STATE OF TEXAS §

July 19, 2021

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 19, 2021.

MEMBERS PRESENT: **MAYOR DAVID PLYLER; DEPUTY MAYOR DARON HOLLAND.**
COUNCIL MEMBERS HOWETH, MELTON, STEELE, STEVENSON, TEAMANN.

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Plyler called the meeting to order at 5:02 p.m. The Pledge of Allegiance and Invocation were given by Mayor David Plyler.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Called City Council Meeting of May 27, 2021 (CIP Work Session) and the Called City Council Meeting of July 6, 2021. Council Member Melton moved to approve the Minutes, as presented; Second by Deputy Mayor Holland; All present voted AYE.
MOTION CARRIED.

CITIZEN'S COMMENTS — **CITIZEN'S COMMENTS**

There were no citizen's comments.

CONSENT AGENDA — **CONSENT AGENDA**

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately.

Ryan Pittman, Attorney, explained that the first list of Consent Agenda items does not require any conditions on approval of the items. The second list of Consent Agenda items does require a conditional approval. These items would need to be approved, subject to the Staff Review Letter.

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

CONSENT AGENDA — **CONSENT AGENDA**

Double Asterisked (**) items are considered to be routine and will be enacted in one motion, subject to staff review letter, without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately.

The Council reviewed the Consent Agenda. Council Member Howeth moved to approve the Consent Agenda, subject to the Staff Review Letter, as presented. Second by Deputy Mayor Holland. All present voted AYE.

ORD 6394
SUP FOR
PATIO HOMES
(2400-2700 BLOCKS
SOUTH FM 1417)

Mayor Plyler introduced Ordinance No. 6394 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280 SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW 200 PATIO HOMES IN THE PROPOSED SHERMAN HEIGHTS ADDITION, BLOCKS 1-8, BEING 43.727 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625 IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT IN THE 2400-2700 BLOCKS OF SOUTH FM 1417 (HERITAGE PARKWAY) (ARC STX HOLDINGS, LLC, OWNERS; TESCH DEVELOPMENT & MANAGEMENT CO., LLC, PROSPECTIVE BUYER; ROBERT TESCH, REPRESENTATIVE; PAPE-DAWSON ENGINEERS, CIVIL ENGINEER; AND PIERCE-MURRAY LAND SOLUTIONS, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Rob Rae, Director of Development Services, said this Resolution is for a Specific Use Permit for 200 Patio Homes. The applicant currently has 8.1 acres of open space, and a part of that would be for detention. They are required to have 4.37 acres of open space.

The property was annexed in December 2020, and in June 2121 it was rezoned from R-A and M-1 to R-1. As of July 8, 2021, Mr. Tesch, the applicant, is now the owner of the property.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6394.

ORD 6395
SUP FOR
EDUCATIONAL
FACILITY/PRESCHOOL
(106-B NORTH
SUNSET BLVD)

Mayor Plyler introduced Ordinance No. 6395 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AN EDUCATIONAL FACILITY/PRESCHOOL IN A C-1 (RETAIL BUSINESS) DISTRICT AT 106-B NORTH SUNSET BOULEVARD, BEING LOT 3, BLOCK 1 WESTWOOD VILLAGE SECOND REPLAT PART BLOCK 2 (OWNERS MANUAL FOR LIFE, OWNER; MASTERKEY MINISTRIES OF GRAYSON COUNTY, TENANT; JULIE RICKEY, REPRESENTATIVE; AND DAVID BACA STUDIO, ARCHITECT) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said the Specific Use Permit was for a preschool in a C-1 District. Masterkey Ministries currently has an afterschool program at this location. They also have a location at 600 S. Dewey Avenue, that they need to relocate. They would like to relocate to the Sunset Boulevard location.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6395.

ORD 6396
SUP FOR AUTO SALES
(1804 NORTH HWY 75)

Mayor Plyler introduced Ordinance No. 6396 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW USED AUTOMOBILE SALES IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1 (75 & 82) OVERLAY DISTRICT AT 1804 NORTH U.S. HIGHWAY 75, BEING PART OF LOT 1, BLOCK 1, JAMES PLAZA ADDITION (SHERMAN PAG 1, LLC, OWNER; MARCUS TRIMBLE, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this Specific Use Permit is for a used automobile dealership at 1804 North Hwy 75, which site was also previously an automobile dealership.

The Planning and Zoning Commission recommended approval of the Specific Use Permit. The architect for the project was available if the Council had any questions.

No other citizens appeared before the City Council to discuss Ordinance No. 6396.

ORD 6397
SUP FOR AUTO SALES
(3908 & 3924 TEXOMA PKWY)

Mayor Plyler introduced Ordinance No. 6397 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AUTOMOBILE SALES IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 3908 AND 3924 TEXOMA PARKWAY, BEING 0.648 ACRES AND 1.279 ACRES IN THE SAMUEL McGLOTHLIN SURVEY, ABSTRACT NO. 811 AND THE HILLARD JENNINGS SURVEY, ABSTRACT NO. 639 (MLJ REAL ESTATE, LP, OWNER; MATTHEW JOHNSON, REPRESENTATIVE AND UNDERWOOD DRAFTING AND SURVEYING AND COX LAND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this Specific Use Permit is for a used automobile dealership in a C-2 District. The site was formally a power sports dealer.

He said there were some challenges about the requests, that were brought up during the Planning and Zoning Commission Meeting. Challenges include the quality of the pavement, an

abandoned sign, and the property isn't platted. He asked Council Members that, if they approved the Specific Use Permit, would they please do so with the stipulations on those conditions.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6397.

ORD 6398
SUP FOR AUTO SALES
(5922 TEXOMA PKWY)

Mayor Plyler introduced Ordinance No. 6398 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, GRANTING A SPECIFIC USE PERMIT TO ALLOW USED AUTOMOBILE SALES IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 5922 TEXOMA PARKWAY, BEING 5.52 ACRES IN THE J.B. SHANNON SURVEY, ABSTRACT NO 1085 (PATTERSON INVESTMENT PROPERTIES, LP, OWNER; RONALD DAVIS, DAVIS MOTOR COMPANY, PROPOSED TENANT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this is also a Specific Use Permit for a used automobile dealership in a C-2 District, on Texoma Parkway, where the old Putt Putt Miniature Golf was located.

The Planning and Zoning Commission recommended approval of the Specific Use Permit. A representative for the project was available if the Council had any questions.

No other citizens appeared before the City Council to discuss Ordinance No. 6398.

ORD 6399
ZONE CHANGE
(1229 N. BROUGHTON)

Mayor Plyler introduced Ordinance No. 6399 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 1229 NORTH BROUGHTON STREET, BEING 0.230 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (MORAN DEVELOPMENTS LLC, OWNER; LUIS MORAN, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING, SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this zone change was to rezone from R-1 to R-2, for a four-property townhome.

The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6399.

ORD 6400 ZONE CHANGE FOR PLANNED DEVELOPMENT (100-1200 BLOCKS OF WEST SHEPHERD)

Mayor Plyler introduced Ordinance No. 6400 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 6.12 SUBSECTION (5)(A), AND SECTION 12, ORDINANCE NO. 2280, SO AS TO REZONE PROPERTY GENERALLY LOCATED IN THE 100-1200 BLOCKS OF WEST SHEPHERD DRIVE, BEING APPROXIMATELY 531.87 ACRES IN THE FRIAR McNEELY SURVEY, ABSTRACT NO. 826, THE BENJAMIN LINDSAY SURVEY, ABSTRACT NO. 733 AND THE M. HUNT SURVEY, ABSTRACT NO. 603, AS A PLANNED DEVELOPMENT DISTRICT SUBJECT TO THIS ORDINANCE AND ORDINANCE NO. 2280 (YONGSHIK KIM, OWNER; SPIARS ENGINEERING, CIVIL ENGINEER; LAUREN HELMBERGER, REPRESENTATIVE; AND J.E. SMITH, SURVEYOR); PROVIDING THAT THE PROPERTY IS REZONED AND PLACED IN THE ZONING CLASSIFICATION OF PLANNED DEVELOPMENT; DESCRIBING THE PROPERTY TO BE REZONED; PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this is a zone change from an R-1 to a Planned Development District, which is comprised of 531 acres. Approximately 67% of the development will be a mix of single-family and multi-family, 18% will be commercial and retail, and 15% will be open space.

The staff has had multiple meetings with the developer and hired Halff Associates to conduct a Planned Development review, independent of the developer. The Planning and Zoning Commission recommended approval of the Planned Development.

Mr. Rae introduced Charles Hodges, Hodges Architecture, to describe the Planned Development project. Mr. Hodges introduced Mr. and Mrs. Rodney Haggard, from Plano, the developers of the actual project.

He said the project is a 500-acre campus, which includes a portion that retains the commercial character of the Hwy 75 frontage; a transitional area, called “flex-residential” or multi-family; with a predominate area of single-family. The flex-residential area includes a 20-acre senior campus.

He said there are a couple of bridges across Choctaw Creek, but their primary access point is along Shepherd Road. He addressed open space and some of the possibilities with this property, including a trail system that incorporated Choctaw Creek.

He said walkability was very important to the campus plan. He discussed a passive trail, but said it was also important to have a trail system into the commercial area.

He said there would also be a place for the new types of residential homes, such as cottage housing and "zeros." These could be used as transitional residences.

Mr. Hodges said Choctaw Creek would give the development a "spine" for the public spaces, reaching into the residential areas. He felt it was also a very good trail opportunity.

Improvements to Shepherd Parkway would include replacing some of the bridges, and straightening out some of the curvature.

He said they liked small "pocket parks" and there were many opportunities for scale. Pocket parks are a good addition to a residential area. He referenced some of their other developments that used a lot of native grasses. He said there were many amenity areas in their Master Plan, and they will have "programmatic" areas too.

They planned to have a lot of passive walkways, and would mix the character of the parks, since this was a large campus development. He said the small "finger-like" waterways and how they come into the residential area could be maximized, including a non-eroding edge on the creek. They need to consider how they would incorporate outside dining in the commercial area. They planned to use more natural, native rock materials too. He said an urban edge is an active residential street and can be a pedestrian area, but it doesn't have to be 60 feet wide.

No other citizens appeared before the City Council to discuss Ordinance No. 6400.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6394

ORD 6394
SUP FOR
PATIO HOMES
(2400-2700 BLOCKS
SOUTH FM 1417)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280 SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW 200 PATIO HOMES IN THE PROPOSED SHERMAN HEIGHTS ADDITION, BLOCKS 1-8, BEING 43.727 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625 IN AN R-1 (ONE-FAMILY RESIDENTIAL) DISTRICT IN THE 2400-2700 BLOCKS OF SOUTH FM 1417 (HERITAGE PARKWAY) (ARC STX HOLDINGS, LLC, OWNERS; TESCH DEVELOPMENT & MANAGEMENT CO., LLC, PROSPECTIVE BUYER; ROBERT TESCH, REPRESENTATIVE; PAPE-DAWSON ENGINEERS, CIVIL ENGINEER; AND PIERCE-MURRAY LAND SOLUTIONS, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Steele asked if a detention area could serve as open space. Mr. Rae said he would like the applicant to address that question.

Matt Gilbertson, Pape-Dawson Engineers, said the detention pond portion is only about four acres of detention, and the rest will be used for open space. Mr. Rae said the requirement is 4.37 acres for detention.

Council Member Steele asked if the detention area had to be fenced off. Mr. Rae said he was not aware of that requirement, but the open space must be usable, improved open space.

ACTION TAKEN.
Motion by Council Member Howeth to adopt Ordinance No. 6394, as presented. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ORD 6395 SUP FOR EDUCATIONAL FACILITY/PRESCHOOL (106-B NORTH SUNSET BLVD)

<u>Ordinance 6395</u>
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AN EDUCATIONAL FACILITY/PRESCHOOL IN A C-1 (RETAIL BUSINESS) DISTRICT AT 106-B NORTH SUNSET BOULEVARD, BEING LOT 3, BLOCK 1 WESTWOOD VILLAGE SECOND REPLAT PART BLOCK 2 (OWNERS MANUAL FOR LIFE, OWNER; MASTERKEY MINISTRIES OF GRAYSON COUNTY, TENANT; JULIE RICKEY, REPRESENTATIVE; AND DAVID BACA STUDIO, ARCHITECT) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ACTION TAKEN.
Motion by Council Member Steele to adopt Ordinance No. 6395, as presented. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ORD 6396 SUP FOR AUTO SALES (1804 NORTH HWY 75)

<u>Ordinance 6396</u>
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW USED AUTOMOBILE SALES IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1 (75 & 82) OVERLAY DISTRICT AT 1804 NORTH U.S. HIGHWAY 75, BEING PART OF LOT 1, BLOCK 1, JAMES PLAZA ADDITION (SHERMAN PAG 1, LLC, OWNER; MARCUS TRIMBLE, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR) PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ORD 6397
SUP FOR AUTO SALES
(3908 & 3924 TEXOMA PKWY)

Ordinance 6397

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AUTOMOBILE SALES IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 3908 AND 3924 TEXOMA PARKWAY, BEING 0.648 ACRES AND 1.279 ACRES IN THE SAMUEL McGLOTHLIN SURVEY, ABSTRACT NO. 811 AND THE HILLARD JENNINGS SURVEY, ABSTRACT NO. 639 (MLJ REAL ESTATE, LP, OWNER; MATTHEW JOHNSON, REPRESENTATIVE AND UNDERWOOD DRAFTING AND SURVEYING AND COX LAND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Stevenson asked about the three conditions that the Planning and Zoning Commission felt should be considered. Mr. Rae said there is a free-standing sign that is in disrepair. The applicant said they planned to remove the sign, but the City wants to be sure they remove the sign. They would also like to make sure the property is platted, and that the parking lot and the drive aisle pavement are repaired.

Council Member Stevenson expressed concern about the lack of parking and asked what the requirements were for a car lot. Mr. Rae said there are no parking space requirements for car lots. It does require that the cars are parked on an improved surface, either concrete or asphalt.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Ordinance No. 6397, with the conditions that the sign needs to be removed, the property needs to be platted, and the parking lot needs to be improved, being met as a condition of the Specific Use Permit and prior to the issuance of a Certificate of Occupancy. Second by Council Member Howeth.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ORD 6398
SUP FOR AUTO SALES
(5922 TEXOMA PKWY)

Ordinance 6398

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, GRANTING A SPECIFIC USE PERMIT TO ALLOW USED AUTOMOBILE SALES IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 5922 TEXOMA PARKWAY, BEING 5.52 ACRES IN THE J.B. SHANNON SURVEY, ABSTRACT NO 1085 (PATTERSON INVESTMENT PROPERTIES, LP, OWNER; RONALD DAVIS, DAVIS MOTOR COMPANY, PROPOSED TENANT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Melton verified that this was the old Putt Putt Golf location, and asked if the pavement and signage at this location was also a problem. Mr. Rae said it was not in as bad a shape as the other location.

It was discussed at the Planning and Zoning Commission, that they could only have one freestanding sign, per lot. Currently the sign advertises the mini-warehouse. The applicant is aware that they are only allowed to have one sign.

Council Member Melton asked if there was also a problem with the driveway for the storage facility. Mr. Rae said the main entrance is further to the south, but there is an "emergency entrance" that should not become a second entrance for the mini-warehouse. The site plan does not show that as an entrance.

Council Member Teamann said he understood there were State requirements for car lots, requiring them to have repair centers on site. He said if that's true, these car lots will also be making repairs on vehicles. This would require screening to hide the vehicles. He said there was nothing to indicate they were including screening.

Council Member Melton said it specifically said there would be no car repairs made. Mr. Rae said he was not aware of that State requirement, but under these Specific Use Permits, they would not be allowed to do car repair. He said one of the car dealers said they would be doing car repairs, offsite in Whitesboro.

Council Member Howeth expressed concern about parking on the shoulder of the road at both car lot locations. Clint Philpott, Assistant City Manager, said "no parking" signs could be installed. Mayor Plyler said that is a State road and State law precludes parking on the shoulder of a State road, especially adjacent to a lane of traffic.

Mr. Rae said the Staff Review Letter also says that no parking will be allowed except on their site, not on the shoulder, not between the curb and the property line. All parking needs to be on their property.

Deputy Mayor Holland asked how many cars would they have on the lot. Mr. Rae was not aware of a specific number.

Council Member Teamann asked if they were going to make upgrades to either building. Mr. Rae said he understood that they were using the existing buildings and not making any changes to the buildings. If they did, they would need to have Site Plan approval through the Planning and Zoning Commission.

ORD 6399
ZONE CHANGE
(1229 N. BROUGHTON)

<u>Ordinance 6399</u>
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTY WITHIN THE R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT, LOCATED AT 1229

NORTH BROUGHTON STREET, BEING 0.230 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (MORAN DEVELOPMENTS LLC, OWNER; LUIS MORAN, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Ordinance Nos. 6396, 6398, and 6399, as presented. Second by Council Member Melton.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ORD 6400 ZONE CHANGE FOR PLANNED DEVELOPMENT (100-1200 BLOCKS OF WEST SHEPHERD)

<u>Ordinance 6400</u>
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 6.12 SUBSECTION (5)(1), AND SECTION 12, ORDINANCE NO. 2280, SO AS TO REZONE PROPERTY GENERALLY LOCATED IN THE 100-1200 BLOCKS OF WEST SHEPHERD DRIVE, BEING APPROXIMATELY 531.87 ACRES IN THE FRIAR McNEELY SURVEY, ABSTRACT NO. 826, THE BENJAMIN LINDSAY SURVEY, ABSTRACT NO. 733 AND THE M. HUNT SURVEY, ABSTRACT NO. 603, AS A PLANNED DEVELOPMENT DISTRICT SUBJECT TO THIS ORDINANCE AND ORDINANCE NO. 2280 (YONGSHIK KIM, OWNER; SPIARS ENGINEERING, CIVIL ENGINEER; LAUREN HELMBERGER, REPRESENTATIVE; AND J.E. SMITH, SURVEYOR); PROVIDING THAT THE PROPERTY IS REZONED AND PLACED IN THE ZONING CLASSIFICATION OF PLANNED DEVELOPMENT; DESCRIBING THE PROPERTY TO BE REZONED; PROVIDING A PENALTY NOT TO EXCEED $2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Council Member Teamann said there were some items in the Planned Development plan that were not in line with some of the current ordinances, such as parking, building elevations, and seven story buildings. He asked if the Planned Development document would override current ordinances.

Mr. Rae said it did override the current zoning ordinances. Part of the Planned Development regulations are to allow developers to have some flexibility to do some other things. The other two Planned Developments that were approved, Heritage Ranch and Bel Air Village, both had very similar requirements.

Council Member Teamann suggested that, in the future, the Council look at the multi-family parking. He said Sherman's parking really doesn't "line up" with what other cities are doing. He felt what they are asking for with the Planned Development is more typical of what cities are requiring.

Council Member Melton said it was mentioned that the City paid for another company to review the Planned Development. She asked if the developer paid for that service. Mr. Rae said the review that Halff Associates provided was part of the application fee that is received from the developer. He added that the application fee is a "large sum," and it covers the cost of the consultant.

Council Member Howeth asked about the "senior campus" that was mentioned earlier. She asked what was considered a senior campus. Mr. Hodges said they were "heavily involved" in senior housing, and it could be a mix of senior cottages, assisted living, memory care, independent living, or any type of age-restricted multi-family, all centered around a 20-acre designated campus.

This would include all the senior socialization and recreation uses in the same campus, as well as, different levels of housing opportunities. He said it was intended for, and would attract seniors, but it's not age specific.

ACTION TAKEN.
Motion by Council Member Stevenson to adopt Ordinance No. 6400, as presented. Second by Council Member Howeth.
VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6751
HILRE DRIVE
EXTENSION PROJECT

<u>RESOLUTION NO. 6751 – AUTHORIZING EXECUTION OF AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH JONES/CARTER ENGINEERING FOR THE HILRE DRIVE EXTENSION PROJECT</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH JONES/CARTER ENGINEERING FOR THE HILRE DRIVE EXTENSION PROJECT.

Wayne Lee, Director of Engineering, said this was an amendment to the professional services agreement with Jones/Carter Engineering for the Hilre Drive Extension Project. A couple of years ago the City entered into a contract with Jones/Carter Engineering for design of the project.

The project included 425 feet of paving, and after starting the design, it was determined that they would need 475 feet of offsite drainage too. That meant that additional off-site surveying, design, and easements were needed to complete the project. Construction of the project was then split into two projects, with one being the drainage portion.

Amendment No. 1 increases the contract amount $32,900, for a total contract amount of $82,400.

Council Member Melton said she "hates" change orders, especially when the contract says "will not exceed" a specific

amount. She said the increase almost doubled the original amount. She asked if they didn't realize there would be a problem when they bid on the project.

Mr. Lee said the scope of services had a certain definition of what was involved, and that's what the pricing was based on. As they began the design of the project, they identified the additional drainage that needed to be done, and that was an additional cost.

Council Member Melton asked if the City could do the additional drainage themselves, in-house, to save the outside cost. Mr. Lee said the engineer already has the survey done on the adjacent property, and it's better to keep the engineering with the same company.

Mr. Philpott said one of the options was to put in a bar ditch instead of a pipe to carry the water to the creek. It was determined that, long term, the pipe would be better than the open ditch to carry the water to the creek. He verified that the City could have done the project in-house. However, Mr. Hefton, said the City needed to be selective about what projects were completed in-house. They could be done, but does the City have the "capacity" to do the project in-house.

Council Member Melton was still upset that the original contract said "not to exceed," and additional work was being added to the project and the cost was almost doubling. Mayor Plyler said sometimes there are different conditions that you don't see when you start a project. He said if they were to split up engineering projects, there would be a question of liability, and engineering companies don't like sharing the liability for design projects.

Council Member Melton questioned how that would affect the liability. Mayor Plyler said if the City did part of the project and Jones/Carter did part of the project, and there was a problem in the future, there would be a question as to who was liable for the situation.

ACTION TAKEN.
Motion by Council Member Steele to adopt Resolution No. 6751, as presented. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.
VOTING NAY: Melton.
MOTION CARRIED.

RES 6752 GRAYSON COUNTY MITIGATION PLANNING TEAM

<u>RESOLUTION NO. 6752 – AUTHORIZING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH GRAYSON COUNTY FOR SHERMAN'S PARTICIPATION IN THE GRAYSON COUNTY COMMUNITY MITIGATION PLANNING PROGRAM; APPOINTING MEMBERS TO SERVE ON THE GRAYSON COUNTY COMMUNITY MITIGATION PLANNING TEAM</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH GRAYSON COUNTY FOR SHERMAN'S PARTICIPATION IN THE GRAYSON COUNTY COMMUNITY MITIGATION PLANNING

PROGRAM; APPOINTING MEMBERS TO SERVE ON THE GRAYSON COUNTY COMMUNITY MITIGATION PLANNING TEAM.
CONSENT AGENDA.

RES 6753
APPLICATION FOR
JAG GRANT FUNDING

<u>RESOLUTION NO. 6753 – AUTHORIZING SUBMISSION OF A JOINT GRANT APPLICATION WITH THE CITY OF DENISON AND GRAYSON COUNTY FOR, AND THE ACCEPTANCE OF, A GRANT AWARDED UNDER THE 2021 JUSTICE ASSISTANCE GRANT PROGRAM-CFDA #16.738</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF A JOINT GRANT APPLICATION WITH THE CITY OF DENISON AND GRAYSON COUNTY FOR, AND THE ACCEPTANCE OF, A GRANT AWARDED UNDER THE 2021 JUSTICE ASSISTANCE GRANT PROGRAM – CFDA #16.738.
CONSENT AGENDA.

RES 6754
INTERLOCAL
AGREEMENT FOR
JAG GRANT FUNDING

<u>RESOLUTION NO. 6754 – AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN, THE CITY OF DENISON, AND GRAYSON COUNTY FOR GRANT FUNDING TO BE AWARDED BY THE U.S. DEPARTMENT OF JUSTICE UNDER THE 2021 JUSTICE ASSISTANCE GRANT PROGRAM – CFDA #16.738</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN, THE CITY OF DENISON, AND GRAYSON COUNTY FOR GRANT FUNDING TO BE AWARDED BY THE U.S. DEPARTMENT OF JUSTICE UNDER THE 2021 JUSTICE ASSISTANCE GRANT PROGRAM – CFDA #16.738.
CONSENT AGENDA.

RES 6755
RESIDENTIAL TAX
ABATEMENT
(917 N. MONTGOMERY)

<u>RESOLUTION NO. 6755 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH M&G HOME BUILDERS LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 917 NORTH MONTGOMERY STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10)</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH M&G HOME BUILDERS LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 917 NORTH MONTGOMERY STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10).
CONSENT AGENDA.

RES 6756
RESIDENTIAL TAX
ABATEMENT
(509 S. GRIBBLE)

<u>RESOLUTION NO. 6756 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH JOSE AND MARIA LARA FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 509 SOUTH GRIBBLE STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10)</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN

AGREEMENT WITH JOSE AND MARIA LARA FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 509 SOUTH GRIBBLE STREET WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10).
CONSENT AGENDA.

RES 6757
RESIDENTIAL TAX ABATEMENT
(411 E. WILSON)

RESOLUTION NO. 6757 -- AUTHORIZING EXECUTION OF AN AGREEMENT WITH TOBAR'S PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCT AT 411 EAST WILSON AVENUE WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10)
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH TOBAR'S PROPERTIES, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 411 EAST WILSON AVENUE WITHIN CITY OF SHERMAN REINVESTMENT ZONE, NUMBER TEN (#10).
CONSENT AGENDA.

REQUEST TO ADV
WWTP FENCE
REPLACEMENT

REQUEST TO ADVERTISE
WASTEWATER TREATMENT PLANT FENCE REPLACEMENT PROJECT
The City Council approved the request to advertise for the Wastewater Treatment Plant Fence Replacement Project, which will replace 42% of the total fencing at the plant.

These portions of the fence have experienced heavy corrosion and need to be replaced as soon as possible. The project is estimated to cost $64,000, which is included in their maintenance budget for FY 2021.
CONSENT AGENDA.

OTHER BUSINESS

WATER &
WASTEWATER
RATE STUDY

RECEIVE PRESENTATION FROM DAN JACKSON OF WILLDAN ON THE UPDATED WATER AND WASTEWATER RATE STUDY
Dan Jackson, Vice President at Willdan, presented the final results of the Water and Wastewater Rate Study. About a month ago, he presented the results of the Rate Study to Council Members. He said the Council sets policy and goals for the City, and setting the water and wastewater rates are a means to achieve those goals.

He said Sherman has a "remarkably low" water and wastewater rate, and there have been no rate adjustments since 2017. Across the United States, the average utility has been increasing their rates 5% to 6% each year. Because of this, Sherman's rates are among the lowest in the Dallas-Fort Worth Metroplex.

Sherman has been able to keep their rates low because they have a very well run and very efficient facility, and because they have a number of wholesale customers. Mr. Jackson said most of the costs of producing water are "fixed costs" and the costs of the water are incidental. The wholesale customers are buying large

amounts of water and are therefore paying enough money to allow the benefits to be spread to the Sherman citizens. He said that was good financial management and good operational management.

Even though things have been good, Mr. Jackson said Sherman is now faced with some challenges. Operating costs continue to increase, and the City needs to fund $95 million in capital improvements to repair, expand, replace, and improve the quality of service. This money is an investment into the future of Sherman, but the City needs to find a way to finance this money.

He compared Sherman's residential cost of water and wastewater with other local markets. Sherman's rates are $22 below the State average, and he said he couldn't find a City with a lower water and sewer rate than Sherman.

Currently the City has 20,000 water accounts, but by 2030, Sherman is predicted to have as many as 26,797 accounts. That's a growth rate of 3% percent, or 600 to 775 accounts per year.

He said growth is very beneficial for water and wastewater rates because every new customer is a new monthly bill, and is revenue that can be used to offset the increase in cost of services.

Mr. Jackson said the principal factor that is driving the need for the rate plan that he was going to present, is the capital improvement needs. The City has identified almost $95 million in future funding needs.

He said these improvements would be funded through a combination of ways, including the Improvement Fund, Impact Fees, and some Grant money. However, most of the funding, $77.8 million, will come from long-term debt.

The money can be borrowed in stages, over the next several years, and as it's borrowed, the water and wastewater rates will be slowly "ratcheted" up, to ensure the payment of principal and interest on the financing. This means the cost of services will increase over the next 10 years.

The current cost of service for water and sewer utilities, is about $16 million. By 2030, that amount is expected to exceed $20 million and be close to $25 million. The debt service will also become a greater percentage of the total cost.

Mr. Jackson presented two Rate Adjustment Scenarios for the City, based on feedback he received from the Council at the Budget Workshop.

The rate proposals assume no basic change in the rate structure, which is very sound. The proposal is a five-year rate plan, with one single ordinance, that calls for five rate adjustments, in

October of each year, starting in 2021. He presented two scenarios for these rate adjustments.

The first scenario would call for higher adjustments in 2021 through 2023 to cover the expected additional debt and operating expenses, then lower adjustments for the remainder of the years. The second scenario would provide for uniform percentage increases for each year from 2021 through 2025. Both scenarios are "revenue neutral" and will get the City the same amount of money.

He outlined actual charges for both scenarios. Under the first scenario, the water rate would increase 4% for the first three years, 2021, 2022, and 2023; by 3% in 2024; and 2% in 2025. The rate would increase from $3.27 for 1,000 gallons, to eventually $3.86 per 1,000 gallons.

For wastewater rates, the increase would be 8% for 2021 and 2022; 9% for 2023; 5% for 2024; and 2% for 2025. Mr. Jackson said the wastewater rate is higher because there are some very significant capital improvement needs, and there aren't as many wastewater "billing units." There are a lot of large water wholesale customers that don't use sewer service. With more water billing units, the cost can be spread out.

He also discussed the impact that the rate adjustment would have on the ratepayer's bill. The average customer in Sherman uses about 6,000 gallons of water and wastewater per month. Currently, a citizen using 6,000 gallons pays $16.37 per month for water and sewer. This amount does not include garbage service or taxes. Under the Scenario I plan, their bill would increase $3.41 in October 2021, of 5.1%. He also presented the increase for the other years.

He addressed rate increases for the wholesale water or wastewater customers. They would also receive the same adjustments. Wholesale customers include Knollwood, Gunter-Marilee, and Dorchester. Panda-Sherman is a raw water customer. Wholesale wastewater customers are Howe and Knollwood.

Mr. Jackson said, if this plan is adopted, a current 5,000 gallon customer, who is paying $54.62 per month now, would be paying $68.21 per month by 2025. Even with that increase, the Sherman customer in 2025 would still have about the lowest rate in the Metroplex, and that's assuming the other cities don't increase their rate at all during that five-year period.

He said rates and costs are increasing and these other cities will be increasing their rates too. Even with this rate adjustment plan, in 2025, Sherman will still have one of the lowest rates in the Metroplex.

If the Council decides to use Scenario II, and do an equal percentage adjustment of 3% for water rates for the next five

years. The increase for wastewater would be 6% in 2021, and 7% for the other four years.

This would be about the same impact over the entire five-year period, but the 6,000 gallon per month water rate payer would have a smaller increase over the initial years, but a slightly larger increase over the later years, but they would end about the same place at the end of the five-year period. The wholesale customers would pay the same percentage increase.

Mr. Jackson said they understood that no one wants to increase rates, but they looked for different alternatives that would minimize the impact on the ratepayers, while still getting the City the revenue they need to properly manage and operate their utilities.

The City of Sherman has always invested the money that was needed to invest in the system. Either of the proposed rate plans will get the City the money needed to continue to invest in the water and wastewater system. It will also assure that no subsidies are needed from the General Fund to run the system, and it will cover the increased costs.

He said the City's utility is very financially healthy right now, and either of these two rate proposals will continue to maintain that. It will also ensure that ratepayers only pay what it costs the City to provide that service. The City's not making a profit, but only asking ratepayers to cover the cost of service. It also allows the City to invest $95 million in the future of the City of Sherman.

Council Member Stevenson asked Mr. Jackson if he had one plan that he "leaned toward" more than the other. He felt it was better to increase the rates earlier, rather than later, to ensure the financial integrity of the utility. He added that, for the City of Sherman, the rates are so low, even a slightly higher percentage increase, is still less of a dollar increase. He said Scenario I would help the City achieve their financial goals quicker than Scenario II would.

Council Member Teamann said from 2022 versus 2021, there is substantially no change to the cost of the system. Therefore, a rate increase this year, would be "jumping ahead" instead of waiting until 2022 or later. Mr. Jackson said ratepayers don't like increases, especially big ones. They will ultimately ask why the City didn't do smaller increases, if they knew the expenses were coming.

This plan provides for a series of modest adjustments, even before they are required, to ensure that when the debt is issued, the City will not only have sufficient funds to pay the debt service, but the impact on the ratepayers will be minimal.

Council Member Melton said she liked the 3% increase across all years, because Mr. Jackson said there was also 3% growth coming. New revenue will be coming in from that growth.

Council Member Howeth said Mr. Jackson said Sherman's rates were the lowest in the Metroplex, but she asked if they ever recommended lowering rates to any City during the Rate Study. Mr. Jackson said, yes, he will be recommending that one City this year lower their rates. He said they have achieved an extraordinary amount of growth, more than double what they projected. He said forecasting is not a guarantee, it is a prediction, based on a series of reasonable assumptions.

Mr. Jackson also recommended that, even if the City does implement this five-year plan, that it is reviewed annually to see where the City is, as compared to where they thought they would be. If growth does exceed expectations, then the plan can be modified.

Mr. Hefton said no action is required tonight, other than direction to the staff as to what to bring back in a resolution. The resolution would formally adopt the results of the Rate Study, at the same meeting that the Annual Budget is adopted.

He asked the Council which scenario they wanted to include in the Budget, the "smooth" version that is a 4.2% increase for the first year, or the "unsmooth" version, which starts with a higher percentage of about 5.6%, and then goes lower. At the Budget Workshop, Council Members indicated they wanted to include language to review the Rate Plan annually.

Mayor Plyler said he thought most of the Council wanted to use the smooth plan, with the consistent percentage.

Council Member Teamann recommended no increase for next year, and said the City hasn't needed a rate increase prior to this.

Council Member Melton said there was a need for a rate increase last year because there was a problem with the utility budget.

Council Member Teamann said Mr. Jackson said the City's Utility Fund is healthy and strong, and he said he felt confident in the past decisions.

Council Member Stevenson said there are many places where the City can save money, but recent events have shown the importance of water systems and their health. This is for the long-term, financial health of the City. He said the two plans are different "by pennies" and the City paid for this well-informed Rate Study, and they should take the advice. He felt the "unsmooth" version is the one that should be used, and said the water system was too important to risk.

In order to give the staff direction, Council Members indicated their preference for which scenario to use in the Budget.

Mayor Plyler asked which Council Members would like the "unsmooth," front-end loaded version. Council Member Stevenson indicated he would like that version.

Mayor Plyler asked which Council Members would like the "smooth," consistent version. Council Members Melton, Howeth, Holland, and Steele indicated they would like that version. Council Member Teamann did not want any rate increase.

The "smooth" version will be included in the Annual Budget.

<u>PREVIEW OF THE 2021-2022 DRAFT BUDGET</u> **DRAFT BUDGET**

Mary Lawrence, Director of Finance, presented the Draft Budget, and said they have made a few changes since the Budget Workshop. They have also updated the revenue, since they received the sales tax numbers, and adjusted the utility revenue to compensate for a very wet June.

They lowered the property tax estimate after they received the values, however sales tax numbers were increased. Certified totals for the property tax were recently received, and they lowered the property tax estimate. Property tax levy has increased by about 9% the past two years. This year it increased by 7.5%.

The personnel budget was increased to include a 3%, across-the-board increase for employees, instead of a 2% that was included at the Budget Workshop.

There was also some additional funding for capital projects, including the MLK Restrooms and some major street rebuild projects from bond money, that were included in the Budget.

She said there are also two Utility Fund Statements for Council to review. The first is the "recommended" version, which is the 5.6%. The other is the "smooth" version, which is 4.2%. The main difference is the percentage increase in the utility rate. The fund is also being "propped up" with $280,000 from the General Fund, to restore the fund and get the fund balance back to 60 days.

Ms. Lawrence said there was a Commercial Solid Waste truck that was severely damaged. It was not totaled for insurance purposes, but since it is a front-line truck, the staff does feel like it needs to be replaced. The Solid Waste Fund will be funding about half of the cost of a new truck, and insurance paid about half. Money from the General Fund will be used to prop up the Solid Waste Fund to get it back to about 60 days of fund balance.

Council Member Melton asked about authorizing shading at the Animal Shelter. Zach Flores, Police Chief, said he thought the money for shading was available in the PRIDE donation fund.

Deputy Mayor Holland asked if the damaged Solid Waste truck would be used as a backup truck. Ms. Lawrence said it would be "repurposed" into something that is not on the road every day. He asked what the turn-around time on the new truck would be. Kevin Winkler, Public Works Manager, said the three trucks that are ordered, are scheduled to arrive by the end of August 2021.

Council Member Melton asked about covering a washer and dryer for the Animal Shelter out of the donation money. Chief Flores said there would not be enough donation money to cover that cost too.

APPROVE SITE PLAN & EXCEPTION OUTDOOR STORAGE AT BUSINESS (4318 S. HWY 75)

<u>SITE PLAN APPROVAL AND EXCEPTION UNDER ORDINANCE NO. 2252 ARTICLE IV SECTION 410 (2)(J), (2)(G)(2) AND (2)(K) TO ALLOW OUTDOOR STORAGE IN THE FRONT AND REAR OF THE BUILDING SUBJECT TO THE SITE PLAN AS PRESENTED IN LIEU OF THE REQUIRED REAR ½ OF THE PROPERTY AND SHALL NOT BE PLACED ON THAT HALF OF THE PROPERTY ADJACENT TO AN EXISTING STREET (DORSETT DRIVE) IN THE BLALOCK INDUSTRIAL PARK AT 4318 SOUTH U.S. HIGHWAY 75</u>
Mr. Rae said any Site Plan recommendations, approvals, or exceptions are required to go to the City Council for consideration. ABC Supply Company would like to relocate to an empty Kaiser Aluminum building. They have submitted their application for Site Plan approval and an Exception, to allow outdoor storage, within the front half of the property, facing Hwy 75 and Dorsett Drive.

The Blalock Industrial Park requires that any outdoor storage needs to be in the back half of the property. Their Site Plan shows they would like to put their outdoor storage, a little bit forward of that 50% line.

He said they also plan to build an 8' fence, with vinyl inserts to screen the materials they would be storing behind it.

The Planning and Zoning Commission recommended approval of the Exception and the Site Plan.

ACTION TAKEN.

> **Motion by Council Member Stevenson to approve the Site Plan and Exception to allow outdoor storage in the front and rear of the building, subject to the Site Plan as presented in lieu of the required rear ½ of the property, in the Blalock Industrial Park, at 4318 South U.S. Highway 75, as presented. Second by Council Member Howeth.**

VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.
VOTING NAY: Melton.
MOTION CARRIED.

APPROVE FINAL PLAT SHERMAN HEIGHTS ADDITION (2400-2700 BLOCKS S. FM 1417)

<u>FINAL PLAT APPROVAL OF SHERMAN HEIGHTS ADDITION, BEING 43.727 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625 (ARC STX HOLDINGS, LLC, OWNER; TESCH DEVELOPMENT & MANAGEMENT CO., LLC, PROSPECTIVE BUYER; ROBERT TESCH, REPRESENTATIVE; PAPE-DAWSON ENGINEERS, CIVIL ENGINEER; AND PIERCE-MURRAY LAND SOLUTIONS, SURVEYOR (2400-2700 BLOCKS SOUTH FM 1417 (HERITAGE PARKWAY)</u>
Mr. Rae said a Final Plat is typically on the Consent Agenda. However, since the applicant had an agenda item earlier in the meeting for Patio Homes, the Final Plat needed to be removed from the Consent Agenda, so it wouldn't be approved prematurely.

This Final Plat is for the 200 Patio Homes, located on FM 1417, north of O.B. Groner Road.

Council Member Teamann said usually streets are not dead ended into other property unless they are planned for subdivisions. This development does have some dead ends. He asked if there were additional plans for future expansion at this location.

Mr. Rae said he thought there were plans for future expansion. The applicant and property owner has attempted to purchase some of the adjacent property.

Mr. Philpott said there are no roads close to this location, and he felt creating some east-west connections would be important. He said they tried to take advantage of developers by encouraging the east-west roads.

ACTION TAKEN.

Motion by Council Member Stevenson to approve the Final Plat of Sherman Heights Addition, located in the 2400 to 2700 blocks of South FM 1417, as presented. Second by Council Member Teamann.

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

VOTING NAY: None.

MOTION CARRIED.

<u>FINAL PLAT APPROVAL OF AUSTIN LANDING, PHASE IV, BEING 40.840 ACRES IN THE ALEXANDER AND RICHARDS SURVEY, ABSTRACT NO. 42 (LEO JOSEPH BOWLER, III, OWNER; AND WINDROSE LAND SURVEYING, SURVEYOR (700 BLOCK WEST NORTHCREEK DRIVE & 4900 BLOCK NORTH TRAVIS STREET)</u>

APPROVE FINAL PLAT AUSTIN LANDING, PHASE IV (700 BLOCK OF W. NORTHCREEK & 4900 BLOCK OF N. TRAVIS ST.) DENIED

Mr. Rae said this was for a Final Plat of Austin Landing, Phase IV. He said there are a number of lots in this proposed Plat that don't meet the City's ordinance, as it's written. Therefore, the staff recommends denial of this Final Plat.

Council Member Stevenson asked which lots specifically didn't meet the ordinance. Mr. Rae said there are a number of corner lots that don't meet the required 60' front setback.

Typically, the applicants would request a variance from the Board of Adjustments, for the lots, prior to the acceptance of the Plat.

Council Member Stevenson said the Council would deny the request and it would go to the Board of Adjustments, and they would approve it.

ACTION TAKEN.

Motion by Council Member Melton to deny approval of the Final Plat of Austin Landing, Phase IV, located in the 700 block of West Northcreek Drive and the 4900 block of North Travis Street. Second by Council Member Howeth.

VOTING AYE: Holland, Howeth, Melton, Steele.
VOTING NAY: Stevenson.
ABSTAIN: Teamann.
MOTION CARRIED TO DENY.

QUARTERLY INVESTMENT REPORT

APPROVE QUARTERLY INVESTMENT REPORT FOR QUARTER ENDED JUNE 30, 2021

The City Council approved the Quarterly Investment Report for the quarter ended June 30, 2021. The reports were given to the Investment Committee prior to submittal to the City Council.

As of June 30, 2021, the portfolios were in compliance with applicable State laws and the Investment Policy. The operating investment portfolio had a book value of about $18.8 million, an increase of about $3.6 million from the prior quarter of $15.2 million. This increase is due to deposits of $3.1 million in the FDIC insured investment account and $0.5 million of net U.S. Agency security purchases over maturities. A Certificate of Deposit, two U.S. Agency securities, and a Texas political subdivision security matured and replaced with same.

The underlying investments were adequately diversified among six different types of securities. This portfolio is appropriately liquid, and its weighted-average maturity was about 468 days, up from 439 days from last quarter. The portfolio yield of 0.44% is 37 basis points above the benchmark yield of 0.07%. Market value approximates book value.

The debt proceeds portfolio balance of $40.3 million was invested in Local Government Investment Pools, an FDIC insured investment account and U.S. Agency securities. Transactions in this portfolio include a deposit of $30 million in debt proceeds, payments for capital projects and the receipt of interest income. The yield of 0.03% was below the benchmark yield of 0.05%. Market value approximated book value.
CONSENT AGENDA.

APPROVE REPLAT CORNERSTONE ADDITION (301, 305, 309 CORNERSTONE DR.)

REPLAT APPROVAL OF CORNERSTONE ADDITION, BLOCK 2, LOT 9R, BEING A REPLAT OF LOTS 8, 9 & 10, BLOCK 2, CORNERSTONE ADDITION, BEING LOTS 8, 9 AND 10, BLOCK 2, CORNERSTONE ADDITION; P&N SHERMAN, LLC, OWNER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR (301, 305 & 309 CORNERSTONE DRIVE)

The City Council approved the Replat of the Cornerstone Addition, Block 2, Lot 9R, located at 301, 305, and 309 Cornerstone Drive.

The property is zoned a C-1 (Retail Business) District and is also located in the O-1 (75 & 82) Overlay District. The owner would like to replat three lots into one lot for commercial development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

FINAL PLAT APPROVAL OF JARAMILLO ADDITION ON LESLIE LANE IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION (ETJ), BEING 14.492 ACRES IN THE AARON BURLESON SURVEY, ABSTRACT NO. 61 (ANGEL M. JARAMILLO & MARTHA LOPEZ, OWNERS; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR (3400 BLOCK EAST LESLIE LANE)

APPROVE FINAL PLAT JARAMILLO ADDITION IN ETJ (3400 BLOCK E. LESLIE LANE)

The City Council approved the Final Plat of the Jaramillo Addition on Leslie Lane, in the City's Extra Territorial Jurisdiction. The 14.492 acre tract is located in the 3400 block of East Leslie Lane. The owner would like to plat the property into four lots.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

REPLAT APPROVAL OF LOTS 6A & 6B, BLOCK 31, HLLTOP ESTATES, BEING 0.760 ACRES IN THE J. HENDRIX SURVEY, ABSTRACT NO. 503, ALSO BEING LOT 6, BLOCK 31, HILLTOP ESTATES SUBDIVISION; TOBAR PROPERTIES, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (2701 DRIPPING SPRINGS ROAD AND 4200 BLOCK OF COX STREET)

APPROVE REPLAT HILLTOP ESTATES (2701 DRIPPING SPRINGS & 4200 BLOCK OF COX ST.)

The City Council approved the Replat of Lots 6A and 6B, Block 31, Hilltop Estates, located at 2701 Dripping Springs Road and in the 4200 block of Cox Street.

The property is zoned an R-1 (One Family Residential) District, and the owner would like to replat into three lots for residential development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

REPLAT APPROVAL OF LOT 1, OYAIL ESTATES IN THE CITY OF SHERMAN EXTRA TERRITORIAL JURISDICTION (ETJ), BEING 0.326 ACRES IN THE PRESTON KITCHEN SURVEY, ABSTRACT NO. 667; RUSSELL ROGERS, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (388 BENNETT ROAD)

APPROVE REPLAT OYAIL ESTATES IN ETJ (388 BENNETT RD.)

The City Council approved the Replat of Lot 1, Oyail Estates, located at 388 Bennett Road, in the City's Extra Territorial Jurisdiction. The owner would like to replat the 0.326 acre tract into two lots.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

REPLAT APPROVAL OF LOTS 8 & 9, BLOCK 49, SOUTH SIDE ADDITION, BEING 0.326 ACRES IN THE PRESTON KITCHEN SURVEY, ABSTRACT NO. 667; RICKY D. COOPER, OWNERS; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (2113 SOUTH EAST STREET)

APPROVE REPLAT SOUTH SIDE ADDITION (2113 S. EAST ST.)

The City Council approved the Replat of Lots 8 and 9, Block 49, of South Side Addition, located at 2113 South East Street.

The 0.326 acre tract is zoned an R-1 (One Family Residential) District, and the owner would like to replat two lots into one lot for residential development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

<u>REPLAT APPROVAL OF LIBERTY LIGHTHOUSE ADDITION, BEING A PART OF LOTS 1-3 AND 8, BLOCK B, T.J. SHANNON SUPPLEMENT, BEING 0.67 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, ALSO BEING PART OF LOTS 1-3 AND 8, BLOCK B OF THE T.J. SHANNON SUPPLEMENT; TEXOMA LIBERTY LIGHTHOUSE, OWNERS; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (110 & 120 WEST MULBERRY STREET)</u>

APPROVE REPLAT LIBERTY LIGHTHOUSE ADDITION (110 & 120 W. MULBERRY ST.)

The City Council approved the Replat of Liberty Lighthouse Addition, located at 110 and 120 West Mulberry Street.

The property is zoned a C-1 (Retail Business) District and located in the Central Business District. The owners would like to replat the property into two lots to sell one of the lots.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

<u>REPLAT APPROVAL OF LOT 1R, BLOCK 4, CHAFFIN'S FIRST ADDITION, BEING A REPLAT OF LOTS 1, 2, 3, 4, 5, 6 & 7, BLOCK 4, CHAFFIN'S FIRST ADDITION, BEING 0.959 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 AND BEING ALL OF LOTS 1-7, BLOCK 4, CHAFFIN'S FIRST ADDITION; SAM A. LORIA, OWNER; VILBIG & ASSOCIATES, PLLC, CIVIL ENGINEER; AND COPLEY LAND SURVEYING, SURVEYOR (609 EAST PECAN STREET)</u>

APPROVE REPLAT CHAFFIN'S FIRST ADDITION (609 E. PECAN ST.)

The City Council approved the Replat of Lot 1R, Block 4, Chaffin's First Addition, located at 609 East Pecan Street.

The property is zoned an M-2 (Heavy Manufacturing) District, and the owners would like to replat into one lot for an addition to the existing building.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

<u>REPLAT APPROVAL OF LOTS 5 & 6, BLOCK 16, W. ELLIOTT'S ADDITION, BEING LOTS 5 & 6, BLOCK 16, W. ELLIOTT'S ADDITION; GROW MORE INVEST, LLC, OWNER; CHARLIE SHEARER, DEVELOPER; AND COPLEY LAND SURVEYING, SURVEYOR (809 SOUTH WILLOW STREET)</u>

APPROVE REPLAT ELLIOTT'S ADDITION (809 S. WILLOW ST.)

The City Council approved the replat of Lots 5 and 6, Block 16, of W. Elliott's Addition, located at 809 South Willow Street.

The property is zoned an R-1 (One Family Residential) District, and the owner would like to plat two lots into one lot for residential development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

APPROVE FINAL PLAT M.P.Y. HOMES SECOND ADDITION (214 E. COLLEGE ST.)

FINAL PLAT APPROVAL OF M.P.Y. HOMES SECOND ADDITION, BEING 0.239 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763 (MPY HOMES LLC, OWNER; CHARLIE SHEARER, DEVELOPER; AND COPLEY LAND SURVEYING, SURVEYOR (214 EAST COLLEGE STREET)
The City Council approved the Final Plat of M.P.Y. Homes Second Addition, a 0.239 acre tract located at 214 East College Street.

The property is zoned an R-1 (One Family Residential) District, and the owner would like to plat two lots into one lot for residential development.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA, SUBJECT TO STAFF REVIEW LETTER.

MEDIA QUESTIONS

MEDIA QUESTIONS
There were no media questions.

COUNCIL COMMENTS

COUNCIL COMMENTS
There were no Council comments.

ANNOUNCEMENTS

ANNOUNCEMENTS
Mayor Plyler announced the following:

- **There are two Hot Summer Nights concerts left this summer. July 22, 2021, Fleetwood X, a great Fleetwood Mac cover band will play. Then on July 29, 2021, Spin Doctors will finish up this season's concerts.**

- **The 40th Annual Sherman Arts Fest will be held on September 18, 2021, on the Municipal Building grounds.**

- **The Sherman Celtic Festival will be held September 25 and 26, 2021, at Pecan Grove Park. There will be Highland Games, a bagpipe competition, live music on two stages, a Viking Village, and much more.**

EXECUTIVE SESSION

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.

TEX. GOV'T CODE § 551.071 --
SEEKING THE ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS OR ANY MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE TEXAS OPEN MEETINGS ACT

(A) RECEIVE LEGAL ADVICE REGARDING WASTEWATER TREATMENT AGREEMENT NOVEMBER 2, 2009

TEX. GOV'T CODE § 551.072 --
DELIBERATING THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.073 --
DELIBERATING A NEGOTIATED CONTRACT FOR A PROSPECTIVE GIFT OR DONATION TO THE CITY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.074 --
DELIBERATING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE; OR TO HEAR A COMPLAINT OR CHARGE AGAINST AN OFFICER OR EMPLOYEE UNLESS THE OFFICER OR EMPLOYEE WHO IS THE SUBJECT OF THE DELIBERATION OR HEARING REQUESTS A PUBLIC HEARING

TEX. GOV'T CODE § 551.076 –
DELIBERATING THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES OR A SECURITY AUDIT

TEX. GOV'T CODE § 551.087 –
DISCUSSING OR DELIBERATING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE CITY SEEKS TO HAVE LOCATE, STAY OR EXPAND IN OR NEAR THE CITY AND WITH WHICH THE CITY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR DELIBERATING THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT

(A) ECONOMIC DEVELOPMENT PROSPECT

TEX. GOV'T CODE § 551.089 --
DELIBERATING SECURITY ASSESSMENTS OR DEPLOYMENTS RELATING TO INFORMATION RESOURCES TECHNOLOGY, NETWORK SECURITY INFORMATION, OR THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL, CRITICAL INFRASTRUCTURE OR SECURITY DEVICES

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:34 p.m.

On Motion duly made and carried, the Executive Session recessed at 7:19 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

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 7:20 p.m.

ADJOURNMENT

MAYOR

CITY CLERK