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June 17, 2021

COUNTY OF GRAYSON

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BE IT REMEMBERED THAT A Called Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall, 220 West Mulberry Street, Sherman, Texas, on June 17, 2021.

MEMBERS PRESENT: Mayor David Plyler; Deputy Mayor Daron Holland.
Council Members Howeth, Melton, Steele, Stevenson, Teamann.

MEMBERS ABSENT: None.

STAFF PRESENT: Robby Hefton, City Manager; Terrence Steele, Assistant City Manager; Clint Philpott, Assistant City Manager; Ryan Pittman, Attorney; Abernathy, Roeder, Boyd, Hullett; Wayne Lee, Director of Engineering; Rob Rae, Director of Development Services; Danny Jones, Fire Chief; Leah Campbell, Human Resources/OD Administrator; Cathy Perkins, Human Resources Manager; Zach Flores, Police Chief; Bruce Dawsey, Assistant Police Chief; Jason Jeffcoat, Assistant Police Chief; Chris Olson, Assistant Fire Chief; Tom Pruitt, Utility Engineer; Mary Lawrence, Director of Finance; Nathan Whiddon, Wastewater Superintendent; Kevin Winkler, Public Works Manager; Eric Sandberg, Assistant Public Works Manager; Theresa Hutchinson, Parks and Recreation Manager; Karen Wolff, Administrative Secretary; Jim Cross, Water Systems Manager; Nate Strauch, Community and Support Services Manager; Shawn Hackworth, IT Manager; Sean Hemperley, Parks and Cemetery Maintenance Superintendent; Melissa Eason, Library Services Manager; Mike Grant, Facilities Superintendent; Sarah McRae, Tourism/Main Street Manager; Junior Jaimes, Computer Support Technician; Teri Fine, Assistant to the City Manager; and Linda Ashby, City Clerk.

PURPOSE: CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

PLEDGE OF ALLEGIANCE LED BY DEPUTY MAYOR DARON HOLLAND

INVOCATION BY DEPUTY MAYOR DARON HOLLAND

CITIZEN COMMENTS

2021-2022 BUDGET REVIEW

TOUR OF THE WATER TREATMENT PLANT AND THE WASTEWATER TREATMENT PLANT

EXECUTIVE SESSION

In Accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may hold an Executive Session if the discussion of any of the items identified in this agenda, or any of the items identified below, concern one or more of the following:

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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.

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

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

OPEN MEETING

ADJOURNMENT

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Mayor Plyler called the meeting to order at 8:14 a.m., declared a quorum present, and opened the meeting.

PLEDGE OF ALLEGIANCE AND INVOCATION BY DEPUTY MAYOR DARON HOLLAND

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CITIZEN COMMENTS

There were no citizen's comments.

2021-2022 BUDGET REVIEW

Opening Comments/FY 2021 Work Plan Updates

Robby Hefton, City Manager, said the City started “planting” for the future about nine years ago. They looked at what seemed to be on the horizon and started working to plan for the growth that would be coming in the future. He said it was also for sustainability and to engage all sorts of development. They also focused on foundational things that make a City “livable” and prosperous, such as cleaning up the City, infrastructure expansions, parks, entertainment, and health and safety.

From a financial standpoint, Mr. Hefton said the City has seen prosperity in sales tax, property tax, utility revenues, solid waste revenues, and a lower cost for group health for the employees. In fact, the group health plan is costing slightly less in 2022 than it did in 2011. There has also been uncommon growth on single-family and multi-family residential permits, which are at an all time high. Commercial and retail development is good and there have been multiple medical facility improvement discussions.

Since 2015, Sherman has seen sales tax increase by \$6.7 million annually and property tax increase by \$4.3 million annually for a total of \$11 million in the General Fund. This doesn't include increased value, this is just from growth, from new value coming on the rolls, and new spending on the sales tax. Without that growth, there would be \$11 million out of the General Fund that wouldn't be there. Mr. Hefton said this growth is for sustainability's sake.

He discussed efficiencies that were used to help determine the FY 2022 Budget. As for operations and employees, these include a reduction in staff, when possible, phasing-in new positions, and overtime management. Many of the new positions that are being proposed in the Budget are not coming at the beginning of the fiscal year, but in the middle of the fiscal year, or when they are actually needed.

As for funding, efficiencies include using non-local money to pay for City services and projects. These include developer investments, Texoma Area Solid Waste Authority distributions, Tax Increment Reinvestment Zones, State grants, and Federal money, when available. This leverages City money with other entities' money.

Mr. Hefton said the City Council has indicated that principals for the FY 2022 Budget should be to balance and take care of what the City has, as well as manage and plan for growth, set rates at appropriate levels, use reserve funds to smooth revenue or expense swings, and to keep reserve levels between 60 and 90 days in the operating funds.

The proposed budget does include across-the-board employee raises totaling 4%, in two installments. He did say the most recent inflation rate for the Dallas/Ft. Worth area is 6.3%, and said they would discuss that issue more at tomorrow's meeting. The City continues to make HSA contributions for employees, and do market adjustments for various positions, based on peer studies. There are some additional staff requests that will be discussed tomorrow.

Mr. Hefton said the City is also taking care of facilities and parks that are already in use. He also addressed items that will be proposed to assist with operations, such as an enhanced street materials budget, continued support for Environmental Code, fleet replacement, and building back the Utility reserves.

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He also said the staff is planning for what's coming in 2022. The Water and Wastewater Master Plans are an 18 to 24-month process, and will continue into FY 2022. There will also be a presentation tomorrow on the Comprehensive Master Plan. Another presentation tomorrow will include the Utility Rate Study and a plan for implementation, as well as the results of the Downtown Sewer Study. Besides the sewer study, there are other needs for the downtown area.

This budget presentation will also include discussion about the new Police Headquarters and future Fire Department locations. He said one focus for the next year will be on operations and the front-end personnel in the Engineering and Development Services Departments.

From a financial standpoint, it appears that the City will have a \$360 million increase in the tax base, both from existing values and new property added. Essentially all additional \$1.8 million property tax revenues will go towards debt service. He said the City is able to do what they said they would do, which was to issue bonds, but not increase the tax rate to pay for them. Sales tax revenues are strong, but very hard to predict. He said some months are up and some are down.

There has been a revenue increase for growth in usage in the Utility Fund. The Utility Rate Study has been done and the Council will consider adopting the recommended rates from the study. Mr. Hefton said TASWA does plan to make another distribution, but the amounts have not been determined yet. They did have another good year. They are doing some engineering on certain aspects that could extend the facility's life. The study will be \$1.5 million, which they will pay for with reserves. He said, at current volumes, there is about 30 to 35 years left in the landfill. The study could potentially double the life of the landfill.

They showed the FY 2021 Work Plan Update, which was discussed at a previous Budget Planning Meeting. He addressed the Council's direction on the current fiscal year budget. He said the staff has made "great progress," but there were a couple of setbacks on fleet, especially concerning trash trucks. But he did say there "was a plan" that was underway.

Flyover/CIP/Projects Update/Project History

Clint Philpott, Assistant City Manager, and Nate Strauch, Community and Support Services Manager, presented flyovers and descriptions of various City projects. These projects include:

Water Treatment Plant	South Travis Bridge
Texoma Parkway at FM 691	Steeple Chase
Southside Sewer	Moore Street
Northwest Sewer	Park Street
Legacy Water Line	Washington Meadows
Bel-Air	Quail Run
Heritage Ranch	The Preserve
Shepherd's Place	FM 1417
McGee Street Extension	US 75

City Council Members took a break from 9:26 a.m. to 9:44 a.m.

Mr. Philpott discussed some of the CIP projects and updated the City Council. During the Capital Improvement Workshop, the presentation covered major projects over the next five years, while these projects are things that will be "touched" this year. They will either be funded during the current budget year or in FY 2022.

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There are four projects for the Water Treatment Plant that will be considered this year. These are:

- Backwash Tank Rehabilitation Design, \$250,000 – Similar to all other water tank rehabilitation and includes sandblasting, repainting, and upgrade to new safety standards
- Start developing scope to replace EDR with RO (2022), \$50,000 -- To determine what needs to be done; Design (2023), \$400,000 – To actually replace the EDR, to remove dissolved solids from the water stream
- Refurbish Flocculation/Sedimentation Basin Design, \$250,000 – This removes the larger things from the water
- Implement AWIA Assessments (Security Upgrades), \$200,000 – These are safety/security upgrades for the entire system, required by the EPA and the Federal government

Mr. Philpott said there is also a project to construct backup generators at both the Water Treatment Plant and the Texoma Pump Station. There will be a lot of coordination required for this project, including electrical work from North Texas, and easements from the Corp of Engineers. He stressed the importance of keeping the system running to continue feeding water from Lake Texoma into the system, during a power outage.

There are four projects for the Wastewater Treatment Plant including:

- Construction and expansion of the Operations and Maintenance Building, \$1,258,637 – the laboratory, restrooms, and offices are being remodeled
- Main Switchgear and Emergency Backup Generator Design, \$500,000 – Because of the electrical nature of these two projects they are interrelated and were combined. There are also currently two power sources at the plant
- Headworks Pump Replacement, \$145,000 – One of the pumps needs to be replaced. It was reconstructed in 2017, but parts are becoming hard to get. It will be replaced with the newer pumps, and parts from the old pump will be “scabbed off” and used as needed for replacement parts
- Vulnerability Assessment, Phase 1 (Security Upgrades), Assess (2021), \$67,194 – Implement (2022), \$100,000

Another project is the rehabilitation of the 5 million-gallon Ida Road Ground Storage Tank. He said, generally, the City needs to rehabilitate one groundwater tank each year. It has been about 20 years since this tank was painted, and it needs to be sandblasted and repainted.

He also listed additional projects, such as the 12” Water Line Replacement along Texoma, the South Side Sewer Line Replacement, and the Street Bank Stabilization on Nantucket Street. The bank stabilization project is downstream from the Heritage Ranch Development, and during the project if lines will need to be replaced, they can also be upsized to allow more downstream capacity. Council Member Melton expressed concern about the erosion along this creek.

Additional projects include the Northwest Sewer; the Bel-Air Boulevard and Legacy Water Line, done in three phases, and with some Federal money; and Heritage Ranch Lift Station.

The Marilee Water Line is an 18” water line to provide surface water to Marilee Special Utility District and to the City on Shepherd and Farmington Road. He said once the brine issue is approved through Texoma Commission on Environmental Quality, there will be a lot of discussion with the Greater Texoma Utility Authority, and areas to the south, about how to be the regional water supplier, and using their rights from Lake Texoma. He said any project that requires the supply of regional water, will be funded through those sources. Sherman citizens won’t be paying for water for these other entities.

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The Shepherd Utilities project will be a new 24" gravity sewer line to collect areas south of Shepherd Drive. Mr. Hefton said, in the early 1990's when MEMC was constructing that plant, they put in all the water and sewer infrastructure, including the water tank. They paid for the construction and the City paid them back through reduced rates on their water bills. They had planned on a phase two and three, so they put the infrastructure in as if they would be fully built out. That's why there is so much capacity there. The plan is to design the line, but not start construction until needed.

Mr. Philpott said the Water Master Plan is on schedule and they are converting the City GIS and water model into InfoWater Works, which is a different computer software. They have also determined the locations for the pressure sensors to help calibrate the model and run the calculations on peak developments and demands. They're still looking at the population projections for the plan.

In April 2021, they installed flow monitors at strategic locations in manholes, within each of the wastewater basins for the Wastewater Master Plan. These flow monitors measure rain data, and it has been very rainy recently, so they have collected some good data. This will give good numbers on peak demand during rain events and without rain events. They're starting to review the GIS network, but on this one they need to build the model. For the water system, they already had the model, they were just updating and calibrating it.

Mr. Philpott said there is currently no final report on the Downtown Sewer Study. First they performed a smoke test and that helped determine the areas where they need to video the lines to determine the condition of the lines. The rain did cause delays in the project, but the City should have the results next month. He felt there would be some downtown projects resulting from the report, both private and public.

Mr. Philpott addressed street projects. He said, with all the development going on, the City should probably begin acquiring right-of-way and do a final design for the Lamberth Road Extension from Shady Oaks Lane to the future Friendship Road. Both water and sewer are located close by. The design is proposed for FY 2022, which will make it a "shovel-ready" project. The plan is also to extend a waterline which will "loop" a current dead-end line. He said construction wouldn't start until developers move forward.

The McGee Street Extension project is in two phases, and the City is reimbursing the developer for the project. However, the City can only reimburse them for up to 30% of their infrastructure project. He said Phase 1 of the project doesn't cover all the expenses of McGee Street. Once Phase 1 is complete, the City will reimburse them up to 30%, and once they do Phase 2, the City will reimburse them the remainder of the amount. This residential development is one of the few that doesn't have minimum lot sizes, therefore it will have larger lots for larger homes.

Council Member Steele asked what the plan was for Little Lane. He said the City is constructing a "pretty nice road." Mr. Philpot said it is a right-of-way issue, that would probably need to go to condemnation. He said it would probably cost between \$500,000 and \$600,000 for the right-of-way alone. He said Little Lane is adjacent to a private subdivision, so right-of-way was dedicated.

Mr. Philpott said the South Travis Street Bridge includes the replacement of one box culvert with four new ones, and the relocation of a sewer line. During the project, the sewer line collapsed. There will be a change order for City crews to complete an emergency repair of that sewer line. He didn't think the repair would take very long.

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He said they have a design for Friendship Road from SH 56 to O.B. Groner Road, which was completed in 2015 or 2016. Once the High School announced they were constructing their facility at O.B. Groner and FM 1417, a lot of development began in the area. This project is to look at, schematically, and determine what the right-of-way and alignment needs are for Friendship Road from SH 56 to O.B. Groner. It is on the minor thoroughfare list for four lanes with a median. Mr. Philpott said, at some point in the future, a waterline will be needed to provide adequate water to new developments in south Sherman. A design for the road is needed so the waterline can be located outside the right-of-way, so it won't be in the way of future development. Also, if a design is known, as development comes in, the right-of-way can be dedicated instead of purchased.

Council Member Melton confirmed that Setting Suns Estate is on City water, but not on City sewer. She has talked to citizens that feel, while the City is "doing this new stuff," they need to be getting Setting Suns on City sewer. Mr. Philpott said some of those residents were originally told the City would run sewer at some point, however the City has never been responsible for doing that. Mr. Hefton added that there would need to be a lift station to force the sewer northeast, or more development to the south.

Council Member Howeth said she and Council Member Melton have both been contacted recently by residents of Setting Suns wanting the City to provide sewer service. Mr. Philpott said originally that addition was built in the County so they wouldn't have to meet City standards. The homes were purchased at a lower rate, because they didn't have the services that City residents had, including roads, water, and sewer.

The Setting Suns situation was compared with Preston Club Estates; however Preston Club did have a sewer system with sewer lines already run. If the City provided sewer to Setting Suns, they would need to run sewer lines to each house. The residents of Preston Club Estates are also paying an additional service charge for their sewer service.

Mr. Hefton said the most comparable situation is Carriage Estates, where the City put water lines in, but they remained on their own septic service. Upon annexation, the City did not promise to replace their sewer service. Same thing with Setting Suns, the City provides water, but they continue with their current sewer system.

Mr. Philpott said the staff will begin trying to obtain the right-of-way along the FM 1417 corridor, from SH 56 to West Travis Street, so the Texas Department of Transportation can try to get State funding for that project.

The Bel-Air Planned Development will be completed in phases, and the developer has already asked his engineers to begin on the design for Phase 2. This phase would include the beach club and the first apartment complex. Council Member Stevenson said that the developer is not required to do the phases in numerical order.

Mr. Philpott said the plan for the Shepherd Road Expansion, is to get it designed and then base the phasing of construction on development.

Mr. Philpott discussed Capital Improvement Projects from the Parks Department. Money from the land sale will be spent to develop a study to determine what type of Rec Center that Sherman needs. This won't be just an engineering study, but will determine what other communities have and what Sherman's needs are, such as an indoor waterpark, basketball courts, or pickleball courts. It will include size, cost, and potential locations.

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Other projects will include the construction of new restroom facilities at the Martin Luther King Park; two new basketball courts, similar to Pecan Grove Park; expansion of the tennis courts and striping for pickleball; shade structures for Pecan Grove Athletic Center; and construction of a crushed concrete trail system, between Park Street and Baker Park. Council Member Melton wanted shading for the dog park.

Mr. Philpott said the proposed fiber installation project would be an annual savings and would replace a 1 GB fiber line with a 10 GB fiber line. He said the staff reviewed a wireless option, which is close in cost. The 10 GB wireless is the best, however, for rainy or hot days, the efficiencies are reduced. The benefit to the wired system is 10 GB is “the floor,” with the ability to go up to 100 GB, by changing some things at the data pole. He said they are still researching the possibilities, but are leaning toward tying the fibers together.

As for the Airport Pavement Maintenance Project, Mr. Philpott said one of the City’s new engineer’s is an expert in Airport development. He said 14 of the 21 hangars are complete. The City is taking advantage of TxDOT Aviation Grants that are available with money from the Federal government. The current grant is to overlay and re-stripe the runway, reconstruct the taxiway on the north side, and rehab the southern taxiway. The City’s portion of the project will be 10% of the cost, or about \$182,500.

Mayor Plyler said the length of the Airport’s runway limits the type of planes that can land, and he asked if there was an opportunity to lengthen the runway, using TxDOT funding. Mr. Philpott said the City would need to acquire some right-of-way and some additional easement. There would also need to be some type of bridge or tunnel when Park Street is extended. He felt it would be possible with a grant and a developer that would be willing to fund it. Terrence Steele, Assistant City Manager, said it might also have to be extended to the north, into Hawn Park. Council Member Steele asked if the City really wanted larger planes landing at the Municipal Airport.

Mr. Philpott said there is an Airport Master Plan now. Mary Lawrence, Director of Finance, said the Comprehensive Master Plan does not call for lengthening the runway, however, at the time, the staff said they didn’t want to do that. If the City wanted to consider lengthening the runway, the consultant could review that to see if it was possible.

Council Member Steele verified that, if the City receives a TxDOT Aviation Grant, they are expected to keep the Airport open for a specific number of years.

Police Update – Police HQ Project, Armored Vehicle, Animal Control

Zach Flores, Police Chief, introduced Aaron Babcock, Architect, with Hidell & Associates Consultants, to discuss a project update on the new Police Facility Headquarters. The design consists of two buildings, the main building and an annex facility, and secured parking and public parking. He said the design is staying the same, but they are making “little tweaks” for efficiencies.

Mr. Babcock addressed the schedule from design to development and said that portion of the project is about 60% complete. The drawings should be complete by August 2021 and will then be turned over to the construction company. They will get bids and submit it to the Council in November 2021, with a guaranteed maximum price (GMP). If the Council approves, they would then move into the construction phase, with an estimated completion in early 2023.

Mr. Babcock addressed the constructability review, saying two things were critical. One is that they make the design as efficient as they can. They originally designed a thin slab, but the subcontractors felt if they increased the slab depth, and used less grade beams, it might be more

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efficient from a cost standpoint. They are also looking at how they are putting the steel framing on the wood structure. He said the facility will include a storm shelter, so the locker rooms will be built to withstand a tornado.

Mr. Babcock said there is currently some volatility in construction. The availability and cost of steel is the main item that is impacting this project. He discussed the possibility of using trusses or joists instead of steel beams. They are also working with the brick and stone to maximize efficiencies there too.

He presented a project schedule for construction of the Police Headquarters. Under this schedule the City Council would consider the guaranteed maximum price on November 1, 2021 with groundbreaking set later that month. The grand opening would be scheduled for February 2023.

Mr. Babcock said cost of the project is broken into "facility cost" and "other project cost." The facility cost includes the actual cost of construction, the professional fee, material testing, technology, and a project contingency. Other project costs include the cost of moving, the purchase of furniture and equipment, fiber optic cable to the site, a communications tower, and dispatch consoles. The guaranteed project cost also includes a contingency amount. If this contingency is not spent during construction, it could be used for some of the "value added" items. The overall project budget is estimated to be \$17.2 million.

He also discussed the price changes from March 2020 to March 2021 for construction and selected materials. Costs have increased for diesel fuel, lumber and plywood, steel mill products, copper and brass, and plastic construction products. Even with these cost increases, Mr. Babcock compared them with the project cost of recent similar police facilities in other, nearby Texas communities. Sherman's cost per square foot is still lower than most of the other projects.

Mayor Plyler asked that, if they didn't spend the entire contingency amount, does the City get that back. Mr. Babcock said that would be the City's option. He said there would be some "value added" items that are identified, that the Police Department might want to have. At the end of the job, that remaining contingency could be spent on those items, or it could be returned to the City. Mayor Plyler asked who owns the "buy out funds" during construction. He said if there are any buy out funds left, those normally stay within the project. Any project savings at the end of the job, revert to the City. The City can then determine if they want to incorporate it into the project, or have a change order.

Council Member Steele said the contingency is just over 1%, and assuming there is an increase in building costs, is that contingency enough. Mr. Babcock said in the \$15.3 million construction cost, there is an allowance line item, included for cost escalation of about \$300,000. This contingency is larger than the GMP contingency because they are anticipating a cost increase.

He said, if costs increase once the GMP is signed, Burns Construction is guaranteeing that price and they will be taking a risk if they don't immediately sign the contracts with the contractor. The GMP is really the cost, unless there is some unforeseen thing that becomes an additional cost that wasn't in the drawing. They are trying to project the cost on a project where construction starts in November.

Chief Flores showed a short video about an armored vehicle, at a scenario that was actual footage of a standoff event in Tyler, Texas. He said Sherman has one of the only response teams, north of McKinney. He admitted that most Police Departments don't need this type of vehicle, however, he felt Sherman did since they have a Special Response Team. He described

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a recent encounter they had with a suspect and the fact that all they currently have is a ballistic blanket. He said the armored vehicle would be so much safer for the officers involved.

Chief Flores said they were involved in two officer shootings last year, and Honey Grove just had an officer shot. That's why Sherman needs this armored vehicle. He said, without question, their officers will be put into these situations.

He said it would be a \$240,000 investment, that would last a long time. He said there was money in seizure funds, and they proposed to spend most of it from there, from "drug dealer money." He said in reality, they would probably use the armored vehicle mostly, outside the City. They are also looking at other ways to recoup some of the cost of the vehicle.

Council Member Stevenson verified that the vehicle is an F450 pickup, that has been retrofitted and upfitted with the ballistic capabilities. He said they don't want to "over militarize," but they want to protect their officers within a civilian, urban environment. You do that with something that is appropriate for the job and not ex-military equipment. However, that is more expensive.

Chief Flores had hoped to wait until they had all the funds to purchase from seizure funds, however after the last SRT call-out, and they had to put the officers in that situation, he said he didn't feel comfortable doing that anymore. He said they did have most of the money that would be needed for the purchase.

Mr. Hefton said it is currently in the budget for seizure funds to pay three-fourths of the cost and \$60,000 to come from the General Fund. He felt the proposed vehicle was "very functional" and used in other departments around the country.

Council Member Teamann said if it saves one life in Grayson County, it's worth every penny. Council Member Melton verified that there's currently not enough money in the seizure fund for the entire purchase of the vehicle. Council Member Stevenson said it would be cheaper to get an ex-military vehicle, but the maintenance "would kill you." Chief Flores said the military vehicles are also heavy and would not be appropriate to drive on City streets, and are too tall for many maneuvers.

Mr. Hefton said there are additional seizure funds that are "in the system" that have been delayed because the courts have been delayed because of COVID-19.

Chief Flores said the Police Department took over responsibility for the Animal Services Department in October 2020. He said it has presented several challenges, but they have taken a proactive and progressive stance toward the duty.

This year they have had almost 1,500 animals brought into the shelter, as compared with 2,563 last fiscal year. He emphasized the "rescue" portion of the job and said they were focusing on spays and neuters. With the spaying and neutering, they can get the adoptions out to other locations, not just Sherman. They also plan to utilize rescue organizations and enhance the social media presence.

As for personnel, changes that were made include moving from multiple uniforms to one uniform, moving employees into positions where they could succeed, and changing the overtime policy, which achieved a 48% year-to-date, reduction in overtime. They also re-evaluated the fleet and moved two unneeded vehicles to other City departments. After receipt of the new adoption trailer, they also reduced the trailers from two to one.

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There were also some info and technology issues such as service accountability, processing credit cards at the animal adoption trailer, and large amounts of paper files. They purchased software to integrate with police software to allow for tracking from calls for service to adoption, and improved the response to citizen calls, patrol response, and communication and information sharing. They can also cross reference animal control calls at houses that have had police patrol calls too, to keep employees safer.

Chief Flores addressed the facilities saying they reduced the storage buildings from three to one, removed all dilapidated fencing, replaced all roofs and gutters, and frosted the surgery room glass for an improved customer experience. He said everything was done with the current budgeted money. He has also worked with operations to cross-train employees and maximize the return on investment from volunteers.

Chief Flores said his request for FY 2022 is \$177,000 less than last year. They are also working with the Legal Department to update the ordinance dealing with animal services, and are basing it on the City of Irving's ordinance. He felt the new ordinance would provide an up-to-date product for the citizens.

Council Member Stevenson asked if the City was still charging Grayson County and the other entities \$50 per dog. Chief Flores said, at this time, they are still being charged. He said the hard part is trying to determine what the costs actually are for taking these animals. He said, once they determine where they really need to be, then he will make some recommendations.

Council Member Melton asked about transporting the animals to other states. Chief Flores said the only thing missing is the relationships with other rescue groups. He said in the past, they may not have known that there was an abundance of animals. In the future, he will relate the situation to them. They discussed ways to publicize that animals are available for adoption.

Street Improvements

Mr. Philpott said now that they have the equipment and the staff, the City can actually maintain these streets the way they should be maintained. Kevin Winkler, Public Works Manager, said when most people think about streets, they think about potholes. However, on a daily basis, that department does a lot more than repair potholes.

In the past, the City has done a lot of chip seal to repair problem streets, however over the years, that has built up the gutters and impacted the ability of rain water to run off the streets. He also addressed some statistics of jobs the Street Department has done in the past year, including filling 486 pot holes, repairing 142 utility cuts, sweeping 1,100 miles of streets, trimming 2,300 cubic yards of trees, and monitoring 1,996 drains for stormwater drainage, including creeks, bridges, and inlets.

Mr. Winkler said when he took over the department, he wanted to try and get additional equipment to do more maintenance, and to actually repair a problem and not just cover it up. They are also reusing crushed concrete from jobs and that saves money from having to buy street materials. It's already on site and ready to use.

He said, it takes more money to repair more streets. Asphalt is expensive and has increased in price. In 1996, Mr. Winkler said there were 28 positions in the department, and currently there are 25 budgeted positions. He also discussed an increase in efficiency, partially from buying larger trucks instead of using more smaller ones.

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Mr. Hefton presented a timeline showing the cost increase in street materials. He said part of this year's request is for more money for street materials. He said the City has the people, and they have the equipment, and now they need to spend additional resources to take care of the infrastructure that the City has.

Mr. Winkler said last year they requested more funding, but with COVID-19 going on, it wasn't possible to budget the additional money. He said he was asking for additional funds this year, even beyond the operating budget.

He addressed their current ability, saying with four large trucks and the current staffing levels, they should be able to lay about 500 tons of asphalt a day. If they spend more on asphalt to increase those abilities, one additional large truck and two positions would allow 600 tons per day; two additional large trucks and two more positions would allow 700 tons per day, and three large trucks and another one position would allow 800 tons per day. He said 800 tons per day would probably max their ability with one paver.

Mr. Winkler also addressed extensive maintenance on streets, saying chip seal covers up the problem, where asphalt repairs it, especially on rehab projects. He mentioned specific projects, such as Holly Street, with a material cost estimate of \$16,000; King Street, material cost estimate of \$87,000; McKown Street, material cost estimate of \$37,000; Ellington Street, material cost estimate of \$12,200; Lake Street, material cost estimate of \$9,000; North Creek Drive, material cost estimate of \$46,000; and College Street, material cost estimate of \$28,000.

He also mentioned a plan to pick one, or more if possible, additional complete rebuild projects annually, that need to be done and completing those too. These projects would be curb-to-curb rebuilds, where they mill the existing asphalt, establish baselines for grades, remove and replace any base rock that has failed, replace damaged curb, and lay new asphalt.

Mr. Hefton said what has been discussed, up to this point, is in the City's operating budget. The \$300,000 request that's in the budget now is for additional materials to do those streets that he already mentioned.

Now he's asking if there are some projects that they would like to do, in-house, with CO bond money. These projects would be complete rebuilds, and would be longer term projects.

Council Member Teamann confirmed that to "max out" their ability, it would take an additional three trucks and five people. With the current level of trucks and employees, their max would be 500 tons of asphalt a day.

Council Member Melton confirmed that concrete streets are more expensive than asphalt and they take more time to cure. Basically, it's more expensive and it takes longer.

Mr. Winkler discussed the scope of these possible major rebuild projects. He estimated that they would do one large project annually, estimated at between \$250,000 and \$350,000. The City crews would do all the construction, but hire a surveyor for staking the grade. Streets recommended for this type of project would be parts of Woods Street, Montgomery Street, Walnut Street, and Grant Street, Phase 1 and 2.

Mr. Hefton reiterated that the City could do one of these projects annually with an additional \$250,000 to \$350,000. To do any more than that, the City would need to add equipment or outsource the job.

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Mr. Hefton said this was the last presentation for today, but he would like to get the Council's thoughts on several items. He asked if they were okay with increasing the street's material budget to maximize what can be done with the crews and equipment.

Council Member Steele said the City has the Street Sales Tax, \$945,000 a year. He asked where that put the City. Mr. Hefton said that's one-eighth of \$0.01, so for \$1 million in sales tax, that's \$60,000 to \$70,000, for the year. All of the street sales tax is already "spoken for." The only thing not spoken for, is the \$60,000 to \$70,000 annually. Council discussed possible funding sources for the projects. Mr. Hefton said they can build all five of the projects in, and then come to the Council annually to determine the funding source. For 2022, the project will be paid for through operations.

Council Member Howeth felt that the City needed to do some of these projects now, so citizens knew that their money was being used. Mr. Hefton confirmed that the Council wanted to do what they could, in-house, and then sub-out the rest with bond money.

Mr. Hefton asked, if the staff had the ability to manage the original maintenance proposal to take care of potholes and small sections, and manage subbing out all four of these projects, in one year. Mr. Philpott explained that the project would need to be bid and to do that, there must be a design. Mr. Hefton said, regardless of who does the project, does the City have the ability "to manage" the projects in one year, even if they are done by a contractor. Mr. Winkler said if they were managing a contractor, yes, but not if they were also doing projects.

Mr. Hefton said there is several million dollars left in the 2021 bond issue. Contracting out the projects, does increase the price of the project. If the Council authorizes the projects, the staff will start working on them and divide them up between operating and bond money. He did reiterate that all projects can't be done in one year, but a lot of it can be done in one year.

Council Member Howeth mentioned the additional traffic on City streets because of the Hwy 75 construction. Mr. Philpott said another question is should the streets be rehabbed now, or should you wait until the Hwy 75 project is completed.

In summation, Mr. Hefton said, without hiring new people, the staff will manage these projects as rebuilds, in-house, over the next year or two. They will also take into consideration that some streets are being used as "by-passes" for the Hwy 75 construction. When the Hwy 75 project is complete, those streets that were heavily traveled need to be reviewed and repaired as necessary.

City Council Members took a lunch break from 12:03 p.m. to 1:10 p.m.

Mr. Holland left the meeting for a family emergency.

TOUR OF THE WATER TREATMENT PLANT AND THE WASTEWATER TREATMENT PLANT WTP/WWTP Tour

Council Members and staff arrived at the Wastewater Treatment Plant at 1:10 p.m. for a tour of the plant, explanation of the process, and a video. Nathan Whiddon, Wastewater Superintendent, and Jeff Rigdon, Senior Wastewater Plant Operator, presented the video and explained the wastewater process.

Council Members and staff left the Wastewater Treatment Plant at 2:14 p.m. and arrived at the Water Treatment Plant at 2:39 p.m.

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Jim Cross, Water Systems Manager, briefed the Council and staff on the water treatment process and presented a video and slides of the process.

Oscar Canalas, Water Treatment Plant, Maintenance Supervisor, presented a tour of the facilities.

Council Members and staff left the Water Treatment Plant at 3:58 p.m. to return to City Hall.

EXECUTIVE SESSION

In Accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may hold an Executive Session if the discussion of any of the items identified in this agenda, or any of the items identified below, concern one or more of the following:

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.

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

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

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OPEN MEETING

ADJOURNMENT

There being no further business to come before the City Council today, motion was duly made and approved to adjourn the Called Meeting at 4:12 p.m. Documentation for the Budget Work Session is held in the General File "Budget Work Session FY 2021-2022" in the City Clerk's Office.

ATTEST

MAYOR

CITY CLERK