

STATE OF TEXAS

§

April 27, 2018

COUNTY OF GRAYSON

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BE IT REMEMBERED THAT A Called Meeting of the Sherman City Council was begun and held in the City Council Chambers on April 27, 2018.

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

COUNCIL MEMBERS ABSENT: None.

CITY STAFF PRESENT: Robby Hefton, City Manager; Brandon Shelby, City Attorney; Steve Ayers, Assistant City Manager; Terrence Steele, Director of Administration; Mark Gibson, Director of Utilities; Scott Shadden, Director of Development Services; Mary Lawrence, Director of Finance; Danny Jones, Fire Chief; Zachary Flores, Police Chief; Jason Jeffcoat, Assistant Police Chief; Bob Fair, Assistant Police Chief; Bruce Dawsey, Assistant Police Chief; Danny Fuller, Fire Marshal; Chris Olson, Fire Division Chief; Tom Brown, Fire Division Chief; Tammy Davis, Controller; Jim Cross, Water Systems Manager; Kevin Winkler, Public Works Manager; Clint Philpott, Director of Engineering; Cathy Perkins, Human Resources Manager; Nate Strauch, Community and Support Services Manager; Jon Kirksey, Assistant Public Works Manager; Theresa Hutchinson, Parks and Recreation Manager; Melissa Eason, Library Services Manager; Jimmy Mrozinski, Parks and Cemetery Maintenance Superintendent; Sarah McRae, Tourism/Main Street Manager; Moises Duran, Emergency Management Coordinator; Junior Jaimes, Computer Support Technician; Shane Kenney, Firefighter and Sherman Fire Association Representative; Hunter Nichols, Firefighter and Sherman Fire Association Representative; Pam Cloer, Assistant to the City Manager; Linda Ashby, City Clerk.

PURPOSE: Call to Order, Quorum Determined, Meeting Declared Open

Invocation by Council Member Josh Stevenson

Resolution No. 6366

Authorizing Execution of an Amendment to a Development Agreement between the City of Sherman and 58 Aggie Development, LLC for the Construction of Public Facilities in Sherman Tax Increment Reinvestment Zone #7 in the City of Sherman

Other Business

Final Plat Approval of MBG Sherman Addition, being 13.215 acres in the Sherod Dunman Survey, Abstract No. 329; Sherman Economic Development Corporation and the City of Sherman, Owners; Mark Schulman, Developer; Vilbig and Associates, Civil Engineer; and Helvey-Wagner Surveying, Inc., Surveyor (100-200 blocks of East F.M.

COUNCIL MINUTES – APRIL 27, 2018

1417 (Vietnam Veteran's Parkway) and 3700 block of South U.S. Highway 75)

Financial Update and Council Input for 2018-2019 Budget Year

Adjournment

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

Mayor Plyler called the meeting to order at 12:00 p.m., declared a quorum present, and opened the Called City Council Meeting.

INVOCATION BY COUNCIL MEMBER JOSH STEVENSON

RESOLUTION NO. 6366

AUTHORIZING EXECUTION OF AN AMENDMENT TO A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND 58 AGGIE DEVELOPMENT, LLC FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN SHERMAN TAX INCREMENT REINVESTMENT ZONE #7 IN THE CITY OF SHERMAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AMENDMENT TO A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND 58 AGGIE DEVELOPMENT, LLC FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN SHERMAN TAX INCREMENT REINVESTMENT ZONE #7 IN THE CITY OF SHERMAN.

Robby Hefton, City Manager, explained that this resolution is a proposed amendment to the developer's agreement with Mark Schulman and 58 Aggie Development. There is a proposal to construct a City boulevard that would start at F.M. 1417 at the northbound service road of U.S. Hwy 75 South for the construction of Legacy Boulevard. The proposed road will continue the length of the Schulman development and ultimately into the 200 acre site. The resolution clarifies the agreement.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6366, as presented.

Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

FINAL PLAT APPROVAL OF MBG SHERMAN ADDITION, BEING 13.215 ACRES IN THE SHEROD DUNMAN SURVEY, ABSTRACT NO. 329; SHERMAN ECONOMIC DEVELOPMENT CORPORATION AND THE CITY OF SHERMAN, OWNERS; MARK SCHULMAN, DEVELOPER; VILBIG AND ASSOCIATES, CIVIL ENGINEER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (100-200 BLOCKS OF EAST F.M. 1417 (VIETNAM VETERAN'S PARKWAY) AND 3700 BLOCK OF SOUTH U.S. HIGHWAY 75)

Scott Shadden, Director of Development Services, said the property is a 13.215 acre tract, located in the 100 to 200 blocks of East F.M. 1417 and the 3700 block of South U.S. Highway 75. The owners would like to plat the property into five lots for commercial development. This property is part of the Schulman development. The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.

COUNCIL MINUTES – APRIL 27, 2018

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve the Final Plat of MBG Sherman Addition, located in the 100 to 200 blocks of East F.M. 1417 and the 3700 block of South U.S. Highway 75, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Sofey, Steele, Stevenson, Teamann.

VOTING NAY: None.

MOTION CARRIED.

Mayor Plyler said that for the purpose of transparency, he did not vote on either of the previous agenda items.

FINANCIAL UPDATE AND COUNCIL INPUT FOR 2018-2019 BUDGET YEAR

Mr. Hefton presented the Budget Calendar, saying the Budget Workshop would be held on June 14, 2018, and June 15, 2018, if a second day is needed. Today's agenda will also introduce topics that are expected to be discussed at the June Workshop.

He said the goal today is to make sure the staff has a clear direction from the City Council, in order to "work through" the department budgets that will be submitted by 4:00 p.m. today. He hoped to have the elements that the Council would like to include in the budget in order to combine those with the staff requests. From this input, a work plan will be presented at the June Budget Workshop.

Work Plan Update

He updated the City Council on the Initiatives from the 2018 Workshop and their status, as well as items that have come up since that time. He outlined the completed directions as well as the ones that are still in progress.

Main initiatives include compensation and staffing, all items completed; storm water program, all items completed; fleet, still purchasing the necessary fleet and equipment; utility CIP's and utility rate adjustments, rates have been adjusted, still implementing the Utility CIP projects; enhanced street program, all items completed; parks and recreation, still working on design and beginning of phase 1 of Pecan Grove West ballfields; General CIP's and property tax increase, property tax rate adjusted, still implementing CIP projects, bonds will be issued in the Summer of 2018 (\$14 million to \$15 million) for the General CIP projects; additional resources for a cleaner City, continuing to enhance efforts for Substandard Structures Program and Stormwater Program, have not expanded Substandard Structure Program to consider commercial structures, have hired another employee; and continuing to evaluate funding for revisions to work plan, staffing, and employee group health plan.

Mr. Hefton said the work plan was finalized in the Summer of 2017, however there were additional items that came up between that time and today. He also discussed these initiatives. These include Legacy Village for the Schulman development, with Phase I being west of the creek and Phase II being east of the creek. They are expecting to "move dirt" by the end of May or first part of June 2018. He said the new roadway, to the south of the development will probably be done at the same time as the development to take advantage of "economies of scale" for the construction.

The boulevard in Sherman Crossroads is under construction and should be completed by the fourth quarter of 2018. The ER and DaVita are complete and the medical office building is currently under construction. Some pad sites are under contract.

Sherman Landing is located at the southwest corner of F.M. 691 and U.S. Hwy 75. QuikTrip is under construction and the City crews completed the utility work. Legacy Bank construction is also getting close.

COUNCIL MINUTES – APRIL 27, 2018

Mr. Hefton said Legacy Boulevard is the roadway that goes into the 200 acre mixed-use development, east and south of Legacy Village.

The engineering on Pecan Grove Ballfields is complete. Phase II includes the splash pad, walking trails, and lighting. The City is working on a partnership with Texoma Health Foundation for a grant for the \$2.5 million cost of construction of Phase II. A decision is expected this Summer.

The Texas Department of Transportation has contracted for the design of the U.S. Hwy 75 Ramp Reversal Project. The design should be complete by the end of the Summer, with construction expected in FY 2018-2019.

The Moore Street Development is a 400 acre development, just south of the proposed Sherman High School site. Discussions are being held about the extension of City facilities, such as water, sewer, and roads. These projects will enhance the value of the City's property on F.M. 1417 and Travis Street, which the City expects to sell by the end of 2018.

Mr. Hefton also presented an update on projects that were started in 2016 and 2017. Construction is on schedule for the Water Treatment Plant Expansion and it's scheduled for completion in the first quarter of 2019. Several months ago the surface water system was "taken down" so the other components could be built and it is now back online. There has been some "stirring of the water," but it seems to be clearing up.

Work is done on the Preston Club Water System, but the City is still waiting on State approval for the final transfer of the system. Design work is still being done on the sewer main for Preston Club Estates. The staff does still need to complete right-of-way acquisition.

Mr. Hefton said there are several other water and sewer main extensions that have been completed or are in process.

The City wants to continue getting the engineering and the right-of-way on the Taylor Street/ Washington Street thoroughfare, from F.M. 1417 to S.H. 289. Plans are to complete the preliminary items, but not start construction until it is warranted.

For the Lamberth Road West Extension, properties have been purchased through Carriage Estates. First phase of the actual construction will be from Shady Oaks to Friendship Road. The staff also plans to complete the preliminary items, and construction will begin as development warrants, probably in 2019 or later.

Engineering is complete on Phase IV of the West Travis Street Project, which is from F.M. 1417 eastward to Moore Street. Construction should begin by the third quarter of 2018. The City still does not have the right-of-way acquisition of Actitech. The goal for the entire thoroughfare, from F.M. 1417 eastward to U.S. Hwy 75, should be done and the road opened by the Spring of 2020. The new High School is expected to be open by Fall of 2020.

Construction on Friendship Road has also been pushed back. They are currently working on the road alignment and the right-of-way acquisition, which is expected to be completed in 2018. The road will be built as development requires.

Mr. Hefton said the design of Swan Ridge Drive is complete and the staff is coordinating with the developer on timing of the construction. The Canyon Creek Drive Extension is complete and the design is complete on the Park Avenue Realignment. Construction is planned for the Summer of 2018. He outlined several Texas Department of Transportation Projects that the staff is also working on.

COUNCIL MINUTES – APRIL 27, 2018

Other prior initiatives include the relocation of Fire Station #4, the Pecan Grove Ballfields, Library Renovation, Substandard Structures, Stormwater Management and Planning, and the Downtown Streetscape, Phase 2.

Financial Update – Operations

Mary Lawrence, Director of Finance, updated the Council on where the City ended FY 2017 financially and where they are today, in FY 2018. In the General Fund, the FY 2017 ending reserves were down by \$800,000 versus FY 2016, as expected. In August 2017, the City was notified that they had to refund a sales tax payer \$330,000, and land was purchased on West Travis Street for \$660,000.

In November of 2016, the City Council approved the City's participation in an ambulance supplemental payment program. At the time, the staff had no idea how much the City would receive through the program. Recently the first check was received for \$450,000 and another check is expected at the end of Summer 2018, probably for about \$350,000, and another in 2019 for about the same amount. However, Ms. Lawrence said the guidelines of the program are significantly changing after that year, and funding is contingent on the State of Texas. She said the staff will evaluate the program to see if it will be an ongoing source of revenue.

She said the City had also seen a big increase in building permits and engineering permits, starting in 2017 and continuing through 2018. For example, in FY 2016, revenue from building permits was about \$160,000. For the first seven months of 2018, it's about \$290,000.

For FY 2018, Ms. Lawrence said revenues look like they'll be over budget by about \$1.1 million, mostly due to sales tax, the additional payment on the ambulance supplemental program, and the increase in permits in engineering and building.

In the Utility Fund, ending reserves were up about \$500,000, but not due to revenue. There was some good budget performance and expenditures that helped out. For FY 2018, it is expected that the fund will meet the projected revenue and expenses. She said that weather can cause a \$1 million "swing" either direction. With a large water user like Panda Energy, the swing can be \$1.3 million.

She said the Pro-Rata Fund was merged with the Utility Fund. Most of the money in the fund was City money, either interest income or fees to construct the infrastructure line. Any money left in the fund that might be refunded, has been budgeted.

In the Solid Waste Fund, ending reserves were down about \$330,000 versus FY 2016, as was expected. She explained that 2016 was a really good year, while 2017 was "flat." Fund balances carried the City over during this time. FY 2018 was very good for revenues, but there were some expense increases because of the revenues. This comes from disposal fees and the purchase of additional containers.

She said the projected fund balances, as of September 30, 2018, are expected to be above budget in the three main funds. The General Fund is expected to be at \$7.8 million or \$1.3 million above the FY 2018 budget, with 80 days reserves. The Utility Fund is expected to be above budget, larger because of the fund merger and because the beginning fund balance was better than expected. It was expected to be at \$4.8 million or \$550,000 above the FY 2018 budget, at 77 days reserves. The Solid Waste Fund is also above budget at \$1.7 million or \$270,000 above the FY 2018 budget, with 93 days reserves.

Mr. Hefton said the target range for the three major funds is to have between 60 and 90 days of reserves. He said the General and Utility Funds are in the middle of the target range, however the Solid Waste Fund has higher reserves. He said the staff already has plans for the excess reserves and will discuss the purchase of some additional equipment during the Budget Work Session.

COUNCIL MINUTES – APRIL 27, 2018

Ms. Lawrence discussed the specific funds. The General Fund has seen good sales tax performance. The growth since the recession ended has been almost 4%. Expenditures may be a little higher than budget, but that is an indication of growth.

She presented a chart with the property tax rates and value, which showed an increase in existing value and new taxable value that has been added to the tax roll. In a survey of cities with population from 30,000 to 40,000, Sherman's property tax rates are the third lowest of 15 cities surveyed. As for taxable value, Sherman is in the middle of the cities. The tax rate actually dropped twice when voters approved a sales tax in lieu of property tax.

Ms. Lawrence said water sales are down, mainly due to a large industrial user not using as much water. She said the fund balance still looks good. In 2016 and 2017 the water and sewer revenues were about the same. Even with a 3% rate increase in 2017, there was not much revenue growth from water usage. Therefore, there was no revenue increase from this 3% rate increase. There was also a 3% rate increase in 2018 and there was some revenue growth from that increase.

The increase in revenues in the Solid Waste Fund is largely due to commercial solid waste. There has been about a 2% increase in residential solid waste revenues, which is about double the usual increase. Of course with this increase there has been an increase in disposal fees at the landfill.

Mr. Hefton said the current projected fund balance in the Solid Waste Fund is about \$300,000 to \$400,000, more than the target fund balance. However, that's also about the cost of a side-load residential trash truck. He said they might be adding a route in 2019 and the excess fund balance could be used to purchase equipment.

Ms. Lawrence said the staff is continuing to monitor the good performance in the group health plan and make adjustments as necessary. Mr. Hefton said the additional savings from the health plan will be used to help offset debt service costs in the future.

Financial Update – Capital Improvement and Debt

Mr. Hefton presented a look at the Capital Improvement Program through the General Improvement Fund. Most of the dollars relate to streets, however some relate to facilities like the Fire Station #4 and the Library. He did not anticipate spending all the money in 2018. This just reflects the amount of funding committed to projects that are already "on the books."

Mr. Hefton presented information on the three Certificates of Obligation Bond issues, two of which have already been done and the third, which will be done in 2018. This plan was presented to the City Council during budget discussion in 2017. Changes to the plan include deferring the construction on the Taylor / Washington Street project; the Friendship Road project; the Preston Club Road from Hwy 289 project; and the Parks Master Plan. The projects have been reprioritized and some of the money has been shifted to other projects due to development. The 2018 CO Bond issue should be about \$14 million now and the first action on the bond issue should be in June or July 2018 and should be finalized by the end of the summer.

He displayed a graphic of Sherman's long-term debt, both tax supported debt with CO's and with Revenue Bonds for the utility area. Many comparable cities don't have debt from Revenue Bonds because they don't operate their own water and/or sewer treatment facilities. They would be paying for this debt through their water rates with entities such as the North Texas Municipal Water District. Generally, this will result in rates higher than Sherman's rates.

COUNCIL MINUTES – APRIL 27, 2018

FY19 Planning

Mr. Hefton set the stage for the FY 2018 Budget Planning. He said, because of savings in the group health plan, which effects the operating dollars for the General, Utility, and Solid Waste Funds, the staff expects to keep the property tax rate unchanged for FY 2019. Debt will still be issued in 2018. He also expected no utility rate change. Finisar is expected to be a large water user in Sherman.

The City pays between \$6 million and \$7 million annually to the Greater Texoma Utility Authority for debt for the Water Treatment Plant, as well as the other utility projects. There are a number of bonds and they are usually 20 year bonds. As some of the old debt “rolls off” the debt service goes down. Mr. Hefton explained that will happen in FY 2021 by \$1 million annually. Some additional debt may be added between that time, but it won’t be as much as was added for the Water Treatment Plant.

Mr. Hefton felt the only question about a rate increase this year was for Solid Waste rates. Those rates will be reviewed in light of recent annexations and growth. Because of annexation and growth, he felt the City would probably need to add another route and at least one driver for residential service. He wasn’t sure what impact that would have on rates.

Council Member Sofey asked, if the City holds the same Stormwater Fee, is there a project earmarked for the funding. Mr. Hefton said there are more projects than the City has money for. The first \$1 ends up servicing about \$7 million of debt, and those projects are already “spoken for,” including Lamberth Road, smaller regional detention projects, and medium detention projects, especially in the northwest part of town. The priority of projects have already been lined out.

He added that another \$1 fee would give the Council another \$7 million to work with, to be paid as debt service over 20 years. He said Phase 2 would most likely be a combination of operating costs and project costs. He said a portion of that next \$7 million would probably be used for projects, with the remaining revenue being used to hire employees to build culverts, replace storm drain pipe, and similar projects.

When the Stormwater Fee was presented, the staff presented two components, an operating component and a capital component. Phase 1 was 100% capital, Phase 2 would be a mix between capital and operating.

Council Member Steele reasoned that the Stormwater Fee, based on its current rate, would increase because of growth and development. Mr. Hefton said every 14% growth the City has in either residential or commercial, would equate to about \$1 million in projects. Some large industrial or commercial growth could really increase that amount. He reiterated that \$1 in a Stormwater Fee would support \$7 million in debt service. The money is currently being strategically placed on the projects, but all \$7 million has already been “spoken for.” The projects are lined out, but it will take a couple of years to get them completed.

Clint Philpott, Director of Engineering, confirmed that the FEMA Flood Map updates should be completed this year. He said the calculations should be done by the first of June, but the formal approval should be in about six months. Those changes will be incorporated into the City’s GIS maps.

Mr. Philpott said the City is also looking at other grant opportunities that will help “stretch” that money even farther. Council Member Teamann said, as Sherman continues to grow, they could also add other money into the fund for stormwater projects. Mr. Hefton said tax-supported funds could be used for stormwater projects.

Mr. Hefton said they do expect property tax revenues to be up about \$400,000, both from increased values and from new property added. He addressed the impact that the City realizes from

COUNCIL MINUTES – APRIL 27, 2018

development, such as Finisar, Sherman Crossroads, and the Schulman project. There is a delay, in when the projects get built and when the City sees the impact of those on the profit and loss. The things on the ground on January 1, 2018 are what the City will see property tax revenue for in 2019. He said there is really a two-year delay from when the development is built and when the City sees the revenue. He said projected revenues will be discussed during the Budget Work Session.

Mr. Hefton said they also expect sales tax revenues to be up about \$800,000, for growth in the base and for new businesses added, such as J.P. Hart. They also expect group health costs, for the General Fund alone, to be down from \$500,000 to \$700,000, due to changes in the plan. Therefore, revenues for FY 2019 are expected to be from \$1.7 million to \$1.9 million “to the good.”

Revenue growth is also expected in the Utility Fund, mostly from new industry. No known major expense changes are expected. There is expected to be some growth in the Solid Waste Fund, however expenses are more closely tied to revenue increases in this fund, because of the cost of equipment and tipping fees.

Mr. Hefton said the staff would continue to focus on planning and infrastructure development for thoroughfares, utility infrastructure, facilities, and continuing to leverage City dollars for TxDOT projects, such as the F.M. 1417 project.

The staff will also continue to work the Stormwater Program project, as well as with private development on many projects. Things are changing very quickly and he emphasized that the City needs to take advantage of “opportunities” as they arise.

As for the budget, Mr. Hefton said there are always more requests for new staff than there are dollars, and not every department will get the new staff they requested. He said part-time help will also be used to help meet these needs. The City is in the “service business,” so growth does have an impact on staffing. He added that the City can’t get behind in upkeep on the facilities either.

Mr. Hefton said there would be discussion at the Budget Work Session concerning the Police Department Renovation and the Pecan Grove Ballfields, Phase 2. The grant application to the Texoma Health Foundation will be considered in June 2018, for 2019 funding.

He said these were critical issues as identified by the staff, but he asked the City Council to consider their critical issues too.

Mr. Hefton identified critical issues that he has received from the Council so far, including a continued focus on clean-up, code enforcement, and substandard structures; employee compensation, probably a 3% increase; a street maintenance program, includes ways to extend the chip-seal life; basketball courts at Pecan Grove West; considering traffic control management and if there is a better way to stage or sync traffic signals; and mosquito mitigation planning. He reminded the Council that when Sherman’s population reaches 50,000, Sherman will take over all traffic signals and their maintenance in the City.

Council identified critical issues in the Solid Waste Fund include evaluating the bulk trash pickup program and considering alternatives for quarterly or other pickup as compared to the current program; and evaluating the recycling program. The goal is to keep the City cleaner. Not only is the City saving money by not dumping recyclables in the landfill, but there is actually a market for them.

The market has changed over the past year because China has been a large purchaser of the recyclables. That has changed because of the political scene. At the peak of the market for recyclables, the City of Sherman was getting \$150,000 to \$200,000 annually in revenue from the sale of recyclables.

COUNCIL MINUTES – APRIL 27, 2018

Mr. Hefton said the City would continue to focus on strategic annexations, but there are currently none “on the radar.” Those would probably be driven by the necessity of what’s going on at the time. The Sherman Economic Development Corporation has land available and he discussed the land acquisition and designation for industrial growth, adding that there would be a continued focus on growth and development management.

There were other comments from the City Council that were more operational, and those will be handled in the normal course of business.

Mr. Hefton addressed what is needed from the City Council, including their support for thoroughfare and development activities. The City needs to pursue and take advantage of opportunities with TxDOT, with other developers, and with property owners, to align the placement of major thoroughfares and other infrastructure.

The City has used several “tools” for industrial and commercial development, including Tax Abatement, Tax Increment Financing, and a 380 Agreement, to supplement industrial incentives. There are provisions in State statutes that would allow the City to actively pursue retail growth. For example, a 380 Agreement is very broad and could be used to target retail and commercial growth for a finite period of time. He referenced restaurant or grocery store growth on the south end of town. There are ways to incentivize those types of development.

If the Council has support for these priorities, there would also need to be discussion about how to fund them. Funding could come from excess reserves, revenues from increased growth, or by issuing debt.

Mr. Hefton asked the Council about other direction they might have for the staff. The Budget Work Session is scheduled for June 14, 2018.

Council Member Steele said the new things that the City is doing are exciting and important, but he didn’t want to lose focus on the existing things, such as code enforcement, maintenance, and existing streets. He said Sherman is becoming a big City and needs to act like a big City and maintain what they have, not just focus on the new and exciting.

Council Member Sofey added that with the growth, there is more “wear and tear” on the infrastructure. Mayor Plyler said that’s why the City has replacement cycles on their equipment too.

Council Member Teamann verified that Mr. Hefton could offer additional detail to any Council Member that needed information, prior to the Budget Work Session.

Council Member Holland asked if the newer, more technical equipment that the City purchased would require more skilled workers to operate it and more skilled mechanics to work on it. Kevin Winkler, Public Works Manager, said the City is actively training the current personnel and that training is generally included in the cost of the equipment. So far they have not had to hire a mechanic to work on the equipment.

Council Member Steele asked about the status of the Kessler Street project and whether that was a Stormwater Project. Mr. Hefton said the plan was to move some sewer lines and fill it in a little. The area will not be a park, but it will be “green space.” Council Member Steele said it has been barricaded for a long time. Mr. Hefton said it hasn’t been forgotten, but the urgency of the situation has been dealt with.

Deputy Mayor Howeth said the City will continue to move west, and we need the roads and infrastructure in that area. However, she wanted to be sure that the residents that live on the east

COUNCIL MINUTES – APRIL 27, 2018

side of town, and pay taxes and sales tax, aren't forgotten, and that their roads are maintained and code enforcement is continued. She also liked the idea of creating incentives for restaurants and retail businesses, and wanted to be sure those were considered for the east side of Sherman too.

Council Member Steele said the Keep Sherman Beautiful Commission has a lot of good ideas and programs, but they need some support from the City, especially financially, to get them going. Mr. Hefton said some "targeted funding" has been requested for Keep Sherman Beautiful. Deputy Mayor Howeth said they can help "get Sherman cleaned up."

Council Member Stevenson said there also needs to be a fine or penalty for non-compliance for code enforcement violations. The City tries to "help people" come into compliance, but at the end of the day, their needs to be something else. Mr. Hefton said the goal for the "sweep" has been "the carrot, not the stick" but their needs to be a stick as well. Statutorily, it takes longer to "wield the stick."

Council Member Holland said he had spoken with some business owners on the east side of Sherman and they are receptive to cleaning up their property. He felt, if there was a positive incentive, it would keep them going.

ADJOURNMENT

There being no further business to come before the City Council, motion was duly made and approved to adjourn the Called Meeting at 1:41 p.m.

MAYOR

ATTEST

CITY CLERK