED THE EXECUTION OF AN AGREEMENT WITH PANDA SHERMAN POWER, LLC FOR WATER SERVICES.

RES 5626
REPEAL WATER
AGREEMENT WITH
PANDA SHERMAN
POWER

**RESOLUTION NO. 5627 – AUTHORIZING EXECUTION OF AN
AGREEMENT WITH PANDA SHERMAN POWER, LLC FOR
WATER SERVICES**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH PANDA SHERMAN POWER, LLC FOR WATER SERVICES.

RES 5627
WATER SERVICE
AGREEMENT WITH
PANDA SHERMAN
POWER

Mayor Magers explained that one resolution repeals a previous agreement with Panda Sherman Power, LLC for water services and the other resolution authorizes a new agreement.

Mr. Hefton added that at the last Council Meeting the City repealed and reauthorized the tax abatement agreement and the 380 agreement for Panda Sherman Power. This agreement is for water services and calls for 30 years of water once the company is in operation. This will help them with funding for their facility.

By reauthorizing the agreement, the City will be able to increase the rates to reflect the water rate increase that the Council has approved since the inception of the original agreement three years ago.

With the reauthorization, the City will receive additional water revenue and Panda Sherman Power will get more time to construct their facility and ensure they have 30 years of water once they do open.

Mayor Magers verified that the 30 years applies to the water itself and would start when Panda Sherman Power obtains their certificate of occupancy. Mr. Hefton added that with approval of this agreement, all three agreements will require that Panda Sherman Power be in operation by 2016 for the agreements to be in effect.

ACTION TAKEN.

Motion by Council Member Adami to approve Resolution Nos. 5626 and 5627, as presented. Second by Council Member Smith.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5628 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH UNDERWOOD DRAFTING AND SURVEYING, INC. FOR SURVEYING SERVICES ON THE STORM SEWER DATA COLLECTION AND MAPPING PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH UNDERWOOD DRAFTING AND SURVEYING, INC. FOR SURVEYING SERVICES ON THE STORM SEWER DATA COLLECTION AND MAPPING PROJECT.

CONSENT AGENDA.

REQUEST TO ADVERTISE

WATER METERS AND WATER METER RADIO-READ ENDPOINTS

The City Council approved a request to advertise for the purchase of water meters and water meter radio-read endpoints for the automated meter reading system.

The City will be purchasing water meters ranging in sizes from 5/8" to 1.5" and replacement water meter radio-read endpoints with applicable assembly kits for use with the existing system.

CONSENT AGENDA.

OTHER BUSINESS

CONSIDER LONGFELLOW ENERGY, LP'S APPLICATION FOR A PERMIT TO DRILL AN OIL AND GAS WELL (SKAGGS #2) IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT / O-1 (75 & 82) OVERLAY DISTRICT AT 4335 U.S. HIGHWAY 82 EAST, BEING 194.896 ACRES IN THE WILLIAM BROGDEN SURVEY, ABSTRACT NO. 92

The City Council approved the application from Longfellow Energy, LP to drill an oil/gas well at 4335 U.S. Highway 82 East. They also applied for a specific use permit earlier in the meeting.

CONSENT AGENDA.

CONSIDER REQUEST OF THE AUSTIN COLLEGE KAPPA GAMMA CHI TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE HOMECOMING 2011 'ROO RUN AND JOEY WALK ON SATURDAY, OCTOBER 29, 2011

The City Council approved the request of Austin College Kappa Gamma Chi to temporarily close certain streets for the Homecoming 2011 'Roo Run and Joey Walk on October 29, 2011. The City will provide traffic barricades only for the event.

CONSENT AGENDA.

SET DATE TO CANVASS RESULTS OF THE CITY OF SHERMAN'S REGULAR AND SPECIAL MUNICIPAL ELECTIONS

The City Council called a Special Meeting for November 16, 2011, at 12:00 noon to canvass the results from the Regular and Special Elections held on November 8, 2011. The

RES 5628
STORM SEWER
DATA COLLECTION
& MAPPING PROJECT

REQ TO ADVERTISE
WATER METERS &
RADIO-READ
ENDPOINTS

LONGFELLOW
ENERGY OIL & GAS
WELL PERMIT
(SKAGGS #2)

CLOSE STREETS
FOR AUSTIN COLLEGE
HOMECOMING WALK
(OCT. 29, 2011)

SET DATE TO
CANVASS RESULTS
FROM REGULAR &
SPECIAL ELECTIONS

COUNCIL MINUTES – OCTOBER 17, 2011

Election will be held to elect District Council Members for District 2 and 4, and to consider the reauthorization of the local sales and use tax at the rate of one-eighth of one percent to continue providing revenue for maintenance and repair of municipal streets.

CONSENT AGENDA.

CITIZENS REQUESTS

There were no citizens requests.

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

WELCOME TO COUNCIL MEMBER'S SON

Council Member Smith welcomed his son Drew to the City Council Meeting.

ANNUAL FRIGHT FEST

Mayor Magers reminded citizens that the Annual Fright Fest was scheduled for October 31, 2011.

CHAMBER OF COMMERCE RESOLUTION OF SUPPORT FOR SALES TAX ELECTION

Mayor Magers reminded citizens that the Election to reauthorize the sales tax for street maintenance is scheduled for November 8, 2011. Early voting will begin October 24, 2011. The ballot will include the reauthorization of the sales tax for street maintenance which will shift these street expenses from property tax to sales tax.

He introduced Eddie Brown, Sherman Chamber of Commerce Interim President, who read a resolution adopted by the Chamber Board in support of the reauthorization of the sales tax for street maintenance.

Mayor Magers thanked Mr. Brown and the Sherman Chamber of Commerce for their support.

PROCLAMATION

"LIONS WHITE CANE DAY" – NOVEMBER 5, 2011

Mayor Magers presented a proclamation to Dr. Jerry Gundersheimer, Chairman of the Lions White Cane Day, designating November 5, 2011 as Lions White Cane Day. Dr. Gundersheimer thanked the Mayor and City Council for support of the Lions Club White Cane Day event.

INTRODUCTION OF CITY ENGINEER

George Olson, City Manager, said earlier in the meeting the City Council adopted an ordinance designating the City Engineer as the Floodplain Administrator. He introduced Clay Barnett as the new City Engineer. Mr. Barnett is from Addison, Texas. Mr. Olson added that he would be a good addition to the City staff.

CITIZENS REQUESTS

MEDIA QUESTIONS

WELCOME TO
COUNCIL MEMBER'S
SON

ANNUAL FRIGHT
FEST

CHAMBER OF
COMMERCE
RESOLUTION OF
SUPPORT FOR SALES
TAX ELECTION

LIONS WHITE
CANES DAY
(NOV. 5, 2011)

INTRODUCTION OF
CITY ENGINEER

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 QUALIFICATION,
APPOINTMENT AND REMOVAL
OF MEMBERS TO BOARDS AND
COMMISSIONS:
SHERMAN ECONOMIC
DEVELOPMENT CORPORATION
BOARD OF DIRECTORS (1)**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:20 p.m.

On Motion duly made and carried, the Executive Session recessed at 5:28 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

**APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO
BOARDS AND COMMISSIONS:**

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS (1)**

SEDCO

ACTION TAKEN.

Motion by Deputy Mayor Steele to appoint Mike Barnes to the Sherman Economic Development Corporation Board of Directors for a term from October 18, 2011 to October 1, 2013. Second by Council Member Wacker.
VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:30 p.m.

ADJOURNMENT

MAYOR

CITY CLERK