STATE OF TEXAS §

April 16, 2018

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 April 16, 2018.

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

MEMBERS ABSENT: **COUNCIL MEMBER SOFEY.**

CALL TO ORDER

CALL TO ORDER
Mayor Plyler called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Mayor David Plyler.

APPROVE MNUTES

APPROVE MINUTES
The Council reviewed the Minutes of the Regular City Council Meeting of April 2, 2018. Council Member Steele moved to approve the Minutes as presented; Second by Council Member Holland. All present voted AYE.
MOTION CARRIED.

PROCLAMATION
"MOTORCYCLE SAFETY AND AWARENESS MONTH" – MAY 2018

MOTORCYCLE SAFETY & AWARENESS MONTH (MAY 2018)

Council Member Teamann presented a proclamation to Skee Dodson, Legislative Officer for the State of Texas ABATE, designating "Motorcycle Safety and Awareness Month" for May 2018.

Mr. Dodson thanked the City Council for the proclamation and for bringing awareness to the community and helping to save motorcycle, bicycle, and vehicle lives.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 6106 SUP FOR MOVIE THEATER, BOWLING ALLEY, ARCADE IN BLALOCK DISTRICT (100-200 BLOCKS E. FM 1417 & 3700 BLOCK S. HWY 75)

Mayor Plyler introduced Ordinance No. 6106 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 410 (2)(J), ORDINANCE NO. 2252, ARTICLE IV AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A MOVIE THEATER/ BOWLING ALLEY/ARCADE (COMMERCIAL AMUSEMENT CENTER) IN THE BLALOCK INDUSTRIAL PARK/BLALOCK COMMERCIAL OVERLAY DISTRICT/O-1.1 (FM 1417 OVERLAY) DISTRICT, C-1 (RETAIL BUSINESS) DISTRICT AND C-2 (GENERAL COMMERCIAL) DISTRICT IN THE 100-200 BLOCKS OF EAST F.M. 1417 (VIETNAM VETERAN'S PARKWAY) AND THE 3700 BLOCK OF SOUTH U.S. HIGHWAY 75, BEING 22.330 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/ SURVEYOR; AND HODGES ARCHITECTURE, ARCHITECT); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Scott Shadden Director of Development Services, said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the Staff Review Letter.

No citizens appeared before the City Council to discuss Ordinance No. 6106.

ORD 6107
SUP FOR FARM EQUIPMENT SALES, SERVICE, REPAIRS, FEED STORE (2725 N. HWY 75)

Mayor Plyler introduced Ordinance No. 6107 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A FARM EQUIPMENT SALES, SERVICE, REPAIRS, FEED STORE WITH OUTDOOR STORAGE/DISPLAYS IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1 (75 & 82 OVERLAY) DISTRICT AT 2725 NORTH U.S. HIGHWAY 75, BEING LOT 5, BLOCK 1 OF THE TEXOMA CROSSING ADDITION, A REPLAT OF LOTS 5 AND 5A (S&W-AL LLC, OWNERS; ORSCHELN'S FARM & HOME, TENANT; JAKE LONG, GLOVE CON, INC., REPRESENTATIVE; 21 DESIGN GROUP, CIVIL ENGINEER/SURVEYOR; AND PW ARCHITECTS, INC., ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Shadden said the SUP is for the old Gander Mountain building. The Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the Staff Review Letter.

Nicholas Orscheln appeared representing the request. He thanked the City of Sherman and Mr. Shadden for being so easy to work with and making his job easier. He said they were looking forward to opening in Sherman.

No other citizens appeared before the City Council to discuss Ordinance No. 6107.

ORD 6108
ZONE CHANGE (3608 FM 691)

Mayor Plyler introduced Ordinance No. 6108 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT AT 3608 F.M. HIGHWAY 691, BEING LOT 1, LEGEND BANK ADDITION (LEGEND BANK NA, OWNERS; TODD YOUNG, YOUNG ENTERPRISES, REPRESENTATIVE; LEGEND BANK, TENANT; CONDUIT ARCHITECTURE + DESIGN LLC, ARCHITECT; AND FREEMAN-

MILLICAN, INC., ENGINEER/PLANNER); PROVIDING FOR A REPEALER.

Mr. Shadden said this zone change was on the north side of Sherman at FM 691, for Legend Bank. The Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the Staff Review Letter.

No citizens appeared before the City Council to discuss Ordinance No. 6108.

ORD 6109
SUP FOR
TATTOO STUDIO
(225 N. TRAVIS)

Mayor Plyler introduced Ordinance No. 6109 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW MICRO-BLADING, PERMANENT MAKE-UP (TATTOO STUDIO) IN A C-1 (RETAIL BUSINESS) DISTRICT/CENTRAL BUSINESS DISTRICT AT 225 NORTH TRAVIS STREET, SUITE 300, BEING LOT 1 AND PART OF LOTS 2, 11, 12, BLOCK D, TJ SHANNON SUPPLEMENT (SHERMAN LOFTS LLC, OWNERS; HANNA MARTIN, APPLICANT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Shadden said the Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the Staff Review Letter.

Hanna Martin appeared representing the request, saying she would like to open the business and present her services.

No other citizens appeared before the City Council to discuss Ordinance No. 6109.

ORD 6110
SUP FOR AUTO SALES
& ACCESSORIES
(5615 N. FM 1417)

Mayor Plyler introduced Ordinance No. 6110 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AUTOMOBILE SALES AND ACCESSORIES IN THE EXISTING BUILDING IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1.1 (FM 1417 OVERLAY) DISTRICT AT 5615 NORTH F.M. 1417 (HERITAGE PARKWAY), BEING 3 ACRES IN THE JOHN GOODE SURVEY, ABSTRACT NO. 468 (ADVANCED BINARY LLC, OWNERS; CHARLES MALEC, REPRESENTATIVE; AND BROHARD ARCHITECTURE, ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Shadden said the SUP is for the old Mr. L's building on FM 1417. The facility will be used for vehicle sales, primarily Internet sales.

The Planning and Zoning Commission recommended approval of the Specific Use Permit, subject to the Staff Review Letter.

Charles Malec appeared representing the request. He said they are moving their Dallas operation to Sherman, into a building that has been vacant for 10 years. They sell classic cars and the facility will not "look cheap" or have banners.

No other citizens appeared before the City Council to discuss Ordinance No. 6110.

The Public Hearing was closed.

<u>ADOPTION OF ORDINANCES</u>

<u>Ordinance 6106</u>

**ORD 6106
SUP FOR MOVIE THEATER, BOWLING ALLEY, ARCADE IN BLALOCK DISTRICT (100-200 BLOCKS E. FM 1417 & 3700 BLOCK S. HWY 75)**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 410 (2)(J), ORDINANCE NO. 2252, ARTICLE IV AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A MOVIE THEATER/ BOWLING ALLEY/ARCADE (COMMERCIAL AMUSEMENT CENTER) IN THE BLALOCK INDUSTRIAL PARK/BLALOCK COMMERCIAL OVERLAY DISTRICT/O-1.1 (FM 1417 OVERLAY) DISTRICT, C-1 (RETAIL BUSINESS) DISTRICT AND C-2 (GENERAL COMMERCIAL) DISTRICT IN THE 100-200 BLOCKS OF EAST F.M. 1417 (VIETNAM VETERAN'S PARKWAY) AND THE 3700 BLOCK OF SOUTH U.S. HIGHWAY 75, BEING 22.330 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/SURVEYOR; AND HODGES ARCHITECTURE, ARCHITECT); PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

<u>Ordinance 6107</u>

**ORD 6107
SUP FOR FARM EQUIPMENT SALES, SERVICE, REPAIRS, FEED STORE (2725 N. HWY 75)**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A FARM EQUIPMENT SALES, SERVICE, REPAIRS, FEED STORE WITH OUTDOOR STORAGE/DISPLAYS IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1 (75 & 82 OVERLAY) DISTRICT AT 2725 NORTH U.S. HIGHWAY 75, BEING LOT 5, BLOCK 1 OF THE TEXOMA CROSSING ADDITION, A REPLAT OF LOTS 5 AND 5A (S&W-AL LLC, OWNERS; ORSCHELN'S FARM & HOME, TENANT; JAKE LONG, GLOVE CON, INC., REPRESENTATIVE; 21 DESIGN GROUP, CIVIL ENGINEER/SURVEYOR; AND PW ARCHITECTS, INC., ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN

CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Steele asked if Orscheln's Farm & Home Store would enclose or add onto the outdoor storage area at the facility and what they would store in the parking spots.

Mr. Shadden said it would be in the existing building. Mr. Orscheln said they would store utility trailers on the west side of the building in some of the parking area. Mr. Shadden said this storage would be limited by the Staff Review Letter.

ORD 6108
ZONE CHANGE
(3608 FM 691)

Ordinance 6108
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT AT 3608 F.M. HIGHWAY 691, BEING LOT 1, LEGEND BANK ADDITION (LEGEND BANK NA, OWNERS; TODD YOUNG, YOUNG ENTERPRISES, REPRESENTATIVE; LEGEND BANK, TENANT; CONDUIT ARCHITECTURE + DESIGN LLC, ARCHITECT; AND FREEMAN-MILLICAN, INC., ENGINEER/PLANNER); PROVIDING FOR A REPEALER.

ORD 6109
SUP FOR
TATTOO STUDIO
(225 N. TRAVIS)

Ordinance 6109
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW MICRO-BLADING, PERMANENT MAKE-UP (TATTOO STUDIO) IN A C-1 (RETAIL BUSINESS) DISTRICT/CENTRAL BUSINESS DISTRICT AT 225 NORTH TRAVIS STREET, SUITE 300, BEING LOT 1 AND PART OF LOTS 2, 11, 12, BLOCK D, TJ SHANNON SUPPLEMENT (SHERMAN LOFTS LLC, OWNERS; HANNA MARTIN, APPLICANT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Steele asked about the difference between permanent make-up and tattoos. Mr. Shadden explained that the State of Texas requires a permanent make-up facility to have a tattoo license. The City's ordinance requires a tattoo shop to have a Specific Use Permit.

Because the permanent make-up facilities are required to get a tattoo license from the State, they are caught between the two requirements. The permanent make-up is limited to the face and only permits the applicant to provide the service. It is not transferrable.

Council Member Steele verified that, with the City's SUP, they can only provide permanent make-up.

ORD 6110
SUP FOR AUTO SALES & ACCESSORIES (5615 N. FM 1417)

<u>Ordinance 6110</u>
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AUTOMOBILE SALES AND ACCESSORIES IN THE EXISTING BUILDING IN A C-1 (RETAIL BUSINESS) DISTRICT/O-1.1 (FM 1417 OVERLAY) DISTRICT AT 5615 NORTH F.M. 1417 (HERITAGE PARKWAY), BEING 3 ACRES IN THE JOHN GOODE SURVEY, ABSTRACT NO. 468 (ADVANCED BINARY LLC, OWNERS; CHARLES MALEC, REPRESENTATIVE; AND BROHARD ARCHITECTURE, ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Ordinance Nos. 6106, 6107, 6108, 6109, and 6110, as presented. Second by Council Member Steele.

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

Mayor Plyler said "for transparency" he wanted everyone to note that he did not vote for or against any of these ordinances.

CONSENT AGENDA

<u>CONSENT AGENDA</u>
The Council reviewed the Consent Agenda. Deputy Mayor Howeth moved to approve the Consent Agenda, as presented. Second by Council Member Teamann. All present voted AYE.

<u>RESOLUTIONS</u>

RES 6361
ONCOR DISTRIBUTION COST RECOVERY FACTOR

<u>RESOLUTION NO. 6361 – FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S ("ONCOR" OR "COMPANY") APPLICATION FOR APPROVAL OF A DISTRIBUTION COST RECOVERY FACTOR PURSUANT TO 16 TEX. ADMIN. CODE § 25.243 TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S ("ONCOR" OR "COMPANY") APPLICATION FOR APPROVAL OF A DISTRIBUTION COST RECOVERY FACTOR PURSUANT TO 16 TEX. ADMIN. CODE § 25.243 TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

Brandon Shelby, City Attorney, said this is the ordinance that the Council sees annually from the Oncor Steering Committee. The legal counsel has advised the cities to deny Oncor's application for a rate increase.

ACTION TAKEN.

Motion by Council Member Teamann to approve Resolution No. 6361, as presented. Second by Council Member Stevenson.

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

RES 6362
SAFER GRANT FOR HIRING FIREFIGHTERS

<u>RESOLUTION NO. 6362 – AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) GRANT AWARDED UNDER THE U.S. DEPARTMENT OF HOMELAND SECURITY – FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) TO FUND THE HIRING OF NEW, ADDITIONAL FIREFIGHTERS FOR THE SHERMAN FIRE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY</u>

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF AN APPLICATION FOR THE STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) GRANT AWARDED UNDER THE U.S. DEPARTMENT OF HOMELAND SECURITY – FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) TO FUND THE HIRING OF NEW, ADDITIONAL FIREFIGHTERS FOR THE SHERMAN FIRE DEPARTMENT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY.

Danny Jones, Fire Chief, said they are asking for authorization to submit an application for a SAFER grant to fund the hiring of six additional firefighters. The grant is offered to help fire departments meet industry standards and to obtain adequate staffing.

If awarded, Sherman would use the funding to hire the additional firefighters, which would be the start of addressing future needs for the growth of the City, an increase in call volumes, and the future need of an additional fire station.

The grant will fund 75% of the actual cost incurred in years one and two, and 35% in year three. The estimated annual cost to the City would be approximately $110,000 per year for the first two years, and approximately $300,000 for the third year.

Chief Jones added that a significant offset to the cost would be realized in the reduction of overtime by the department.

Council Member Teamann confirmed that, if approved, the City would be "bound to" the grant for the entire three year window.

Deputy Mayor Howeth asked if the City would be able to continue to pay for the officers after the three year funding was complete. Mr. Hefton said this is part of the operational plan to "staff up" for Fire Station No. 6.

He said he has also asked Chief Jones to review runs over the last several years, and found that runs have increased nearly 15% over the last two years. The City hasn't grown by 15% over that time period, so runs are increasing at a greater rate than the population is increasing.

The plan is to add a Fire Station No. 6, probably on the west side of town, to handle this growth. The plan would be to hire the employees anyway, but the timing would be based on the grant application deadline.

He said normally this discussion would be part of the budget talks, but the grant deadline is April 27, 2018. An announcement on the grant should be made in June or July of 2018. If the City doesn't receive the grant, Mr. Hefton said another discussion will be held about how many people to hire.

Council Member Teamann asked if they approved applying for the grant, but it was determined later that the City could either hire these firefighters or fund an employee raise, would they have the option to not move forward with the grant.

Mr. Hefton said they would find a way to do both and make adjustments to the plan. The request for year one is $110,000. That would be equivalent to one day of General Fund reserves, and he would recommend taking one more day out of the reserves to fund the positions. The City is in shape where they could make it work, he added.

ACTION TAKEN.

Motion by Deputy Mayor Howeth to approve Resolution No. 6362, as presented. Second by Council Member Holland.

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

<u>RESOLUTION NO. 6364 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH DAVID AND TRACEY DOWNTAIN D/B/A RISEN PROPERTIES, LLC UNDER THE CITY OF SHERMAN'S CENTRAL BUSINESS DISTRICT HISTORIC BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM FOR IMPROVEMENTS TO 328-330 WEST LAMAR STREET</u>

RES 6364
CBD HISTORIC BLDG RESTORATION GRANT (328-330 W. LAMAR)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH DAVID AND TRACEY DOWNTAIN D/B/A RISEN PROPERTIES, LLC UNDER THE CITY OF SHERMAN'S CENTRAL BUSINESS DISTRICT HISTORIC BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM FOR IMPROVEMENTS TO 328-330 WEST LAMAR STREET.

Nate Strauch, Community and Support Services Manager, said this is the second application that the City has received in FY 2018 for the Downtown Façade Grant.

They have met all the requirements for the grant and the location and historical significance of the building would qualify.

David Downtain appeared representing the request, and said they feel the building is ideal for the public/private investment for restoration of the building. The building is the old Porterfield Candy Company building, located at Rusk and Lamar Streets. It was constructed in 1938 and has had many uses over the past years, including textile production. Today it houses multi-tenants.

He said their plan for the building is to do some exterior renovations; infrastructure updates, such as electrical, plumbing, HVAC; and exterior upgrades, including awnings, new stairways, fire escapes, reflective windows. They are making a major investment in the building.

They hope to add some loft apartments to the building but have excluded the costs for the residential lofts from the application.

Deputy Mayor Howeth asked about the back parking lot. Mr. Downtain said they plan to change the aesthetics of the building all the way around. They plan to add planters in the front and some curbside parking. He added that the area is considered the gateway into the Central Business District.

ACTION TAKEN.
Motion by Council Member Stevenson to approve Resolution No. 6364, as presented. Second by Deputy Mayor Howeth.
VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6365 DEVELOPMENT AGREEMENT (WEST CANYON CREEK ESTATES)

<u>RESOLUTION NO. 6365 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH WEST CANYON CREEK PROPERTIES, LTD. FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN WEST CANYON CREEK ESTATES, SECTION 1, AN 8.52-ACRE DEVELOPMENT OFF OF CANYON CREEK DRIVE, BETWEEN LAMBERTH ROAD AND SHADY OAKS LANE IN THE CITY OF SHERMAN</u>
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH WEST CANYON CREEK PROPERTIES, LTD. FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN WEST CANYON CREEK ESTATES, SECTION 1, AN 8.52-ACRE DEVELOPMENT OFF OF CANYON CREEK DRIVE, BETWEEN LAMBERTH ROAD AND SHADY OAKS LANE IN THE CITY OF SHERMAN.
CONSENT AGENDA.

REQ TO ADVERTISE ANNUAL AUDIT

<u>REQUEST TO ADVERTISE</u>
<u>SERVICES TO PERFORM THE ANNUAL AUDIT FOR THE PERIOD ENDING SEPTEMBER 30, 2018</u>
The City Council approved the request to advertise for services to perform the Annual Audit for the period ending September 30, 2018.

Five years ago a contract was awarded to Adami, Lindsey & Company, LLP to provide for the Annual Audit. All renewals for the audit services provided in that contract have expired.
CONSENT AGENDA.

NORTH TRAVIS ST. WATER MAIN REPLACEMENT

<u>NORTH TRAVIS STREET WATER MAIN REPLACEMENT</u>
The City Council approved the request to advertise for the North Travis Street Water Main Replacement.

The current Capital Improvement Program contains a project to replace a major water main along Travis Street, from U.S. Highway 82 to Northcreek Drive. The existing water main has deteriorated and requires replacement.
CONSENT AGENDA.

CHANGE ORDERS WEST CANYON CREEK EXTENSION PROJECT

<u>CHANGE ORDER NO. 2</u>
<u>WEST CANYON CREEK EXTENSION PROJECT; LYNN VESSELS CONSTRUCTION, LLC; $20,434.07 DECREASE</u>
Clint Philpott, Director of Engineering, said this was a final change order and final payment for the West Canyon Creek Extension Project.

There were some cost savings for the project, including grading along the ditch and some of the signage that the City was able to complete in-house.

Council Member Steele said even though this was a decrease in the contract price, earlier there was an increase of $367,000. He confirmed that overall, it was a net increase of $347,000 or about 16% of the total cost.

ACTION TAKEN.
> **Motion by Council Member Teamann to approve Change Order No. 2 to Vessels Construction, LLC, for a $20,434.07 decrease, for the West Canyon Creek Extension Project, as presented. Second by Council Member Holland.**

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

SHERMAN INDUSTRIAL PARK REPLACEMENT SEWER

<u>CHANGE ORDER NO. 3</u>
<u>APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENT TO EXECUTE CHANGE ORDER NO. 3; SHERMAN INDUSTRIAL PARK REPLACEMENT SEWER; LYNN VESSELS CONSTRUCTION, LLC; $11,178.25 INCREASE</u>
Mark Gibson, Director of Utilities, said this change order was for the industrial sewer that was being constructed in the Blalock Industrial District.

The increase was needed because the existing sewer from the west was actually 3.75 inches lower that indicated on the construction plans. This allowed the contractor to increase the size of 380 feet of sewer from 15-inch pipe to 18-inch pipe, which will allow the sewer to maintain the design flow capacity while being placed on a flatter grade between manholes.

Mr. Gibson said an additional $1,840 was added to connect Hart Lumber sewer service to the new sewer. Hart Lumber did not exist at the time of the project's initiation.

ACTION TAKEN.

> **Motion by Deputy Mayor Howeth to approve Change Order No. 3 to Lynn Vessels Construction, LLC, for a $11,178.25 increase, for the Sherman Industrial Park Replacement Sewer, as presented. Second by Council Member Stevenson.**

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

WATER TREATMENT PLANT EXPANSION

<u>CHANGE ORDER NO. 3</u>
<u>APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENT TO EXECUTE CHANGE ORDER NO. 3; SHERMAN WATER TREATMENT PLANT EXPANSION PROJECT; MWH CONTRACTORS, INC.; $159,518.00 INCREASE</u>

Mr. Gibson said this change order included 11 different items for the Water Treatment Plant Expansion Project. He added that all items fit the City's philosophy of changes to make a safer structure, a safer work environment for the personnel, to provide for a more efficient operation of the plant or the processes, or to downgrade or eliminate any future problems that can be remedied during the construction process.

He said each of these changes meets these requirements and will make for a better end project. It does increase the cost of the project, however the staff feels that the cost will be "downplayed" by limiting future liabilities that could occur.

Mr. Gibson said one of the major changes included was the $41,000 increase in a valve. This change was needed because of a requirement in the bonding process with the Texas Water Development Board, that requires valves to be American-made, iron steel for the equipment that goes into the plant. That requirement increased the cost of that one valve by $41,000.

Deputy Mayor Howeth said this was a huge amount of money to have missed and she asked why the staff didn't "catch this" with the original bid. Council Member Steele said there didn't seem to be any accountability and asked if the requirements for the valve were brought out during the design phase.

Mr. Gibson said when the original valve was bid, it was thought that it qualified. When it was found later that it did not, the City

tried to get a waiver from the Water Development Board. They were unable to obtain the waiver.

Council Member Steele said, on this project, there was an $800,018 increase to date and the project is about half completed. He asked about the contingency amount that was built into the costs.

Drew Satterwhite, General Manager, Greater Texoma Utility Authority, said they issued 9.7% in contingency, which is a little lower than they would normally go. Currently they are just under 3.5% contingency.

Council Member Steele asked what happens if the entire contingency is exceeded. Mr. Satterwhite said the project is about 50% complete and he did not feel it would reach the 9.7% contingency.

Council Member Steele did say that on a $23 million project, $800,018 didn't look as significant, but it is a lot of money. The three change orders on this agenda do add up. He felt there should be more insight, or up-front diligence on the bidding process. He said there was a $1.2 million increase on these three projects.

Mr. Hefton confirmed that the first change order for the Canyon Creek Extension Project for a little over $300,000, was to reroute the storm drain into the existing regional detention pond. That change order was initiated by the City. Some are initiated by the contractor, after ways may be found to minimize the impact of the project.

He added that the staff is very sensitive to change orders, but about half of these are initiated by the staff as a better way is found to handle the projects.

Mr. Hefton agreed that an $800,000 change order is a big change order. They do try to "build in" contingencies on a project to address the things they didn't anticipate would happen.

Deputy Mayor Howeth wanted to be sure the City is being transparent to the citizens. She said the update on the Water Treatment Plant is needed, but was concerned about things being added on after the bid is approved. She felt they were being "deceived" a little and wanted to be sure the costs were being "kept down" for the citizens.

Mayor Plyler asked how the change order is evaluated before it comes to the City staff. Mr. Gibson said a change order can come from the contractor, the engineer, or the City staff. Mr. Satterwhite reviews it for GTUA, Mr. Gibson reviews it at the City staff level, and the Operations and Maintenance person at the Water Plant reviews it to see if there is value and if it is worth pursuing.

Council Member Teamann confirmed that the Council was considering the change order prior to the work actually being done.

Council Member Steele did not feel the staff was being deceitful and he did feel they are doing their due diligence, but said it is frustrating to see change orders over and over again. He said they do add up.

ACTION TAKEN.

> **Motion by Council Member Steele to MWH Contractors, Inc., for a $159,518 increase, for the Sherman Water Treatment Plant Expansion Project, as presented. Second by Deputy Mayor Howeth.**

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

<u>OTHER BUSINESS</u>

<u>RECOGNITION OF CITY OF SHERMAN AWARD: "2017 ACHIEVEMENT OF EXCELLENCE IN LIBRARIES AWARD"</u>

EXCELLENCE IN LIBRARIES AWARD

Mayor Plyler read a letter from the Texas Municipal Library Directors Association advising that the Sherman Public Library has been awarded the 2017 Texas Achievement in Library Excellence Award.

Libraries awarded this honor were required to meet a high level of excellence in their programming and services, and only 52 libraries out of 548 Texas public library systems were awarded this honor. That puts the Sherman Public Library in the top 10% of public libraries in the State of Texas.

He presented a plaque to Melissa Eason, Library Services Manager, designating the Sherman Public Library as a recipient of the "2017 Achievement of Excellence in Libraries Award."

Ms. Eason thanked the City Council saying this award was special because it recognizes that the Library provides more to the community than just books. With a staff of only nine, they have had to show their creativity and flexibility this past year with their programming. She outlined the various activities, that were all done in addition to their regular library duties.

<u>CONSIDER DESIGNATING AN AREA AS THE "SHERMAN CULTURAL DISTRICT"</u>

SHERMAN CULTURAL DISTRICT

Cary Wacker, Former Mayor and Austin College Associate Vice President for Institutional Advancement and Director of the Center for Community and Regional Development, outlined the proposed boundaries for the Sherman Cultural District. The proposed boundaries coincide almost exactly with the Main Street District.

The new area that will be submitted under the Texas Cultural District Program will include the designation of the area

bounded by Cherry Street, Montgomery Street, Mulberry Street, Walnut Street, Hill Street, and Sam Rayburn Freeway. The new area would be known as the "Sherman Cultural District."

Ms. Wacker said this expanded area will give much more diversity in the area, and will include ethnic groups, cultural activities, and businesses. This will allow for more inclusiveness and help showcase what Sherman has to offer.

She said, last week, several Town Hall Meetings were held to gather feedback from groups and individuals on their favorite and least favorite things about the downtown area. They also offered great ideas for the future, which will be shared with the City of Sherman.

ACTION TAKEN.

Motion by Council Member Teamann to designate the area bounded by Cherry Street, Montgomery Street, Mulberry Street, Walnut Street, Hill Street, and Sam Rayburn Freeway, as the "Sherman Cultural District", as presented. Second by Council Member Holland.

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

FINAL PLAT APPROVAL OF BROOKSTONE ESTATES ADDITION, BEING 23.466 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; SSCGC HOLDINGS, LLC, OWNERS; BROOKSTONE ESTATES DEVELOPMENT JOINT VENTURE, DEVELOPER; VILBIG AND ASSOCIATES, CIVIL ENGINEER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR [1400-1600 BLOCKS OF SOUTH F.M. 1417 (HERITAGE PARKWAY)]

APPROVE FINAL PLAT BROOKSTONE ESTATES (1400-1600 BLOCKS SOUTH FM 1417)

The City Council approved the Final Plat of Brookstone Estates Addition, located in the 1400 to 1600 blocks of South F.M. 1417. The 23.466 acre tract is located between Quail Run Road and Park Avenue, north of the Pebblebrook Subdivision.

The owners would like to plat the property into 87 lots for residential development. The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF CHEN ADDITION, BEING 1.572 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763; SHOU-HUNG CHEN AND TAO-MIN CHEN, OWNERS; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (1523 AND 1609 TEXOMA PARKWAY)

APPROVE FINAL PLAT CHEN ADDITION (1523 & 1609 TEXOMA PKWY)

The City Council approved the Final Plat of Chen Addition, located at 1523 and 1609 Texoma Parkway. The 1.572 acre tract is located between U.S. Highway 75 and Broughton Street, and is zoned a C-2 (General Commercial) District.

The owners would like to plat the property into two lots for future development. The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

CITIZENS REQUESTS

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

MEDIA QUESTIONS

<u>MEDIA QUESTIONS</u>
There were no media questions.

<u>COUNCIL COMMENTS</u>

JAZZ FESTIVAL

<u>JAZZ FESTIVAL</u>
Deputy Mayor Howeth complimented the organizers of the recent Jazz Festival. She and her husband really enjoyed the event. She said it was a great turn-out and it was great to meet Doc Severinsen.

THANKS TO CITY MGMT, FIRE & POLICE DEPTS

<u>THANKS TO CITY MANAGEMENT, FIRE DEPARTMENT AND POLICE DEPARTMENT</u>
Council Member Teamann thanked the City's Management, Fire Department, and Police Department for looking into opportunities for the citizens to save money when it comes to hiring new people. We will need to hire firefighters and police officers in the coming years and it's always good when you can leverage grant dollars.

MOTORCYCLE AWARENESS

<u>MOTORCYCLE AWARENESS</u>
Council Member Teamann recognized the importance of motorcycle awareness, adding that he rides a bicycle and a Harley.

CULTURAL ARTS DISTRICT

<u>CULTURAL ARTS DISTRICT</u>
Council Member Holland apologized for missing the Town Hall Meetings on the Cultural Arts District, especially since that's in his Council District. There was an illness in his family and he was unable to attend.

ANNOUNCEMENTS

<u>ANNOUNCEMENTS</u>
Mayor Plyler announced the following:

- **The Sherman Symphony will hold its Annual Spring Concert on April 28, 2018 in Kidd-Key Auditorium.**
- **Sherman Parks and Recreation will host another Skate Park Community Meeting on May 3, 2018, at 6:00 p.m. at their office in Martin Luther King, Jr. Park.**
- **Coffee With the Mayor will be held on May 4, 2018, at Gents Barbershop. Guest will be Dr. Jeremy McMillen from Grayson College.**

EXECUTIVE SESSION

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

SECTION 551.071 –	**CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION**
SECTION 551.071 --	**CONSULT WITH THE CITY ATTORNEY ON A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THIS CHAPTER**
SECTION 551.074	**PERSONNEL MATTERS: CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS:** **SHERMAN HIGHER EDUCATION FINANCE CORPORATION (7)**
SECTION 551.087 --	**DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:** **DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT AND DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECT**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:55 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:29 p.m. and reconvened in Open Meeting.

OPEN MEETING

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

OTIS HENRY VS CITY OF SHERMAN SETTLEMENT

OTIS HENRY VS CITY OF SHERMAN SETTLEMENT
ACTION TAKEN.
Motion by Council Member Steele to approve the settlement and dismissal of the matter of Otis Henry v. City of Sherman

under the terms negotiated and agreed to by our legal counsel. Second by Council Member Stevenson.
VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

SHERMAN HIGHER EDUCATION FINANCE CORPORATION BOARD

CONSIDER THE QUALIFICATIONS, APPOINTMENT AND REMOVAL OF MEMBERS TO BOARDS AND COMMISSIONS: SHERMAN HIGHER EDUCATION FINANCE CORPORATION (7)
ACTION TAKEN.
Motion by Council Member Teamann to reappoint Dr. Al Hambrick, Rad Richardson, Sheryl Bradshaw, Delinda Lough, George Rowland, Paul Bean, and Anna Laura Page to the Sherman Higher Education Finance Corporation Board of Directors, for a term from April 18, 2018 to April 18, 2020. Second by Council Member Steele.
VOTING AYE: Holland, Howeth, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

ADJOURNMENT

ADJOURNMENT
On Motion duly made and carried, the meeting adjourned at 6:31 p.m.

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MAYOR

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CITY CLERK