

STATE OF TEXAS

§

September 19, 2011

COUNTY OF GRAYSON

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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 September 19, 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 Pam Howeth.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of September 6, 2011. Deputy Mayor Steele moved to approve the Minutes as presented; Second by Council Member Wacker. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

PROCLAMATION

"NATIONAL NIGHT OUT – TEXAS" – OCTOBER 4, 2011

Council Member Softly presented a proclamation to Sergeant Bruce Dawsey, Sherman Police Department, designating October 4, 2011 as "National Night Out – Texas."

NATIONAL NIGHT OUT
(OCT. 4, 2011)

Sgt. Dawsey thanked the Council for the proclamation adding that it was important to crime prevention in Sherman.

PUBLIC HEARING

Mayor Magers called for the first public hearing on the proposed annexation of approximately one thousand feet (1,000') on both sides of U.S. Highway 82 and S.H. 289 in the City's extra-territorial jurisdiction.

ANNEXATION --
1,000' ON BOTH SIDES
OF U.S. HWY 82 &
S.H. 289

The property included in the proposed annexation consists of 15.108 acres in the City's ETJ.

No citizens appeared before the City Council to discuss the proposed annexation of approximately one thousand feet (1,000') on both sides of U.S. Highway 82 and S.H. 289 in the City's extra-territorial jurisdiction.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Magers introduced Ordinance 5722 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE

ORD 5722
WATER & SEWER
RATES

OF ORDINANCES, ENTITLED “UTILITIES”, AT ARTICLE 13.08, ENTITLED “UTILITY BILLING”, AT SECTIONS 13.08.005 AND 13.08.006, REVISING RATES FOR WATER AND SEWER FOR FISCAL YEAR 2011-2012; 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 5722.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5722

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, ENTITLED “UTILITIES”, AT ARTICLE 13.08, ENTITLED “UTILITY BILLING”, AT SECTIONS 13.08.005 AND 13.08.006, REVISING RATES FOR WATER AND SEWER FOR FISCAL YEAR 2011-2012; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5722
WATER & SEWER
RATES**

Mayor Magers said the Council became aware of the fact that the City would be losing two large industrial water users and put a plan in place to raise the rates to assure that the revenues remained consistent over time.

This is the second step in that plan. He added that water use is a “fixed-cost” business. At last notice, MEMC is supposed to downsize this month and will probably close in December 2011.

Council Member Wacker verified that the rate increase will be four percent.

ACTION TAKEN.

Motion by Council Member Wacker to approve Ordinance No. 5722, 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

RESOLUTION NO. 5611 - AMENDING THE 2010-2011 BUDGET OF THE CITY OF SHERMAN, TEXAS, APPROPRIATING AND ALLOCATING ADDITIONAL FUNDS

**RES 5611
BUDGET
AMENDMENT**

FOR THE PERIOD OF OCTOBER 1, 2010 THROUGH
SEPTEMBER 30, 2011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE 2010-2011 BUDGET OF THE CITY OF SHERMAN, TEXAS, APPROPRIATING AND ALLOCATING ADDITIONAL FUNDS FOR THE PERIOD OF OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011.

Robby Hefton, Assistant City Manager/CFO, explained that the budget amendment is an annual “housekeeping” item to true up the budget versus actual expenses.

This year there were some unbudgeted items that happened and those need to be accounted for. These items include an unusually high number of retirements in the Fire Department which caused additional expenses to pay out the accrued sick time for the Civil Service employees. Fuel costs also increased this past year and the Youth Center moved to the old Glennie O. Ham Center, both of which were unbudgeted.

Mr. Hefton said there were also some grants that were received that were not budgeted for, but the City has offsetting revenues for these grants. The net effect of the budget amendments is about \$600,000.

There were also some expenses for group health claims that were above and beyond what was budgeted. Those expenses amount to \$750,000, however half of that amount is for non-recurring items. Mr. Hefton said that takes the City’s insurance claims to \$3.6 million or \$3.7 million, which is in line with what is typically expected for a year.

Mayor Magers verified that, for the 2011-2012 Budget, using actual costs for 2010-2011, the City will be within budget for the medical costs. Mr. Hefton said, holding everything else equal, the City should be fine for 2011-2012. The reserve balances are adequate and are in line with the Fund Balance Policy that the City Council will consider tonight.

Council Member Howeth asked why there were a large number of firemen retiring this year. Mr. Hefton clarified that the firemen were “leaving service” in the City, they were not all retirements. Because they were leaving, the firemen were eligible to receive payment for a portion of their accrued sick leave.

Jeff Jones, Fire Chief, verified that the Fire Department is fully staffed.

ACTION TAKEN.

Motion by Council Member Adami to approve Resolution No. 5611, as presented. Second by Council Member Smith.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5612 – ADOPTING A FUND BALANCE POLICY FOR THE CITY OF SHERMAN AS REQUIRED BY GASB 54; PROVIDING AN EFFECTIVE DATE

**RES 5612
FUND BALANCE
POLICY**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ADOPTING A FUND BALANCE POLICY FOR THE CITY OF SHERMAN AS REQUIRED BY GASB 54; PROVIDING AN EFFECTIVE DATE.

Mr. Hefton explained that GASB is the accounting body in charge of the rules that govern the City's accounting books. They came out with a new policy that required the City to establish a written policy, approved by the Council, for fund balances. The policy must classify fund balances in certain ways and indicate how they can be spent down. This policy is a measure to comply with the new accounting rules.

ACTION TAKEN.

Motion by Council Member Adami to approve Resolution No. 5612, as presented. Second by Council Member Wacker.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5613 – ADOPTING AN INVESTMENT POLICY FOR THE CITY OF SHERMAN

**RES 5613
INVESTMENT POLICY**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ADOPTING AN INVESTMENT POLICY FOR THE CITY OF SHERMAN.

CONSENT AGENDA.

RESOLUTION NO. 5614 – AUTHORIZING THE EXECUTION OF DEEDS FOR THE RESALE OF PROPERTIES SEIZED FOR DELINQUENT TAXES

**RES 5614
SALE OF PROPERTY
SEIZED FOR
DELINQUENT TAXES**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF DEEDS FOR THE RESALE OF PROPERTIES SEIZED FOR DELINQUENT TAXES.

CONSENT AGENDA.

RESOLUTION NO. 5615 – ACCEPTING THE CONTRACT WITH TNT'S PIPELINE CORPORATION AS COMPLETE FOR CONSTRUCTION OF THE SHERMAN HIGHWAY 75 NORTH SEWER CONTRACT "C"

**RES 5615
HWY 75 NORTH
SEWER
CONSTRUCTION**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING THE CONTRACT WITH TNT'S PIPELINE CORPORATION AS COMPLETE FOR CONSTRUCTION OF THE SHERMAN HIGHWAY 75 NORTH SEWER CONTRACT "C".

CONSENT AGENDA.

**CHANGE ORDER NO. 1
SHERMAN HIGHWAY 75 NORTH SEWER CONTRACT "C";
TNT'S PIPELINE CORPORATION; \$7,100.00 DECREASE**

**HWY 75 NORTH
SEWER
CONSTRUCTION**

The City Council approved Change Order No. 1, which is a final reconciliatory change order to adjust final project

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quantities for the Sherman Highway 75 North Sewer Contract “C”.

The project was funded through debt issued by the Greater Texoma Utility Authority on the City’s behalf. The majority of the cost decrease was due to the elimination of crushed stone trench foundation that was not required.

The change order results in a \$7,100 decrease in the original contract amount of \$269,340.50, for a final contract price of \$262,240.50.

CONSENT AGENDA.

CHANGE ORDER NO. 1

TRAVIS STREET HMAC MILL AND OVERLAY PROJECT; R.K. HALL CONSTRUCTION LTD.; \$2,027.22 DECREASE

The City Council approved Change Order No. 1, which is a final reconciliatory change order to adjust the final project quantities for the Travis Street Mill and Overlay Project, between Washington Street and Jones Street.

The change order results in a \$2,027.22 decrease in the total project cost, yielding a final revised contract amount of \$117,460.78.

CONSENT AGENDA.

TRAVIS ST.
MILL & OVERLAY

OTHER BUSINESS

RECEIVE MR. CASEY SMITH’S PRESENTATION ON TRANSPORTATION EXCELLENCE FOR THE 21ST CENTURY (“TEX-21”) AND THE U.S. 75 CORRIDOR: CONSIDER INVITATION TO PARTICIPATE IN THE TEX-21 U.S. 75 CORRIDOR TASK FORCE

Mayor Magers said TEX-21 is a lobby group composed of a number of cities and counties in Texas that are dealing with transportation issues. The group also has a presence in Washington, D.C. There is a financial consideration to the City to participate in the consortium of \$4,250.

TEX-21 U.S. 75
CORRIDOR TASK
FORCE

Highway 75 south of Dallas is known as Interstate 45. As Hwy 75 moves north of Dallas, into Collin and Grayson Counties, it is designated as U.S. Highway 75. He added that there are many benefits to having Highway 75 designated as an Interstate. There have been discussions about extending the Interstate status of Highway 75, but Mayor Magers said Grayson County must have help from the Choctaw and Chickasaw Nations in Oklahoma.

He introduced Casey Smith, Public Policy Consultant with Dean International, Inc., who presented information about TEX-21 Transportation EXcellence for the 21st Century and the U.S. 75 Corridor.

He said TEX-21 is more of a transportation advocacy group instead of a lobbying group. All of the members of TEX-21 are cities, counties, and public entities and the organization

effects policy. The organization was formed 12 years ago and includes approximately 60% of Texas' population.

Mr. Smith explained that TEX-21 has three corridor initiatives at the current time, including Interstate 30, U.S. Highway 287, and U.S. Highway 75. The membership has decided that these are the vital corridors right now due to the expansion of the Panama Canal opening in 2014 and the massive influx of cargo and the routes that will be taken through the State.

He added it is very important for all the entities along a linear transportation line to work together because what effects one also affects the others.

With the extension of the Interstate 30 corridor, new members in Arkansas are also joining with Texas in the TEX-21 initiative. He listed the entities that are members of TEX-21 and discussed their intent to work together for transportation issues across the State, including the long-term goal of obtaining the Interstate status.

They also have a Congressional Caucus in Washington, D.C., a Legislative Caucus at the State of Texas level, and members of the Arkansas Congressional Delegation.

Prior to obtaining the Interstate status, there is a Congressionally Designated High Priority Corridor which indicates it's preference of status. This designation also makes additional funding available through a different source than the Interstate funding.

Mr. Smith explained that TEX-21 facilitated the inclusion of Interstate 30 as a Congressionally Designated High Priority Corridor. Mayor Magers verified that funding for a Congressionally Designated High Priority Corridor is different than funding for an Interstate Highway.

Mr. Smith said there are two paths to get the Interstate status. One is the administrative path which goes through the Federal Highway Administration and their code and proceedings which are already built into the transportation laws. The other option is through an Act of Congress. This is the path that TEX-21 takes.

TEX-21 currently has three legislative targets including the support of transportation funding mechanisms that can be used at the local level, such as transportation reinvestment zones. Other targets include ending or reducing diversions of transportation revenues to other areas that are not related to transportation issues and supporting that surplus toll revenue remains in the region in which it was generated.

Mr. Smith explained that the U.S. 75 corridor starts in Dallas and goes north to Tulsa, Oklahoma. He added that, according to traffic counts from the Texas Department of

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Transportation in 2009, more traffic leaving Dallas is on U.S. 75, and that puts Sherman in a growth corridor.

Currently U.S. 75 is not a High Priority Corridor, but Mr. Smith felt that by working with TEX-21, that designation could be forthcoming.

Council Member Adami asked how much of TEX-21's emphasis would be on the U.S. 75 Corridor, as opposed to Hwy 287 and Hwy 30. Mr. Smith said the emphasis is largely driven by the members.

TEX-21 is the umbrella organization for the three initiatives. The U.S. 75 Corridor will function as its own entity and have its own emphasis. Each one will drive their own efforts. There will be a great emphasis on each initiative, but the U.S. 75 Corridor will probably demand the most attention due to its size, nature, and need for growth.

Council Member Wacker added that TEX-21 will gain "clout" as more member cities join. Council Member Howeth asked how it would benefit Sherman citizens. Mr. Smith said the goal is to improve the U.S. 75 Corridor. This will provide an ease of access for citizens and the natural commerce that comes with expanded transportation.

Mayor Magers said Sherman is a member of the Metropolitan Planning Organization and since they receive federal funding are not allowed to participate in an advocacy group. The entire area needs to be a part of this and will have equal representation with the other entities.

Council Member Wacker said she didn't see any downside to being a part of the effort. It seems positive and would position Sherman for growth coming this direction. Highway 75 already has very heavy traffic and getting this designation could help with highway safety issues and getting additional money for safer entrance ramps.

Mayor Magers said there is also a move to combine MPOs across the country so the smaller ones won't be overshadowed by the larger organizations. Sherman doesn't have the "muscle" to accomplish this alone. He added that as a member, Sherman can hold them accountable and if they decide, they can opt out of the program.

Council Member Adami verified that there are annual dues and he asked how they measured their performance. Mr. Smith said the City will evaluate his performance and base it on their expectations and satisfaction.

Mayor Magers said he would measure their success on the tangible progress that is made on the designation. That is the first step in having U.S. 75 designated as an Interstate. Mr. Smith said they will be working on the High Priority

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Corridor status but will also make sure Sherman has a voice in where the extension is located.

Council Member Howeth reiterated that when money is tight, the citizens of Sherman need to see how they will benefit from it and have an expectation that it will occur and will draw businesses to Sherman. Council Member Wacker said it should be thought of as an investment.

Council Member Adami said he always understood that the Oklahoma side didn't have the funds or wasn't interested in pursuing that designation. He felt there must be a willingness on both sides to move the plan forward.

Mr. Smith said with the benefits it would give to Oklahoma, he did not feel that tune was set in stone. They currently have no members in Oklahoma, however the designation would make it easier to get to attractions in that State. Mayor Magers added that one of the members of the legislature of the Chickasaw Nation was very interested.

Council Member Adami suggested that the City participate for a year, but if there was no involvement from Oklahoma, then it would not be worth pursuing as a continuing investment.

Mayor Magers added that someone has to move first and he understood there were other cities in Grayson County that were waiting to see what Sherman does before they step forward.

Deputy Mayor Steele asked if the designation could be made on a section of the highway, maybe to the Red River, without including the entire highway. Mr. Smith said they have done "future segments" but typically the segments are longer and go to another Interstate and not just to the river.

ACTION TAKEN.

Motion by Council Member Adami to participate in the TEX-21 U.S. 75 Corridor Task Force for one year, then measure the progress in Oklahoma to push for the initiative. Second by Council Member Smith.

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

VOTING NAY: None.

MOTION CARRIED.

CITIZENS REQUESTS
FUND BALANCE POLICY

Eugene Lund, 1815 Sandra, asked the City Council about Resolution 5612 and if there were any dollar changes incrementally or in the total of the fund balance for the City.

Mr. Hefton clarified that the City is still using 60 days as the minimum threshold for fund balances and this policy reflects that threshold. He added that the City has the ability to adjust that threshold either up or down through time, but

**FUND BALANCE
POLICY**

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it does meet the minimum threshold of 60 days. This is actually higher than what is required by the Charter. The City is basically codifying what the unwritten policy as been.

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

SEPTEMBER 11 MEMORIAL SERVICE

Deputy Mayor Steele said he recently attended the September 11th Memorial Service on the Courthouse Square. He thanked Jeff Jones, Fire Chief, and Tom Watt, Police Chief, and others that organized the event. He said it was a great experience and he appreciated their efforts.

SALES TAX RETURNS

Mayor Magers said sales tax is up three percent year-to-date. This is approximately \$350,000 more sales tax revenue this year over last year.

He reminded citizens that by having sales tax fund a portion of the street maintenance costs, the City is able to keep the property tax lower. At least 50% of those revenues come from outside the City. He encouraged citizens to approve the Sales Tax for Street Maintenance Initiative on the November 8, 2011 Ballot.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:52 p.m.

MEDIA QUESTIONS

**SEPTEMBER 11
MEMORIAL SERVICE**

SALES TAX RETURNS

ADJOURNMENT

MAYOR

CITY CLERK