STATE OF TEXAS §

July 16, 2012

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 16, 2012.

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

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Magers called the meeting to order at 5:01 p.m. The Pledge of Allegiance and the Invocation were given by Council Member David Plyler.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of June 18, 2012; the Called City Council Meeting (Budget Workshop) of June 21, 2012; and the Called City Council Meeting (Adoption of Annexation Ordinance) of June 25, 2012. Council Member Wacker moved to approve the Minutes as presented; Second by Council Member Softly. All present voted AYE.
MOTION CARRIED.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Magers introduced Ordinance 5748 and called for a public hearing: — **ORD 5748 SUP FOR AUTO SERVICE OIL & LUBE (1504 W. HOUSTON)**

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 AUTO SERVICE OIL AND LUBE CENTER IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1504 WEST HOUSTON STREET, BEING LOT 1A OF THE OASIS ADDITION, REPLAT OF LOT 1, BLOCK 1 (AZIZ HASSAN, OWNER); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Aziz Hassan, 18 Links Estates, Denison

Mr. Hassan appeared before the City Council to represent his request for a Specific Use Permit. Mr. Hassan has lived in Denison for 25 years and owns businesses in Sherman and Denison. He decided to open the business at 1504 W. Houston, which had been closed for a couple of years.

No other citizens appeared before the City Council to discuss Ordinance 5748.

Mayor Magers introduced Ordinance 5749 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REPEALING ORDINANCE NO. 3729 IN ITS ENTIRETY; AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES, ENTITLED "GENERAL PROVISIONS", AT ARTICLE 1.07, ENTITLED "AVIATION", TO DELETE DIVISION 3 IN ITS ENTIRETY; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5749
AIRPORT BOARD

No citizens appeared before the City Council to discuss Ordinance 5749.

The Public Hearing was closed.

Ordinance 5748
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 AUTO SERVICE OIL AND LUBE CENTER IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1504 WEST HOUSTON STREET, BEING LOT 1A OF THE OASIS ADDITION, REPLAT OF LOT 1, BLOCK 1 (AZIZ HASSAN, OWNER); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ORD 5748
SUP FOR AUTO SERVICE OIL & LUBE (1504 W. HOUSTON)

ACTION TAKEN.

Motion by Council Member Wacker to approve Ordinance No. 5748, as presented. Second by Council Member Smith.

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

Ordinance 5749
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REPEALING ORDINANCE NO. 3729 IN ITS ENTIRETY; AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES, ENTITLED "GENERAL PROVISIONS", AT ARTICLE 1.07, ENTITLED "AVIATION", TO DELETE DIVISION 3 IN ITS ENTIRETY; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5749
AIRPORT BOARD

Mayor Magers said after the recent Budget Workshop, the Council asked the staff to look at alternative uses for the Municipal Airport. The Council will need to make a decision about the Airport in the next several years.

The Airport Board is a seven member board and there are currently no members serving, because no one has been appointed by the City Council. There are also no current applications on file for the Board. The last board meeting

was in February 2011 and the last board presentation was in April 2011. In that presentation the key topic was hangars. The Council asked for follow-up on the private sector building hangars. There was never any other discussion on the hangar proposal.

Past City Council Members have not been interested in funding the construction of hangars with public dollars and all previous attempts to use private dollars for the hangars have been unsuccessful.

Mayor Magers said the Airport Board is not functioning at the present time and the City staff is currently operating the Airport with the Fixed-Base Operator. The Airport is "breaking even" and the status quo is intact.

<u>Ross Richardson, 2115 Turtle Creek Circle</u>
Mr. Richardson said the City Council has not appointed anyone to the Airport Board in over a year. There were seven or eight applications on file at the time, waiting to be approved and they eventually expired.

Mayor Magers said the Airport Board is an "advisory" board appointed by the City Council to serve at their desire.

Mr. Richardson said the advisory board is comprised of pilots and non-pilots to advise the Council on running the Airport and things that need to be done. The Airport Board has requested hangars and they are still needed. But there is also maintenance and upkeep at the Airport and the day-to-day operations.

Mr. Richardson said there are other boards, such as the Parks Board, that the Council does make appointments too and they advise the Council. He added that the City Council has the final authority on the recommendations, but he felt it was counterproductive to disband the Airport Board.

Council Member Smith confirmed that there are 18 hangars at the Airport and six are leased by Sherman residents. He confirmed that the 20-year note for repairs was a "forgivable loan" and he asked what needed to be done to "pay it back."

Mayor Magers explained that in the past, the City of Sherman accepted State funding with an 80/20 match, which required the City to keep the Airport open for 20 years. The funding decreases in value each year.

He added that in two or three years the runway will need some maintenance that will cost about $1 million. A future City Council will need to make the decision as to whether to spend $1 million for the repairs, spend $500,000 and accept another State loan for the remainder which would restart the 20 year requirement, or payback part of the 20% left on the loan.

Mayor Magers added that the City Council cannot close the Airport. The citizens of Sherman are the only ones that can close the Airport. Tonight's discussion is only about whether or not the Airport Advisory Board is needed. In the past the Board has recommended that the City subsidize hangars, subsidize gas, and subsidize rent. Every time the private sector has looked at subsidizing the Airport, they have come back and said "the numbers don't work."

Mayor Magers felt it was important that every citizen has the same access to the City Council and not just an "advocacy group."

Council Member Smith said the Council never really received a plan for additional hangars. Mayor Magers said an original plan was to use the employee medical fund to fund the hangar construction. Council Member Wacker said it was never an adopted plan because it was not a wise course of action.

Deputy Mayor Steele verified that the Budget included $5,500 for basic building maintenance at the Airport but no funding for runway maintenance. Robby Hefton, Assistant City Manager/CFO, said the City doesn't allocate any General Fund costs to the Fund. The Airport Fund financials are "best case."

Council Member Wacker said the Airport Board has been in "limbo" and the Council is looking for a staff driven decision rather than from the advisory board. Mayor Magers felt the future of the Airport should be Council driven, not staff driven.

He added that the advice given to the Council from the Airport Board has been rejected many times. Over the last several years, the Council has focused on necessities and kept property taxes low. As the Council moves forward, they will have a $500,000 decision to make. He felt the decision should be made with input from all parts of the community and not just a small group of citizens.

Mayor Magers said the decision tonight is whether or not the Council wants to maintain an advisory board that has been non-existent for over a year. He couldn't think of one time they followed the advice of the Airport Board, which covered hangars, gas, and hangar rental fees.

Mr. Richardson said Sherman does have an attractive hangar rental rate. The gas rate is kept low so Sherman will get the fuel flow. With the self service, the fuel flow increased from 3,000 gallons per year to 100,000 gallons per year. Mayor Magers added it was a 5% gross margin, so gas is being "given away."

Mr. Richardson asked about the $500,000 cost that was discussed. Mayor Magers said repaying the cost of the

Texas Department of Transportation note in 2014 would cost about $550,000. Mr. Hefton added that runway improvements are needed about every nine to ten years and those will be needed in the 2014-2015 timeframe.

Mr. Hefton said the $500,000 cost for runway repairs would be if TxDOT participates in the cost at a 50/50 split. The total cost of improvements will be about $1 million.

Mr. Richardson said TxDOT's RAMP program will match the cost of the repairs at 50/50. Mayor Magers reiterated the decision on the runway repairs must be reached in two or three years. When that decision is needed, he felt all Sherman citizens should have input and not just a particular group. Mr. Richardson agreed that the Airport Board would be an advocate for the Airport.

Deputy Mayor Steele verified that the runway repairs were not an option. Mr. Hefton said the City is obligated to maintain the Airport to TxDOT standards. Every nine or ten years the runway needs to be resurfaced at a cost of about $1 million. Council Member Smith verified that the cost to the City would be either the $1 million or 50% of that amount with the TxDOT funding. Accepting the funding will "reset the clock" for another 20 years of continuous operation for the Airport.

Council Member Howeth referenced Mr. Richardson comparing the Airport Board to the Parks Board. She said there are 18 hangars at the Airport and very few people in Sherman use the Airport. The Parks Board advises the Council on facilities that are used by 90% to 100% of the citizens. She did not think the Airport Board and the Parks Board could be compared.

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance No. 5749, as presented. Second by Deputy Mayor Steele.

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

CONSENT AGENDA **CONSENT AGENDA**

The Council reviewed the Consent Agenda. Mayor Magers said George Olson, City Manager, had asked that Item D-3 entitled "Consider Request of United Way of Grayson County to Temporarily Close Certain Streets for the 'United Way Hustle for Health' on Saturday, August 25, 2012" be removed from the Consent Agenda and considered in its regular order of business.

Council Member Howeth moved to approve the Consent Agenda, with the exception of Item D-3 which will be considered in its regular order of business. Second by Council Member Softly. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 5682 – AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE CITY OF DENISON FOR THE SUBMISSION OF A JOINT GRANT APPLICATION AND THE ACCEPTANCE OF GRANT FUNDING TO BE AWARDED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY UNDER ITS ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM

RES 5682 FEMA GRANT APPLICATION WITH DENISON

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE CITY OF DENISON FOR THE SUBMISSION OF A JOINT GRANT APPLICATION AND THE ACCEPTANCE OF GRANT FUNDING TO BE AWARDED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY UNDER ITS ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM.

Jeff Jones, Fire Chief, explained that defibrillators are very expensive and cost about $25,000 each. The City budgets to replace one defibrillator annually.

The City of Denison submitted a grant and asked the City of Sherman to participate. If the grant is successful, Sherman will be able to purchase the defibrillators at an 80/20 match.

ACTION TAKEN.

Motion by Council Member Smith to approve Resolution No. 5682, as presented. Second by Council Member Wacker.

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

REQUEST TO ADVERTISE

ANNUAL SUPPLY OF TIRES AND TUBES

REQUEST TO ADV TIRES & TUBES

The City Council approved the request to advertise for bids for an annual supply of tires and tubes for the City's fleet and equipment for Fiscal Year 2012-2013.
CONSENT AGENDA.

OTHER BUSINESS

RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION BOARD SECRETARY CHRIS PENDERGRASS AND SEDCO PRESIDENT SCOTT CONNELL

SEDCO QUARTERLY UPDATE

Chris Pendergrass, Sherman Economic Development Corporation Secretary, introduced SEDCO President Scott Connell to present the quarterly progress report. He said the second quarter of 2012 was very busy for SEDCO and they had some good results. He thanked the City Council and staff for their support.

Mr. Connell said SEDCO completed the sale of a 208 acre site in Progress Park to Panda Power Funds in June 2012, for the construction of an electric generation facility. Panda has given limited notice to proceed with site work on the

property, which will allow the company to move forward with their schedule for financing.

He added that persons interested in employment or media requests can be made to their website at www.pandafunds.com.

Mr. Connell said Halco Rock Tools completed the renovations in Midway Industrial Park and moved into their facility. Their first incentive payment has been made.

GlobiTech continued to move forward on their three projects, which total $50 million. The Sunny Delight contract was extended to the end of 2012. They have completed most of the work and are waiting for the last of their equipment, which has been delayed.

Progress Rail's equipment expansion is also moving forward. Their first installment of the incentive has been paid and their contract has also been advanced so they will stay "on target." They are also having some equipment delays.

During the last quarter, SEDCO entered into two contracts for new projects. Titan UTV is a manufacturer and distributor of electric and hybrid outdoor vehicles. They relocated to Sherman from Hutto, Texas, and invested $139,000 in new facility upgrades and will add 26 people over the next three years.

BACC Coffee is a local company that has been in Sherman for a long time. They import, roast, and package coffee products primarily for the institutional market. They are relocating to a new facility and have been closed for a couple of months. SEDCO helped them "bridge this gap" and helped with upgrades on their new building.

SEDCO approved funding for the extension of a water line along S.H. 289 and the extension of sewer to the U.S. Hwy 82, S.H. 289, S.H. 56, and FM 1417 quadrant, to assist with growth.

They have also updated their website, using the same company that the City of Sherman used. The project is now complete and the website is live. SEDCO has also contracted with a marketing firm to assure that their materials and design are better coordinated.

SEDCO Board Members have organized a Real Estate Committee to plan the investments for real estate and infrastructure. They want to react to clients but also to plan for the future and assure that Sherman has a broad array of offerings for companies.

Mr. Connell said they continue to monitor companies that have investment contracts and regularly meet with industrial clients.

The Real Estate Committee is beginning the process to look at the Youth Center building and the lease with the City. The goal is to determine the current status of the facility, what can be done through renovation, and how it can be used for a SEDCO office, as well as for other business organizations in the market.

SEDCO is currently developing their plan of work, considering what has been done this past year, and projecting for the coming fiscal year.

Mayor Magers said the SEDCO meetings are "spirited" and there is debate among the members about what makes sense and what doesn't make sense. He assured taxpayers that SEDCO is doing a good job of watching the tax dollars.

REQUEST TO CLOSE STREETS – UNITED WAY

CONSIDER REQUEST OF UNITED WAY OF GRAYSON COUNTY TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE "UNITED WAY HUSTLE FOR HEALTH" ON SATURDAY, AUGUST 25, 2012

Mr. Olson asked to remove Item D-3 from the Consent Agenda for consideration in its regular order of business.

He explained that the United Way of Grayson County had submitted a request to close certain streets for their annual "United Way Hustle for Health" on August 25, 2012.

Mr. Olson said after the request was received, the staff realized the downtown area would still be under construction. They are working with United Way to move the event to the Municipal Building grounds.

Currently the route is not determined, but Mr. Olson asked that Council Members approve the event and the associated streets that will be determined for the route. He added that if the Council wished he could bring the item back for their consideration. Traffic control assistance and barricades will also be needed from the City.

ACTION TAKEN.

Motion by Council Member Smith to approve the request of the United Way to close certain streets on August 25, 2012 for their annual "United Way Hustle for Health", giving the City Manager authority to work with them on the specific streets that will be closed. Second by Council Member Wacker.

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

REVIEW 2012-2013 DRAFT BUDGET — **DRAFT BUDGET**

Mr. Hefton explained that Council action will be needed to direct the staff to come back with a proposed budget in ordinance form.

Mayor Magers said the proposed budget is balanced and the property tax rate remains at $0.32 per $100 valuation. Mr. Hefton said there are a few very minor changes that happened in the last month, but no "big picture thing" has changed. The City Charter requires that the staff present a draft budget 50 days prior to the end of the fiscal year.

The next agenda item will set the public hearings for the proposed budget and the proposed tax rate, and will give the public an opportunity to respond. Council Member Wacker confirmed that the staff will proceed with the proposed budget based on the discussions at the Budget Work Session.

DISCUSSION OF THE PROPOSED TAX RATE FOR FISCAL YEAR 2012-2013 AND SCHEDULING PUBLIC HEARINGS FOR THE BUDGET AND PROPOSED TAX RATE — **PROPOSED TAX RATE**

Mr. Hefton said the Council will set two public hearings for the budget on August 6 and August 20, 2012 at the regularly scheduled Council Meetings.

ACTION TAKEN.

Motion by Council Member Wacker to schedule the public hearings for the FY 2012-2013 Budget for August 6, 2012 and August 20, 2012, as presented. Second by Council Member Smith.

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

FINAL PLAT APPROVAL OF THE REYNOSO ADDITION, BEING 9.98 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763; RODOLFO REYNOSO, OWNER; UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYORS (2000 BLOCK OF WEST HOUSTON STREET) — **APPROVE FINAL PLAT REYNOSO ADDITION (2000 BLOCK WEST HOUSTON)**

The City Council approved the Final Plat of the Reynoso Addition located in the 2000 block of West Houston Street. The property consists of 9.98 acres and is located between Binkley Park Drive and Arapaho East. The owner would like to divide the property into two lots for commercial and residential development.

The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF THE THOMASON ADDITION, BEING 4.42 ACRES IN THE A.C. SMITH SURVEY, ABSTRACT NO. 1561; T.J. THOMASON ENTERPRISES, INC., OWNER; UNDERWOOD DRAFTING AND SURVEYING, INC., — **APPROVE FINAL PLAT THOMASON ADDITION (5800 BLOCK U.S. HWY 75 NORTH)**

SURVEYORS (5800 BLOCK OF U.S. HIGHWAY 75 NORTH)
The City Council approved the Final Plat of the Thomason Addition, located in the 5800 block of U.S. Highway 75 North. The property consists of 4.42 acres and is located at the northeast corner of Blue Flame Road and U.S. Highway 75 North. The owner would like to divide the property into two lots for commercial development

The Planning and Zoning Commission recommended approval of the Final Plat.
CONSENT AGENDA.

CITIZENS REQUESTS — **CITIZENS REQUESTS**
There were no citizens requests.

MEDIA QUESTIONS — **MEDIA QUESTIONS**
There were no media questions

COUNCIL COMMENTS
LIGHTS ON THE LAKE — **LIGHTS ON THE LAKE**
Mayor Magers congratulated the staff on the Lights on the Lake event held recently. He said it was an outstanding event with twice the crowd as last year. He has received many positive comments from citizens.

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW) — **EXECUTIVE SESSION**
THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

SECTION 551.0874	**PERSONNEL MATTERS CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: PLANNING AND ZONING COMMISSION (2)**
	PLANNING AND ZONING COMMISSION CHAIRMAN

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:40 p.m.

On Motion duly made and carried, the Executive Session recessed at 5:45 p.m. and reconvened in Open Meeting.

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

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS:
PLANNING AND ZONING COMMISSION (2)
PLANNING AND ZONING CHAIRMAN

PLANNING & ZONING COMMISSION & CHAIRMAN

ACTION TAKEN.

Motion by Deputy Mayor Steele to reappoint Ron Barton to the Planning and Zoning Commission for a term from August 4, 2012 to August 4, 2015; to appoint Ronnie Dutton for a term from August 8, 2012 to August 8, 2015; and to appoint Don Hicks as Chairman of the Planning and Zoning Commission for a term from August 8, 2012 to August 8, 2014. Second by Council Member Smith.

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

ADJOURNMENT

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:46 p.m.

_____
MAYOR

_____
CITY CLERK