

STATE OF TEXAS

§

October 3, 2022

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 3, 2022.

MEMBERS PRESENT:

MAYOR DAVID PLYLER; DEPUTY MAYOR PAM HOWETH.
COUNCIL MEMBERS DOBBS, HOLLAND, MARROQUIN,
STEVENSON, TEAMANN.

MEMBERS ABSENT:

NONE.

CALL TO ORDER

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

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Called Joint City Council Meeting with the Sherman Economic Development Corporation of September 13, 2022, and the Regular City Council Meeting of September 19, 2022. Council Member Stevenson moved to approve the Minutes, as presented; Second by Deputy Mayor Howeth; 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. Deputy Mayor Howeth moved to approve the Consent Agenda, as presented. Second by Council Member Dobbs. All present voted AYE.

CONSENT AGENDA

PUBLIC HEARING

PROPOSED AGREEMENT WITH BROADSTONE HHH TEXAS LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE NUMBER THIRTEEN (#13), CITY OF SHERMAN, TEXAS

Mary Lawrence, Director of Finance, said Items D-1 and D-2 are related and are tax abatement agreements for two production lines at Sunny Delight.

AD VALOREM
PROPERTY TAX
ABATEMENT
(BROADSTONE HHH
TEXAS)

The first agreement is with Broadstone HHH Texas LLC, the owner of the property that Sunny Delight leases. The tax abatement has to actually be with the property owner.

The estimated improvements total approximately \$14 million in just the real property improvements. The Reinvestment Zone was approved by the City Council at the September 6, 2022 Council Meeting.

The abatement percentages are in accordance with the City's current tax abatement matrix. The percentages have been adjusted to reflect only the maintenance and operations portion of the rate, that will be applied to the property. The project will create 74 jobs.

No citizens appeared before the City Council to discuss the proposed property tax abatement for Broadstone HHH Texas, LLC.

PROPOSED AGREEMENT WITH SUNNY DELIGHT BEVERAGES COMPANY FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR TANGIBLE PERSONAL PROPERTY WITHIN INDUSTRIAL REINVESTMENT ZONE NUMBER THIRTEEN (#13), CITY OF SHERMAN, TEXAS

AD VALOREM
PROPERTY TAX
ABATEMENT
(SUNNY DELIGHT)

Ms. Lawrence said this is the same project, with Sunny Delight receiving a tax abatement for the tangible personal property. It totals about \$16 million.

No citizens appeared before the City Council to discuss the proposed property tax abatement for Sunny Delight Beverages.

The Public Hearing was closed.

RESOLUTION NO. 6960 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH BROADSTONE HHH TEXAS LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN THE CITY OF SHERMAN INDUSTRIAL REINVESTMENT ZONE NUMBER THIRTEEN (#13)

RES 6960
AD VALOREM
PROPERTY TAX
ABATEMENT
(BROADSTONE HHH
TEXAS)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH BROADSTONE HHH TEXAS LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN THE CITY OF SHERMAN INDUSTRIAL REINVESTMENT ZONE NUMBER THIRTEEN (#13).

Mayor Plyler asked to read the caption of Resolutions 6960 and 6961 together for consideration, since they relate to the same project.

RESOLUTION NO. 6961 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH SUNNY DELIGHT BEVERAGES COMPANY FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR TANGIBLE PERSONAL PROPERTY WITHIN CITY OF SHERMAN INDUSTRIAL REINVESTMENT ZONE, NUMBER THIRTEEN (#13)

RES 6961
AD VALOREM
PROPERTY TAX
ABATEMENT
(SUNNY DELIGHT)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH SUNNY DELIGHT BEVERAGES COMPANY FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR TANGIBLE PERSONAL PROPERTY WITHIN THE CITY OF SHERMAN INDUSTRIAL REINVESTMENT ZONE NUMBER THIRTEEN (#13).

COUNCIL MINUTES – OCTOBER 3, 2022

Ms. Lawrence said these are the two agreements that will approve the tax abatements for Sunny Delight. One agreement is for the real property and the other is for the personal property.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 6961, as presented. Second by Council Member Dobbs.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

For transparency, Mayor Plyler noted that he didn't vote on these Resolutions.

RESOLUTION NO. 6962 – FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S ("ONCOR" OR "COMPANY") APPLICATION TO CHANGE ELECTRIC TRANSMISSION AND DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH ONCOR CITIES STEERING COMMITTEE; AUTHORIZING THE HIRING OF LEGAL COUNSEL AND CONSULTING SERVICES; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL

A RESOLUTION OF THE CITY OF SHERMAN, TEXAS, FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S ("ONCOR" OR "COMPANY") APPLICATION TO CHANGE ELECTRIC TRANSMISSION AND DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH ONCOR CITIES STEERING COMMITTEE; AUTHORIZING THE HIRING OF LEGAL COUNSEL AND CONSULTING SERVICES; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.
CONSENT AGENDA.

RES 6962
ONCOR RATE CASE

RESOLUTION NO. 6963 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH MEAD & HUNT, INC. FOR THE REDEVELOPMENT OF TECHNICALLY BASED LOCAL LIMITS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH MEAD & HUNT FOR THE REDEVELOPMENT OF TECHNICALLY BASED LOCAL LIMITS.
CONSENT AGENDA.

RES 6963
UPDATE LOCAL
LIMITS OF
WASTEWATER
DISCHARGE PERMIT

RESOLUTION NO. 6964 – AUTHORIZING APPROVAL AND EXECUTION OF AN AGREEMENT THROUGH THE TIPS-USA COOPERATIVE PURCHASING PROGRAM WITH ARCHER CONSTRUCTION & DESIGN FOR THE INSTALLATION OF A 2 INCH FORCE-MAIN SYSTEM TO SERVICE THE NEW SHERMAN POLICE HEADQUARTERS

RES 6964
SEWER FOR POLICE
HEADQUARTERS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AGREEMENT THROUGH THE TIPS-USA COOPERATIVE WITH ARCHER CONSTRUCTION & DESIGN FOR THE INSTALLATION OF A 2 INCH FORCE-MAIN SYSTEM TO SERVICE THE NEW SHERMAN POLICE HEADQUARTERS.
CONSENT AGENDA.

CHANGE ORDER NO. 3
LAMBERTH ROAD DRAINAGE IMPROVEMENTS PROJECT; LYNN
VESSELS CONSTRUCTION, LLC; \$272,706.44 INCREASE

Robby Hefton, City Manager, said this was the final reconciling item for the Lamberth Road Project, that was actually let in December 2019.

CHANGE ORDER
LAMBERTH RD
DRAINAGE PROJECT

The project was delayed for 18 months while Oncor and Frontier moved their lines out of the way. The contractor actually was able to start in the Summer of 2021.

The project Change Order is for several things. First, is for scope changes. These are changes to the project that result in more materials needed than was originally expected. Second, the contractor was into the project, and at the City's request, they had to repair, remove, or replace, water lines, sewer lines, or other utilities. Third, there were price changes that relate to the 18-month delay, where they couldn't do work.

He said, about two-thirds of the cost is related to changes that were requested by the City, and the other third is related to price changes, like those that are seen on other projects.

Mr. Hefton said the Change Order is the net effect, of some decreases, from material quantities that were reduced. All these changes related to the final cost for this project.

This Change Order will close out the project, and the infrastructure has been accepted as complete.

Council Member Stevenson asked if the scope changes to the project came before the City Council. Mr. Hefton said scope changes did not come before the City Council. He said they included things like the option for a certain type of wall, and from an engineering standpoint, the staff decided to do a different type of wall. Typically, those types of items would be brought back to Council as a reconciliation at the end of the project.

Wayne Lee, Director of Engineering, said it was determined during construction that the pavement had to be extended to accommodate the road. There were also some additional sewer lines that collapsed and needed to be replaced.

Council Member Stevenson asked if, once the project was underway, the staff decided that there were more expensive options that were necessary for this project.

COUNCIL MINUTES – OCTOBER 3, 2022

Council Member Teamann asked why they were getting the Change Order ten months after completion of the project. He felt that was a long time to reconcile the cost. He added that the information did not state which materials increased in cost.

Mr. Lee said the project was completed in the Spring, and the staff has been “vetting” the final numbers and negotiating pricing with the contractor.

Council Member Stevenson asked what the total percentage over bid was. Mr. Lee said it was actually 17% below the original awarded contract. Mr. Philpott said the 17% was due to a change in scope, and then the second project was added in.

Mr. Lee said the original contract was \$2.3 million, and there was a Change Order for \$750,000, which decreased it to keep it in budget.

Deputy Mayor Howeth said they appreciated Lynn Vessels working with the City, and they always do good quality work, but they hate to see such a large Change Order. She did realize that the price of goods has increased “tremendously”, and that wasn’t their fault. She added that she hoped in the future, that they can “hold these Change Orders down.”

Mr. Hefton said the staff implemented a different procedure about two months ago, on all outgoing bids, to add a contingency to the project cost. This will give the staff the ability to account for these types of things.

Council Member Teamann said he was originally opposed to the Change Order, but did understand that if the City requested a change of scope, that is entirely on the City.

Mr. Hefton said two-thirds of the increase was on items that couldn’t be foreseen ahead of time, such as utility problems, or the need to change the type of wall.

Council Member Teamann asked about the procedure on a “scope change” and said the Council should probably vote on this amount of a Change Order.

Mr. Hefton said the first Change Order was a decrease, and some are under the \$50,000 level. One Change Order was \$98,000, and the thought was to get the project completed.

Mr. Philpott said timing was important, and if there are pieces that aren’t part of the “critical path,” and there’s time to take it to the Council, they absolutely will. This project seemed like everything they were doing was on a critical path. The thought was to get the project done and get the street open.

He added that the Engineering Department has been extremely busy with all the development projects, and the Change Order wasn’t as much of a priority as some of the other work they needed to do.

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve Change Order No. 3, to Lynn Vessels Construction, LLC, in the amount of \$272,706.44, for the Lamberth Road Drainage Improvements Project, as presented. Second by Council Member Stevenson.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

PAYMENT APPROVAL

AUTHORIZING PAYMENT OF \$120,446.94 FOR MICROSOFT ENTERPRISE AGREEMENT ANNUAL BILLING YEAR 2 UNDER TEXAS DIR CONTRACT DIR-TSO-4061

The City Council approved the payment of \$120,446.94 to Microsoft Enterprise for the annual billing agreement year 2, under the Texas DIR Contract, DIR-TSO-4061. This payment is for Office 365 and SQL Server licenses.
CONSENT AGENDA.

MICROSOFT
ENTERPRISE
AGREEMENT

OTHER BUSINESS

CONSIDER APPROVAL OF THE ANNEXATION SCHEDULING PLAN FOR ANNEXATION OF APPROXIMATELY 20.435 ACRES OF LAND LOCATED NORTH OF KREAGER ROAD AND WEST OF N. TRAVIS STREET ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN'S EXTRATERRITORIAL JURISDICTION; AND DIRECTING THE DEPARTMENT OF ENGINEERING SERVICES TO DEVELOP A SERVICE PLAN FOR THE AREA TO BE ANNEXED UPON APPROVAL OF THE ANNEXATION SCHEDULING PLAN

Mr. Lee explained that a landowner had 20 acres of land on the north side of Sherman, that they would like to annex into the City. This item sets the annexation schedule and will bring the item back to the Council at the next meeting. A zone change will also be requested after the annexation.

ANNEXATION
SCHEDULE
(KREAGER RD, WEST
OF N. TRAVIS ST)

Council Member Stevenson said there is a "corner piece" of property that won't be annexed, and he asked about any concerns about that. Terrence Steele, Assistant City Manager, said the two properties are owned by different people. The property not being annexed is being held for commercial development.

ACTION TAKEN.

Motion by Council Member Stevenson to approve the Annexation Scheduling Plan for approximately 20.435 acres, located north of Kreager Road and west of North Travis Street, as presented. Second by Council Member Holland.
VOTING AYE: Dobbs, Holland, Howeth, Marroquin, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RECEIVE PRESENTATION FROM POLICE SERGEANT BRETT MULLEN ON THE POLICE DEPARTMENT'S ANNUAL HALLOWEEN EVENT, "FRIGHT FEST"

Sergeant Brett Mullen, Police Department, briefed the City Council on the annual Halloween event, Fright Fest. Sergeant Mullen said

FRIGHT FEST

COUNCIL MINUTES – OCTOBER 3, 2022

Fright Fest would be held on October 28, 2022, from 6:00 p.m. until 8:30 p.m., at Pecan Grove Athletic Complex. This is the 21st annual event, which was started after the September 11 attacks, to provide a safe place for children to trick-or-treat.

Many businesses, churches, and organizations participate by distributing candy during the event. The event was originally held on the Municipal Grounds, but was moved last year to the Pecan Grove Athletic Complex to better accommodate the crowd.

Deputy Mayor Howeth said the parking was much better last year, at the new location.

COUNCIL COMMENTS

CITY EMPLOYEE PICNIC

Deputy Mayor Howeth said she enjoyed the Employee Picnic that was recently held for the City staff.

CITY EMPLOYEE
PICNIC

ANNOUNCEMENTS

Mayor Plyler announced the following:

- Coffee "Without" the Mayor will be held October 7, 2022, at Paragon Realtors. He said he would be out of town, but the event will feature a preview by the Sherman Community Players.
- Sherman Main Street will host the annual Trick or Treat on Travis, on October 27, 2022, at 6:00 p.m.
- The Sherman Police Department will host Fright Fest on October 28, 2022, at Pecan Grove Athletic Complex, from 6:00 p.m. until 8:30 p.m.

ANNOUNCEMENTS

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

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

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

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) Fire Chief

(B) Assistant Fire Chief

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

TEX. 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

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:23 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:07 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

COUNCIL MINUTES – OCTOBER 3, 2022

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:09 p.m.

ADJOURNMENT



MAYOR



CITY CLERK