

**CITY OF SHERMAN
CITY COUNCIL CALLED MEETING AGENDA
COMMUNITY ROOM OF THE SHERMAN POLICE DEPARTMENT
2600 W. TRAVIS STREET
SHERMAN, TEXAS
THURSDAY, JUNE 15, 2023
4:00 P.M.**

A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Citizen Comments

B. 1. CITIZEN COMMENTS

During this meeting, the City Council welcomes public comment **only** on agenda items listed under the Open Meeting portion of the agenda, in accordance with Texas Government Code Section 551.007. For items not listed on the agenda, those matters may be discussed with City staff during regular business hours, or with the Mayor or any Council member by contacting them at times other than at City Council meetings.

Public Hearing

C. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO.

Relating to Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023A (City of Sherman Project); and Approving the Issuance Thereof and the Facilities to be Constructed or Acquired by such Authority

Close Public Hearing and Consider Adoption of Ordinances

D. ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Numbers 6612

E. COUNCIL COMMENTS

Executive Session

F. 1. 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.
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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.
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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.

The Council reconvenes into General Session

G. 1. OPEN MEETING
Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

H. ADJOURNMENT

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Called Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on June 12, 2023 at 4:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 12th day of June 2023.
City of Sherman, Texas

City Clerk

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

All agenda items are subject to final action by the City Council.

An unscheduled closed executive session may be held if the discussion of any of the above agenda items concerns the purchase, exchange, lease or value of real property; the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; the deployment or use of security personnel or equipment; or requires consultations with the City Attorney.

At the discretion of the City Council, non-agenda items under the headings of “Citizens Requests”, “Media Questions”, and “Council Concerns” may be presented to the Council for informational purposes; however, by law, the Council shall not discuss, deliberate, or vote upon such matters except that a statement of specific factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place.

The City Attorney has approved the Executive Session items on this agenda.

PERSONS WITH DISABILITIES, WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT LINDA ASHBY AT (903) 892-7204, TWO (2) WORKING DAYS PRIOR TO THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

Mayor

David Plyler

Deputy Mayor

Josh Stevenson

Council Members

Henry Marroquin, Council-At-Large, PL #1

Juston Dobbs, Council-At-Large, PL #2

Shawn C. Teamann, Council – District #1

Josh Stevenson, Council – District #2

Pamela L. Howeth, Council – District #3

Daron Holland, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Called Meeting

C. 1.

Meeting Date: 06/15/2023

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO.

Relating to Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023A (City of Sherman Project); and Approving the Issuance Thereof and the Facilities to be Constructed or Acquired by such Authority

Issue:

To consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023A (City of Sherman Project)", including the adoption of an ordinance approving the issuance thereof, and the facilities to be constructed or acquired by Such Authority

Background:

City staff has been working with our engineers to manage the size and timing of utility projects to ensure we have adequate capacity to satisfy demand. The scope and cost of the two projects in this debt issue are smaller and less than the originally proposed projects. The larger dollar projects are delayed until revenues are adequate to fund them. The capacity will be needed soon to serve demand and the City is starting the projects immediately to allow adequate time to complete them. City staff approached GTUA staff requesting funding assistance for these two capital improvement projects listed below.

WWTP Industrial Expansion	\$155,000,000
Rehab of conventional Water Treatment plant	<u>20,000,000</u>
Grand Total	\$175,000,000

The GTUA Board approved the delegation of sale authority to the GTUA General Manager, Paul Sigle at their May 15, 2023 meeting. Funds are expected to be received by GTUA on July 11, 2023.

Origination:

Paul Sigle, GTUA General Manager

Kristen Savant, Partner in Norton Rose Fulbright US LLP (GTUA's Bond Counsel)

Financial Consideration:

The cost of issuance of about \$775,000 is included in the bonds. Debt service on these bonds will be paid by the City to GTUA in accordance with the Contract for Water Supply and Sewer Service between the two entities. Funds for this contractual debt repayment are generated through the City's water and sewer revenues.

Staff Recommendation:

It is recommended that the resolution be approved as presented, confirming GTUA's issuance of these bonds.

Alternatives:

No viable alternatives can be suggested at this time.

Attachments

Ordinance No. 6612

ORDINANCE NO 6612

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2023A (CITY OF SHERMAN PROJECT); AND APPROVING THE ISSUANCE THEREOF AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY SUCH AUTHORITY: FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the Greater Texoma Utility Authority (the "Authority") and the City of Sherman, Texas (the "City"), have previously executed and delivered a Contract for Water Supply and Sewer Service, dated as of March 1, 1985 (the "Contract"), whereby the Authority is to provide water and sewer facilities to the City; and

WHEREAS, under Section 4.15 of the Contract, it is provided that the City shall approve (i) the issuance by the Authority of any bonds that are to be payable (in whole or in part) from certain moneys that the City has contracted to pay under the provisions of the Contract, (ii) the "Notice of Sale" prepared in connection with the public sale of the bonds and (iii) the facilities to be constructed, acquired and improved; and

WHEREAS, in connection with the proposed "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023A (City of Sherman Project)" (the "Bonds"), the City acknowledges that no Notice of Sale relating to the Bonds will be prepared, and the City hereby waives any requirement that a Notice of Sale relating to the Bonds be prepared; and

WHEREAS, it is now appropriate for this Council to approve the issuance and delivery of the Bonds, the Resolution of the Authority authorizing the Bonds (the "Bond Resolution"), together with the Pricing Certificate, dated June 13, 2023, executed pursuant to the Bond Resolution (the "Pricing Certificate"), and the project described in the Bond Resolution (the "Series 2023A Project"); now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1: The facilities to be constructed, acquired, and improved by the Authority with the proceeds of the Bonds as described in the Bond Resolution are hereby approved. The issuance of the Bonds by the Authority and the use of the proceeds thereof, as described in the Bond Resolution, is hereby approved. The Bond Resolution and the Pricing Certificate are approved as to form and content, and the City acknowledges that the payment of principal of and interest on the Bonds is payable, in whole or in part, from payments to be made by the City under and pursuant to the Contract. The City Manager is authorized to execute any documents or certifications necessary to accomplish the delivery of the Bonds.

SECTION 2: It is the purpose and intent of the City Council of the City to approve the Official Statement (with respect to the information contained therein with respect to the City).

SECTION 3: It is the purpose and intent of the City Council of the City to approve the Bond Resolution, and the facilities to be constructed, acquired, and improved in full accordance with the provisions of the Contract mentioned in the preamble hereof. To the extent required by the purchaser of the Bonds or the Office of the Attorney General of Texas, the Authority is authorized by this City Council to make changes and revisions to the Bond Resolution from the form approved by this Ordinance in order to expedite the delivery of the Bonds. It is the intent of the City to authorize the Authority to proceed with the construction, acquisition, and improvement of the facilities at the earliest possible date, but nothing herein shall be construed as a limitation upon the right and power of the City to approve a change in the facilities for which the Bonds are to be issued (but not the purpose for which the Bonds are to be issued as set forth in the Bond Resolution), the City specifically reserving the right to modify the facilities for which the Bonds are being issued if the Authority and the City agree such modification should be made.

SECTION 4: In order to assist the Authority in complying with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), the City covenants and agrees as follows:

(a) Annual Information. The City will provide to the Authority, no later than March 1 of each year (or such other date as may be agreed to by the City and the Authority, but no later than six months after its fiscal year end), while the City is an "obligated person" under the Rule, the information with respect to the City described in Tables 1 through 11 appearing in the Official Statement and Appendix C to the Official Statement relating to the Bonds. Any financial statements to be provided pursuant to this Section shall be (i) prepared in accordance with the accounting principles described in Appendix C to the Official Statement, (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within such period, then the City shall provide notice to the Authority that the audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the Authority by the required time. Thereafter, when and if audited financial statements are available, the City shall provide such audited financial statements as required to the Authority.

If the City's fiscal year end differs from the Authority's fiscal year end, the City shall provide the most recent year end annual information as well as cumulative current year to date information. The City shall notify the Authority if the City changes its fiscal year.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or

filed with the SEC.

The City will notify the Authority as soon as possible if the information required by this Section cannot be provided in the above-specified time frame.

(b) Notice of Certain Events. To the extent applicable to the City as an “obligated person” under the Rule and in connection with the Bonds, the City agrees to notify the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(c) Accuracy and Completeness. The City warrants that all information provided by it to the Authority pursuant to this Section will be accurate in all material respects to the best of its knowledge and belief. The City will provide the Authority with such information as the Authority may reasonably request to confirm the accuracy and completeness of any information provided by the City pursuant to this Section. If the Authority thereafter has reasonable grounds to question the completeness or accuracy of such information, the City will afford the Authority and its attorneys and agents, at the expense of the Authority, reasonable access to any and all records, documents, contracts, and other information which is in the custody or control of the City to confirm such accuracy and completeness. The Authority and its attorneys and agents shall maintain the confidentiality of all such information; unless required to be provided by the Authority to the MSRB, and except as otherwise provided by law. The City shall not be required to provide information or to allow access to its records which exceeds the standards applicable to a due diligence inquiry in the preparation of an official statement in connection with the sale of Bonds or any Additional Bonds by the Authority.

(d) Limitations, Disclaimers and Amendments. (1) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Authority and the City each remain an Obligated Person, provided that the Authority and the City in any event will give notice of any payment or deposit of funds by either of such parties that causes the Bonds to be retired and defeased.

(2) The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority and the City undertake to provide only the financial information, operating data, financial statements and notices which it has expressly agreed to provide pursuant to this Section and do not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority's or the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. Neither the Authority nor the City make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(3) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT, OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(4) The provisions of this Section may be amended by the City (with the written approval of the Authority) from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by provisions of the Bond Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If the provisions of this Section are so amended, the Authority shall include with any amended financial information or operating data next provided in accordance with the Bond Resolution an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Remedies. In the event the City fails or refuses to provide the information required by paragraphs (a) and (b) hereof, the Authority may enforce its right hereunder by an action for mandamus or specific performance; provided, however, before enforcing such remedies, the Authority shall give the City notice as provided herein and a reasonable opportunity to provide the requested information.

SECTION 5: Reporting of Significant Events. (1) Upon the occurrence of any of the events described below, the City will promptly notify the Authority and provide information requested by the Authority pertaining to (i) an action, suit or other formal proceeding at law or in equity, against the City that would materially and adversely affect the City's financial condition or its ability to make payments under the Contract and (ii) any change in the City's financial condition or financing arrangements that would materially and adversely affect the City's financial condition or its ability to make payments under the Contract.

SECTION 6: Exhibit D to the Contract is amended to include the Series 2023A Project described in the Bond Resolution. In all other respects the Contract is reapproved and shall be and remain in full force as the agreement of the parties.

SECTION 7: The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 8: It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place, and purpose of said meeting was given as required.

SECTION 9: This Ordinance shall be effective from and after its adoption, and it is so resolved.

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**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE
CITY OF SHERMAN, TEXAS.**

INTRODUCED on this the 15th day of June 2023.

ADOPTED on this the 15th day of June 2023.

EFFECTIVE DATE on this the 15th day of June 2023.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM
AND CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C.**

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Called Meeting

Meeting Date: 06/15/2023

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Issue:

Attachments

2023 Council Calendar

2023 Council Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
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31						

	Holiday
	Holiday for Firefighters/Police Only
	City Council Regular Meeting
	Special Called Meeting
	Budget Workshop
	Cancelled City Council Meeting

CALLED MEETINGS	
4/20/2023	Budget Planning Meeting
5/25/2023	CIP Work Session
6/15/2023	Budget Workshop Day 1
7/5/2023	Called City Council Meeting (Rescheduled)
6/9/2023	Called City Council Meeting
6/15/2023	Called City Council Meeting
6/26/2023	Called City Council Meeting