STATE OF TEXAS §

August 4, 2008

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 August 4, 2008.

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

MEMBERS ABSENT: **COUNCIL MEMBER ADAMI.**

CALL TO ORDER

CALL TO ORDER

Mayor Bill Magers called the meeting to order at 5:03 p.m. The Pledge of Allegiance and the Invocation were given by Mayor Bill Magers.

APPROVE MINUTES

APPROVE MINUTES

The Council reviewed the Minutes of the Called City Council Meeting (Budget Workshop) of July 17, 2008 and the Regular City Council Meeting of July 21, 2008. Council Member Smith moved to approve the Minutes as presented; Second by Council Member Softly. All present voted AYE.
MOTION CARRIED.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 5550
NO PARKING SIGNS
E. COLLEGE STREET

Mayor Magers introduced Ordinance 5550 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF EAST COLLEGE STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN.

No citizens appeared before the City Council to discuss Ordinance 5550.

CLOSE PUBLIC HEARING

The Ordinances were introduced and the Public Hearing was closed.

ADOPTION OF ORDINANCES

ORD 5550
NO PARKING SIGNS
E. COLLEGE STREET

Ordinance 5550
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT "NO PARKING" SIGNS RESTRICTING PARKING ALONG PORTIONS OF EAST COLLEGE STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN.

ACTION TAKEN.

> **Motion by Council Member Howeth to approve Ordinance No. 5550, as presented. Second by Council Member Smith.**

VOTING AYE: Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

CONSENT AGENDA

CONSENT AGENDA

The Council reviewed the Consent Agenda. George Olson, City Manager, asked to remove Item D-7 entitled "Set Public Hearing for Capital Improvement Program (CIP) 2008-2013 for Tuesday, September 2, 2008" from the Consent Agenda for consideration in its regular order of business.

Deputy Mayor Wacker moved to approve the Consent Agenda, with the exception of Item D-7, which will be considered in its regular order of business. Second by Council Member Softly. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 5243 – AUTHORIZING EXECUTION OF AN OCCUPANCY LICENSE AGREEMENT WITH THE TEXAS NORTHEASTERN RAILROAD, A DIVISION OF MID-MICHIGAN RAILROAD, INC., FOR REPLACEMENT OF THE TRAVIS STREET WATER MAIN

RES 5243 RAILROAD LICENSE AGREEMENT FOR WATER MAIN REPLACEMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN OCCUPANCY LICENSE AGREEMENT WITH THE TEXAS NORTHEASTERN RAILROAD, A DIVISION OF MID-MICHIGAN RAILROAD, INC., FOR REPLACEMENT OF THE TRAVIS STREET WATER MAIN.
CONSENT AGENDA.

RESOLUTION NO. 5244 – AUTHORIZING 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 1606 SOUTH MONTGOMERY STREET

RES 5244 RESIDENTIAL TAX ABATEMENT (1606 S. MONTGOMERY)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING 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 1606 SOUTH MONTGOMERY STREET.
CONSENT AGENDA.

RESOLUTION NO. 5245 – AUTHORIZING 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 1610 SOUTH MONTGOMERY STREET

RES 5245 RESIDENTIAL TAX ABATEMENT (1610 S. MONTGOMERY)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING 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 1610 SOUTH MONTOMGERY STREET.
CONSENT AGENDA.

REQUEST TO ADVERTISE
CITY OF SHERMAN EMPLOYEE AND RETIREE HEALTH INSURANCE

REQUEST TO ADV EMPLOYEE & RETIREE HEALTH

INSURANCE

The City Council approved a request to advertise for group health plan coverage for employees, dependents and retirees. The City's partially self-funded group health plan has experienced historically unusual claim years for the past two years.

As part of the consulting arrangement with Fidelity Benefits, they can provide services to bid the City's coverage to the market. The City already has a commitment for renewal from the current providers, Group & Pension Administrators and ING.
CONSENT AGENDA.

CHANGE ORDER WATER MAIN REPLACEMENT ($5,355.44 INCREASE)

CHANGE ORDER NO. 1
WATER MAIN REPLACEMENT ON TEXOMA PARKWAY FROM U.S. HIGHWAY 82 TO FRISCO ROAD; $5,355.44, INCREASE
The City Council approved a change order for the Texoma Parkway Water Main Replacement, Phase II. The change order is a final reconciliatory change order that adjusts the final quantities for the project and results in a $5,355.44 increase in the contract amount. The final contract price of $271,789.44 was funded through the Greater Texoma Utility Authority.
CONSENT AGENDA.

OTHER BUSINESS

SET CALLED MEETING FOR SEPT. 2, 2008

CONSIDER CALLING A SPECIAL MEETING OF THE CITY COUNCIL FOR TUESDAY, SEPTEMBER 2, 2008, DUE TO CONFLICT WITH A FEDERAL HOLIDAY
Mr. Olson said the Labor Day Holiday is Monday, September 1, 2008, however that meeting is needed to set the property tax rate.

ACTION TAKEN.
> **Motion by Deputy Mayor Wacker to call a Special City Council Meeting for Tuesday, September 2, 2008, as presented. Second by Council Member Smith.**

VOTING AYE: Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

REVIEW DRAFT BUDGET

REVIEW 2008-2009 DRAFT BUDGET
Robby Hefton, Assistant City Manager/CFO, highlighted several items in the proposed FY 2008-2009 Draft Budget. The General Fund is balanced and has a fund balance of over 70 days. The target fund balance is 60 days.

The Budget focuses on finishing the commitments made in the prior year by the Council for capital infrastructure improvements and focusing on efficiencies in the operations. No new programs are proposed, so the staff is trying to focus on core tasks.

The Budget also includes a property tax rate reduction to $0.32 per $100 valuation and rate increases in the Utility and

Solid Waste Funds. These rate increases reflect the City's direct cost increases for energy costs, fuel costs, and landfill costs.

Mayor Magers explained that the public hearing on the Budget will be held on August 18, 2008 and citizens are invited to attend and voice their concerns on the issue. He asked if anyone wanted to speak today.

<u>Linda Robertson, 311 S. Dewey</u>
Ms. Robertson said she lives near Fire Station No. 2 and expressed concern about the reduction of a paramedic and an ambulance at that station for a cost savings of $180,000 per year.

She listens to the scanner and discussed several recent fires and ambulance calls where minutes save lives. The paramedics give up their family life and their personal life, and "cram knowledge" in their heads to take care of the citizens. They put their life on the line every day.

Ms. Robertson said Sherman is growing and adding schools and restaurants and the additional ambulance is needed to make calls. A contract was let with the City of Van Alstyne to assist with calls, but Van Alstyne is 18 miles away and she didn't think they would be able to assist with the high costs associated with providing service.

She suggested that the City charge a flat rate on non-transfer calls or increase the charges for ambulance calls rather than lay off a paramedic and take an ambulance out of service. She said time is the most important thing for ambulances making calls.

Mayor Magers said the public hearing on the Budget will be held August 18, 2008. He added that no one is loosing their job. The issue is an overtime issue and takes the staffing down to 19. A paramedic will still be staffed at the Fire Station and will make calls on the fire engine. He reiterated that there is no reduction in force, it is a personnel overtime issue.

<u>DISCUSSION OF THE PROPOSED TAX RATE FOR FISCAL YEAR 2008-2009 AND SCHEDULING PUBLIC HEARINGS FOR BUDGET AND PROPOSED TAX RATE</u>

PROPOSED TAX RATE

Mr. Hefton said the City is proposing a 20% reduction in the property tax rate for FY 2008-2009. By law the City is required to set a public hearing for discussion of the property tax rate and introduction of the Budget Ordinance.

The Budget Ordinance will be introduced at the August 18, 2008 Meeting and a public hearing will be held. The Budget Ordinance will be adopted on September 2, 2008 and the Tax Rate will be adopted on September 15, 2008.

ACTION TAKEN.

Motion by Council Member Smith to set a Public Hearing for the Budget and Proposed Tax Rate for Monday, August 18, 2008, as presented. Second by Council Member Steele.

VOTING AYE: Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

REVIEW DRAFT CIP

REVIEW DRAFT CAPITAL IMPROVEMENT PROGRAM (CIP) 2008-2013

Mr. Hefton said the Council has already discussed the Capital Improvement Program, especially for the first two years. The City Charter requires that the staff present a five-year CIP Plan.

Council Members will be receiving a CD with all the detail for CIP projects. The staff is moving forward with the projects that were approved at the Budget Workshop for the first year of the CIP Program with funding. The Council also has an opportunity to respond to the five-year program.

The Council will only be approving funding for the first year projects. There have been no changes to the first year program since the Council discussed it at the Budget Workshop.

SET PUBLIC HEARING FOR CIP

SET PUBLIC HEARING FOR CAPITAL IMPROVEMENT PROGRAM (CIP) 2008-2013 FOR TUESDAY, SEPTEMBER 2, 2008

Mr. Olson asked to remove Item D-7 from the Consent Agenda for consideration in its regular order of business.

He explained that the Council needed to set the Council Meeting for September 2, 2008 because of the Labor Day Holiday before a public hearing could be set for that date.

ACTION TAKEN.

Motion by Deputy Mayor Wacker to set a Public Hearing for the Capital Improvement Program for Tuesday, September 2, 2008, as presented. Second by Council Member Softly.

VOTING AYE: Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

QUARTERLY INVESTMENT REPORT

APPROVE QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING JUNE 30, 2008

The City Council approved the Quarterly Investment Report for the period ending June 30, 2008. The report reflects a portfolio position for the operating funds of about $27.4 million.

As of June 30, 2008, the City was in compliance with all applicable State laws and the provisions of the City's internal Investment Policy. The portfolio remains adequately liquid

and its yield of 2.69% for the quarter is higher than the benchmark yield of 2.14%. The market value of the overall portfolio was 100.07% of the book value.

The report also included the Certificate of Obligation Debt Proceeds. This report accounts for the investment of proceeds from the $5 million CO Bonds, which are governed by their own policy limits and targets. This report also reflects compliance with all applicable State laws and the provisions of the City's internal Investment Policy. The portfolio is invested 100% in an investment pool that for the quarter yielded 2.3%.
CONSENT AGENDA.

CITIZENS REQUESTS

<u>CITIZENS REQUESTS</u>
There were no citizen's requests.

MEDIA QUESTIONS

<u>MEDIA QUESTIONS</u>
There were no media questions.

<u>CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: AIRPORT ADVISORY BOARD (1)</u>

AIRPORT ADVISORY BOARD

ACTION TAKEN.

> **Motion by Council Member Howeth to appoint Carlos Rivas to the Airport Advisory Board for a term from August 5, 2008 to August 5, 2010. Second by Council Member Softly.**

VOTING AYE: Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

<u>COUNCIL COMMENTS</u>

ANNUAL BUDGET

<u>ANNUAL BUDGET</u>
Council Member Smith said he was happy with the Annual Budget so far. It is balanced and the Council is focusing on finishing the projects that were started in the last few years. He was also pleased that the staff is trying to bring efficiency back to the City. That will take some tough decisions and not everyone will be happy. Council Member Smith added that the Council needs to make sure the money is going where it needs to go.

TOUR OF CITY BY CITY MANAGER

<u>TOUR OF CITY BY CITY MANAGER</u>
Council Member Howeth thanked Mr. Olson for recently taking her on a tour of the City. She learned a lot about City government and infrastructure on the tour.

ANNUAL BUDGET

<u>ANNUAL BUDGET</u>
Mayor Magers said the City will have a public hearing on the Budget on August 18, 2008 and he invited citizens to make comments. Sherman is in great financial shape and the Council plans to take steps to prepare for the future. The Council will continue to make decisions on facts and not on emotions.

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

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.

SECTION 551.074 -- **CONSIDER THE QUALIFICATIONS, APPOINTMENT OR REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: TEXOMA MENTAL HEALTH MENTAL RETARDATION BOARD (1)**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:22 p.m.

On Motion duly made and carried, the Executive Session recessed at 5:27 p.m. and reconvened in Open Meeting.

<u>OPEN MEETING</u> — **OPEN MEETING**

Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

<u>CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: TEXOMA MENTAL HEALTH MENTAL RETARDATION BOARD (1)</u> — **TEXOMA MENTAL HEALTH MENTAL RETARDATION BOARD**

ACTION TAKEN.

> **Motion by Deputy Mayor Wacker to reappoint Margie Morris to the Texoma Mental Health Mental Retardation Board for a term from August 31, 2008 to August 31, 2010. Second by Council Member Steele.**

VOTING AYE: Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

<u>ADJOURNMENT</u> — **ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 5:28 p.m.

____
MAYOR

____
CITY CLERK