STATE OF TEXAS §

May 27, 2021

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in the City Council Chambers on May 27, 2021.

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

COUNCIL MEMBERS ABSENT: None.

CITY 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; Mary Lawrence, Director of Finance; Danny Jones, Fire Chief; Chris Olson, Assistant Fire Chief; Zach Flores, Police Chief; Tammy Davis, Controller; Tom Pruitt, Utility Engineer; Jim Cross, Water Systems Manager; Nathan Whiddon, Wastewater Superintendent; Kevin Winkler, Public Works Manager; Eric Sandberg, Assistant Public Works Manager; Shawn Hackworth, IT Manager; Leah Campbell, Human Resources/OD Administrator; Cathy Perkins, Human Resources Manager; Melissa Eason, Library Services Administrator; Nate Strauch, Community and Support Services Manager; Theresa Hutchinson, Parks and Recreation Manager; Sean Hemperley, Parks and Cemetery Maintenance Superintendent; Sarah McRae, Tourism/Main Street Manager; Junior Jaimes, Computer Support Technician; Teri Fine, Assistant to the City Manager; Linda Ashby, City Clerk.

PURPOSE:

Call to Order, Quorum Determined, Meeting Declared Open

Pledge of Allegiance Led by Council Member Sandra Melton

Invocation by Council Member Sandra Melton

Citizen Comments

Capital Improvement Program Update and Council Input

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

Open Meeting

Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN
Mayor Plyler called the meeting to order at 11:05 a.m., declared a quorum present, and opened the Called City Council Meeting.

INVOCATION BY COUNCIL MEMBER WILLIE STEELE

CITIZEN COMMENTS
There were no citizen's comments.

CAPITAL IMPROVEMENT PROGRAM UPDATE AND COUNCIL INPUT
Robby Hefton, City Manager, explained that this meeting was a preliminary look at the Capital Improvement Program so it doesn't take several hours to cover at the Budget Workshop. He said no

decisions would be made today. He said, last year, Council Members also asked if more time could be spent on the CIP this year, so they could "dive a little deeper."

He covered the handouts for the meeting. One is a look at the General and Utility projects, color-coded to show how they will be paid for, another is a five-year look at the CIP projects, and the third is the PowePoint narrative.

Mary Lawrence, Director of Finance, introduced the General Improvement Fund and said the staff is currently reviewing the projects to determine the ones to be financed in the upcoming budget. They receive input from the City Council and consider what has been changed by development this year.

Some of the projects will be funded through prior bond issues and some through the recent sale of the City property and General Fund Transfers.

She also introduced the Utility Improvement Fund projects, which will be partially funded through grant revenue, which is from the American Rescue Plan Act, signed into law by President Joe Biden in March 2021. The City of Sherman was allocated about $9.14 million, and will receive half of that. The types of projects it can be used for will generally be the ones that qualify for the Texas Water Development Board funding. Fortunately, this organization has very broad guidelines. The City will also be required to document how this money is spent. It can only be used for utilities and stormwater, and not roads.

She also outlined the projects that will be funded through Greater Texoma Utility Authority funding, Federal grant funding, Impact Fees, and Utility Fund Transfer Funding.

Clint Philpott, Assistant City Manager, presented a broad picture and outlined some of the key projects in the CIP for the next five years. There are also other projects, to be determined. Upcoming projects include the rate studies, and the Master Plan update, which will help map out how the City can get to where they need to be, and to continue to serve water and sewer to the developers that are coming in.

Principles used in developing the plan outline how the projects will be paid for. The plan is to use Federal grant money first, and to use it toward money the City was having to pay. They also plan to use money from the land sale, adjacent to the new High School. These proceeds will be used to fund Planned Development projects. The remaining funds from the 2019 Certificates of Obligation bond issue will be used prior to using the 2021 Certificates of Obligation.

Impact Fees will be used to offset City costs, and are the most restrictive. When Impact Fees were approved, there was a list of projects for which that funding must be used. These projects include thoroughfares, and water and sewer improvements. For example, Heritage Ranch was not in the study, and wasn't even in the City limits when Impact Fees were approved. The plan is to update the Impact Fee Ordinance every three to five years to include the new developments. This would use the money that is the least restrictive to the most restrictive to help balance the cost of the projects.

He also gave an update on the Police Headquarters, and said a more inclusive discussion will be held at the Budget Workshop. Currently the design is about 50% complete and the facility's major systems have been identified, such as HVAC, electrical, and structural. The construction schedule is being developed and the current design drawings are being priced. The schematic design has been completed and they are doing a cost review and constructability review with the contractor.

Mr. Philpott said upcoming tasks include preparing the construction documents, done in August 2021; pricing submitted for Council approval in October 2021; and the start of construction in September 2021 with an estimated completion of the construction in early 2023.

He said as Sherman grows, there is a need to look at the location and number of fire stations in the City. The Council must consider growth and development to determine the location of new fire stations. The upcoming Comprehensive Master Plan will also look at possible locations for a new fire station. The industry standard is to have a fire station within 1.5 miles of any development that you are serving, to allow for a quick response time for both EMS and fire.

He said the CIP includes about $1.5 million in FY 2023 for land acquisition and $4.5 million in FY 2024 for design and construction. Funding will come from Certificates of Obligation and Impact Fees. Sometimes developers are willing to donate land within a development for a fire or police station.

Council Member Steele asked if, at some point, the City is mandated to add more fire stations to protect the ISO rating. Danny Jones, Fire Chief, explained that for insurance purposes, location, staffing, and equipment are a part of the discussion about location. Currently the City's ISO is a "high 2" and very close to "1," and is the highest in Grayson County.

He said if Sherman grows and there are more areas outside the distance to the fire stations or the water supply, then that will affect the insurance rating, and the next time a survey is completed, the rating will go down. He said it is important to "keep up" so the rating doesn't fall and it becomes hard to catch up. Mr. Hefton said a slower response time would be the first indicator that there are areas of growth outside the coverage area.

Council Member Stevenson asked if the areas were all geographic in nature or if population was also important. Mr. Hefton said there are geographic areas, but there are also industry and peer standards that determine the number of firefighters and EMS personnel per 1,000 population. He said a determination would be based on ISO rating, expansion, and relocation, not just distance, response time, and growth. He said there should be at least one new fire station in the five-year CIP.

The last new fire station was built in 1974, however there was a station relocation more recently. Sherman has had five fire stations for many years. Station 3 was built in 2000 and moved from Alexander Street to near Pecan Grove Park on FM 1417. Station 4 was moved because of Schulman's development. Mr. Philpott said cities normally grow to the northwest, and the thought for moving both of these stations was probably to give more coverage to newly developed areas and not overlap the coverage. Chief Jones confirmed that the ISO rating in the County is a 10.

Council Member Stevenson asked if the staff was talking about expansion or continuing the strategy of relocation. Mr. Hefton said they will "be looking at both." Council Member Steele said, last year at budget time, there was talk about purchasing property in the downtown area for a fire station.

Mr. Hefton said that was discussed and may be what is proposed, but the City needs to look at the total needs for the City and discuss one new fire station, in the Five-Year CIP. There is a tremendous overlap between Stations 1 and 2. Administration is currently at Station 1 and no ambulance runs out of that station.

Council Member Howeth said she received many calls when it was mentioned that they might move Station 2, because of the large number of senior citizens and older homes in that area.

The question will be, is the best move to relocate and combine those two stations, or is it to build a new station. He said the best location for the next station will be toward the west, probably around Hwy 56. The most significant growth is in the southwest corridor. Mr. Philpott said there are different types of calls from the different areas of town. Chief Jones said the system they have now, dispatches the closest available unit. Zach Flores, Police Chief, said the system dispatches police

officers the same way, using the closest available unit. Chief Jones said, adding additional people to an existing station would not help response time. It's still the same distance.

Council Member Stevenson said they need two or three good options, so they can decide now to approach the issue. Council Member Stevenson asked if there might be a developer that would donate some land for a new fire station, in the appropriate area. Mr. Hefton said there are currently two fire stations on FM 1417, and he felt the next logical location would be on Hwy 56.

Mr. Philpott said the CIP also includes a lot of park projects. These projects are development driven and the thought was what are some of the parks around this development that "need help" and what are some existing parks that need extra things.

Phase II of the Pecan Grove Athletic Complex was ballfield lighting, shading, and trail lighting. Currently there is a proposed project for shading that would be paid for through the land sale. Another item that has become very popular is pickle ball, and the current court is used all the time. There has been a request to expand the current Tennis Courts for tennis, but to also mark some of them for pickle ball, as well as expand the walking trails around Baker Lake.

He said there is about 14 acres of land in The Grove, that will be dedicated to the City, that will also tie the back side of Park Street into Baker Lake. This will also be tied into the high school by walking/ hiking/biking trails, and will be an in-house project to continue the linear park system.

Council Member Stevenson said there is a problem with enough basketball courts for the teenagers to play on. He felt the City needed to add a basketball court before they added more courts for the "lesser known" sports. He also mentioned that the School District does not share their "publicly funded" playground at Fairview Elementary School anymore. Council Member Melton said the playground at Neblett Elementary is open to the public.

Council Member Teamann said pickle ball is the fasted growing sport in the Country. But he said the basketball court at Pecan Grove West is always packed. Council Member Stevenson said the one at Fairview Park is in the middle of the playground for little kids. Theresa Hutchinson, Parks and Recreation Manager, said that court was built in 2002 and it is small because the intent was for it to be for little kids. She confirmed that the basketball court at Pecan Grove West cost $137,000.

Mr. Hefton asked where the basketball court could be moved to at Fairview Park, if it was moved and expanded. Ms. Hutchinson said they would probably have to take away practice space from kids soccer to move the court.

Council Member Stevenson suggested it be located between the swimming pool and the tennis courts. Ms. Hutchinson said there is piping for the pool through that area, and it also provides access to the pump house.

Council Member Teamann asked about building a multi-court, where basketball, tennis, and pickle ball are all on one surface. Ms. Hutchinson said they could do that, but it also creates some conflict between sports. Council Member Stevenson felt it was already a conflict with kids on the playground and teenagers trying to play basketball on a half court in the middle of the playground. He said there is a need for the additional court. Mr. Philpott said the staff will add that to the list to look at.

Council Member Melton felt that restrooms need to be added to Martin Luther King Park before anything new is added to a park. Council Member Holland confirmed that the court on East Street is part of the School's property. Ms. Hutchinson said the City spent money for lighting on the court several years ago.

Council Member Teamann suggested adding a protective curb or barrier near the playground in Fairview Park. He recently saw a car that had driven through the playground and into the creek. Staff said there are railroad ties around the playground area and they were unsure how the car traveled over those.

Mr. Philpott said the plan is to continue development at Baker Park, with the addition of the High School and all the new development in the area. They will also consider the expansion of Martin Luther King Park. There has been some demolition in the past and the staff felt there might be an opportunity to purchase some additional property for expansion. The property will not be condemned, but there may be an opportunity to purchase it, to continue to develop that area as a larger park.

Council Member Stevenson suggested constructing a sidewalk between FM 1417 and Center Street for access to Herman Baker Park. Since construction is underway on the highway, there has been additional foot-traffic on that road, and they walk in the roadway, which is dangerous. There is nothing for pedestrians.

Mr. Philpott said 10 or 15 years ago, a 1 GB fiber line was installed to connect the Municipal Building, City Hall, Public Works, the Fire Department, the Police Department, the Street Department, and the Solid Waste Department to the network. As technology and video increases, the bandwidth is causing some "network lag" and a larger line is needed. Currently the City is backing up over 40 TB of data.

The staff looked at two options. One was to lease the line from CableOne or Sparklight, which would cost about $33,000 annually. The other option was for the City to install their own line. He said there is value in having their own line, from a security standpoint, and long-term, the payback would be about seven years.

The IT Department is looking at this project, and as each department becomes more dependent on paperless systems, more departments are streamlining their online processes, and the network capability will become more important.

Council Member Stevenson asked if there was a 5G, over-the-air solution, since laying line is expensive, and there isn't a vast distance involved. Shawn Hackworth, IT Manager, said the City could do microwave links, but the "golden standard" will be fiber, from a reliability standpoint. He said 1 GB is becoming more standard, and there are 10 GB links, but they're expensive. However, it is probably less than laying ground fiber, but you do loose reliability and security.

Council Member Stevenson asked if there was any estimate of what "air transmission" would cost. Mr. Hefton said the staff can get that cost for Council Members. Council Member Howeth asked, with the way things are changing, how long the staff felt this solution would be good. Mr. Hackworth said it should last between 15 and 20 years.

Mr. Philpott said the City had been working to expand the Water Treatment Plant for the last five years. In 2015 and 2016, when development was announced, if there was a water line close, there was no question that Sherman had enough capacity to supply water. Since then, the City has seen major growth and is now on the fourth planned development.

He explained the constraints on the Water Treatment Plant and how the projects are selected for the plant and balanced with growth. Sherman has about 33 mgd of water rights from Lake Texoma. There is currently a contract with Panda to give them 5 mgd of raw water, not treated water. That leaves about 28 mgd that can be pulled from Lake Texoma, with the EDR and Brine Process resulting in about 15% waste, which is concentrated lake water. This waste goes straight into a 12"

sewer line that goes to the wastewater system for treatment. He said the current max finish water is about 4 mgd. They can do more, but it puts a constraint on the brine concentrate line in the pond.

Another constraint is the pump at the Lake Texoma Pump Station. Currently, there are three 7 mgd pumps, which gives about 13.6 mgd. There is one line out of Lake Texoma to the pump station, and when it needs to be serviced, it is taken off-line, taking it down to 0 mgd of surface water. In this situation, Sherman would be dependent on the ground water system.

The EDR (the conventional plan) produces 10 mgd. Therefore, if it is removed to replace it, that's 10 mgd less that can't be produced. The RO (new system that was installed) also produces 10 mgd.

The Ground Water System should have a well capacity of 12.3 mgd. However, during the February 2021 storm, it was determined that, because of the way the system and distribution are set up, only about 8.5 mgd can be pumped out of the well system.

One of the things that the Master Plan will address is how to "tweak" the existing system, or change some of the surface zones, to maximize the ability of the well system. Currently, Sherman's average daily usage is about 8.5 mgd. Today there is redundancy. If the Lake Texoma system goes down, Sherman can entirely be on well water. If all the wells go out, Sherman can't handle 8.5 mgd at the Water Treatment Plant, without severely maxing out the sludge pond. Four years ago, this was not a problem, because there were not such high water demands. These constraints were how some of the projects were developed. Mr. Philpott said the Bel Air Development will immediately need 0.5 mgd, and will build over the next two or three years.

He said one of the biggest priorities for the City is finding a way to dispose of the concentrate, or 15% waste. They have already engaged an engineer and gotten a verbal acknowledgement that TCEQ will probably approve a plan. But the ultimate goal is to discharge it into the stormwater system, not the wastewater system, thereby putting it in the creek. This would add capacity to the Wastewater Treatment Plant.

Option one would be to discharge it south of the Water Treatment Plant, to follow the open channel and some pipe flows, into Dean Gilbert Lake. The other option is to pipe it part of the way, and to drain it back to Iron Ore Creek. Originally there was another option to take it back to Lake Texoma, but because of TCEQ rules, that's not an option, at this point.

Mr. Philpott said the goal is to get the permit submitted to TCEQ before the Budget Workshop. Hopefully they will be quick to return with their comments and approval. After the plan is approved, the City will move forward with the design and construction. This plan should completely eliminate that constraint. He said 1 mgd of stormwater is 1 cfs, so one storm unit would handle the amount of flow that would come into the channel. The discharge would be set up on a phased approach, and if there was a larger discharge, it would be into an open channel, thus requiring no additional construction.

He said another constraint is power, and without power, they can't produce anything. There is currently a study underway to determine the requirements for a generator to assure power in emergency situations. Enough power would be needed to continue to supply water to all Sherman citizens.

They are also looking at the pump station, in order to get water to the plant. Currently, the pump station has a single power feed, which is remote, and a generator is needed there to continue to move water into the system.
Mr. Philpott said the Electro Dialysis Reversal unit (EDR) removes suspended solids from the water, as required by TCEQ. This creates a finished water product that is clear for drinking. The current

EDR unit was installed in 1993, and the system is dated and uses old technology. At some point, he said the system won't work. Should staff look at a Reverse Osmosis (RO) system instead of the EDR? He said it won't add capacity to the system, but it will add longevity. The current EDR units also use a lot of electricity. He said the project will need to be done at some point, and the longer the City waits, the more critical it will be.

Mr. Philpott addressed the 7 mgd Raw Water Pump in Lake Texoma, and said the City has three of these pumps. In 2024, the plan is to replace one of the pumps with a 25 mgd variable speed pump to support the mid to max flow ranges. This project will need to be coordinated with the North Texas Municipal Water District, which also has upcoming projects to update their pumps. As they do projects on their lines and their power system, Sherman will be expected to participate with a cost percentage.

He said a new building was recently designed at the Water Treatment Plant that left room for some future expansion. At this point, the expansion would just be to add additional equipment to increase treatment capacity by another 5 mgd.

Council Member Teamann asked why the Wastewater Treatment Plant was not included in the generator program for the coming year. Mr. Philpott said it was added into the switch gear project. Prior to February 2021, the switch gear at the Wastewater Treatment Plant was in need of repair. It's not just the replacement of equipment, but the building itself, and everything in it is getting very critical.

This project was already in the Five-Year CIP plan, three years ago. It's moving forward and it made sense to include the generators in that project. Therefore, the $4.5 million project includes a generator, two portable generators for the lift station, and installation of plugs at all lift stations.

He said a very significant study will be done to analyze all the electrical systems. The plant has been expanded in phases over the years and there maybe opportunities to relocate some of the switch gears and junction boxes.

The Water Treatment Plant has a lot newer technology and it is easier to determine where to put the generators. It's a little more complicated for the Wastewater Treatment Plant. Most of the generators will be funded through the Greater Texoma Utility Authority, some may be purchased with Federal grant money. Council Member Teamann asked if they had thought about talking with the Sherman Economic Development Corporation about helping with funding because of the industries that use water. Mr. Philpott said it does make sense to ask SEDCO to help with funding.

Another result from the growth is the need to expand the Lab facility. The proposed project would extend the Lab, upgrade the electrical service, provide an ability to meet new State-mandated testing requirements, new ventilation systems, and expand testing capabilities to do some of the testing that the City requires industries to do themselves. Currently the industries hire a third party to do the testing and submit the results to the City. Laboratory staff are looking at a program where the City provides this testing and charges the industry for it. The industry would save money, but the money the City collected would pay for the program, and help fund the Lab extension.

Mr. Philpott said there is a water model that they have been using for the past few years, and the Master Plan will improve that model, and do some flow testing and pressure testing to make the model as accurate as possible. The other half of the Master Plan is to provide a model for the sewer system. Currently there is not a model for the sewer system.
Once the model is in place, there will be a better indication of what the constraints on the system actually are. It's important to get good data from both rain events and dry events to get a very accurate model.

Mr. Philpott also covered the distribution system for water. He discussed the Legacy Surface Water Line and said Phase 1 was located where the Bel Air Development will be. There is an 8.5 mgd constraint on the ground water system, and the pumps are 12 mgd. Normally from these new developments, growth in the water system is on the ground water side and not the surface water side. This project will move surface water to this part of town. The ground water line will stay in service, but this project will supply this area with surface water. He located Phase 2 and Phase 3 of the project. Phase 1 is being constructed by the developer, and the City is reimbursing him. Mr. Hefton pointed out that funding for this project will come from a Federal grant.

Another project that is underway is the rehabilitating, repair, and painting of the Ida Road Ground Storage Tank. This is a 5 mg storage tank. He added that the City probably needs to be painting at least one storage tank each year. He reiterated that it wasn't cheap, but if they use debt to pay for the project, it needs to last 20 years. These projects are needed to protect the current infrastructure.

A project funded through GTUA is the 12" water line replacement along Texoma Parkway. This is the last phase of a multi-phase project, and is located from Fallon Drive to FM 691. It's a large 12" water line that feeds a lot of people. Council Member Melton discussed using Federal money for these projects and Mr. Hefton said there are more projects than there are Federal dollars. There was $9 million in Federal grant money.

Another upcoming project is a lift station for the Heritage Ranch Development. There would be some other projects in the future, as this area develops. The project would be in coordination with the design for that development, and would be similar to the Bel Air Development.

The project to replace the South Side Sewer Line would replace existing 10", 12", 15", and 18" sewer lines that were installed in 1964. This project is currently under design and can be phased as development occurs. There is beginning to be a lot of activity in this area and the City needs to assure that there is the capacity that will be needed for the development. This would not only serve the Bel Air Development, but industrial users too. This project would be funded through GTUA.

Mr. Philpott discussed street projects and showed a map of Bel Air Boulevard, which will be constructed in Phase 1. Phase 2 and 3 are expected in 2022 and 2023, respectively, however they won't be built until Bel Air builds out their additional phases of residential development. Beach Club Boulevard is expected to be constructed during the construction of the beach club and the multi-family areas. A TxDOT signal will also be constructed at FM 1417 and Bel Air Boulevard, when it's needed.
These projects will be paid for by CO's, impact fees, part of the land sale, and it's in the Tax Reinvestment Zone.

As part of the Shepherd Place Planned Development, the staff is looking at the need to expand Shepherd Road. The Thoroughfare Plan looks at where minor (four lanes) and major (six lanes) arterial roads go. Most of the State Highways are major arterial roads, and the State pays for repairs. Since there is nothing between FM 1417 and FM 691 to handle the traffic, Shepherd Road is considered a major arterial road. This project would lay out this phase, probably two lanes at first, expanded later. The proposed timeframe could change if they aren't actively moving forward on their development. There is currently no development agreement on this, and they don't own the land. There is a contract on the property and they've hired engineers to provide a land plan.

Mr. Philpott said another project from growth in the area is the next phase of the FM 1417 expansion. The City expects to spend $1.5 million on right-of-way acquisition. It would be six lanes with sidewalks, curb and gutter, and underground storm drains. The goal was to expand this road, but for it not to look like Texoma Parkway, with bar ditches, deep gullies, and driveways across it with 8'

guttering pipe. They wanted it to look like a boulevard. TxDOT is actually paying the final design cost at $1.5 million to get the project ready for construction. The City's part will be to get the right-of-way from the owners. There is currently no State funding or MPO funding for this project. Hopefully funding will become available when other funded projects aren't ready to go.

The Lamberth Road Extension is another development-driven project. The City has gotten some right-of-way on Friendship Road as people have requested water. At some point, Mr. Philpott said this will be a major intersection, and will be two, four-lane roads coming together. He said the design needs to be done on the road.

Council Member Steele asked why Shepherd Drive would ultimately be a six-lane road. He confirmed that West Travis Street would be a four-lane road. Mr. Philpott said the major roads are US Hwy 82, SH 56, FM 1417, FM 902, and between FM 1417 and FM 902 is Shepherd Drive. Every "so many" miles apart on the Thoroughfare Plan there are major, six-lane roads, with minor roads in-between.

Mr. Philpott said even FM 1417 would be four-lanes with a 41' median. In the future, when the six-lane is needed, they will build inside the grass median and make it closer together. Two 12' lanes will be constructed in the median. No additional right-of-way will be needed.

Another street project will be Moore Street North, which will be two lanes of a future four-lane boulevard. The trees have been cleared for the right-of-way. A large portion will be park that will backup to Herman Baker Park. There will be a trailhead and a sidewalk to tie into the piece of residential park. There will be sidewalks on both sides to West Travis Street, taking you from Hwy 75 to FM 1417. It will be two-lanes, graded, with the right-of-way for four lanes.

Council Member Steele confirmed that Phase 2 was a "done deal" and he felt that Phase 3 was more important because of the development going on in that area. He felt the City was increasing the value of the property for them to sell to someone else. He felt the phases should "switch places." Mr. Philpott said Phase 2 is from Travis Street, south to FM 1417, and is currently out for bid. It should be awarded in mid-June. Council Member Steele felt it was important to supply things to development as the development is happening, and not based on what they think is going to happen.

Council Member Teamann said he would rather spend money repairing roads that are already in place, and taking care of what is already here, making sure it's usable to people going to the High School, rather than building $7 million roads in the center of a new development. Council Member Melton agreed. Council Member Stevenson said it's two separate "buckets of money."

Mr. Hefton said, these aren't mutually exclusive, and are happening in this order, because the City has moved forward with engineering on Phase 2. Phase 3 came, when the growth came. The developer said he could do his development with or without it being approved, but the staff felt it was good to connect Center Street to FM 1417 through this series of Phase 1, 2, 3, and 4, while it's being done. He said the Council didn't have to choose between the phases. They're being staged this way because of where they fall in the development process.

Mr. Hefton said, at the Budget Workshop, the staff will have a presentation on some suggested improvements and major rebuilds to some roads. There will also be more dollars in the operating budget to take care of roads. He said all the things that the Council just mentioned are being contemplated and will be part of the plan.

He added that, if the Council wants to move a certain phase up, that can be done. Mr. Philpott said the design will be done for the entire project at one time, but it will be a matter of timing as to when

they are scheduled for construction. He added that while Center Street and Washington Street are closed for the highway project, there will be less traffic on those streets.

Mr. Philpott said there was money in the budget several years ago for bridge improvement on South Travis Street, but it was determined that the project would qualify for Federal bridge money. TxDOT took the entire project and design away from the City, and will install a new bridge over Post Oak Creek. He said the bridge is very narrow and the guardrail if very low. The integrity of the bridge is in pretty good condition, considering its age.

He said the total project is about $2.2 million, with Sherman's share being $600,000. The bridge will be widened to two full, 12' lanes, with more than a 5' shoulder. The new bridge will be about 46' wide, instead of 22' wide. The cost did increase, because the City asked for sidewalks on both sides of the bridge. That couldn't be included in the Federal money, so the City had to pay for that.

Mr. Philpott said the staff looked at Friendship Road, from SH 56 to Hwy 82, and they now have an idea where the right-of-way needs to be for the four-lane road. He said it would be better to have an actual schematic design and right-of-way exhibit developed, so when the area develops, the City can obtain the right-of-way.

There is currently no major development happening in this area, so the need to construct anything is not on the five-year plan. He felt that development in this area was hindered because there was no sewer to the area. In order to get sewer to this area, a significant line would need to be installed. He also said that, as development grows, there will need to be another transmission water main located to provide adequate water supply to that part of Sherman. This project would probably be paid, in part, or all by impact fees. It could ultimately be as large as a 30" or 36" water line.

Mr. Philpott addressed an east-west collector road through Heritage Ranch Planned Development. At this time, the developer has said that their Municipal Utility District will pay for all the roads and streets, and Plainview Road, for the residential area. They have asked the City to help pay for something east to west, in their commercial/retail area.

He said the road is not in the plan to be a minor arterial road, so it doesn't need to be four lanes for a typical development. However, if there are "high-end users at a convention center," he could see how this road and Plainview Road would need to be four lanes, to help divert traffic off of the Hwy 75 Frontage Road. The City will work in conjunction with the developer to plan the needed roads.

He addressed the Progress Drive and Flanary Road Extension and said this project will be a request for SEDCO to fund, to help provide a secondary outlet to Progress Drive and Hart Lumber. The project is under design now, and would be to extend two lanes, along Progress Drive and Flanary Road to FM 1417. This area does have water and sewer, so it will develop, at some point.

Mr. Hefton said there are a few things that the Council asked about that will be brought back for discussion. He asked if there were any things that needed to be added. He asked if they had anything they would like to address, to get it to the staff as quickly as possible, so it can be incorporated in the Budget Workshop for discussion.

Council Member Stevenson asked when the results would be available from the downtown sewer investigation. Wayne Lee, Director of Engineering, said they have been hindered while they were "cameraing" the sewer lines by all the water in the lines. Two weeks ago, they were 50% done. The smoke testing has been completed. They were hoping to complete the camera work in the lines shortly and prepare the report.

Mr. Philpott said, once the report is received, that area has its own Reinvestment Zone and its own funding source. If the report indicates there is $3 million or $4 million worth of utility work needed, it can be bonded and paid with Reinvestment Zone money. The money is set as a "placeholder" and continues to grow every year.

Council Member Stevenson confirmed that there is about $600,000 in that fund now and it generates almost $200,000 annually. That is bonding capacity for approximately $3 million. Mr. Hefton said "his hope" is that, whatever the study reveals, the work plan would be fully paid for by the TIRZ money. Council Member Teamann said he would like to allocate that money for that project. Mr. Hefton said there would not be an answer as to the scope of that project in the next two weeks, but they could include a project such as "downtown utility improvements" in the plan. He felt the project would probably include the repair and replacement of sewer, and possibly water lines too. He said there are other needs downtown, that could be included.

Council Member Steele said, in the past there has been a list of CIP projects and he ask if the staff "checked off" the status or tracking of the projects, including the cost. He asked for a follow-up accounting of the projects. Mr. Hefton said the CIP is done annually and the staff reports back to the Council on what was budgeted and what was spent. He said they have not gone back over the projects for the past five years with budget, costs, and a project summary. He said the staff will provide a historic "look back" for the past five years. Council Member Teamann said he would like to see a "realistic" list of projects.

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW)

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

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

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

The Executive Session was not needed.

ADJOURNMENT
There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 1:01 p.m.

_____
MAYOR

ATTEST

_____
CITY CLERK