

STATE OF TEXAS § October 15, 2007
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 15, 2007.

**MEMBERS PRESENT: MAYOR BILL MAGERS; DEPUTY MAYOR CHIP ADAMI.
COUNCIL MEMBERS SMITH, T. STEELE, W. STEELE,
WACKER.**

MEMBERS ABSENT: COUNCIL MEMBER HUGHES.

CALL TO ORDER

Mayor Bill Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Joe Smith.

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of October 1, 2007. Council Member Terrence Steele moved to approve the Minutes as presented; Second by Council Member Willie Steele. All present voted AYE.

MOTION CARRIED.

PROCLAMATION

“NATIONAL BUSINESS WOMEN’S WEEK” – OCTOBER 15-19, 2007

Mayor Magers presented a proclamation to Lisa Herbert, B&PW President, and Lana Bernardin, B&PW Vice President, proclaiming October 15 through 19, 2007 as "National Business Women's Week."

Ms. Herbert thanked the City Council for the proclamation saying that women have come a long way and they appreciate the support of Council Members. Ms. Bernardin thanked the City Council for always supporting the women in Sherman.

“SHERMAN CHAMBER OF COMMERCE WEEK” – OCTOBER 15-19, 2007

Mayor Magers presented a proclamation to Tracy Carlson, Chamber of Commerce President, and Chamber Members Ruth Ann Rogers, Kelly Sexton, Terri Low, and Lana Bernardin proclaiming October 15 through 19, 2007 as "Sherman Chamber of Commerce Week."

Mrs. Carlson thanked the City Council for the proclamation and for their support throughout the year. She also recognized Ruth Ann Rogers for her dedicated work as a Chamber employee for the past seven years.

SPECIAL PRESENTATION

**RECOGNITION OF CITY OF SHERMAN AWARD:
“CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN
FINANCIAL REPORTING”**

**CERTIFICATE OF
ACHIEVEMENT FOR
FINANCIAL REPORTING**

Mayor Magers recognized the City’s receipt of the “Certificate of Achievement for Excellence in Financial Reporting” for the 20th consecutive year. He commended Robby Hefton, Assistance City Manager/CFO, on the great job he has done and commented on the transparent, detailed budget that was presented during the budget process. He also commended the Finance Department staff for their good work.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Magers introduced Ordinance 5492 and called for a public hearing:

**ORD 5492
JUNKED VEHICLES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED “OFFENSES AND NUISANCES,” AT ARTICLE 8.08, “JUNKED VEHICLES,” SECTION 8.08.001, “DEFINITIONS;” PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5492.

Mayor Magers introduced Ordinance 5487 and called for a public hearing:

**ORD 5487
COMMERCIAL SOLID
WASTE DEPOSITS**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13, ARTICLE 13.06 OF THE CODE OF ORDINANCES, ENTITLED “SOLID WASTE,” BY AMENDING SECTIONS 13.06.001, 13.06.051, 13.06.084, 13.06.087 AND 13.06.088 TO SIMPLIFY DEPOSIT STRUCTURE FOR COMMERCIAL SOLID WASTE FEES; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5487.

Mayor Magers introduced Ordinance 5493 and called for a public hearing:

**ORD 5493
PRO-RATA FOR
WATER & SEWER**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13, “UTILITIES,” AT SECTION 13.07.279, “PRO RATA CHARGE ESTABLISHED,” TO REVISE THE PRO-RATA CHARGE FOR WATER AND SEWER MAIN EXTENSIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Tony Beaverson, 2609 Fair Oaks Circle, said he believed in free enterprise and free market, which does not include

subsidy of the free market with public tax dollars. He felt it was inappropriate to use public tax money to subsidize a development or potential development.

He felt that if the Council moves forward with the pro-rata charges, they should inform the public who owns the property that will be enhanced, what realtors will be involved in selling the property now and in the future of the development, and any developers who are currently involved or will be involved in the development of the property. He felt there should be transparency in government about any individuals or corporations that would profit from this tax money.

Mr. Beaverson said the Sherman Economic Development Corporation and Denison are already using tax dollars for development and the Grayson County Commissioners may use tax dollars to subsidize a for-profit County jail.

He felt many taxpayers were concerned about the use of tax dollars to subsidize development of for-profit enterprises. He urged the Council not to approve any ordinance or resolution to use tax dollars to underwrite infrastructure for which developers or realtors will profit.

No other citizens appeared before the City Council to discuss Ordinance 5489.

The Ordinances were introduced and the Public Hearing was closed.

CLOSE PUBLIC
HEARING

ADOPTION OF ORDINANCES

Ordinance 5492

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED "OFFENSES AND NUISANCES," AT ARTICLE 8.08, "JUNKED VEHICLES," SECTION 8.08.001, "DEFINITIONS;" PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5492
JUNKED VEHICLES

ACTION TAKEN.

Motion by Deputy Mayor Adami to approve Ordinance No. 5492, as presented. Second by Council Member Smith.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

Ordinance 5487

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13, ARTICLE 13.06 OF THE CODE OF ORDINANCES, ENTITLED "SOLID WASTE," BY AMENDING SECTIONS 13.06.001, 13.06.051, 13.06.084, 13.06.087 AND 13.06.088 TO SIMPLIFY DEPOSIT STRUCTURE FOR COMMERCIAL SOLID WASTE FEES;

ORD 5487
COMMERCIAL SOLID
WASTE DEPOSITS

PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Council Member Smith verified that the proposed changes for deposit requirements for rental of commercial front-load and roll-off containers would not increase. George Olson, City Manager, said the current deposit system is based on frequency of service and the size of the container. The new system is based only on the size of the container.

He said the old system was cumbersome and hard to explain. Mr. Olson felt the cost would be the same. Mr. Hefton added that the ordinance deals with collection of the bills not collection of the trash.

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance No. 5487, as presented. Second by Council Member Wacker.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

Ordinance No. 5493

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13, "UTILITIES," AT SECTION 13.07.279, "PRO RATA CHARGE ESTABLISHED," TO REVISE THE PRO-RATA CHARGE FOR WATER AND SEWER MAIN EXTENSIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5493
PRO-RATA FOR
WATER & SEWER

Mayor Magers said he was in favor of the free market. He added that water revenue bonds were being used for the water and sewer expansion north on U.S. Highway 75 instead of taxpayer dollars.

He added that it would be cheaper on the developer to pay for the pipe now in current dollars rather than 10 years from now when the price is higher.

Mr. Hefton added that the City hasn't changed the rates since 1990 and they should be reviewing them annually to update the costs.

Mayor Magers said in reality, Denison has water and sewer on their side of Highway 691. Sherman needs the infrastructure on their side of the highway or development will be lost to Denison. He agreed with the idea of free market, however the City must be pro-active to get development.

He reiterated that the expansion was being paid with revenue bonds based on water revenue. The developers will pay their pro-rata share when they tap on and develop their project.

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Council Member Smith agreed however he said the development of infrastructure was a “development spur” and said it was similar to tax abatements. He added that cities almost have to do it because other cities will and they’ll get the development.

Mr. Beaverson felt the Council was on a “head-long rush to the bottom.” He urged the Council to let the free market run and not to subsidize it with tax dollars. There is an impact cost to the citizens and it is a rush to get low paying jobs.

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance No. 5493, as presented. Second by Council Member Wacker.

VOTING AYE: Adami, Smith, T. Steele, W. 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 Terrence Steele. All present voted AYE.

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 5106 – AUTHORIZING A REQUEST FOR PARTY STATUS IN A CONTESTED CASE HEARING REGARDING THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY STAFF’S RECOMMENDATION TO CREATE A GROUNDWATER CONSERVATION DISTRICT
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING A REQUEST FOR PARTY STATUS IN A CONTESTED CASE HEARING REGARDING THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY STAFF’S RECOMMENDATION TO CREATE A GROUNDWATER CONSERVATION DISTRICT.

RES 5106
GROUNDWATER
CONSERVATION
DISTRICT

Jerry Chapman, Executive Director of Greater Texoma Utility Authority, presented a report on the Groundwater Management Area for Region 8 which encompasses 57 counties in North Texas. Currently there are five Groundwater Districts in the southern part of Region 8.

The Legislature has now authorized two more districts, one which includes Montague, Wise, Parker, and Hood Counties, and one in Tarrant County.

Previously the State issued a draft report stating that 13 counties in the North Central Texas area needed Groundwater Conservation Districts. There was much opposition to this move, including from the City of Sherman. A protest was filed in May 2007. The State continued to study the situation and issued a final report in August 2007, but the conclusion remained the same.

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They feel that one or more Groundwater Districts are still needed in this area. Two districts have already been initiated.

A recent article concerning vanity wells in Collin County is the type of thing that concerns the State. That is the type of pressure that Sherman will see in the groundwater issue in the future.

A hearing will be held on October 23, 2007 and they will hear arguments for and against the issue. About 18 to 20 groundwater providers have said they will oppose the measure. Mr. Chapman suggested that these providers form a coalition and hire an attorney familiar with the issue to represent them.

He recommended that charges be divided based on groundwater pumped last year. The cost should not be overbearing on anyone. Mr. Chapman said the objective of the attorney in the hearing on October 23, would be to gain party status for any water provider that wants party status so they can have a voice in the issue and to get the judge to require the staff to negotiate with the coalition.

Mayor Magers verified that joining a coalition would not lock Sherman in if Grayson County decides to form their own Groundwater District in the future.

Mr. Chapman said the last report in August 2007 suggests that Cooke be included with the Upper Trinity Groundwater District and Denton, Collin, Fannin and Grayson Counties be included in one district.

Mayor Magers said Sherman has more water than they are using, but he expressed concern that the “big will eat the little” and the other entities need Sherman’s water.

ACTION TAKEN.

Motion by Council Member Smith to approve Resolution No. 5106, as presented. Second by Council Member Terrence Steele.

VOTING AYE: Adami, Magers, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

RECEIVE GTUA GENERAL MANAGER JERRY CHAPMAN'S BRIEFING ON A PROPOSED BOND ISSUANCE FOR WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MAJOR SEWER REHABILITATION

Mayor Magers asked Mr. Chapman to continue with his other report.

**GTUA BONDS FOR
WWTP IMPROVEMENTS**

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Mr. Chapman said they have been working with the staff on projects that the Council included in this year's Capital Improvement Program Budget.

For the sewer projects, GTUA has requested a \$3.7 million proposal for bonding capacity. They are listed on a low market interest rate program for the bonds. The proposal will be submitted to the Water Development Board for action in December 2007 or January 2008.

For the water projects, they have not decided on a funding source for the \$3 million worth of projects. The Texas Water Development Board has received about \$1 billion for the upcoming year and they have some new programs that will be available for financing.

One project is the extension of water and sewer lines along either side of U.S. Highway 75 to Highway 691. The Sherman Economic Development Corporation will be involved in the payment of the portion of the project that is related to economic development. That would be handled with a contract between the City of Sherman and SEDCO, which would be prepared by bond counsel. SEDCO would provide the debt service to the City and the City would pay the total debt service to GTUA.

Mr. Chapman also addressed a refunding opportunity on a 1998 series of bonds. A bond issue can go through an advance refund if the interest rates are favorable anytime, provided it hasn't been done more than twice.

The bonds that are eligible for refunding are not through advance refunding, but would be eligible this summer on a 10-year call, if the interest rates are favorable or if there is a reason to refund them.

Mr. Chapman could not predict interest rates for this summer, but there is another reason to refund the bonds. The last refund was in 2003 and there is now an outstanding series that has a substantial increase in debt service. He recommended reviewing that bond issue for refunding this summer as well as the 1998 series since it will be eligible.

The City Council was in favor of the proposal and thanked Mr. Chapman for his hard work.

RESOLUTION NO. 5107 – EXECUTING THE THIRD AMENDMENT TO THE ORIGINAL CONTRACT WITH TYLER TECHNOLOGIES, INC. FOR THE PURCHASE OF INCODE CEMETERY AND ACCOUNTS RECEIVABLE SOFTWARE

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXECUTING THE THIRD AMENDMENT TO THE ORIGINAL CONTRACT WITH TYLER TECHNOLOGIES, INC. FOR THE PURCHASE OF INCODE CEMETERY AND ACCOUNTS RECEIVABLE SOFTWARE.
CONSENT AGENDA.**

**RES 5107
INCODE SOFTWARE**

RESOLUTION NO. 5108 – AUTHORIZING AN AMENDMENT TO THE ORIGINAL SERVICE AGREEMENT WITH INTERMEDIX TECHNOLOGIES, INC. FOR THE BILLING AND COLLECTION OF AMBULANCE FEES

RES 5108
AMBULANCE
BILLING &
COLLECTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING AN AMENDMENT TO THE ORIGINAL SERVICE AGREEMENT WITH INTERMEDIX TECHNOLOGIES, INC. FOR THE BILLING AND COLLECTION OF AMBULANCE FEES.
CONSENT AGENDA.

RESOLUTION NO. 5109 – AUTHORIZING EXECUTION OF AN INTERLOCAL JAIL SERVICES AGREEMENT WITH GRAYSON COUNTY FOR THE PERIOD OF OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008

RES 5109
JAIL SERVICES
AGREEMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL JAIL SERVICES AGREEMENT WITH GRAYSON COUNTY FOR THE PERIOD OCTOBER 1, 2007, THROUGH SEPTEMBER 30, 2008.

Mr. Olson said the current contract expired and the resolution is an update with the five year option for renewal. He added that the amount did increase, as it has for the last several years, but that is built into the contract with the annual Consumer Price Index.

ACTION TAKEN.

Motion by Council Member Terrence Steele to approve Resolution No. 5109, as presented. Second by Council Member Wacker.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5110 – AUTHORIZING THE EXECUTION OF A QUITCLAIM DEED TO GEORGE R. COYLE FOR THE CONVEYANCE OF PROPERTY BEING TRACTS OF LAND IN THE PRESTON KITCHENS SURVEY, ABSTRACT NO. 667 AND THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56

RES 5110
QUITCLAIM
DEED

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A QUITCLAIM DEED TO GEORGE R. COYLE FOR THE CONVEYANCE OF PROPERTY BEING TWO TRACTS OF LAND IN THE PRESTON KITCHENS SURVEY, ABSTRACT NO. 667 AND THE SAMUEL BLAGG SURVEY, ABSTRACT NO. 56.

CONSENT AGENDA.

RESOLUTION NO. 5111 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH TXA HOLDINGS PROPERTIES, LP FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1105 NORTH HARRISON STREET

RES 5111
RESIDENTIAL TAX
ABATEMENT
(1105 N. HARRISON)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN

AGREEMENT WITH TXA HOLDINGS PROPERTIES, LP FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1105 NORTH HARRISON STREET.
CONSENT AGENDA.

RESOLUTION NO. 5112 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD. FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 705 EAST SYCAMORE STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD. FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 705 EAST SYCAMORE STREET.
CONSENT AGENDA.

RES 5112
RESIDENTIAL TAX
ABATEMENT
(705 E. SYCAMORE)

RESOLUTION NO. 5113 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD. FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 712 EAST SYCAMORE STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD. FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 712 EAST SYCAMORE STREET.
CONSENT AGENDA.

RES 5113
RESIDENTIAL TAX
ABATEMENT
(712 E. SYCAMORE)

RESOLUTION NO. 5114 – AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD. FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 716 EAST SYCAMORE STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD. FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 716 EAST SYCAMORE STREET.
CONSENT AGENDA.

RES 5114
RESIDENTIAL TAX
ABATEMENT
(716 E. SYCAMORE)

REQUEST TO ADVERTISE
AMBULANCE BILLING SERVICES

The City Council approved the request to advertise for Emergency Medical Service (EMS) accounts receivable billing service. EMS billing services is based on the amount collected. For FY 2006-2007, gross revenue was approximately \$1.9 million. Intermedix's billing service cost was 9.719 percent of the total amount collected on each account.

CONSENT AGENDA.

REQ TO ADVERTISE
AMBULANCE
BILLING SERVICES

WASTEWATER TREATMENT PLANT SCREW LIFT PUMP REPLACEMENT

WWTP PUMP REPLACEMENT

The City Council approved the request to advertise for bids for replacement of the screw lift pumps at the Wastewater Treatment Plant. The pumps have exceeded their useful life and require replacement due to corrosion, age, and wear. The project is included in this year's Capital Improvement Program and is funded at \$690,000.

CONSENT AGENDA.

RELIEF SEWER K-4 PHASE ONE

RELIEF SEWER K-4

The City Council approved a request to advertise for bids for the construction of Relief Sewer K-4 Phase One. The existing sewer main is deteriorated and becoming overloaded as more development occurs in northwest Sherman. Relief Sewer K-4 will replace an existing sewer along Post Oak Creek, between McGee Street and Taylor Street. The project is included in this year's Capital Improvement Program and is funded at \$900,000.

CONSENT AGENDA.

OTHER BUSINESS

CBD ENHANCEMENT/
ENFORCEMENT
PROGRAM

RECEIVE DEVELOPMENT SERVICES DIRECTOR SCOTT SHADDEN'S REPORT ON THE CBD ENHANCEMENT / ENFORCEMENT PROGRAM

Scott Shadden, Director of Developmental Services, presented a report on the Central Business District Enhancement / Enforcement Program, which was a Council priority from the budget work sessions.

The program includes a year round program of proactive code enforcement for the Central Business District east to Willow Street. The program began October 1, 2007 with the identification of properties that are in violation. The program will address substandard residential structure abatement; junk vehicle abatement; trash, junk and debris; and high grass and weeds. They will also address mowing and general clean-up around railroads.

Mayor Magers asked if the City could make the railroads clean up on their own right-of-way. Mr. Shadden said there is a procedure and there is also a plan if the railroads don't clean up their right-of-way.

He added that the staff is also working on a new substandard structure ordinance. They will be focusing on the downtown area and points east to Willow Street. The goal is for 100% compliance and a vision for downtown that citizens and visitors will be excited about.

RECEIVE BRIEFING FROM ASSISTANT CITY MANAGER/CFO ROBBY HEFTON ON THE TEXAS LEGISLATURE'S "SUPER FREEPORT" PROPERTY TAX EXEMPTION

SUPER FREEPORT
PROPERTY TAX
EXEMPTION

Mr. Hefton presented a briefing on the "Super Freeport" property tax exemption. House Bill 621 would exempt certain inventories of manufacturers that keep certain

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inventory inside the State. Currently there is a Freeport Exemption for inventory that is moved outside the State within 175 days. The primary difference between the Super Freeport and the Freeport is that the goods do not have to leave the State.

Mr. Hefton said the City can get estimates on the amount of inventory that would be involved, however the staff does not have that information at the current time. The Freeport Exemption now includes about \$56 million in inventory, which is about \$225,000 in tax revenue that is annually exempted.

Mr. Hefton said the staff can get an estimate of the amount of inventory that would be covered by the Super Freeport Exemption and bring that back to the City Council for their consideration.

He added that if the Council takes no action by December 31, 2007, then the exemption automatically goes into effect. If the Council wants to continue to tax these goods, the City would need to hold a public hearing and enact an ordinance to recommend that they will continue to tax the goods.

Mayor Magers asked Frank Gadek, Vice President of SEDCO, if they had data about what value of goods leave the area but stay inside the State. Mr. Gadek did feel that SEDCO would be able to obtain an estimate of goods that would be involved. He added that several cities have indicated that they will opt out of the exemption until more information is available. The consensus is that there will also be more refinements from the 2009 Legislature.

Mayor Magers asked that SEDCO make a recommendation to the City Council concerning the Super Freeport Exemption. He also verified that exceptions could not be made for individual companies. The City must decide to either offer the Super Freeport Exemption or not offer it.

Council Member Terrence Steele asked what percentage of Sherman's current employers fall within this category. Mr. Gadek said there is a value that is developed annually through the Grayson Appraisal District.

Council Member Willie Steele wanted to know what the pros and cons are to the Super Freeport Exemption. Deputy Mayor Adami urged the Council to get the numbers to make an informed decision.

Mr. Hefton said the current legislation is very ambiguous and there is a move to get the Attorney General to issue an opinion on what is included.

Mayor Magers asked SEDCO to bring back information to the Council by the first Council Meeting in December 2007. He

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asked to have the item placed back on the agenda before the December 31, 2007 deadline.

CONSIDER SCHEDULING A CALLED MEETING OF THE CITY COUNCIL TO CANVASS THE RESULTS FROM THE NOVEMBER 6, 2007 SPECIAL ELECTION FOR 12:00 NOON ON WEDNESDAY, NOVEMBER 14, 2007

The City Council set a Called Meeting for 12:00 noon on Wednesday, November 14, 2007 to canvass the results of the November 6, 2007 Special Municipal Election to consider a 1/8% sales tax to reduce property taxes and a 1/8% sales tax for street maintenance.

CONSENT AGENDA.

SET CALLED MEETING
TO CANVASS
NOV. 6, 2007 ELECTION

CITIZENS REQUESTS

REQUEST FOR EXCEPTION FOR SEXUAL OFFENDER

Rodney Lee Luper, 2813 S. Travis, appeared to discuss Ordinance 5409, which restricts where a sexual offender can live within Sherman. He distributed a statement for Council Members to sign to allow him to live at 512 N. Maple, the home of his fiancée.

REQUEST FOR
EXCEPTION FOR
SEXUAL OFFENDER

Mr. Luper said he was 34 years old and was incarcerated in 1991 for 14 years and 10 months for a 15 year sentence. One of the charges of which he was convicted was sexual assault of a child. Mr. Luper stated that when he was 17 years old, he had a sexual relationship with a 14 year old girl who was his girlfriend at the time. He said they skipped school and her parents found out and filed charges against him.

In prison, Mr. Luper obtained his GED, and learned about consumer economics and several trades, including bricklaying, welding, carpentry, and construction. He was released on June 16, 2006 to spend the remainder of his sentence, 69 days, in a halfway house for sex offenders in Fort Worth. Eighteen days later he had a job as a welder.

Mr. Luper said he also completed an 18 month sex offender treatment program while he was in prison, as well as another sex offender program while he was at the halfway house.

When he completed parole requirements he moved back to Sherman to be with his family. He was hired as a material handler for Goodwill Industries in Sherman and met his fiancée. In 2006 they moved in together on Cottage Street. Three months later he went to work for Plyler Construction as a welder. He still works for Plyler Construction but is now the lead man and blueprint reader.

Mr. Luper said his fiancée was approved to have a new house built by Habitat for Humanity and he helped her complete 250 sweat equity hours to build the house. When the house was completed on June 30, 2007, he went to change his address as a sex offender and found he would not be able to live in the house because of Ordinance 5409, which restricts sex offenders from living within 1,500 feet

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from where children commonly gather. Because of this, Mr. Luper said he checked himself into a halfway house so he wouldn't be sent back to prison.

Mr. Luper said he is afraid he will have to leave the halfway house and might be sent back to prison. Since he is not on probation or parole and the halfway house is State funded, he felt he would probably be asked to leave at some point. At that point, he has no place to go.

Mr. Luper and his fiancée want to get married in February 2008 but he will not be allowed to live in the house. He asked the City Council to make an exception and allow him to live on Maple Street with his fiancée. He admitted he was wrong when he was young and has only himself to blame, but he has done good things since he has been out of prison.

Pastor Charles Niblet, 1400 W. Shields, is the couple's pastor at Greater Harvest North Church. He said he only learned about the situation two or three days ago. After learning about the situation, Pastor Niblet said he and his wife counseled with Mr. Luper and asked him not to make a blanket request that the ordinance be changed, but only request an exception for himself.

Pastor Niblet said both Mr. Luper and Alicia Hester, his fiancée, are faithful to the Church and has said he will marry them now, after counseling, if they can live together.

He said he would serve as a character representative for both adults. There are three children in the home that have become attached to Mr. Luper, and a good family could be created. He has a good job and has moved up in his position. Mayor Magers confirmed that Pastor Niblet was endorsing Mr. Luper.

Council Member Terrence Steele confirmed that the house was located within 1,500 feet of Bearcat Stadium and possibly Piner School.

Alicia Hester, 512 N. Maple, said she originally applied for the house when it was just her and her three children. Then she met Mr. Luper and he helped her build the home and has always been there for her. She felt he was a good role model for her children. He has made mistakes in the past but he showed her a better man when he was released from prison.

Ms. Hester said they want to complete the family and start their future. Mr. Luper is committed to work, family, and the community. She did not feel he was a threat to anyone and would stand by him. They were not aware that he would not be able to live in the house until after it was built. She asked the Council to consider allowing him to live at 512 N. Maple and to be a part of her family.

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MEDIA QUESTIONS

CLARIFICATION ON PRO-RATA CHARGES

Kathy Williams, Herald Democrat Reporter, asked to meet with Mr. Hefton after the meeting for clarification on the water and sewer pro-rata charges in regards to water obligation bonds.

CLARIFICATION ON
PRO-RATA CHARGES

COUNCIL COMMENTS

SALES TAX ELECTION

Mayor Magers said early voting for the November 6, 2007 Sales Tax Election begins Monday, October 22 and he urged all citizens to vote their conscience because there are many important issues on the ballot.

SALES TAX ELECTION

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:
DISCUSS THE REVIEW OF THE
CITY ATTORNEY

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:08 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:46 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

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:47 p.m.

ADJOURNMENT

MAYOR

CITY CLERK