STATE OF TEXAS §

July 20, 2015

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, 2015.

MEMBERS PRESENT: **MAYOR CARY WACKER; DEPUTY MAYOR DAVID PLYLER. COUNCIL MEMBERS DAVIS, JOHNSON, SOFEY, STEELE, WATT.**

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Wacker called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Lawrence Davis.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of July 6, 2015. Deputy Mayor Plyler moved to approve the Minutes as presented; Second by Council Member Davis. All present voted AYE.
MOTION CARRIED.

RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD CHAIRMAN BROOKS HULL AND SEDCO EXECUTIVE VICE PRESIDENT FRANK GADEK — **SEDCO QUARTERLY REPORT**

Brooks Hull, Sherman Economic Development Corporation Chairman, presented their quarterly progress report. He thanked the Council for their involvement with the business retention and expansion program.

He said they also held their second plant managers forum in which they reviewed the workforce systems analysis. He added that SEDCO Members had also been looking at the Sherman Youth Center for possible future use.

Mr. Hull said the Workforce Solutions Texoma and Denison Development Alliance partnership is currently working on the workforce systems and is evaluating the best training programs across the country. They will be implementing some of those programs that focus on mid-skill jobs.

In the third quarter they were aggressively trying to attract new companies to Sherman. They've had six proposals for new companies and developed four follow-up reports for companies evaluating Sherman as a potential relocation. They have also had five site visits for new companies and two follow-up site visits. Mr. Hull said he hoped to have some exciting news for the Council in the next 60 to 90 days.

In addition, SEDCO recently launched the new brand and website. He invited everyone to visit sedco.org and look at the new marketing materials for Sherman.

Mr. Hull said SEDCO continues to work closely with the existing companies and was proud to announce the new investments in Sherman, including Panda Power, Tyson, GlobiTech, and Kaiser Aluminum.

He said SEDCO is also making significant progress in the search for a new board president. Their goal is to have the person in place sometime in September.

Mayor Wacker said there is significant activity happening in Sherman now and some of the good results in this year's budget are due to the work of SEDCO expanding and locating businesses in the community. She thanked them for being a partner to the City Council.

PUBLIC HEARING OF ORDINANCE NO. 5885

ORD 5885 TAX REINVESTMENT ZONE (PANDA POWER)

Mayor Wacker called for a public hearing on Ordinance No. 5885:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE.

Mayor Wacker said this was the second reading of this ordinance.

Robby Hefton, City Manager, explained that this was the ordinance to establish the zone that will allow the Council to consider a tax abatement agreement for the second phase of Panda, which will be considered by the Council at the August 3, 2015 Meeting. He said the staff is excited about having Panda Power expand in Sherman again.

No citizens appeared before the City Council to discuss Ordinance 5885.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 5886 STOP SIGNS

Mayor Wacker introduced Ordinance 5886 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT FOUR-WAY "STOP" SIGNS AT THE INTERSECTION OF NORTH LEE AND EAST PACIFIC STREETS WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5886.

Mayor Wacker introduced Ordinance 5887 and called for a public hearing:

ORD 5887 SMOKING REGULATIONS

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 8.06, ENTITLED "SMOKING"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Janis Fletcher, 1015 W. Sycamore

Ms. Fletcher is the Board President of Women Rock and appeared to express the organization's view on smoking. The organization is a non-profit that supports women battling breast cancer, both financially and emotionally. She presented facts from the American Cancer Society about smoking.

Since 1964, 20 million deaths have been related to smoking and 2.4 million of those deaths were among non-smokers who died of second-hand smoke. She said second-hand smoke has high concentrations of the ingredients that cause cancer and is everywhere. Those that breath second-hand smoke are "passive smokers."

Ms. Fletcher added that second-hand smoke is one of the leading causes of one of the most aggressive types of breast cancer there is, with very low survival rates.

She urged the City Council to be progressive and ban smoking in restaurants, bars, outside businesses, workplaces, and wherever.

Kay Kamm, 8900 Carpenter Freeway, Dallas, Texas

Ms. Kamm appeared representing the American Cancer Society Cancer Action Network. She said they appreciate the fact that the Council has chosen to address the ordinance on the books, and urged the Council to adopt the strongest, comprehensive ordinance possible that would include all workplaces.

The proposed ordinance is a great improvement over the one already in place, however it does leave some workers unprotected. She expressed concern that any worker would be unprotected from the hazards of second-hand smoke.

She said there are 7,000 chemicals in second-hand smoke and many of them are carcinogenic. For 50 years, the U.S. Surgeon General's Report has found that second-hand

smoke is hazardous. She said there is no risk-free level of exposure to second-hand smoke and the only way to protect the worker is to eliminate smoking from indoor locations.

She discussed changes in the proposed ordinance that would improve it to the point that the Smoke-Free Texas Coalition would consider it a comprehensive ordinance.

Ms. Kamm also asked them to remove the provision that allows smoking in nursing homes. She said she recently called nine nursing homes in Sherman and not one allowed smoking inside their facility. Most provide an outdoor location for their residents to smoke.

She provided a written copy of the information to the City Clerk for inclusion with the Minutes.

Jerry Saavedra, 15806 Pleasant Well Dr., San Antonio, Texas
Mr. Saavedra appeared representing the American Heart Association. He asked that the Council approve a comprehensive smoke-free ordinance that will protect the health and safety of all Sherman workers, and to establish a fair and consistent policy that will apply equally to all indoor work environments.

He said the American Heart Association is dedicated to fighting heart disease and stroke. Heart disease is the number one killer of Americans in the United States. Exposure to second-hand smoke is a known cause of these diseases, in addition to cancer, lung disease, asthma attacks, and other illnesses in non-smokers. He thanked the Council for addressing the issue.

Mr. Saavedra said non-smoking employees that work in a smoking establishment will "smoke" the equivalent of about 36 cigarettes over the course of an eight hour shift, through exposure to second-hand smoke.

He urged the Council to pass a comprehensive ordinance for Sherman that would dramatically reduce cardiovascular instances and protect all Sherman workers. Over 40 cities in Texas are currently smoke-free.

He added that a comprehensive smoke-free ordinance did not "ban" smoking, but did not allow smoking indoors in the workplace. Smokers could still smoke in their private residences.

Mr. Saavedra said the proposed ordinance is a huge step forward in protecting workers in restaurants and bars, but it is also important to protect workers in other jobs too. He urged the Council to prohibit smoking in all workplaces.

J.R. Neans, 4405 Dripping Springs Road
Mr. Neans appeared representing Texoma Top Shelf E-Cig and Vape, located at 5635 Texoma Parkway. He presented

the Council with information written by 54 research scientists and health professionals, referencing tobacco harm reduction.

He read information saying that people smoke for the nicotine, but die from the smoke. The majority of the death and disease attributable to tobacco come from the inhalation of tar particles and toxic gases drawn into the lungs. He addressed e-cigarettes and other vapor products that can substitute for cigarettes, but with lower risks.

Mr. Neans said tobacco harm reduction products are part of the solution and not part of the problem and can make a significant contribution to reducing diseases caused by smoking. These are low risk alternatives to smoking and should not be considered part of the problem.

He said there is currently no evidence of material risks to health from the vapor emitted from e-cigarettes, and the decision to prohibit or ban e-cigarettes should rest with the owners or operators of public spaces. He felt that protection from tobacco smoke should not be applied to e-cigarette products.

He said that e-cigarettes are a safer alternative to smoking and are not tobacco. His focus is tobacco harm reduction.

<u>Karen Derrick, 205 Gage Road</u>
Ms. Derrick said she was a smoker, but quit because of e-cigarettes. She said it's popular to include e-cigarettes in with regular cigarettes or tobacco products today, but the vape in the e-cigarettes is not a tobacco product.

She said nothing has been proven that says they cause any harm to people around them. If it is found later to be harmful, then something should be done to regulate their use.

She objected to the proposed ordinance because it included e-cigarettes and vape in with the tobacco products. They should be separated and dealt with differently. She asked the City Council to give those working to become tobacco free a chance to do so.

<u>Paul Bean, 121 Forest Creek Dr.</u>
Mr. Bean said smoking is bad and he lost three out of four of his grandparents to cancer. He said this was an opportunity to move Sherman forward and is the right thing to do. He urged the Council not to wait until the State of Texas goes smoke-free, but to do it because it's the right thing to do and it's good for the citizens.

No other citizens appeared before the City Council to discuss Ordinance 5887.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5885 — **ORD 5885 TAX REINVESTMENT ZONE (PANDA POWER)**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE.

ACTION TAKEN.

Motion by Council Member Watt to approve Ordinance No. 5885, as presented. Second by Council Member Sofey.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

Ordinance 5886 — **ORD 5886 STOP SIGNS**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT FOUR-WAY "STOP" SIGNS AT THE INTERSECTION OF NORTH LEE AND EAST PACIFIC STREETS WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ACTION TAKEN.

Motion by Council Member Steele to approve Ordinance No. 5886, as presented. Second by Council Member Johnson.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

Ordinance 5887 — **ORD 5887 SMOKING REGULATIONS**

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 8.06, ENTITLED "SMOKING"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Mayor Wacker told the Council that they have research provided by the staff, a draft ordinance, and the information provided tonight. She asked for any questions or discussions.

Council Member Watt asked if there was adequate information to include e-cigarettes and what was the reason they were included in the draft ordinance.

Mr. Hefton said the staff was not trying to "blaze a new trail" and most of the cities reviewed that had already passed smoking prohibitions included e-cigarettes. It is a fairly new phenomenon and there's not a lot of data that says it's as bad or worse than cigarettes. In the proposed ordinance, they were not separated from cigar smoke, cigarette smoke, or pipe smoke.

Mayor Wacker said she did do some research and she recognized that vaping or e-cigs are not the same as tobacco or tobacco products, but there are no long term studies yet to measure what the effect will be.

She said they were included in the proposed ordinance because they would be in a public place where others could possibly inhale whatever chemicals are in them. That's why most cities include them with smoking products.

The ordinance is not a comprehensive ban for all workplaces, but there are many workplaces in Sherman that do not allow smoking.

Deputy Mayor Plyler said he felt the ordinance was a good compromise based on the community input he has received. He would like to move the ordinance forward, and added that they could address e-cigarettes in the future if data becomes available.

Council Member Johnson said there was discussion about making an exception for people that sit outside to smoke, as long as it was not within 20 feet of the entrance to the restaurant. He asked about making an exception for an outdoor seating or serving area.

Mr. Hefton said the proposed ordinance states that in restaurants and bars, and other outdoor patio areas it would be allowable to smoke in patio areas of restaurants and bars, as long as they are 25 feet away from the main entrance. Mayor Wacker said it would be allowed if the restaurant or bar chooses to allow it in the patio area. They can prohibit smoking on the patio or can be a completely smoke-free restaurant, if they wish.

Council Member Davis said he was concerned about government regulating businesses. In the staff research, there were 65, now 66 restaurants, that don't allow any smoking. There are nine that allow some smoking somewhere. Any restaurant or bar can make their establishment non-smoking if they want.

He felt the free market has already solved this problem and he felt it was okay to have a few places where people can voluntary go in and smoke. The health groups focus' is on longevity, but they don't get to decide the pursuit of

happiness for everyone. He added that employees of businesses that allow smoking choose to work there, maybe because the tips are better.

Council Member Davis said he was in favor of non-smoking in any place that anyone in the public might have to go too. In any City building, any school, any hospital, that a person might be forced to go too. But the Council shouldn't interfere with having a place that smokers and their friends voluntarily decide they want to go too.

Council Member Johnson said there are already places where smoking in prohibited, and he agreed that smoking should be prohibited in any place people are forced to go. He also was concerned about the free market enterprise. Local businesses have stepped up and met what the customers have wanted. Only nine currently allow smoking. He felt it interfered with the private sector to prohibit smoking and it was a choice.

He reiterated that he was in favor of a smoking ban in public places where people were required to frequent, but had an issue in dealing with businesses and what they can or can't do.

Council Member Sofey said he understood what Council Member Davis and Council Member Johnson were saying, but disagreed with it. As a Council, and as a society in general, he felt they had an obligation to regulate some things. There has been some compromise and the restaurant and bar owners have been notified, and none are in attendance. He did not feel prohibiting smoking would have a major economic impact on their business.

He said he was in favor of an ordinance and liked the way this proposed ordinance was written. He suggested that the Council review extending the hours for some of the locations to allow them to stay open longer. He asked the staff to research this issue.

Mayor Wacker asked why nursing homes were removed from the prohibition. She said they were originally included with hospitals as non-smoking. Brandon Shelby, City Attorney, said the proposed ordinance was modeled after other cities that allow smoking in private rooms, but not in common areas of nursing homes. Apparently the Sherman nursing homes have prohibited smoking in their facilities.

Mayor Wacker asked if there would be a problem adding nursing homes back in with hospitals and prohibiting smoking. Mr. Shelby said that could be included in the wording of the motion.

Deputy Mayor Plyler asked if that would include assisted living facilities. He felt that might be considered a private

residence. Mr. Shelby said the ordinance could differentiate between a nursing home and an assisted living facility.

Mr. Hefton said normally a hospital is a "short stay" facility and long-term care facilities are more of a residence. He said a prohibition against smoking in multi-family residences and apartment complexes is also excluded from the proposed ordinance.

Mayor Wacker said smoking was prohibited in nursing homes before and she would like to see it prohibited in the proposed ordinance too. Deputy Mayor Plyler asked how that would be differentiated from an assisted living facility or a permanent type of facility.

Mr. Shelby said the ordinance could be amended to differentiate between the two if that is included in the motion.

Council Member Watt asked what is not covered by this ordinance. Mr. Hefton said it would not include workplaces; bingo halls; hotel – motel rooms; private clubs, such as the Elk's Lodge or the VFW; apartment or multi-family facilities; and private residences. The ordinance is designed to protect against the effects of second-hand smoke in enclosed areas. It is about a prohibition of smoking inside public places such as restaurants and bars, City facilities, County facilities, and transportation facilities.

Council Member Watt asked if most of the major industries were non-smoking. Mr. Hefton said the City has received no comments from the industries, but he did not know if smoking was allowed inside their facilities. Mayor Wacker said she was not aware of any industries that permitted indoor smoking.

Mayor Wacker reiterated that the proposed ordinance prohibits most indoor smoking but is not comprehensive and does not ban smoking in all workplaces. The major change would be to prohibit smoking in restaurants and bars, but still allowing restaurants to have outdoor smoking if they choose.

She said she would also like to consider reinserting nursing homes to prohibit smoking.

ACTION TAKEN.

> **Motion by Deputy Mayor Plyler to approve Ordinance No. 5887, with nursing homes included and with a description of nursing home versus assisted living. Second by Council Member Steele.**

VOTING AYE: Wacker, Plyler, Sofey, Steele, Watt.
VOTING NAY: Davis, Johnson.
MOTION CARRIED.

Mayor Wacker verified that the ordinance would be effective immediately.

CONSENT AGENDA — CONSENT AGENDA

The Council reviewed the Consent Agenda. Mayor Wacker removed Item C-6 entitled "Resolution 5988 – Authorizing Execution of a Developer's Agreement with Stonehollow Homes, LLC for Construction of Public Facilities in the Austin Landing, Phase 2A-1 Addition to the City of Sherman" from the Consent Agenda for consideration in its regular order of business.

Council Member Steele moved to approve the Consent Agenda, with the exception of Item C-6, which will be considered in its regular order of business. Second by Council Member Johnson. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 5983 – AUTHORIZING PARTICIPATION IN THE TEXAS MAIN STREET PROGRAM AND DESIGNATING THE CITY MANAGER TO COORDINATE ALL PROGRAM ACTIVITIES — RES 5983 MAIN STREET PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING PARTICIPATION IN THE TEXAS MAIN STREET PROGRAM AND DESIGNATING THE CITY MANAGER TO COORDINATE ALL PROGRAM ACTIVITIES.

Lauren Roth, Tourism Director, said Sherman was in the Main Street Program from 1993 to 1998, and pulled out due to budgetary restraints. They have set aside $20,000 to again make application to the program. Other expenses from the program would be covered by the Tourism Department, such as office space and advertising.

The Main Street Texas Program does not provide any financial assistance, but they do provide support in helping build a board and providing training for the board and a director. They also provide opportunities to apply for grants to help start programs, and they do a lot of co-op advertising.

She asked the Council for their support in submitting the application, saying it is due by July 31, 2015. A determination should be made by late October 2015. If selected, the program would start in January 2016.

Mayor Wacker said there was momentum from the downtown programs that could be capitalized on to re-enter the Main Street Program. This would allow the City to take advantage of the State's guidance and being listed on their websites and advertisements to help bring tourism dollars back to Sherman.

Council Member Johnson asked if the position was a part-time position. Mr. Hefton said the requirement of the plan is

that there be a full-time employee that works at least half time toward Main Street issues. The City would fund a full-time employee and then make sure that at least half of their time is spent on Main Street type activities. There should be some opportunities to use this person for other things besides Main Street.

Mayor Wacker said she also spoke with Downtown Sherman Preservation & Revitalization, who would be the City's private sector partner, and they are writing a letter of support for the application.

ACTION TAKEN.

Motion by Council Member Watt to approve Resolution No. 5983, as presented. Second by Council Member Sofey.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

RES 5984
FEMA FUNDING
FOR FLOOD LOSS

RESOLUTION NO. 5984 – CERTIFYING FUNDING AND SUPPORT FOR THE 2015 FLOOD MITIGATION ASSISTANCE PROGRAM WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY UNDER THE DEPARTMENT OF HOMELAND SECURITY FOR THE APPLICATION TO RECEIVE FUNDING TO ACQUIRE PROPERTIES CURRENTLY LISTED AS REPETITIVE LOSS OR SEVERE REPETITIVE LOSS BY THE NATIONAL FLOOD INSURANCE PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, CERTIFYING FUNDING AND SUPPORT FOR THE 2015 FLOOD MITIGATION ASSISTANCE PROGRAM WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY UNDER THE DEPARTMENT OF HOMELAND SECURITY FOR THE APPLICATION TO RECEIVE FUNDING TO ACQUIRE PROPERTIES CURRENTLY LISTED AS REPETITIVE LOSS OR SEVERE REPETITIVE LOSS BY THE NATIONAL FLOOD INSURANCE PROGRAM.

Clay Barnett, Director of Public Works and Engineering, said the Federal Emergency Management Agency is having a 2015 Flood Mitigation Assistance call for projects. The City has identified 13 properties that have suffered either repetitive loss or severe repetitive loss. These are properties on which the Federal government has continued to pay insurance claims.

Typically, FEMA will pay 75% of the purchase of these properties with the City paying the remaining 25%. However, since Sherman has been declared a disaster area this year, most of these properties can be purchased at a 90% to 10% split, with FEMA paying the 90% and the City paying 10%. Two of the properties could be purchased at no cost to the City whatsoever.

Mayor Wacker said a year ago when the City was discussing this, it was hard to imagine this flooding scenario in

Sherman. She said this was a good opportunity to address some of the issues that have been identified in the past studies.

ACTION TAKEN.
Motion by Council Member Steele to approve Resolution No. 5984, as presented. Second by Council Member Johnson.
VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

RES 5985
WWTP HEADWORKS LIFT STATION REPLACEMENT

RESOLUTION NO. 5985 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH CRESCENT CONSTRUCTORS, INC. FOR CONSTRUCTION OF THE SHERMAN WASTEWATER TREATMENT PLANT HEADWORKS LIFT STATION REPLACEMENT AND ELECTRICAL UPGRADE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH CRESCENT CONSTRUCTORS, INC. FOR CONSTRUCTION OF THE SHERMAN WASTEWATER TREATMENT PLANT HEADWORKS LIFT STATION REPLACEMENT AND ELECTRICAL UPGRADE.

Mark Gibson, Director of Utilities, said this project was included as a major project in the CIP. The project would upgrade and rebuild the front portion of the City's Wastewater Treatment Plant, and provide for new pumping capacity and electrical supplies.

Five contractors responded with bids. The staff feels they have a good bid of $4,777,000 from Crescent Constructors, Inc. The City has worked with the contractor before and they have over $20 million of ongoing projects now.

The project will be funded through the Greater Texoma Utility Authority and the contract will run for about 15 months, once the project begins. Projected cost of the project is about $5.1 million.

The staff recommended acceptance of the bid.

ACTION TAKEN.
Motion by Council Member Davis to approve Resolution No. 5985, as presented. Second by Deputy Mayor Plyler.
VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

RES 5986
SOUTH SHERMAN RELIEF SEWER

RESOLUTION NO. 5986 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC FOR CONSTRUCTION OF THE SOUTH SHERMAN RELIEF SEWER

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC FOR CONSTRUCTION OF THE SOUTH SHERMAN RELIEF SEWER.
CONSENT AGENDA.

RES 5987 CONVEYANCE OF PROPERTY

RESOLUTION NO. 5987 – AUTHORIZING THE ACCEPTANCE OF A DEED WITHOUT WARRANTY FROM ROBERT M. BEEGHLY AND VICKI L. BEEGHLY FOR THE CONVEYANCE OF PROPERTY BEING LOT 1 OF THE REPLAT OF LOTS 64 AND 65 OF THE BIRGE-FAIRVIEW ADDITION, VOL. 23, PG. 26 OF THE DEED RECORDS OF GRAYSON COUNTY, TEXAS
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE ACCEPTANCE OF A DEED WITHOUT WARRANTY FROM ROBERT M. BEEGHLY AND VICKI L. BEEGHLY FOR THE CONVEYANCE OF PROPERTY BEING LOT 1 OF THE REPLAT OF LOTS 64 AND 65 OF THE BIRGE-FAIRVIEW ADDITION, VOL. 23, PG. 26 OF THE DEED RECORDS OF GRAYSON COUNTY, TEXAS.
CONSENT AGENDA.

RES 5988 DEVELOPER'S AGREEMENT STONEHOLLOW HOMES

RESOLUTION NO. 5988 – AUTHORIZING EXECUTION OF A DEVELOPER'S AGREEMENT WITH STONEHOLLOW HOMES, LLC FOR CONSTRUCTION OF PUBLIC FACILITIES IN THE AUSTIN LANDING, PHASE 2A-1 ADDITION TO THE CITY OF SHERMAN
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPER'S AGREEMENT WITH STONEHOLLOW HOMES, LLC FOR CONSTRUCTION OF PUBLIC FACILITIES IN THE AUSTIN LANDING, PHASE 2A-1 ADDITION TO THE CITY OF SHERMAN.

Mayor Wacker removed this item from the Consent Agenda for consideration in its regular order of business.

She said this Developer's Agreement is for approximately 70 homes out of potentially 200 homes overall. With this agreement, the infrastructure and public facilities will increase on North Travis Street, for a number of additional homes.

This will also increase the traffic on that road, and Mayor Wacker said it is very important that the City encourage the Texas Department of Transportation to continue to look at improvements needed on Hwy 131. She said growth and construction in that part of Sherman is moving quickly.

ACTION TAKEN.
Motion by Council Member Johnson to approve Resolution No. 5988, as presented. Second by Council Member Steele.
VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

REQUEST TO ADVERTISE
REPAIR OF THE DORCHESTER 10 WOODBINE WELL

REQ TO ADVERTISE DORCHESTER 10 WOODBINE WELL

The City Council approved the request to advertise for the repair of the Dorchester 10 Woodbine Well. The pump and/or motor of the well has failed and this well supplies portions of the water provided to the City of Dorchester and to the Marilee Special Utility District, in addition to the City of Sherman.
CONSENT AGENDA.

CHANGE ORDER NO. 1
APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO EXECUTE CHANGE ORDER NO. 1 FOR CONSTRUCTION OF THE SHERMAN WASTEWATER TREATMENT PLANT HEADWORKS LIFT STATION REPLACEMENT AND ELECTRICAL UPGRADE

CHANGE ORDER WWTP HEADWORKS LIFT STATION REPLACEMENT

Mayor Wacker explained that this change order was dependent on the vote on Resolution 5985, earlier in the meeting.

Mr. Gibson explained that the reason a change order is needed is that there are three categories of equipment that are very important to the contract. Each contractor was given a number to enter in the bid for these three items. Then they were bid separately. Bids for the electrical switch gear and the variable frequency drive were then "plugged into" the general contractor's bids.

The staff felt they could receive a better price for the equipment by bidding it separately, rather than allowing contractors to "sub" it out to the vendors.

The City allowed $888,000 in the contractor's bids for these three categories of equipment. The total for the equipment came in at about $771,000, so the City saved about $117,000 by using the process. Therefore the City is adjusting the general contractor's bid that was just awarded to reflect this savings.

ACTION TAKEN.

> **Motion by Council Member Johnson to approve Change Order No. 1, for construction of the Wastewater Treatment Plant Headworks Lift Station Replacement and Electrical Upgrade, as presented. Second by Council Member Davis.**

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

OTHER BUSINESS
SETTING THE PUBLIC HEARING ON THE PROPOSED AGREEMENT WITH PANDA SHERMAN POWER II, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 072015-1, CITY OF SHERMAN, TEXAS

PANDA POWER INDUSTRIAL TAX ABATEMENT

Mr. Hefton said now that the Industrial Reinvestment Zone

has been approved, the City can set the public hearing on the proposed agreement with Panda Sherman Power II, LLC for the abatement of ad valorem property taxes. The public hearing is proposed to be held at the August 3, 2015 Council Meeting.

ACTION TAKEN.

Motion by Council Member Sofey to set a public hearing for August 3, 2015, on the proposed agreement with Panda Sherman Power II, LLC for the abatement of ad valorem property taxes for improvements within Industrial Reinvestment Zone No. 072015-1, as presented. Second by Deputy Mayor Plyler.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

DRAFT BUDGET

REVIEW 2015-2016 DRAFT BUDGET

Mayor Wacker read the following statement, which is required by State law, "this budget will raise more total property taxes than last year's budget by $670,000 and 7.6%, and of that amount $419,000 is tax revenue from new property added to the roll this year." She said that is due in large part to Panda Power, which has allowed the City to hold the actual tax rate at the same amount, $.372 per $100 valuation.

Mary Lawrence, Director of Finance, said the Draft Budget in the agenda is essentially the same as the one presented at the Budget Work Session.

She said the General Fund days of fund balance went from 73 to 76 days. The staff felt secure enough in the property tax values to add those numbers into the budget. They are not certified, but the increase in value has been included.

A proposed plan was also added to move some of the TIF #1 (Town Center) tax revenue to the General Fund because there is an excess of fund balance, more than what is needed to cover the debt service. Therefore, those revenues will be moved back to the General Fund. The sales tax has also been adjusted, based on the past two months.

In the Utility Fund, the fund balance days went down by one day, because the debt service on the Southwest Water Tower was included.

Mayor Wacker said the Council was grateful that the revenue came in better this year because there are some significant CIP projects that have been on hold, such as the water storage tower.

She said two citizens have asked to speak before the Council concerning the Sherman Museum budget.

George Rowland, 614 N. McKown

Mr. Rowland recognized the members of the Sherman Museum Board in attendance at the Council Meeting. He said the Sherman Museum only has two employees so the board members and many volunteers participate with the Museum programs.

He said the Museum serves the City well in promoting tourism and in serving as an anchor as a plan is being developed for an Arts District.

The Museum is not a part-time facility and is open five days a week. It has also been open some evenings during the Dino Days event this summer. He said the Museum recently celebrated the Carnegie Building's 100 Anniversary.

From 1976 to 2005, the Museum was operated by the City. It was then transferred to an independent board. During that time, the board has aggressively made improvements to the building. They have added an elevator, replaced all the old window units and added central heat and air, added handicapped access for bathrooms, and treated air for the archive storage.

Mr. Rowland said they are not a "static museum" and the exhibits change. They have limited staff and these changes take a lot of time to do.

He said Dan Steelman was hired in 2011 as Executive Director. During that time, attendance has doubled. Mr. Steelman has maintained exposure for the Museum through other organizations of which he is a member.

Last year the Museum had 4,500 visitors, including from one foreign country. The Dino Days Exhibit has seen attendance from Houston to Southern Oklahoma. They serve a much larger area than just Sherman. He said many visitors eat in Sherman and some may be staying in hotels.

Mr. Rowland said the Board Members are concerned because last year their budget was reduced by $13,000. There was an employee that was retiring and she was not replaced. That leaves only two employees. The next budget reduction is proposed to be $20,000. He did not feel they could reduce the staff anymore with the hours they are open and the exhibits on two floors.

He said they would like to develop a strategic plan for the Museum that will go through 2016. They would like to work with the City on needs they have, and with Austin College and possibly other organizations. He asked that they be allowed to develop this plan through 2016. But to do that, they would need to have the funding restored.

Dorothy McKee, 713 W. Birge

Ms. McKee said she moved to Sherman in 1976 because

they liked the community and it seemed like a community that cared. She became involved with the Sherman Museum in 1977, one year after its inception. There have been many changes in the Museum since it began. Then the exhibits were static. They tried to make them relative, but they had low attendance and participation.

Eventually a portion of their Hotel/Motel Tax budget was used to hire Mr. Steelman and he has brought together history and pre-history with the Dino Days and the Time Traveler exhibits. Hundreds have come through the Dino Days and many children have visited the Museum.

She said the Board Members volunteer their time and handle fund raising and the History Comes Alive series in West Hill Cemetery. This year they will be honoring Lucy Kidd-Key. They will collaborate with the Sherman Independent School District on a History Comes Alive program for Sherman High School that is funded by a grant from the Sherman Education Foundation.

The Sherman Museum has worked hard and tried to build a Museum that no one else has in North Texas. No one else has the dinosaurs that have been on display along with a huge exhibit of fossils. The Time Traveler event will parallel this with other historical events that have occurred in Sherman and in North Texas.

Ms. McKee said to do this, they must have the funding they have had in the past. Otherwise they may lose a staff person, they may lose the ability to stay open five days a week, they may lose the ability to be open on Saturday. She said they are "cut to the bottom" and do everything as economically as possible. But they can't exist with the cuts that have been proposed for this year.

She said Sherman is starting to have a reemergence of the downtown area and they are so excited to be a part of that. They want to grow like the downtown is growing. She asked Council Members not to let the 100 year old Carnegie Building fall into disrepair because the funding has been cut.

<u>Sarah Campbell Stevens, 1712 W. McGee</u>
Ms. Stevens said the old Carnegie Building is a very important building and a very important set of events, and a treasure that has been assembled. It is important to keep that building vibrant and in use.

She has attended events with her grandchildren that were held at the Sherman Museum and she said the Museum is not a stagnant place. She asked Council Members to help them continue their hard work and effort.

<u>Bea Harmon, 629 N. Holly</u>
Ms. Harmon is the President of the Sherman Museum Board

and her grandchildren love the Museum and it is important for young children to learn what we have and what we had.

Mayor Wacker said she has met with the Museum Board, as has Mr. Hefton. The City is absolutely in favor of supporting the Sherman Museum. What they have proposed is that, in time, the Hotel/Motel Tax funding be replaced with a more sustainable source by partnering with the Museum and other entities in the City, such as Austin College, to transfer some collections or services that could be sent to the Museum that would generate revenue for them. Hopefully this would stabilize the Museum's funding in future years. The Hotel/Motel Tax money has been dwindling and there are many more requests for the funding.

She said this is about looking at new ways in 2015 to help bring a sustainable source of revenue to the Museum so they can operate far into the future.

Mr. Hefton said a draft budget has been presented tonight. The introduction of the budget ordinance is scheduled for the next Council Meeting. The proposed budget lists the tourism budget at $240,000, with budget support for the Museum shifting $20,000 of their $70,000. If the proposed budget was approved today, the Museum would receive budgetary support of $50,000 for FY 2016. Which is a $20,000 cut from the current year level of $70,000.

If the Council would like to allocate additional funds through the tourism budget, the staff could increase the tourism budget by a specific amount and direct that it be given to the Museum.

The staff has discussed with the Museum, the possibility of a visioning and strategic planning process where the City helps bring resources together to do some long-term planning in order to get the Museum to a sustainable level.

Mr. Hefton said if the Council is considering increasing the funding levels from what is proposed, that they tie or associate that additional funding to a deliverable, such as completion of the process of a strategic plan by this time next year.

He said there is money in the Hotel/Motel Tax Fund to increase the proposed Museum funding. Hotel/Motel Tax fund balance at the end of 2016 is estimated at $220,000.

Council Member Watt verified that the City is changing the way the Museum is funded by looking at partnerships, at the same time their budget is being cut by 20%. Mr. Hefton said there have been internal discussions about how the City could partner with the Museum and have services offered by the City moved to the Museum.

Mr. Hefton said it is hoped that the end of this process would result in a more sustainable revenue stream for the Museum and a more appropriate and efficient way to do other parts of what the City is already doing for genealogical and historical research.

Council Member Watt asked if it would be possible to "tighten up the efficiencies" and put these in place next year. Mr. Hefton said it possibly would, but there are some other internal things that must happen before that could occur. He was not sure everything could be in place before the City could move some of these resources and responsibilities to the Museum.

He felt the strategic plan for the Museum and an internal plan for moving some of the City services could be developed within one year.

Council Member Watt verified that there was $20,000 available if the Council wanted to increase the Museum's budget. Council Member Steele verified that the $20,000 used for the Main Street Program application was the $20,000 that was reallocated from the Museum's budget.

Mr. Hefton said the Hotel/Motel Tax Fund is more of a capital project fund and a general fund and the fund balance is not viewed the same as having a specific number of days in reserve.

Council Member Steele did not want to "put the Museum in a backspin" and try to catch up later. He agreed that keeping the Museum open is a benefit.

Mr. Hefton said for one year, FY 2016, he could recommend that there is room to restore the funding to the $70,000 level and not jeopardize the Hotel/Motel Tax Fund. Next year the Council could review the plan for funding and should have both strategic planning and internal planning to consider.

Council Member Watt said he would like to proceed in that manner. Council Member Davis asked if the Museum needed help from the City. Mr. Hefton said they do, but the staff is not an expert in this type of strategic planning. There are several potential consultants that could help and the City has started to lay the groundwork for a consultant.

The next step would be to select the consultant and work through the City staff, Museum staff, and Museum Board to participate in the project. Funding should be a few thousand dollars and funds could be found in the City's current budget.

Council Member Johnson asked how much the Museum has already raised in their endowment fund. Mr. Rowland said they have raised about $160,000, and the goal was to spend

about 5% per year. He added that the Museum really needs to get the full $33,000 back that was cut over several years.

Mayor Wacker said she felt this was a positive discussion and she appreciated the work that the Museum has done to become more interactive. She felt the new partnerships would help find additional efficiencies with City functions that would be a good fit with the Museum and would open the door for additional grant funding.

This will allow time to develop the plan and get everyone working together.

She asked the staff to look at restoring the $20,000 cut to the Museum budget, with the stipulation that the work continues to move forward on the strategic planning. Council Members agreed with the proposal.

DISCUSSION OF THE PROPOSED TAX RATE FOR FISCAL YEAR 2015-2016 AND SCHEDULING PUBLIC HEARINGS FOR THE BUDGET AND PROPOSED TAX RATE — **PROPOSED TAX RATE**

Mr. Hefton said the staff is proposing a tax rate for FY 2015-2016 of $.372 per $100 valuation. He said specific language should be read as a part of the motion.

ACTION TAKEN.

Motion by Deputy Mayor Plyler to propose a tax rate of thirty-seven point two cents per hundred dollars of valuation for the upcoming budget year and to set public hearings on this proposal, as presented. Second by Council Member Johnson.

VOTING AYE: Davis, Johnson, Plyler, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

Mayor Wacker said the City's tax rate does not increase this year.

CITIZENS REQUESTS — **CITIZENS REQUESTS**

There were no citizen's requests.

MEDIA QUESTIONS — **MEDIA QUESTIONS**

There were no media questions.

COUNCIL COMMENTS — **COUNCIL COMMENTS**

There were no Council comments.

ANNOUNCEMENTS — **ANNOUNCEMENTS**

Mayor Wacker announced the following:

- The Police Department is recruiting applicants for a September entry level test. They are working with CBC Creative and partnering with Grayson College's Center for Workplace Learning to encourage strong applicants.

ADJOURNMENT **ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 6:44 p.m.

MAYOR

CITY CLERK