

STATE OF TEXAS §
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 July 20, 2020.

**MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR WILLIE STEELE.
COUNCIL MEMBERS HOLLAND, HOWETH, MELTON,
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 given by Council Member Daron Holland.

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of July 6, 2020. Council Member Melton moved to approve the Minutes, as presented; Second by Council Member Teamann; All present voted AYE. MOTION CARRIED.

SPECIAL PRESENTATION

**RECOGNIZING THE HEROIC, LIFE SAVING EFFORTS OF
SHERMAN POLICE OFFICERS KYLON HARVEY, PRISCILLA
TIRADO, JAREN GIBSON, DYLAN ANGLIN, CHRIS STEPHENS
AND KEVIN YU AND CORPORAL SCOTT BARKER**

Zach Flores, Police Chief, recognized Officer Kylon Harvey, Officer Priscilla Tirado, Officer Jared Gibson, Officer Dylan Anglin, Officer Chris Stephens, Officer Kevin Yu, and Corporal Scott Barker for their heroic efforts on June 23, 2020, in dealing with an emergency 911 call from a female screaming for help.

Bruce Dawsey, Assistant Police Chief read a narrative concerning the details of the police call. The following commendations were given out:

Officer Harvey – Medal of Honor and Life Saving Award

Officer Tirado – Medal of Valor and Life Saving Award

Officer Gibson – Medal of Valor and Life Saving Award

Officer Anglin – Life Saving Award and Police Commendation

Officer Stephens – Life Saving Award and Police Commendation

Officer Yu – Police Commendation

Corporal Barker – Police Commendation

CITIZEN'S COMMENTS

There were no citizen's comments.

Mayor Plyler introduced Ordinance No. 6307 and called for a public hearing:

CALL TO ORDER

APPROVE MINUTES

RECOGNIZING POLICE OFFICERS FOR LIFE SAVING EFFORTS

CITIZEN'S COMMENTS

ORD 6307
NO PARKING SIGNS

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT “NO PARKING” SIGNS RESTRICTING PARKING ALONG THE EAST AND WEST SIDES OF NORTH BROUGHTON STREET BETWEEN COLLEGE STREET AND BROCKETT STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY.

Wayne Lee, Director of Engineering, said this was a section of Broughton Street that was extremely narrow, and there have been some new residential homes built at the location. There was concern about parking on the street when the new homes were built.

This ordinance will set up the ability for the staff to install no parking signs along the street. This location is adjacent to the railroad track.

No citizens appeared before the City Council to discuss Ordinance No. 6307.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6307

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT “NO PARKING” SIGNS RESTRICTING PARKING ALONG THE EAST AND WEST SIDES OF NORTH BROUGHTON STREET BETWEEN COLLEGE STREET AND BROCKETT STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY.

ORD 6307
NO PARKING SIGNS

Council Member Howeth said she was pleased that the City was being aggressive about installing no parking signs at this location. She said this is a very narrow section of roadway. The staff is also working to try and eliminate a “turn difficulty.”

Mr. Lee said the staff has come to an agreement with the owner of the property closest to Brockett Street, to install a turn lane.

ACTION TAKEN.

Motion by Council Member Melton to adopt Ordinance No. 6307, as presented. Second by Council Member Howeth.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

CONSENT AGENDA

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

CONSENT AGENDA

RESOLUTION NO. 6629 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC, BASED ON AN INVITATION TO BID, FOR CONSTRUCTION OF THE WTP SLUDGE REMOVAL PROJECT

**RES 6629
WTP SLUDGE
REMOVAL PROJECT**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC, BASED ON AN INVITATION TO BID, FOR CONSTRUCTION OF THE WTP SLUDGE REMOVAL PROJECT.

Tom Pruitt, Utility Engineer, said this resolution would award the contract for sludge removal at the Water Treatment Plant to Lynn Vessels Construction. Only one bid was received for the project, however it was in budget and comparable to the last bid opening several years ago.

Council Member Melton asked why there was only one bid. Mr. Pruitt said four bidders attended the pre-bid meeting. One stated they didn't want to undertake the "trucking requirements." The State requires that they are a licensed hauler. Another bidder planned to bid, but changed their mind. They had lost a bid to Lynn Vessels before.

Council Member Holland asked what was done with the sludge after it was removed. Mr. Pruitt said it was taken to a licensed landfill, in this case Texoma Area Solid Waste Authority. The City gets a discounted rate of \$15 per ton. He added that it is "water sludge" not "wastewater sludge," and is the silt that has been removed from Lake Texoma.

He said the sludge is in one of the storage ponds. City crews pushed the dirt up into piles, so the contractor didn't have to do it this time. The project was designed in-house, and partially constructed in-house.

Council Member Melton asked if this project was something that the City could eventually do themselves. Mr. Pruitt said because of the hauling, probably not. But the design and pushing dirt can be done in-house, which saves the City a lot of money. He said the Water Plant crews probably saved the City \$50,000 and the engineering on the last similar project, in 2016, was \$33,000.

Council Member Teamann confirmed that the costs at TASWA were not included in this cost, but were still within budget.

ACTION TAKEN.

Motion by Deputy Mayor Steele to adopt Resolution No. 6629, as presented. Second by Council Member Teamann.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6630 – APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, LLP TO PERFORM THE FISCAL YEAR 2020 AUDIT

RES 6630
ANNUAL AUDIT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPOINTING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PATTILLO, BROWN & HILL, L.L.P. TO PERFORM THE FISCAL YEAR 2020 AUDIT.
CONSENT AGENDA.

RESOLUTION NO. 6631 – ABANDONING A PORTION OF A PLATTED TWENTY FOOT (20') UTILITY EASEMENT LYING ALONG THE NORTHERN LOT LINE OF LOT 6, BLOCK 31, HILLTOP ESTATES SUBDIVISION, VOLUME 662, PAGE 379, DEED RECORDS, GRAYSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED ON THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES

RES 6631
ABANDON EASEMENT
(HILLTOP ESTATES
SUBDIVISION)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ABANDONING A PORTION OF A PLATTED TWENTY FOOT (20') UTILITY EASEMENT LYING ALONG THE NORTHERN LOT LINE OF LOT 6, BLOCK 31, HILLTOP ESTATES SUBDIVISION, VOLUME 662, PAGE 379, DEED RECORDS, GRAYSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED ON THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.
CONSENT AGENDA.

RESOLUTION NO. 6632 – ABANDONING ONE (1) TWENTY FOOT (20') UTILITY EASEMENT LOCATED IN LOTS 1, 2, 4 AND 5 OF GLECKLER PLAZA ADDITION, VOLUME 8, PAGE 34, PLAT RECORDS, GRAYSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED ON THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES, WHICH UTILITY EASEMENT IS RECORDED IN VOLUME 8, PAGE 34 OF THE PLAT RECORDS OF GRAYSON COUNTY, TEXAS

RES 6632
ABANDON EASEMENT
(GLECKLER PLAZA
ADDITION)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ABANDONING ONE (1) TWENTY FOOT (20') UTILITY EASEMENT LOCATED IN LOTS 1, 2, 4, AND 5 OF GLECKLER PLAZA ADDITION, VOLUME 8, PAGE 34, PLAT RECORDS, GRAYSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED ON THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES, WHICH UTILITY EASEMENT IS RECORDED IN VOLUME 8, PAGE 34 OF THE PLAT RECORDS OF GRAYSON COUNTY, TEXAS.
CONSENT AGENDA.

RESOLUTION NO. 6633 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH AMERITEX HOMES LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 516 SOUTH FIRST STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10)

RES 6633
RESIDENTIAL TAX
ABATEMENT
(516 S. FIRST ST)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH AMERITEX HOMES LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 516 SOUTH FIRST STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10).
CONSENT AGENDA.

RESOLUTION NO. 6634 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH AMERITEX HOMES LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 514 SOUTH MAXEY STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10)

RES 6634
RESIDENTIAL TAX
ABATEMENT
(514 S. MAXEY ST)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH AMERITEX HOMES LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 514 SOUTH MAXEY STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10).
CONSENT AGENDA.

RESOLUTION NO. 6635 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH LUIS AND YARESSI MORAN FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 609 SOUTH MAXEY STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10)

RES 6635
RESIDENTIAL TAX
ABATEMENT
(609 S. MAXEY ST)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH LUIS AND YARESSI MORAN FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 609 SOUTH MAXEY STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10).
CONSENT AGENDA.

OTHER BUSINESS

RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION PRESIDENT KENT SHARP

SEDCO QUARTERLY
PROGRESS REPORT

Kent Sharp, President, Sherman Economic Development Corporation, presented the Quarterly Progress Report. During the second quarter, SEDCO submitted proposals for five projects and hosted one virtual meeting and one actual site visit. Mr. Sharp also visited the headquarters of a California-based company.

SEDCO participated in a partnership with the Sherman Chamber of Commerce, Denison Development Alliance, and Denison Chamber of Commerce, for an ad in the Herald Democrat to promote the Small Business Administration's COVID-19 loan programs to Grayson County businesses.

COUNCIL MINUTES – JULY 20, 2020

In May 2020, SEDCO approved the incentive payment, not to exceed \$50,000, to Presco Polymers, Inc. for the extension of the 10" water line from East Pecan Street to their facility at 1201 E. Pecan Street.

The Board also approved SEDCO's FY 2020-2021 Budget for next year. They approved the final incentive payment of \$258,290 to Modular Power Solutions toward their \$11.2 million capital investment in a new building and equipment, and the retention of 105 jobs. This reflects the incentive payment, plus a Buy Local Grant of \$3,290.77.

SEDCO is currently working on eight active projects, with an estimated \$531 million in investments and approximately 1,135 new jobs.

Mr. Sharp said he has now been able to visit the local companies for business retention and expansion, to understand what their plans are and what their capital budgets are. He visited Royal Case, Altium Packaging (formerly Consolidated Container Company), Sunny Delight, Critical Access Billing, Nature's Source, Finisar/II-VI, and Mueller Construction Company. He said generally, the Sherman industrial community is faring very well during this COVID situation.

PREVIEW OF THE 2020-2021 DRAFT BUDGET

Robby Hefton, City Manager, gave a preview of the draft budget, that will be presented at the next City Council Meeting. This preview includes changes that have been made since the Budget Workshop.

DRAFT BUDGET

There are two scenarios on the Utility Fund budget. The first is to use the \$1.2 million from the Marilee Special Utility District revenues that will be used to build the water line to the south part of town. This option would be used in lieu of the 3% rate increase that was originally proposed.

The fire inspection fees were increased for the draft budget. Money that was in the FY 2021 budget has been moved to the current budget for the purchase of the Animal Shelter's adoption trailer. The budget for the Tax Increment Reinvestment Zone #2, the downtown area, was also increased for infrastructure that might be needed in that zone. This will allow for capital projects, up to \$500,000. Specific projects have not been identified at this time.

Mr. Hefton said the Utility Fund revenue projections have also been updated for June billing. Water usage was up in June, so water revenues were increased this year by about \$300,000. Projected expenses decreased by about \$100,000, due to the insurance replacement value of the sewer truck that was damaged in an accident. That was a positive change for the Utility Fund of about \$400,000 in 2020, which is equal to about five days of reserves.

Mr. Hefton said, with the changes, ending reserves for FY 2021 are 75 days in the General Fund. There are two versions for the Utility Fund. The first is with the 3% rate increase, but not using the Marilee dollars, and increases the reserves, bringing the ending balance to 67 days. The other option is no rate increase, but using the Marilee dollars, which brings the ending balance to 75 days.

He said there are no big changes in the Solid Waste Fund from what was discussed at the Workshop. Mr. Hefton and Mayor Plyler have met with the Executive Director of the Texoma Area Solid Waste Authority and strongly expressed their desire for him to advise the Board on the distribution of the excess funds to the member cities. They do expect distribution of funds in September 2020, however the exact amount is not known. The fund is currently at 88 days of reserves.

For the TIRZ #2, there was a placeholder of \$50,000 for capital expenses in the proposed budget. Currently that amount is at \$510,000, and City staff and downtown stakeholders will identify what projects need to be completed.

Mr. Hefton reiterated that transfers from TASWA will be used for the Solid Waste Fund in FY 2020 and for the General Fund in FY 2021. If the TASWA disbursements are less than the anticipated \$2 million, the General Fund will absorb the shortfall.

Mr. Hefton asked for Council discussion and direction on the following issues:

- Phasing of the Police Department pay adjustments – average of 3%, however not everyone gets the same amount, the adjustments are by rank, to be paid October 1, 2020 and April 1, 2021

Council Member Melton was in favor of this plan. Council Member Howeth said if the City ends up in better shape financially, than expected, she would like to adjust it later for an additional increase.

Mr. Hefton added that he also thought that if an employee wanted to take this one-time pay adjustment and put it in their Health Savings Account, they could do that “pre-tax,” subject to IRS limits. It has been verified that the City can offer that to employees.

Council Member Teamann suggested that on the Utility Fund overage, without the rate increase, the staff might look at what is allowable in General Fund expenses, and move as much as possible to the General Fund. He wanted to make sure that the funds were there for the second round of the pay increase.

Brandon Shelby, City Attorney, advised that a vote was not needed, but the Council could give “specific direction.” Mr. Hefton asked if any Council Members were opposed to doing what Council Member Teamann suggested, which is moving

an additional seven or eight days of reserves, if the City doesn't do the 3% rate increase, and uses the Marilee dollars. They would move that money to the General Fund as an additional cushion to ensure the second round of employee pay and as a cushion if the projections are not as good as anticipated.

Deputy Mayor Steele asked about using the Marilee money and financing the project, and said he didn't see an increase in the debt service. Mr. Hefton said whether or not there is debt service during that year would be dependent on when the debt is actually issued. The construction project will be later in the year, so it is likely there will be no debt service impact in 2021.

Mr. Hefton said full debt service, principal and interest, on \$1 million, would be about \$60,000. Half a year would be \$30,000.

Council Member Howeth clarified that Marilee is a Special Utility District that provides drinking water for unincorporated areas in south Grayson County and north Collin County. Their footprint is growing and they have more demand for water than they have supply.

Marilee SUD had a decision to either drill a new well, which would cost over \$1 million, at the risk the well might not produce, or buy water from Sherman. They began working with the City over a year ago, to see if Sherman could provide them treated water, so they could sell it to their customers.

With the newly expanded capacity at the Water Treatment Plant, the City does have the capacity to treat their allotment of water. Sherman is not selling them water, but is treating their Lake Texoma water. He said it will be "hundreds of thousands of dollars in revenue" for the City, and the cost will be "negligible."

He said it was a good decision for Sherman, because we'll oversize the line. Their capacity is about 2 mgd, so the City will have the capacity to sell water to other providers that might have allocations, but might need treated water in the future. For a small incremental cost, the City will be able to upsize the line, to provide water to other Special Utility Districts or cities south of Sherman, that might be interested.

Council Member Teamann reiterated that the income from Marilee is not included. Mr. Hefton said there would be only a small portion of income from the water sales that would be included in 2021. The City would start getting money from this sale in 2022. Council Member Teamann said the revenue from the water sales to Marilee would "far outweigh" the cost of the debt incurred.

Mr. Hefton said the City's cost for the upsizing would be in the \$600,000 to \$800,000 range. If the net incremental revenue on upsizing is \$400,000, then that's a two year pay back. Council

Member Teamann said, this year directly, Marilee is saving the citizens of Sherman a 3% rate increase.

Deputy Mayor Steele asked when the TIRZ #2 was due. Mr. Hefton said he thought it was 10 years. He said, in his opinion, when these reinvestment zones reach maturity, you either need to find worthwhile projects that use those earmarked funds, or you need to “mothball” the zone since it’s not being used for its intended purpose.

In the past, these funds have been used to do projects such as sidewalk improvements downtown and as part of the match for the downtown Texas Department of Transportation Grant. He added that the utility structure in the downtown area is very old.

Deputy Mayor Steele asked if some of the money could be set aside for that. Mr. Hefton said he hoped the City could do some planning with this money, maybe for the Utility Master Plan, to help map downtown water and sewer lines. He said there is more potential use for this money than the City has dollars to use. He said it could be used for planning and maybe for some smaller construction projects.

He said there is no plan today, and the staff would come back to the Council with a plan as to how the money could be spent, before any use. Deputy Mayor Steele said he would like to know if the money has been increasing because of the sales tax.

Mr. Hefton said the projected property tax revenues are almost doubling, attributable to both new value and increases in current value. The projection is at \$200,000 annually in revenue. He said the money needs to either be used for projects downtown, or put back into the General Fund for use to operate the City.

Mr. Hefton said, based on the Council’s comments, for next year the staff is proposing to earmark all of the available dollars in 2021 to invest downtown.

He also asked for confirmation about using the Marilee dollars instead of the 3% rate increase in the Utility Fund. The rate study will be completed in the coming fiscal year, which will give a five-year look into the rate situation. The Council can then decide on their plan. The reserves that will be generated through the Marilee use, will be used to “prop up” the General Fund.

He asked Council Members if they had any other budget comments to be considered for the FY 2020-2021 Budget.

Council Member Melton felt that the Building Inspections Department needs to have uniforms and vehicles provided by the City. Deputy Mayor Steele asked about the cost of the Animal Control trailer. Mr. Hefton said it was about \$40,000.

Council Member Stevenson asked what the benefit was for giving the police officers a 3% pay increase and then six months later, giving them another 3% pay increase. He said ultimately that's a 4.5% increase, and asked why they just didn't give them 4.5% and consider another increase next year.

Mr. Hefton said procedurally their base pay would increase on October 1 by 3% and in April it would increase by another 3%, so by the end of the year, their base would have increased automatically, without Council action. By giving 4.5% and considering another 1.5% at the end of the year, there would be no assurance they would receive the additional increase. Council Member Stevenson said then just give them 6% now.

Council Member Holland asked how that would affect the pay increase for other employees. Mr. Hefton said the plan is that all employees, except for the Police Department, would get two raises, that are paid one time, but would then be added to their base as well, at the end of the year. The police would either be paid twice or once, as discussed above. He said the incremental cost of that is about \$75,000. Six percent versus 4.5% is about \$75,000 for the FY 2021 Budget.

Council Member Teamann mentioned allowing employees to add that increase onto their HSA. Mr. Hefton said the plan is for all employees, except the Police Department, to get 1%. The Police Department's increase isn't an "across the board" increase. The percentage will be based on rank and position. He said it won't be processed the same, unless the Council says otherwise. He added that adding the money to an employee's HSA is a great way to "stretch" the dollars and add pre-tax dollars to their HSA.

Mr. Hefton reiterated that the impact of giving a 6% pay increase to the Police Department now, instead of doing the incremental increase, is about \$75,000. He said they are trying to be conscious in addressing all employee's needs.

Council Member Teamann said if Marilee comes through and TASWA comes through, and these leftover funds are available, he wanted to work on increasing the percentage to get them closer to an actual cost of living increase.

Deputy Mayor Steele said the higher increase at the Police Department is to bring them up to a market level and is really a "market adjustment."

Council Member Howeth felt that giving the 3% now and another 3% later, gave the Council a little more freedom. The economy is starting to "come around" but they need to move a little slowly to increase as needed. She said by looking at it again later, maybe they can give more than expected. Mr. Hefton confirmed that the Council wanted to review increases again in a few months to see if additional increases could be given at that time.

APPROVE QUARTERLY INVESTMENT REPORT FOR
QUARTER ENDED JUNE 30, 2020

QUARTERLY
INVESTMENT REPORT

The City Council approved the Quarterly Investment Report for the quarter ended June 30, 2020. As of June 30, 2020, the portfolios were in compliance with applicable State laws and the Investment Policy.

The operating investment portfolio had a book value of about \$15.7 million, a decrease of about \$75,000 from the prior quarter. The underlying investments were adequately diversified among four different types of securities.

This portfolio is appropriately liquid, and its weighted-average maturity was about 443 days, down from 353 days from last quarter. The portfolio yield of 1.19% is 103 basis points above the benchmark yield of 0.16%. Market value approximates the book value.

The debt proceeds portfolio balance of \$17.6 million was invested in Local Government Investment Pools and an FDIC insured investment account. Transactions in this portfolio include payments for capital projects and the receipt of interest income. The yield of 0.34% was above the benchmark yield of 0.13% for this portfolio. Book value and market value were the same.

CONSENT AGENDA.

CONSIDER CALLING A SPECIAL MEETING OF THE CITY
COUNCIL FOR TUESDAY, SEPTEMBER 8, 2020, DUE TO
CONFLICT WITH A FEDERAL HOLIDAY

SET CALLED
COUNCIL MEETING

ACTION TAKEN.

Motion by Deputy Mayor Steele to call a Special Meeting of the City Council for Tuesday, September 8, 2020, due to a conflict with a Federal holiday, as presented. Second by Council Member Melton.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS
PROUD OF EMPLOYEES

PROUD OF
EMPLOYEES

Council Member Melton said she is proud of all City of Sherman employees, and recognized the police officers that received awards tonight, for going over and beyond.

FORTUNATE TO HAVE FIRST RESPONDERS

FORTUNATE TO HAVE
FIRST RESPONDERS

Council Member Howeth said Sherman is very fortunate with all the first responders, both police and fire, that keep our City safe. She also recognized all employees that worked for the City, that keep the streets repaired and the water running

FORTUNATE TO LIVE AND WORK IN SHERMAN

Council Member Teamann said we are fortunate to live and work in a City where the police officers and fire fighters are recognized for the job they do, by those they help.

**FORTUNATE TO
LIVE & WORK IN
SHERMAN**

STEPPING UP TO DO THEIR PART

Council Member Holland said many cities are going through so much turmoil and so many issues, and the City of Sherman is stepping up to do their part. He said this is why he likes being a Council Member and is proud of the City of Sherman.

**STEPPING UP TO
DO THEIR PART**

RECOGNITION OF POLICE OFFICERS

Council Member Stevenson said we live in a time when people want to highlight what's wrong, but in Sherman, we highlight what is right and the things that are good. None of the police officers that were recognized, did what they did to win a medal. But it's important to take the time to thank them for their service and to highlight the outstanding work and sacrifice those officers make for the citizens. He urged everyone to thank a police officer or fire fighter for their service.

**RECOGNITION OF
POLICE OFFICERS**

SOLID WASTE EMPLOYEES

Mayor Plyler said he regularly receives many emails saying how helpful the Solid Waste employees are. They are recognized by individual citizens that receive help with their carts or other assistance.

**SOLID WASTE
EMPLOYEES**

ANNOUNCEMENTS

Mayor Plyler announced the following:

- There are two remaining concerts to finish out the Hot Summer Nights season. This week Tracy Byrd will take the stage, with punk rockers Lit closing things next week.
- On July 24, 2020, the Old Iron Post will dedicate their mural to Colonel Sidney Sherman on Houston Street. The ceremony will begin at 11:00 a.m.
- Sherman Arts Fest is still scheduled for September 19, 2020, and organizers are exploring options to ensure the event is COVID friendly.

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

SECTION 551.071 --

CONSULTATION WITH CITY
ATTORNEY CONCERNING
PENDING OR CONTEMPLATED
LITIGATION

COUNCIL MINUTES – JULY 20, 2020

SECTION 551.071 -- CONSULT WITH THE CITY ATTORNEY ON A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THIS CHAPTER

SECTION 551.074 -- PERSONNEL MATTERS: DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: TEXOMA COUNCIL OF GOVERNMENTS (TCOG) GOVERNING BODY (1)

SECTION 551.087 -- DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS: DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT AND DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECT

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:07 p.m.

On Motion duly made and carried, the Executive Session recessed at 8:00 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

OTHER BUSINESS

CONSIDER APPROVAL OF A TERM SHEET BETWEEN THE CITY OF SHERMAN, THE SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER SEVEN (TIRZ #7), AND AMERICAN-COMPANIES, LLC FOR THE BEL AIR VILLAGE MASTER DEVELOPMENT

There was no action on this item.

BEL AIR VILLAGE
MASTER
DEVELOPMENT

**CONSIDER THE QUALIFICATIONS, APPOINTMENT AND
REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS:
TEXOMA COUNCIL OF GOVERNMENTS (TCOG) GOVERNING
BODY (1)**

TCOG BOARD

ACTION TAKEN.

Motion by Council Member Stevenson to appoint Council Member Sandra Melton to the Texoma Council of Governments (TCOG) Governing Body, for a term from July 21, 2020 to June 1, 2021, as presented. Second by Deputy Mayor Steele.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

ADJOURNMENT

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 8:01 p.m.

MAYOR

CITY CLERK