STATE OF TEXAS §

May 17, 2010

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on May 17, 2010.

MEMBERS PRESENT: MAYOR BILL MAGERS; DEPUTY MAYOR JOE SMITH. COUNCIL MEMBERS ADAMI, HOWETH, SOFTLY, STEELE, WACKER.

MEMBERS ABSENT: NONE.

CALL TO ORDER

CALL TO ORDER
Mayor Magers called the meeting to order at 5:01 p.m. The Pledge of Allegiance and the Invocation were given by Mayor Bill Magers.

APPROVE MINUTES

APPROVE MINUTES
The Council reviewed the Minutes of the Regular City Council Meeting of May 3, 2010. Deputy Mayor Smith moved to approve the Minutes as presented; Second by Council Member Adami. All present voted AYE.
MOTION CARRIED.

OATH OF OFFICE

OATH OF OFFICE AND PRESENTATION OF CERTIFICATE OF ELECTION
Linda Ashby, City Clerk, administered the Oath of Office to the following Council-elect positions. All positions were unopposed, so the City was able to cancel the Election this year.

Council Member, District 1	**Joe N. Smith**
Council Member, District 3	**Pam Howeth**

A Certificate of Election was presented to each of the newly sworn-in Council Members. The new members were seated at the Council table.

NEW COUNCIL SEATED

NEW COUNCIL SEATED
MEMBERS PRESENT:
Mayor Bill Magers.
Council Members Adami, Howeth, Smith, Softly, Steele, Wacker.

MEMBERS ABSENT:
None.

ELECTION OF DEPUTY MAYOR

COUNCIL ELECTION OF DEPUTY MAYOR
Mayor Magers asked for nominations for the Office of Deputy Mayor.

ACTION TAKEN.

Motion by Deputy Mayor Smith to elect Council Member Willie Steele to serve as Deputy Mayor, for a term from May 17, 2010 to May 14, 2011. Second by Council Member Adami.

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

CONSENT AGENDA

CONSENT AGENDA

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

RESOLUTIONS

RES 5489
LAKE TEXOMA WATER STORAGE CONTRACT

RESOLUTION NO. 5489 – APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A "CONTRACT FOR WATER SUPPLY SERVICES" WITH THE GREATER TEXOMA UTILITY AUTHORITY IN RELATION TO THE LAKE TEXOMA WATER STORAGE PROJECT; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE EXECUTION AND DELIVERY OF SUCH CONTRACT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A "CONTRACT FOR WATER SUPPLY SERVICES" WITH THE GREATER TEXOMA UTILITY AUTHORITY IN RELATION TO THE LAKE TEXOMA WATER STORAGE PROJECT; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE EXECUTION AND DELIVERY OF SUCH CONTRACT.

Jerry Chapman, Greater Texoma Utility Authority General Manager, asked the Council to consider adoption of an ordinance that would allow the Mayor and City Clerk to sign an agreement for the acquisition of an additional amount of water from Lake Texoma.

Lake Texoma is a multi-purpose reservoir, built by the Corps of Engineers primarily for flood control and hydropower. Water supply was added as a project purpose in the 1950's. In 1986, Congressman Ralph Hall saw a need for an additional supply of water for municipal and industrial purposes and he placed a provision in the Water Resources Development Act of 1986 that permitted an additional 150,000 acre feet of supply to be used for Texas and a similar amount to be used for Oklahoma.

Fifty thousand acre feet of the Texas supply was available to GTUA and the other 100,000 acre feet was available to any other Texas water purveyor that wanted to apply for it. No one attempted to use the water until about 2000 when GTUA attempted to seek additional supplies for one of the member cities. At that time GTUA was told they needed to go through a reallocation process, which has taken approximately 10 years.

GTUA now has the three things needed for an additional water supply. They have the contract with the U.S. Army Corps of Engineers, have amended the permit to allow removal of an additional 50 million gallons of water per day from the Lake, and they have a means of financing the project in an economical fashion.

Mr. Chapman asked the Council to consider the ordinance which would allow the Mayor to sign a contract which would provide for an additional 10,666 acres or approximately 10.5 million gallons per day of additional water supply for the City of Sherman.

The City doesn't use that much water today, however the State of Texas currently has a population of 23 million people and expects that to increase to 46 million by mid-century. The additional water will be needed to meet the needs of the City of Sherman and her industrial customers.

Sherman has asked for the maximum amount of water available, which was 10,000 acre feet, and anything else that might become available. There have been some minor modifications in the amount available so now they are offering Sherman 10,633 acre feet of water which will yield about 10.5 million gallons per day.

Mr. Chapman explained that the Corps of Engineers would finance the purchase at the prevailing Federal interest rate, which is currently 4 1/8%. This interest rate changes each five years.

However, GTUA is proposing to finance the purchase through the Texas Water Development Board and the State Legislature, which have created a fund to finance future infrastructure needs for water in Texas. The interest rate for this fund is 2% below the market. Mr. Chapman said next month, he will ask the City Council to consider a resolution to sell the bonds to finance the project.

Mayor Magers confirmed that at the current time, all the water has been spoken for. He added that if any more becomes available, the City of Sherman would like to participate in the purchase.

He recognized former leaders of Sherman that saw the need for water and Mr. Chapman and his efforts since GTUA was founded. He reminded citizens that prior to Lake Texoma water, the City had to ration water during the summer months.

ACTION TAKEN.

> **Motion by Council Member Adami to approve Resolution No. 5489, as presented. Second by Council Member Smith.**

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

RES 5490
LEASE-PURCHASE FINANCING OF CAPITAL EQUIPT

<u>RESOLUTION NO. 5490 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH LANDMARK BANK, NA FOR THE LEASE-PURCHASE FINANCING OF CAPITAL EQUIPMENT</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH LANDMARK BANK, NA FOR THE LEASE-PURCHASE FINANCING OF CAPITAL EQUIPMENT.
CONSENT AGENDA.

RES 5491
RELIEF SEWER K4

<u>RESOLUTION NO. 5491 – ACCEPTING THE CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC AS COMPLETE FOR CONSTRUCTION OF THE SHERMAN RELIEF SEWER K4 PROJECT, PHASE I</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING THE CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC AS COMPLETE FOR CONSTRUCTION OF THE SHERMAN RELIEF SEWER K4 PROJECT, PHASE I.
CONSENT AGENDA.

RES 5492
WATER WELL REPAIRS

<u>RESOLUTION NO. 5492 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH WEISINGER WATER WELL, INCORPORATED FOR EVALUATION OF THE STEPHENS #2 TRINITY WELL</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH WEISINGER WATER WELL, INCORPORATED FOR THE EVALUATION OF THE STEPHENS #2 TRINITY WELL.
CONSENT AGENDA.

RES 5493
SWIMMING POOL ENCROACHMENT (3811 MERRIMAC DR.)

<u>RESOLUTION NO. 5493 – AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO ORION AND CHERYL CARTER FOR THE CONSTRUCTION OF A SWIMMING POOL WHICH WOULD ENCROACH SEVEN AND ONE-HALF FEET INTO A 15' DRAINAGE EASEMENT IN BLOCK F, LOT 7 OF THE PECAN GROVE VILLAGE ADDITION, TO THE CITY OF SHERMAN (3811 MERRIMAC DRIVE)</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO ORION AND CHERYL CARTER FOR THE CONSTRUCTION OF A SWIMMING POOL WHICH WOULD ENCROACH SEVEN AND ONE-HALF FEET INTO A 15' DRAINAGE EASEMENT IN BLOCK F, LOT 7 OF THE PECAN GROVE VILLAGE, TO THE CITY OF SHERMAN (3811 MERRIMAC DRIVE).
CONSENT AGENDA.

CHANGE ORDER RELIEF SEWER K4

CHANGE ORDER NO. 1
SHERMAN RELIEF SEWER K4 PROJECT: McGEE STREET TO TURTLE CREEK WEST; LYNN VESSELS CONSTRUCTION, LLC; $28,814.32, DECREASE

The City Council approved Change Order No. 1, which is a final reconciliatory change order to adjust the final project quantities for the first phase of the Sherman Relief Sewer K4 Project, located from McGee Street to Turtle Creek West.

The project, which has been completed, was funded through debt issued by the Greater Texoma Utility Authority on the City's behalf. The change order results in a decrease of $28,814.32, yielding a final contract price of $400,182.60. CONSENT AGENDA.

OTHER BUSINESS

BULK TRASH & BRUSH COLLECTION

RECEIVE PRESENTATION ON THE CITY OF SHERMAN'S RESIDENTIAL BULK TRASH AND BRUSH COLLECTION PROGRAM

Don Keene, Executive Director - Planning and Public Works, introduced the City's residential bulk trash and brush collection program adding that the staff is excited about the results and benefits of the program.

Aubrey Henderson, Solid Waste Superintendent, said the main goal of the program was for better service for the citizens. The challenge was to improve the bulk collection program and keep the City looking cleaner. This was accomplished by monthly collections using new efficient bulk collection trucks.

The brush program was begun in July 2008 and the bulk program was begun in October 2009. The new trucks were very efficient and allowed the Solid Waste Department to complete the pick-ups without help from other departments.

Mr. Henderson discussed advertising and promotion that has been presented on the program to educate citizens on the specifics and people are using the program. During March and April 2010 the participation rate has been 16% to 20%. The staff has estimated approximately 13,269 collection stops for 2010, which will be a major increase over both 2008 and 2009 collections.

The main problem with the program is the separation of trash from brush. Through the support of this program, the City is estimated to save $90,000 per year on landfill tipping fees. Brush is chipped and sent to a recycling center and therefore not placed in the landfill. It costs $0.75 per cubic yard to have the brush ground versus $30.00 per ton for the tipping fee.

The staff is continuing to work on promotion of the program through items such as magnets and residential truck "wraps" for a traveling billboard.

Mayor Magers asked if leaves should be included in the regular pick-up or with the brush pick-up. Mr. Henderson said they should be included with the regular pick-up.

Mayor Magers asked if there was a cost effective way to include leaves in with the brush. George Olson, City Manager, said the staff has looked at the situation, but will look at it again.

Council Member Howeth thanked Mr. Henderson and the staff because citizens in her area of Sherman really use the bulk and brush pick-ups. She also appreciated their creativity in trying to advertise the proper way to use the service.

E-BILL FOR UTILITY BILLS

RECEIVE PRESENTATION BY ANGELA GURLEY, CUSTOMER SERVICE MANAGER, ON THE NEW "E-BILL" FEATURE FOR UTILITY BILLS

Angela Gurley, Customer Service Manager, told the City Council about the new "e-bill" feature for utility bills. The new service will enhance customer service, expedite the delivery and receipt of utility statements, and reduce printing costs.

Customers enrolled in the program will receive a monthly email with their utility statement attached. The billing system will automatically generate the email when the bill is generated. Customers will be able to see their bill as soon as the Utility Service staff is able to see it on the utility account. If there is a 10% enrollment in the program, the City will recognize a $7,000 annual savings from printing costs.

Customers can enroll on the website or call the Utility Department to request an enrollment form.

Council Member Wacker asked if there was an option on the website where citizens could add their donation for the PRIDE program. Ms. Gurley said with the current website, citizens don't have that option, however it will be considered when the City moves to a new website.

CLOSE STREETS

CONSIDER REQUEST OF FIRE CHIEF J.J. JONES TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE ANNUAL BATTLE OF THE BADGES BLOOD DRIVE ON THURSDAY, MAY 27 AND FRIDAY, MAY 28, 2010 AND THE FIRE DEPARTMENT TRUCK DEDICATION AND OPEN HOUSE ON SATURDAY, MAY 29, 2010

Jeff Jones, Fire Chief, asked the City Council to consider closing Travis Street from Jones to Cherry Street for the Annual Battle of the Badges Blood Drive on May 27 and May 28, 2010 and the Fire Department Truck Dedication and Open House on May 29, 2010.

Mayor Magers confirmed that the Battle of the Badges Blood Drive was a tie last year between the Fire Department and the Police Department. Last year, 186 pints of blood was

donated for the Blood Center and they had about 230 donors. The donors each voted to support either the Police Department or the Fire Department, and it was a tie.

The Fire Department will also hold an Open House on May 29, 2010 until about 1:00 p.m. to display both police and fire equipment and dedicate the City's new ladder truck. Chief Jones asked that the street also be closed for that event.

ACTION TAKEN.

> **Motion by Deputy Mayor Steele to approve the request to temporarily close certain streets for the Annual Battle of the Badges Blood Drive on May 27 and May 28, 2010 and for the Fire Department Truck Dedication and Open House on May 29, 2010, as presented. Second by Council Member Wacker.**

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

APPROVE REPLAT (NORTH HAVEN ADDITION)

<u>REPLAT APPROVAL OF LOT 4, BLOCK B, NORTH HAVEN ADDITION AND LOT 2-R OF THE REPLAT OF LOTS 1-3, BLOCK B, NORTH HAVEN ADDITION; SPAVINAW DEVELOPMENT, OWNERS, AND SARTIN AND ASSOCIATES, INC., SURVEYORS (3112 AND 3116 RIVERCREST DRIVE)</u>
The City Council approved the Replat of Lot 4, Block B, North Haven Addition and Lot 2-R of the Replat of Lots 1 through 3, Block B, North Haven Addition, which is located at 3112 and 3116 Rivercrest Drive. The owners would like to replat two adjacent lots for residential development. The Planning and Zoning Commission recommended approval of the Replat.
CONSENT AGENDA.

CITIZENS REQUESTS

<u>CITIZENS REQUESTS</u>
There were no citizen's requests.

LAKE TEXOMA WATER CONTRACT

<u>MEDIA QUESTIONS</u>
<u>LAKE TEXOMA WATER CONTRACT</u>
Kathy Williams, Herald Democrat Reporter, asked what the City's total allotment of water is that is coming from Lake Texoma.

Mr. Chapman said the original allotment that was granted in 1953 was 22,600 acre feet of storage that yields 25 million gallons of water per day. This additional storage of 10,600 acre feet of storage will yield an additional 10.7 million gallons per day. That makes a total surface water availability of approximately 35.7 million gallons per day.

<u>APPOINT REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS</u>

COUNCIL AUDIT COMMITTEE

<u>COUNCIL AUDIT COMMITTEE (3)</u>
Mayor Magers asked if all Council Members wanted to continue to serve on the board on which they were already

serving. If they did, he suggested that all appointments be made with one motion.

Council Members Cary Wacker, Chip Adami, and Joe Smith did want to continue serving on the Council Audit Committee. Their terms would be from June 1, 2010 to June 1, 2011.

INVESTMENT COMMITTEE

<u>INVESTMENT COMMITTEE (2)</u>
Deputy Mayor Willie Steele and Council Member Robert Softly did want to continue serving on the Investment Committee. Their terms would be from May 2010 to May 2011.

TAX REINVESTMENT COMMITTEE

<u>TAX REINVESTMENT COMMITTEE (2)</u>
Council Members Joe Smith and Chip Adami did want to continue serving on the Tax Reinvestment Committee. Their terms would be from May 2010 to May 2011.

TAX INCREMENT FINANCING BOARD #1

<u>TAX INCREMENT FINANCING BOARD #1 (3)</u>
Mayor Bill Magers, Deputy Mayor Willie Steele, and Council Member Chip Adami did want to continue serving on the Tax Increment Financing Board #1. Their terms would be from May 2010 to May 2011.

TAX INCREMENT FINANCING BOARD #2

<u>TAX INCREMENT FINANCING BOARD #2</u>
Mayor Bill Magers, Deputy Mayor Willie Steele, and Council Member Chip Adami did want to continue serving on the Tax Increment Financing Board #2. Their terms would be from May 2010 to May 2011.

TAX INCREMENT FINANCING BOARD #3

<u>TAX INCREMENT FINANCING BOARD #3 (3)</u>
Mayor Bill Magers, Deputy Mayor Willie Steele, and Council Member Chip Adami did want to continue serving on the Tax Increment Financing Board #3. Their terms would be from May 2010 to May 2011.

ACTION TAKEN.

> **Motion by Council Member Smith to reappoint the aforementioned Council Members to the respective boards for terms as designated. Second by Deputy Mayor Steele.**

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

<u>COUNCIL COMMENTS</u>

LAKE TEXOMA WATER STORAGE

<u>LAKE TEXOMA WATER STORAGE</u>
Council Member Adami recognized Jerry Chapman, GTUA General Manager, adding that the additional water storage has been a ten year process and he is glad to move forward. This is an excellent opportunity for Sherman citizens to know that their future water needs are secure. He expressed his appreciation to GTUA.

LAKE TEXOMA WATER STORAGE

Council Member Smith agreed adding that, during the four years he has served on the Council, the City has extended water north and west, have brought new parks online, and taken care of the Police and Fire Departments for the near future. He felt that acquiring Lake Texoma water storage was at the top of the list because it will meet Sherman's needs for the future.

LAKE TEXOMA WATER STORAGE

MEMORIAL DAY WEEKEND

Council Member Wacker and Council Member Softly agreed with the previous comments and Council Member Wacker wished everyone a great Memorial Day weekend.

MEMORIAL DAY WEEKEND

CITY'S ANNUAL BUDGET

Council Member Howeth said she appreciates living in a City like Sherman. She recently heard about furloughing police and firemen in Dallas and cutting services. Sherman is not doing that but is "holding our own."

CITY'S ANNUAL BUDGET

NEW CITY COUNCIL MEMBERS

Mayor Magers said tonight two new Council Members were sworn in instead of three or four. Since the Charter was amended to give Council Members three year terms instead of two year terms, new Council Members are elected two one year, two the next year, and three the following year.

Previously every other year, four new Council Members could be elected. Now there will not be a majority of Council Members that could possibly leave office at the same time, which will allow for better continuity.

NEW CITY COUNCIL MEMBERS

CHARTER AMENDMENT

Mayor Magers said State Representative Larry Phillips has enabled the City to move the local Election to November, if they so desire. Mayor Magers said he will ask that the issue be considered as an amendment to the City Charter, which will save approximately $30,000 annually and will encourage more citizens to vote in the local Election.

CHARTER AMENDMENT

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.

EXECUTIVE SESSION

SECTION 551.074 **PERSONNEL MATTERS: CONSIDER THE QUALIFICATIONS, APPOINTMENT OR REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS:**

CIVIL SERVICE COMMISSION (1)
SHERMAN HOUSING AUTHORITY BOARD (3)

SHERMAN HIGHER EDUCATION FINANCE CORPORATION BOARD (7)

Council Members decided not to go into Executive Session prior to making appointments to the Civil Service Commission, the Sherman Housing Authority Board, and the Sherman Higher Education Finance Corporation Board.

<u>CIVIL SERVICE COMMISSION (1)</u>

CIVIL SERVICE COMMISSION

Council Members considered the reappointment of Lee Salinas to the Civil Service Commission for a term from June 8, 2010 to June 8, 2013.

<u>SHERMAN HOUSING AUTHORITY BOARD (3)</u>

SHERMAN HOUSING AUTHORITY BOARD

Council Members considered the reappointment of Janet Roy to the Sherman Housing Authority Board for a term from June 1, 2010 to June 1, 2012; the appointment of Tina Garner for a term from June 1, 2010 to June 1, 2012; and the appointment of Wanda Crook as Resident Commissioner for a term from June 1, 2010 to June 1, 2012.

<u>SHERMAN HIGHER EDUCATION FINANCE CORPORATION BOARD (7)</u>

SHERMAN HIGHER EDUCATION FINANCE CORPORATION

Council Members considered the reappointment of William Richardson, Danna Bennett, Dr. Al Hambrick, Rad Richardson, Jerry Chapman, Delinda Lough, and George Rowland to the Sherman Higher Education Finance Corporation Board for a term from April 18, 2010 to April 18, 2012.

ACTION TAKEN.

> **Motion by Council Member Smith to confirm the City Manager's reappointment of Lee Salinas to the Civil Service Commission for a term from June 8, 2010 to June 8, 2013; to reappoint Janet Roy to the Sherman Housing Authority Board for a term from June 1, 2010 to June 1, 2012; to appoint Tina Garner to a term from June 1, 2010 to June 1, 2012; and to appoint Wanda Crook to serve as Resident Commissioner for a term from June 1, 2010 to June 1, 2012; and to reappoint William Richardson, Danna Bennett, Dr. Al Hambrick, Rad Richardson, Jerry Chapman, Delinda Lough, and George Rowland to the Sherman Higher Education Finance Corporation Board for a term from April 18, 2010 to April 18, 2012. Second by Council Member Wacker.**

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

ADJOURNMENT

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:38 p.m.

MAYOR

CITY CLERK