

STATE OF TEXAS §
 April 19, 2021
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 Sherman Municipal Ballroom on April 19, 2021.

MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR DARON HOLLAND.
 COUNCIL MEMBERS HOWETH, MELTON, STEELE, STEVENSON, TEAMANN.

MEMBERS ABSENT: NONE.

CALL TO ORDER

Mayor Plyler called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Pam Howeth.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of April 5, 2021. Council Member Melton moved to approve the Minutes, as presented; Second by Council Member Steele; All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

CITIZEN'S COMMENTS

There were no citizen's comments.

CITIZEN'S COMMENTS

CONSENT AGENDA

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

CONSENT AGENDA

Mayor Plyler introduced Ordinance No. 6375 and called for a public hearing:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2021"; SPECIFYING THE TERMS AND FEATURES OF SUCH NOTES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SUCH NOTES; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT AND PROVIDING AN EFFECTIVE DATE.

**ORD 6375
LIMITED TAX NOTES
FOR FLEET &
EQUIPMENT**

Mary Lawrence, Director of Finance, said there was a bond sale today for the Certificates of Obligation and the Limited Tax Notes. She introduced Garry Kimball, Managing Director, Specialized Public Finance, to update the Council on this morning's bids.

Mr. Kimball said the City's issues were the only ones in the Texas market today, and with their strong AA bond rating, confirmed by Standard & Poor's last week, there was a very strong turnout for both deals.

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There were eight bidders on the Limited Tax Notes, and the winning bid was submitted by Huntington Securities, for a five-year obligation, with a “true interest cost” of 0.33%. He added that in his 28 years, he thought that was the lowest interest rate he has had for a deal like this.

Mr. Kimball said there were seven bidders for the \$29,025,000 Certificates of Obligation, with BOK Financial Securities in Dallas, submitting the low bid. Their bid was “true interest cost” of 2.077%. When the payment structure was “resized” to make them level, the interest rate dropped to 2.05%, which will be locked in for the 30-year term.

He said there was a significant spike in interest rates about six weeks ago, but both of these issues received very good rates. He said these were very high-quality bond issues, and recommended Council approval of the bids.

No citizens appeared before the City Council to discuss Ordinance No. 6375.

Mayor Plyler introduced Ordinance No. 6376 and called for a public hearing:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021”; SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY’S WATERWORKS AND SEWER SYSTEM; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND PROVIDING AN EFFECTIVE DATE.

**ORD 6376
TAX & REVENUE
CERTIFICATES OF
OBLIGATION
FOR POLICE
HEADQUARTERS &
STREET PROJECTS**

Ms. Lawrence said these are the Certificates of Obligation that Mr. Kimball just spoke about.

No citizens appeared before the City Council to discuss Ordinance No. 6376.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6375

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SHERMAN, TEXAS, LIMITED TAX NOTES, SERIES 2021”; SPECIFYING THE TERMS AND FEATURES OF SUCH NOTES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SUCH NOTES; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR

**ORD 6375
LIMITED TAX NOTES
FOR FLEET &
EQUIPMENT**

AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT AND PROVIDING AN EFFECTIVE DATE.

Ordinance 6376

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021”; SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY’S WATERWORKS AND SEWER SYSTEM; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND PROVIDING AN EFFECTIVE DATE.

ORD 6376
TAX & REVENUE
CERTIFICATES OF
OBLIGATION
FOR POLICE
HEADQUARTERS &
STREET PROJECTS

Council Member Teamann asked about the Certificates of Obligation, which were listed as \$29,025,000 instead of \$30,000,000.

Mr. Kimball explained that, in the bid specs, they allow the bidders to bid premium or discount bonds, at their choosing. In this case, the winner bid premium bonds. The true interest cost is determined on how they submitted their bid.

When they do this, the coupons are a little higher than the yields, which forces the purchaser to deliver cash at closing, and the cash makes up the difference between the \$30 million and the actual par amount which is \$29.025 million. The City will still receive \$30 million in proceeds.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Ordinance Nos. 6375 and 6376, as presented. Second by Council Member Stevenson.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6727 – AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE BEL AIR VILLAGE MASTER DEVELOPMENT AGREEMENT WITH TERRA PERPETUA, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AMENDING THE TERMS AND CONDITIONS OF THE BEL AIR VILLAGE MASTER DEVELOPMENT AGREEMENT DATED DECEMBER 18, 2020 AND APPROVED BY RESOLUTION NO. 6676; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW

RES 6727
BEL AIR VILLAGE
MASTER
DEVELOPMENT
AGREEMENT
AMENDMENT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF THE FIRST

AMENDMENT TO THE BEL AIR VILLAGE MASTER DEVELOPMENT AGREEMENT WITH TERRA PERPETUA, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AMENDING THE TERMS AND CONDITIONS OF THE BEL AIR VILLAGE MASTER DEVELOPMENT AGREEMENT DATED DECEMBER 18, 2020 AND APPROVED BY RESOLUTION NO. 6676.

Robby Hefton, City Manager, said this agreement relates to the work that is about to begin on the Bel Air Project. In December 2020, the Council approved the Bel Air Master Development Agreement.

Since that time, the staff and the developer have been working on finalizing the engineering plan. This amendment authorized the developer to manage the construction of Phase I improvements that are the City's responsibility, while his development team is doing their portion. This will allow the City to gain favorable pricing and to ensure seamless management for all of the public infrastructure improvements.

Mr. Hefton said there's about \$2 million in City infrastructure, including the water lines along FM 1417, that would be completed while the developer is doing his work. The City would reimburse him for that anyway.

Modification of the Master Development Agreement will be considered instead of having a separate reimbursement and development agreement for the changes.

Originally the City estimated the cost of their portion of the improvements would be considerably higher than they came in. The staff felt this would be a good way to handle the change for two reasons. First the pricing came in very good and will be finalized in a few days, and second, having one developer in charge of the entire project, will allow the City and the developer to jointly manage any issues that might arise. This will also make the project easier for the City to manage as well.

Mr. Hefton said Kris Kearney and Ryan Pittman, Abernathy, Roeder, Boyd, Hullett, met with the developer's attorneys to draft the amendment, and are here to answer any questions the Council might have.

Council Member Teamann said several things changed in the new agreement, including the scope of work, and going from a two-lane road to a four-lane road for a certain distance. Council Member Teamann added that the City's cost shouldn't exceed the 30% cap of the overall \$11 million.

He said the Council also approved the City's cost of a 20" water line during a recent Council Meeting, which was not originally included in Phase 1 but a later phase. He felt that might cause a problem with the 30% threshold and expedite the timeline. He was also afraid that it would create a problem staying under the 30% threshold.

Mr. Hefton said the 30% cap is a statutory cap, that allows others to act on the City's behalf, and allows a developer to do a project that would normally be the City's project. In this case, that will be the road and the waterline.

Of the total \$11 million project (\$9 million for the developer and \$2 million for the City), the State says the City's portion can't be more than 30% of the total project, or \$3.3 million. The City's portion is \$2 million, well within the \$3.3 million threshold allowed by the State.

The City was planning to do the water line expansion at some point, but since they will have their equipment and personnel mobilized, it makes more sense for them to do the work themselves. The City will reimburse them for this work.

Part of the water line was not originally in their project, but the City planned to do it anyway. To allow them to do the project on the City's behalf, it had to become part of the agreement, and the City will reimburse them for the cost.

The City's previous estimate for the project was almost \$500,000. Their estimates now are for about \$400,000, so it's a good deal for the City.

As for the issue with the roads, Mr. Hefton said when the City was originally considering their portion of the project, they had no final engineering plans, but knew the entire site would not be developed at one time but would be phased in.

As plans moved forward, they knew there would need to be at least four lanes, starting at FM 1417 and going south. This would be similar to the plan for Moore Street at West Travis Street. From an engineering and construction standpoint, it was determined that it would be good to do all four lanes, but for a shorter distance. This plan also worked from a developer's standpoint.

Council Member Melton confirmed that the new plan is cheaper, since they are combining resources. He said it is cheaper to combine resources than it is to do the project individually. Mr. Hefton said when it was packaged with the water line, the original cost was going to be \$2.5 million to \$3 million, and doing them all together was now going to cost about \$2 million.

Clint Philpott, Assistant City Manager, said the \$3 million was mentioned when the design contract was approved. The City actually hired them to do the design from Hwy 75 to the railroad track. The construction portion was set up in phases.

Council Member Steele confirmed that the project was going to cost less than originally estimated. Mr. Hefton said the City would have a better designed project for less money.

ACTION TAKEN.

Motion by Council Member Steele to adopt Resolution No. 6727, as presented. Second by Council Member Stevenson.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6728 – DETERMING THE COSTS OF PHASE ONE DISTRICT IMPROVEMENTS TO BE FINANCED BY THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED PHASE ONE ASSESSMENT ROLL, FOR THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR MAY 3, 2021 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO

A RESOLUTION OF THE CITY OF SHERMAN, TEXAS, DETERMING THE COSTS OF PHASE ONE DISTRICT IMPROVEMENTS TO BE FINANCED BY THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED PHASE ONE ASSESSMENT ROLL, FOR THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY; CALLING A REGULAR MEETING AND NOTICING A PUBLIC HEARING FOR MAY 3, 2021 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE BEL AIR VILLAGE PUBLIC IMPROVEMENT DISTRICT; DIRECTING THE FILING OF THE PROPOSED PHASE ONE ASSESSMENT ROLL WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; DIRECTING CITY STAFF TO PUBLISH AND MAIL MATTERS INCIDENT AND RELATED THERETO.

**RES 6728
BEL AIR VILLAGE
PUBLIC IMPROVEMENT
DISTRICT SERVICE
PLAN**

Mr. Hefton said this is “part two” of the previous agreement and includes the development side of the agreement. Improvement for this agreement will be paid for a couple of ways. One is through the Public Improvement District that was setup and approved by Council. A part of that plan is the review of the Preliminary Service and Assessment Plan.

Last Fall, the Council appointed MuniCap as the City’s consultant for the PID. Since then, they have been working between the City and the developer to design this Service and Assessment Plan. The next step is to approve this plan. This resolution sets the public hearing date for May 3, 2021, to consider the ordinance that will actually levy the assessment on the property owners.

This portion represents the \$9 million, that will be paid either through the assessments, or out of the developer's pocket. He introduced a representative of MuniCap to explain the process.

Abdi Yassin, Senior Vice President, MuniCap, Inc. Public Finance, explained that they have been working with City staff and the developer's team to put together the Public Improvement District Governing Documents, which is the critical document for a PID. He added that it is the second of three steps in this process.

This proposed development includes 945 homes, of which 327 will be in Phase 1. The first phase of development should be underway soon and this agreement includes an assessment for those 327 lots. The cost that will be reimbursed through this PID will be about \$9 million, of which the assessment level that is contemplated, would allow up to about \$7.168 million in assessments. The developer will pay about \$1.892 million of the \$9 million in cost.

The document also outlines the specific assessments on the different types of lots that will be included in the development. Property owners purchasing property in the PID will be provided with documents showing what they will actually pay over the duration of the PID assessment.

Mr. Yassin said the property owner could pay the assessment out over the 30 year period, or they would have the flexibility to pay off the principal amount early.

Mr. Hefton said this agreement also sets the methodology as to how future phases will be administered. For Phase 2, the developer will have to determine how many lots will be included and the specifics. Future action will be needed from the City Council on future phases, but the methodology will be what is included in this agreement. He said they will be looking at these agreements annually. MuniCap is engaged by the City, but paid by the PID

Council Member Steele verified that the assessment will be collected annually by the tax collector. Mr. Yassin said the property owner will have three choices for payment. They could pay the entire amount on day one and avoid paying interest and administrative expenses, could pay it annually, or could pay whatever is outstanding in any given year. Mr. Hefton said the assessment will be on the tax bill each year.

Council Member Teamann verified that the developer will be responsible for the bond payments prior to the new values showing up on the tax rolls. Mr. Yassin said the funding will be a reimbursement to the developer.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Resolution No. 6728, as presented. Second by Council Member Teamann.

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VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6729 – IN SUPPORT OF HALFF ASSOCIATES, INC.'S APPLICATION ON BEHALF OF THE APPLICANT TEXAS INSTRUMENTS INCORPORATED TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR A MUNICIPAL SETTING DESIGNATION AT 6412 U.S. HIGHWAY 75S, SHERMAN, GRAYSON COUNTY, TEXAS

**RES 6729
TEXAS INSTRUMENTS
MUNICIPAL SETTING
DESIGNATION**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, IN SUPPORT OF HALFF ASSOCIATES, INC.'S APPLICATION ON BEHALF OF THE APPLICANT TEXAS INSTRUMENTS INCORPORATED TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR A MUNICIPAL SETTING DESIGNATION AT 6412 U.S. HIGHWAY 75S, SHERMAN, GRAYSON COUNTY, TEXAS.

Wayne Lee, Director of Engineering, said this is the City's second application for a Municipal Setting Designation from Halff Associates. This application is for Texas Instruments. The first was for Presco.

The intent of the application is to provide data to the City to show that the groundwater contamination from past activities is either at safe levels or is contained and is not a threat to potable wells or aquifers.

The City hired Freese and Nichols to assist with the review of the application. The City received everything needed from Halff and TI, to recommend support for the application.

Council Member Melton asked about the City "hiring" someone to review the application and the cost of that service. Mr. Lee said the fee was "slightly under" the fee that was collected for the application.

Council Member Stevenson verified that the TI facility has been in use since the 1960's. Council Member Howeth asked if the staff anticipated that anyone else might apply for this designation. Mr. Hefton said the staff has not had any other inquiries about other applications, other than Presco and TI.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6729, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 6730 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH HAYES CONSTRUCTION, LLC FOR CONSTRUCTION OF THE NORTH

**RES 6730
NORTH TRAVIS ST
WATER LINE**

**TRAVIS STREET WATER LINE REPLACEMENT AND NEW US 75
WATER LINE CROSSING PROJECT**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH HAYES CONSTRUCTION, LLC FOR THE CONSTRUCTION OF THE NORTH TRAVIS STREET WATER LINE REPLACEMENT AND NEW US 75 WATER LINE CROSSING PROJECT.

REPLACEMENT &
NEW US 75 WATER
LINE CROSSING
PROJECT

Tom Pruitt, Utility Engineer, said they received six responsive bids for the North Travis Street Water Line and Choctaw Creek Crossing. The low bid was submitted by Hayes Construction.

The project consists of 2,700 feet of linear, 12" line along North Travis Street and the crossing at Choctaw Creek. The estimated cost for the project was \$760,000. The low bidder was "verified capable" and had a low bid of \$473,839. If approved by Council, the contractor will have 270 days to complete the project.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Resolution No.

6730, as presented. Second by Council Member Melton.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson.

VOTING NAY: None.

ABSTAIN: Teamann.

MOTION CARRIED.

**RESOLUTION NO. 6731 – AUTHORIZING EXECUTION OF A
PROFESSIONAL ENGINEERING SERVICES AGREEMENT WITH
LOCKWOOD, ANDREWS & NEWNAM, INC. FOR THE WATER
TREATMENT PLANT CONCENTRATE LINE PHASE II
ENVIRONMENTAL CLEARANCE & ROUTE STUDY**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH LOCKWOOD, ANDREWS & NEWNAM, INC. FOR ENGINEERING SERVICES FOR THE WATER TREATMENT PLANT CONCENTRATE LINE PHASE II ENVIRONMENTAL CLEARANCE & ROUTE STUDY.

RES 6731
WATER TREATMENT
PLANT CONCENTRATE
LINE PHASE II
ENVIRONMENTAL
CLEARANCE &
ROUTE STUDY

Mr. Pruitt said, with Council approval, the City will hire Lockwood, Andrews & Newnam, to move forward to isolate the location of the discharge point of the Water Treatment Plant discharge concentrate. Initiation of the discharge permit is also part of this project.

The process will require approval of the State and Federal agencies, including the U.S. Fish and Wildlife, the Army Corp of Engineers, and the Texas Department of Transportation.

Mr. Pruitt said the engineering portion of the contract is expected to take about 3.5 months, and the permitting process will take another 6.5 months. The project should move into the design phase by April or May 2022.

Mr. Hefton said this seems like a small project, but the impact is huge. The City had a \$40 million to \$50 million project that would take the brine discharge to the Red River, about nine miles away.

The City's Engineering staff worked with Lockwood, Andrews & Newnam to see what could be done about discharging into nearby creeks, requiring a shorter distance and less piping.

He said the current discharge of brine to the south, actually puts it under one of the planned developments that is under consideration. This brine disposal issue is affecting many other growth areas.

He added that the City doesn't have approval yet, but discussions with the Texas Commission on Environmental Quality have been good, and they are open to the proposed changes.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6731, as presented. Second by Council Member Teamann.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6732 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR ENGINEERING SERVICES FOR THE WASTEWATER TREATMENT PLANT AND LIFT STATIONS BACKUP POWER STUDY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN MILLICAN, INC. FOR ENGINEERING SERVICES FOR THE WASTEWATER TREATMENT PLANT AND LIFT STATIONS BACKUP POWER STUDY.

**RES 6732
WWTP & LIFT
STATIONS BACKUP
POWER STUDY**

Mr. Pruitt said, with Council approval, the City will enter into a contract with Freeman-Millican Engineers to evaluate the Wastewater Treatment Plant electrical systems, for an emergency backup power source, in the event of another power failure.

Given the configuration of the existing plant electrical system, it was agreed that an in-depth investigation to determine the optimal generator configurations was needed. The study will also look at twelve lift stations that do not have generators, and determine what is necessary at each site, to connect to a generator. The switch gear will also be included in the proposal.

Council Member Teamann asked about the timeline for the project. Mr. Pruitt said they did not give a timeline, but they do understand the urgency of the project. Mr. Hefton added that the

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contract does say the project should be completed by August 15, 2021.

Council Member Melton confirmed that the power did not actually go out during the February 2021 weather event.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6732, as presented. Second by Council Member Teamann.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6733 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC FOR SHERMAN LABORATORY SERVICES BUILDING ADDITION & REMODEL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR ENGINEERING SERVICES FOR THE SHERMAN LABORATORY SERVICES BUILDING ADDITION & REMODEL.

**RES 6733
LABORATORY
BUILDING ADDITION
& REMODEL**

Mr. Pruitt said authorization of this item will initiate the purchase of architectural services for the Wastewater Treatment Plant Laboratory building and renovation.

The 2021 Capital Improvement Program Budget included \$250,000 for the project. The actual fee will be \$197,000, and the design should be completed in about six months. Construction will be eight to ten months, with the project scheduled for completion by either October 2022 or January 2023.

The project will expand the lab facility, remodel the interior areas, upgrade the electrical service, add new ventilation systems to increase staff safety, expand pure water and vacuum systems, provide new staff work areas and additional filing and storage areas, and will result in a better ability to meet new State mandated standards and testing requirements.

Council Member Steele asked what the ultimate cost of the project would be. Mr. Pruitt said the estimate for the construction cost is \$1.35 million.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6733, as presented. Second by Council Member Melton.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6734 – DECLARING THE CITY OF SHERMAN'S ELIGIBILITY AND INTENTION TO PARTICIPATE IN A RESIDENTIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; ESTABLISHING GUIDELINES AND CRITERIA

**RES 6734
RESIDENTIAL TAX
ABATEMENT
PROGRAM**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING THE CITY OF SHERMAN'S ELIGIBILITY AND INTENTION TO PARTICIPATE IN A RESIDENTIAL TAX ABATEMENT PROGRAM TO PROMOTE DEVELOPMENT/REDEVELOPMENT IN CERTAIN AREAS OF THE CITY; ESTABLISHING GUIDELINES AND CRITERIA.
CONSENT AGENDA.

RESOLUTION NO. 6735 – AUTHORIZING THE PURCHASE OF A NEW KUBOTA RUBBER TRACK EXCAVATOR FROM ZIMMERER KUBOTA & EQUIPMENT, INC. FOR THE CEMETERY DEPARTMENT THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD)

**RES 6735
CEMETERY VEHICLE
PURCHASE**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF A NEW KUBOTA RUBBER TRACK EXCAVATOR FROM ZIMMERER KUBOTA AND EQUIPMENT, INC. FOR THE CEMETERY DEPARTMENT THROUGH THE TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD).
CONSENT AGENDA.

OTHER BUSINESS

RECEIVE QUARTERLY PROGRESS REPORT FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION PRESIDENT KENT SHARP

**SEDCO QUARTERLY
PROGRESS REPORT**

Kent Sharp, President, Sherman Economic Development Corporation, presented their Quarterly Progress Report. He said SEDCO approved several resolutions during the quarter.

The first, authorized them to purchase a 115 acre tract, located south and southeast of Emerson. The property is divided into two tracts, separated by a railroad track, owned by Emerson.

Another resolution authorized the extension of assistance that would be awarded to Elevate Recoveries. They did well during the time with COVID, however they were a little under the 55 employees they were suppose to hire. They ask for an extension to February 1, 2022 to meet their benchmark.

SEDCO also authorized an incentive up to \$70,000 for P.Q.D. International, Inc., a company moving from the Metroplex. They mainly manufacture prosthetics, and purchased an existing building in Midway Industrial Park, on Fallon Drive. They worked with the current business residing in that building, which retained six jobs. P.Q.D. will add two new jobs for a total of eight jobs.

SEDCO presented the first incentive payment of \$90,163 to Eternity Technologies, also located on Fallon Drive. The company has invested \$1.8 million in capital expenditures and manufactures batteries for electric forklifts.

Mr. Sharp said, as for future plans, last week SEDCO closed on 10.33 acres located between Kaiser Aluminum and Tyson, at the southeast corner of Dorset Drive and Howe Drive.

They also continue to work on retail strategies and learn more about how to target the people that live in Grayson County but commute to Collin County for work or live in Collin County and commute to Grayson County for work. They would like to encourage them to live and work in Grayson County.

Mr. Sharp will continue business retention and expansion visits to the local industries, which was limited during COVID protocols. SEDCO will also celebrate their 25th Anniversary this year and they are working on a video that spans the history of Sherman from the early industrial days to the present.

SEDCO is currently working five active projects, with an estimated \$900 million in capital investment and approximately 4,700 jobs. They have also had one site visit and two prospective meetings.

They launched a marketing campaign and want to expand the marketing resources beyond the Dallas, Fort Worth marketing team and the Governor's Office. They are working with an artificial intelligence company to use their tool.

A team has also worked to provide answers about what happened during the severe weather event in February 2021 with the loss of power and water. They are providing a plan as to what has been, and will be done to make sure it doesn't happen again. This will be provided to answer industry's questions.

APPROVE QUARTERLY INVESTMENT REPORT FOR QUARTER ENDED MARCH 31, 2021

The City Council approved the Quarterly Investment Report for the quarter ended March 31, 2021. As of March 31, 2021, the portfolios were in compliance with applicable State laws and the Investment Policy.

**QUARTERLY
INVESTMENT
REPORT**

The operative investment portfolio had a book value of about \$15.2 million, an increase of about \$5.4 million from prior quarter of \$9.8 million, due to investments made with property tax receipts.

The underlying investments were adequately diversified among six different types of securities. This portfolio is appropriately liquid; and its weighted-average maturity was about 439 days, down from 444 days from last quarter. The portfolio yield of 0.61% is 54 basis points above the benchmark yield of 0.07%. Market value approximates book value.

The debt proceeds portfolio balance of \$12.9 million was invested in Local Government Investment Pools and an FDIC insured investment account. Transactions in this portfolio include payments for capital projects and the receipt of interest income. The yield of 0.11% was above the benchmark yield of

0.01% for this portfolio. Book value and market value were the same.

CONSENT AGENDA.

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

MAILERS FOR WATER PIPE INSURANCE

Council Member Howeth said she received a mailer recently about water pipe insurance. With the recent loss of water and water pipes that were frozen, many citizens, especially senior citizens, may be confused by the mailer.

She said purchasing that type of insurance is a personal choice, but she wanted to encourage the staff to distribute some information that it's really not needed.

LOCAL JOBS

Council Member Howeth said she saw a post on FaceBook recently asking if there were any jobs in Sherman. She counted over 100 jobs in the Sherman-Denison area that were mentioned, and none of them were minimum wage. Several also were ready to hire someone that day.

She said there are many jobs available in Sherman. Mayor Plyler reminded everyone about SEDCO's website for jobs at shermantxjobs.com.

CITY ENGINEERING DEPARTMENT

Council Member Teamann recognized the Engineering and Water Department employees for working on the new water lines, the brine line, and the 20" water line. These make it possible for more new development in Sherman. This helps make housing more affordable in Sherman.

ANNOUNCEMENTS

Mayor Plyler announced the following:

- The City Council will meet in the City Council Chambers in City Hall at the next meeting.
- Downtown Sherman Now will host a huge sidewalk sale around the Courthouse Square during the weekend of April 24, 2021. More than 25 local businesses will participate. The event will begin at 9:00 a.m.
- The Parks and Recreation Department will host their annual Touch a Truck event on April 24, 2021, from 10:00 a.m. until 2:00 p.m., at Pecan Grove Park. The event is free.
- Coffee with the Mayor will be held on May 7, 2021 at Douglass Distributing, and will feature some excellent live, local music.

MEDIA QUESTIONS

**MAILERS FOR
WATER PIPE
INSURANCE**

LOCAL JOBS

**CITY ENGINEERING
DEPARTMENT**

ANNOUNCEMENTS

- “Craft the Night Away” will be held on June 19, 2021, in the Downtown area. This year they will also host a fiddling contest.

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

EXECUTIVE SESSION

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.

- (A) Receive legal advice regarding wastewater treatment agreement dated November 2, 2009
- (B) Receive legal advice regarding the City’s response to severe weather that occurred in February 2021

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

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:08 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:28 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

OPEN MEETING

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:30 p.m.

ADJOURNMENT

MAYOR

CITY CLERK