

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019”; 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.

Mary Lawrence, Director of Finance, said the City’s Certificates of Obligation were competitively bid this morning. The certificates will be used to finance only street projects, including payments of approximately \$11 million to the Texas Department of Transportation.

Funding will also be used for continued construction on West Travis Street, Legacy Boulevard, Moore Street by the new high school, and several other projects.

She introduced the City’s Financial Advisor Garry Kimball, President, Specialized Public Finance, Inc., and Bond Attorney Kristen Savant, Partner, Norton Rose Fulbright.

Mr. Kimball distributed copies of the bid tab for the sale of the Certificates of Obligation, saying there were 10 bids, the most ever received for a sale of this type for the City of Sherman. The low bid was submitted by Bank of America Merrill Lynch and was at a 3.07% true interest cost.

For a 25 year fixed rate, he said that was incredibly low, and was lower than the amount used for budgeting purposes, which was 3.85%. He said the bidders represented over 40 firms. Sherman was the only “high-grade” City in the market today.

Ronald Aycock, 220 E. Houston

Mr. Aycock had several questions about the timeline for the Certificates of Obligation. He asked if there was a certain timeline or number of days, from when the process starts to the time a vote is taken.

Brandon Shelby, City Attorney, said the City advertised that the bonds would be voted on at tonight’s meeting, but at the time they did not know who the low bidder would be. The bonds were sold this morning.

Mr. Kimball said there is a State-mandated, statutory minimum of 31 days between the publication of the Notice of Intent and the date of the award of the sale. There is no maximum

timeframe. The Notice must include the use of the proceeds and the date when the Council will take action to award the sale of the Certificates. By State statute, that must be a minimum of 31 days.

Mr. Aycock said Ms. Lawrence mentioned several street projects that will be included under the Certificates of Obligation. He asked if there would be more information for the public on the projects that this money would fund and how much would be spent on each specific project.

Robby Hefton, City Manager, said there are budgets for each project, but the staff won't know the actual amount until the project is bid. Mr. Shelby added that there are cost estimates, but he City will award the bid to the low bidder.

Mr. Aycock questioned if the cost of the project will be available prior to the project construction. Mr. Hefton said the award of bid will come before each project is started. The City Council will consider each project individually, over the next 12 to 18 months. The cost and specifics of each project will be discussed by the City Council at that time.

Mr. Aycock was concerned that the cost of the project would not be publicized prior to a vote by the City Council. Mr. Hefton said every meeting where the Council considers a contract for construction will be a public meeting, which will be noticed, with an agenda published, and the amounts available.

Deputy Mayor Teamann said the Council has seen these projects and their expected cost several times. Every time one of the projects comes back for bid it will be voted on with a specific dollar amount. The Council and the staff won't know the exact cost until the bids are received.

Mr. Aycock asked why the staff didn't get the cost first and then do the Certificates of Obligation. Mr. Kimball said, in most cases, State law requires that you can't bid a contract until funds are in the bank. Therefore, a City can't get the final cost for a project, unless the full amount is in the bank. Council Member Melton reiterated that the City is following State law.

No other citizens appeared before the City Council to discuss Ordinance No. 6200.

Mayor Plyler introduced Ordinance No. 6201 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE AND REFUNDING BONDS, SERIES 2019 (CITY OF SHERMAN PROJECT); APPROVING THE ISSUANCE THEREOF, THE REFUNDING OF CERTAIN OUTSTANDING BONDS OF THE AUTHORITY AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY THE AUTHORITY FOR THE BENEFIT OF THE CITY.

ORD 6201
GTUA BONDS FOR
WATER & SEWER
PROJECTS

Ms. Lawrence said the City contracts with the Greater Texoma Utility Authority to secure funding for utility projects. This issue is to refund some 2008 and 2009 bonds, and provides additional funding for some water and wastewater projects.

She introduced Drew Satterwhite, General Manager for GTUA, and said Mr. Kimball is also the Financial Advisor for GTUA. Mr. Kimball distributed a handout covering the request. He said they constantly monitor the bond debt that was previously issued, looking for opportunities to refinance that debt.

He said there are currently four series of bond issues by GTUA, for the City of Sherman, that would be “in the money” to refinance. He said there are about \$7.3 million worth of bonds that have an average interest rate of almost 4%. They felt they could reduce that almost 4% rate to about 2.63%, based on the current market.

Mr. Kimball said that amount has not been locked in yet, because they need the Council’s authorization prior to the transaction. That would result in a savings of about \$320,000 over an 11 year period, or about \$29,000 annually for 11 years.

The net present value would be a little over \$274,000, or 3.76% on the face amount of the bonds. An “in the money” deal is anything that produces over 3% net present value.

He asked for the Council’s permission to move forward with the refinancing. GTUA approved the refinancing earlier today.

No other citizens appeared before the City Council to discuss Ordinance No. 6201.

Mayor Plyler introduced Ordinance No. 6202 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 R-2 (MULTI-FAMILY RESIDENTIAL) DISTRICT AT 5217 NORTH TRAVIS STREET, BEING 6.635 ACRES IN THE ALEXANDER & RICHARDS SURVEY, ABSTRACT NO. 42 (RYAN FAMILY TRUST, OWNERS; BRANDON MILLER, PROSPECTIVE BUYER); PROVIDING FOR A REPEALER.

ORD 6202
ZONE CHANGE
(5217 N. TRAVIS)

Scott Shadden, Director of Development Services, said this request is a zone change from SF-1 (Single Family) to MF (Multi-Family), on North Travis Street. The owner would like to construct apartments.

The Planning and Zoning Commission recommended approval of the zone change, subject to the Staff Review Letter.

Brandon Miller, the prospective buyer, was in attendance to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6202.

Mayor Plyler introduced Ordinance No. 6203 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 R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 205 AND 215 EAST BROCKETT STREET, BEING ALL OF LOT 3 AND PART OF LOTS 4, 5 AND 6, BLOCK 4, BOND'S SUPPLEMENT NUMBER TWO, CONTAINING 0.392 ACRES IN THE J.B. McANAI SURVEY, ABSTRACT NO. 763 (MAE LOU WRIGHT, OWNER; RALPH AND ROSALIND HOLT, REPRESENTATIVES; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

ORD 6203
ZONE CHANGE
(205 & 215 E.
BROCKETT)

Mr. Shadden said this is the former Wayside Florist property, which was zoned C-1, and the property owner has requested to change to R-1. The property is adjacent to R-1 zoning.

The Planning and Zoning Commission recommended approval of the zone change, subject to the Staff Review Letter.

No citizens appeared before the City Council to discuss Ordinance No. 6203.

Mayor Plyler introduced Ordinance No. 6204 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 AN AMENDMENT TO THE SPECIFIC USE PERMIT TO ALLOW AN AUTOMOBILE BODY REPAIR SHOP FOR SHERMAN COLLISION REPAIR IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1.2 (SAM RAYBURN OVERLAY) DISTRICT AT 1317 SOUTH SAM RAYBURN FREEWAY, BEING LOT 1 OF THE SCR 1 ADDITION, BEING A REPLAT OF A PART OF LOT 8, BLOCK 23 AND A PART OF LOT 4, BLOCK 24 AND PART OF THE FORMER HESTER STREET RIGHT-OF-WAY BETWEEN BLOCKS 23 AND 24, B.H. MOORE HEIRS ADDITION (SHERMAN COLLISION REPAIR, LLC, OWNERS; AND TERRY MOORE, REPRESENTATIVE); 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.

ORD 6204
AMEND SUP FOR
AUTO BODY
REPAIR SHOP
(1317 S.
SAM RAYBURN)

Mr. Shadden said Collision Repair would like to add another 3,600 square foot building at their current facility. The request is subject to them bringing the metal building to the masonry requirement within one year. The Planning and Zoning Commission also required them to put aluminum and glass doors on the bays, instead of the regular overhead doors.

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

Terry Moore, representative, was in attendance to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6204.

Mayor Plyler introduced Ordinance No. 6205 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 NEW AND USED COMPACT AND CONSTRUCTION EQUIPMENT SALES, PARTS, RENTALS, AND SERVICE WITH DISPLAYS IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 4612 TEXOMA PARKWAY, BEING 2.698 ACRES IN THE W.F. PATTERSON SURVEY, ABSTRACT NO. 969 AND THE JOHN HENDRIX SURVEY, ABSTRACT NO. 503 (MLJ REAL ESTATE, LP, OWNERS; RANDY VICKERS, BERRY COMPANIES, INC., PROSPECTIVE BUYER; AND COX LAND 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.

ORD 6205
SUP FOR NEW
& USED EQUIPMENT
(4612 TEXOMA PKWY)

Mr. Shadden said this is a Specific Use Permit to allow the sale, service, repair, and display of construction equipment in the old Haverty's building on Texoma Parkway.

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

Randy Vickers, Berry Companies, Inc., the prospective buyer, was in attendance to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 6205.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6200

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF SHERMAN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019"; 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

ORD 6200
CERTIFICATES OF
OBLIGATION

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

Council Member Steele asked if the City was receiving good rates on their bond sales because of their AA bond rating and asked what justified that bond rating.

Mr. Hefton said the City's bond rating is similar to an individual's credit rating, and is the primary basis for the rates the City receives. It also depends on how many issues are on the table for sale at the same time.

The City's "credit worthiness" is what sets the rates for the bonds that the City issues. The City currently has a AA rating, and has had that for several years. Standard & Poor's outlook for the City is a "stable outlook," with high marks.

He added that there are some metrics that are used, of which the City has no control. For example, the City is at the highest bond rating available without the average value of homes in Sherman doubling.

Mr. Hefton said the City's AA bond rating has been sustained for several years and is the primary basis for the City getting a 3.07% rate on a 25 year debt.

Council Member Steele added that it also has to do with the way the City reports things, shares information, and the transparency. Mr. Hefton said there are many different factors and they really don't tell you how those factor in.

Mr. Kimball said there are probably 20 different specific objective measures that they look at. But it is an analysis of your ability to pay and your willingness to pay. The rating is really assigned on behalf of the investors and the municipal bond investment community.

Mr. Kimball said Sherman's AA rating is considered "very high grade paper." There are only eight "triple triples" in the State of Texas. The AA rating is the same as the United States of America, in terms of Standard & Poor's credit quality.

He said bond sales do relate to supply and demand, but disclosure is a huge item too. Without proper disclosure on an annual basis, bidders will refuse to bid on your paper.

The City has satisfied all of the requirements of the SEC rules for full disclosure and no bidders failed to bid because of disclosure issues. Mr. Kimball said that does happen.

Ordinance 6201

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RELATING TO GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE AND REFUNDING BONDS, SERIES 2019 (CITY OF SHERMAN PROJECT); APPROVING THE ISSUANCE THEREOF, THE REFUNDING OF

ORD 6201
GTUA BONDS FOR
WATER & SEWER
PROJECTS

CERTAIN OUTSTANDING BONDS OF THE AUTHORITY AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY THE AUTHORITY FOR THE BENEFIT OF THE CITY.

Ordinance 6202

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 R-2 (MULTI-FAMILY RESIDENTIAL DISTRICT AT 5217 NORTH TRAVIS STREET, BEING 6.635 ACRES IN THE ALEXANDER & RICHARDS SURVEY, ABSTRACT NO. 42 (RYAN FAMILY TRUST, OWNERS; BRANDON MILLER, PROSPECTIVE BUYER); PROVIDING FOR A REPEALER.

ORD 6202
ZONE CHANGE
(5217 N. TRAVIS)

Ordinance 6203

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 R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AT 205 AND 215 EAST BROCKETT STREET, BEING ALL OF LOT 3 AND PART OF LOTS 4, 5 AND 6, BLOCK 4, BOND'S SUPPLEMENT NUMBER TWO, CONTAINING 0.392 ACRES IN THE J.B. McANAI SURVEY, ABSTRACT NO. 763 (MAE LOU WRIGHT, OWNER; RALPH AND ROSALIND HOLT, REPRESENTATIVES; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

ORD 6203
ZONE CHANGE
(205 & 215 E. BROCKETT)

Ordinance 6204

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 AN AMENDMENT TO THE SPECIFIC USE PERMIT TO ALLOW AN AUTOMOBILE BODY REPAIR SHOP FOR SHERMAN COLLISION REPAIR IN A C-2 (GENERAL COMMERCIAL) DISTRICT/O-1.2 (SAM RAYBURN OVERLAY) DISTRICT AT 1317 SOUTH SAM RAYBURN FREEWAY, BEING LOT 1 OF THE SCR 1 ADDITION, BEING A REPLAT OF A PART OF LOT 8, BLOCK 23 AND A PART OF LOT 4, BLOCK 24 AND PART OF THE FORMER HESTER STREET RIGHT-OF-WAY BETWEEN BLOCKS 23 AND 24, B.H. MOORE HEIRS ADDITION (SHERMAN COLLISION REPAIR, LLC, OWNERS; AND TERRY MOORE, REPRESENTATIVE); 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.

ORD 6204
AMEND SUP FOR
AUTO BODY
REPAIR SHOP
(1317 S. SAM RAYBURN)

Council Member Steele confirmed that there would be no outside storage of cars at the facility.

Ordinance 6205

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 9, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW NEW AND USED COMPACT AND CONSTRUCTION EQUIPMENT SALES, PARTS, RENTALS, AND SERVICE WITH DISPLAYS IN A C-2 (GENERAL

ORD 6205
SUP FOR NEW
& USED EQUIPMENT
(4612 TEXOMA PKWY)

COMMERCIAL) DISTRICT AT 4612 TEXOMA PARKWAY, BEING 2.698 ACRES IN THE W.F. PATTERSON SURVEY, ABSTRACT NO. 969 AND THE JOHN HENDRIX SURVEY, ABSTRACT NO. 503 (MLJ REAL ESTATE, LP, OWNERS; RANDY VICKERS, BERRY COMPANIES, INC., PROSPECTIVE BUYER; AND COX LAND 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 if it would be allowable for them to park their construction equipment in the front parking lot of the store. Mr. Shadden confirmed, that their request included parking new and used equipment that is for sale, in the parking lot.

Council Member Steele confirmed that they could not park inoperable vehicles that were being serviced in the parking lot. Mr. Shadden said no dismantled junk or vehicle parts would be allowed outside.

ACTION TAKEN.

Motion by Council Member Steele to approve Ordinance Nos. 6200, 6201, 6202, 6203, 6204, and 6205, as presented.

Second by Council Member Stevenson.

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

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Mr. Aycock asked to remove Item C-3, entitled "Resolution 6476 – Authorizing Execution of an Encroachment Easement to M&G Home Builders, LLC for the Installation of a Private Sanitary Sewer Service Lateral Line within the Platted Right of Way running North and South along North Branch Street in the J.Q.A. Carter's Addition for Sanitary Sewer Services at 1104 North Branch Street in the City of Sherman, Texas", from the Consent Agenda for consideration in its regular order of business.

Mr. Aycock asked if he could speak on Item C-3. Mayor Plyler said he could not, but the City Council would discuss the item separately. Mr. Shelby explained that citizens were allowed to speak during the Public Hearing portion of the meeting, but that has been closed. The next opportunity for citizens to speak is under Citizen's Requests.

Council Member Melton clarified that, if a citizen removes an item from the Consent Agenda, he doesn't get to speak on that item. Mr. Shelby said that item wasn't advertised for Public Hearing. He can discuss the item in Citizen's Requests.

CONSENT AGENDA

Mr. Aycock clarified that the Citizen's Requests are on the agenda after the item will be discussed and voted on by the Council.

Mr. Shelby said that the agenda states that a citizen can request that a specific item be discussed and voted on separately.

Council Member Stevenson moved to approve the Consent Agenda, with the exception of Item C-3, which will be discussed in its regular order of business. Second by Council Member Holland. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 6474 – FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S ("ONCOR" OR "COMPANY") APPLICATION FOR APPROVAL TO AMEND ITS 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
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 TO AMEND ITS 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.

RES 6474
ONCOR RATE
INCREASE

Mr. Shelby said on April 8, 2019, Oncor exercised their right to file a distribution cost recovery factor with the Public Utility Commission. They are seeking reimbursement for what they claim are extra costs they've encountered in delivering electricity.

They are seeking an additional \$29,433,804, which would translate to a \$0.25 in rates, which would be about \$0.34 on everyone's monthly bill.

The City's Steering Committee counsel has recommended that the rate increase be denied and that they attempt to negotiate a lower increase.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 6474, as presented. Second by Council Member Howeth.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6475 – ABANDONING A PORTION OF TWO (2) TWENTY FOOT (20') SANITARY SEWER EASEMENTS LOCATED IN LOT 4 OF THE MBG SHERMAN ADDITION, DOCUMENT NO. 2018-51, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED ON THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES, WHICH SANITARY SEWER EASEMENTS ARE RECORDED IN VOLUME 860, PAGE 407 OF THE DEED RECORDS AND IN VOLUME 1623, PAGE 302 OF THE REAL PROPERTY RECORDS OF GRAYSON COUNTY, TEXAS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ABANDONING A PORTION OF TWO (2) TWENTY FOOT (20') SANITARY SEWER EASEMENTS LOCATED IN LOT 4 OF THE MBG SHERMAN ADDITION, DOCUMENT NO. 2018-51, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED ON THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES, WHICH SANITARY SEWER EASEMENTS ARE RECORDED IN VOLUME 860, PAGE 407 OF THE DEED RECORDS AND IN VOLUME 1623, PAGE 302 OF THE REAL PROPERTY RECORDS OF GRAYSON COUNTY, TEXAS.
CONSENT AGENDA.

RES 6475
ABANDON SEWER
EASEMENTS

RESOLUTION NO. 6476 – AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO M&G HOME BUILDERS, LLC FOR THE INSTALLATION OF A PRIVATE SANITARY SEWER SERVICE LATERAL LINE WITHIN THE PLATTED RIGHT OF WAY RUNNING NORTH AND SOUTH ALONG NORTH BRANCH STREET IN THE J.Q.A. CARTER'S ADDITION FOR SANITARY SEWER SERVICES AT 1104 NORTH BRANCH STREET IN THE CITY OF SHERMAN, TEXAS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO M&G HOME BUILDERS, LLC FOR THE INSTALLATION OF A PRIVATE SANITARY SEWER SERVICE LATERAL LINE WITHIN THE PLATTED RIGHT OF WAY RUNNING NORTH AND SOUTH ALONG NORTH BRANCH STREET IN THE J.Q.A. CARTER'S ADDITION FOR SANITARY SEWER SERVICES AT 1104 NORTH BRANCH STREET IN THE CITY OF SHERMAN, TEXAS.

RES 6476
ENCROACHMENT
EASEMENT FOR
SEWER LATERAL
LINE

Mr. Aycock asked to remove Item C-3 from the Consent Agenda for consideration in its regular order of business.

Mr. Philpott said this encroachment easement is in the older part of town where there are a lot of infill or vacant lots. Some of the lots have water and sewer that connect easily, however some do not have water or sewer close that they can connect too.

In this instance, he said, there is not currently a sewer line on Branch Street. The closest sewer line is on Vernon Holland Drive.

The homebuilder is requesting an encroachment easement in the City's right-of-way, to connect a sewer line from their property to Vernon Holland Drive. Typically they are directed to contact the adjacent property owner to acquire a private easement that would not be in the right-of-way. However, the adjacent property is vacant and they have been unable to make contact with the property owner.

The City has verified with the franchise utility owners that there are no lines located in that area. The encroachment will allow them to have a private service line that attaches to the City's public line.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 6476, as presented. Second by Council Member Steele.

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

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6477 – 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

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.

RES 6477
RESIDENTIAL
TAX ABATEMENT
PROGRAM

RESOLUTION NO. 6478 – AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH BERRY COMPANIES INC. FOR THE GRANT OF INCENTIVES PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT PROGRAM AGREEMENT WITH BERRY COMPANIES INC. FOR THE GRANT OF INCENTIVES PURSUANT TO CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE.

RES 6478
380 AGREEMENT
BERRY COMPANIES

Mr. Hefton said this is a companion to Item B-7, which was a Specific Use Permit for Berry Companies Inc. to allow new and used compact and construction equipment sales, parts,

rentals, and service in the old Haverty's building, located at 4612 Texoma Parkway.

This would be the first award under the City's new Retail Recruitment Program, to encourage businesses to locate in Sherman. He said the company meets the requirement of the program, and will generate both property taxes and sales tax.

The agreement proposes to share the incremental sales tax proceeds for a two year period. Council Member Melton added that there would also be jobs attached to the business.

Council Member Steele asked about the sliding scale on the agreement. Mr. Hefton said it is not an ad valorem tax abatement, but a tax rebate. It will be a cash grant equivalent to 50% of the sales tax generated over the first two years.

The company will pay the sales tax to the State, and once a year the City will pay them for 50% of that sales tax. Based on an estimate of their sales, Council Member Steel asked what the rebate amount would be. Mr. Hefton said the company might want to share that estimate with the Council, but he felt it was confidential for the company.

Mr. Vickers said they expected the store to do \$6 million to \$8 million in sales, based on similar stores in other communities. They expect to start with 10 employees and hire up to 25 or 30. Deputy Mayor Teamann asked what percentage of their sales were actually taxable. Mr. Vickers said it varies widely, but they expected it to be about 75% to 80% in Sherman.

Council Member Howeth verified that they plan to locate in Sherman for "the long haul." Mr. Vickers said they also own the building where they will be located. They spent about a year planning a store for this area, from Whitesboro to Durant to Sherman. They plan on investing another \$400,000 to \$500,000 in the building.

Mr. Hefton added that the company was looking at other sites. Council Member Melton asked if the incentive helped bring them to Sherman. Mr. Vickers said it definitely helped.

The Haverty's building is a different repurpose of a building than what they've tried, and they were concerned. There were some properties in the other cities that fit their business better. He said this store did offer some advantages, that they hope to utilize. He added that the incentive was definitely a "mark on Sherman's side."

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 6478, as presented. Second by Council Member Teamann.

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

VOTING NAY: None.

MOTION CARRIED.

**REQUEST TO ADVERTISE
COMMUNITY DEVELOPMENT SOFTWARE**

The City Council approved the request to advertise for the purchase and implementation of community development software. The system would provide mobility solution to address time and labor limitations relating to manual paperwork in the field.

The software would also provide GIS interaction and permitting applications for the Development Services, Neighborhood Services, Code Enforcement, and Public Records Departments.

CONSENT AGENDA.

OTHER BUSINESS

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

Kent Sharp, President of the Sherman Economic Development Corporation, presented the quarterly progress report on their activities. He said SEDCO was one of 51 State organizations to receive the Texas Economic Development Council 2018 Economic Excellence Award. He said there are approximately 780 Economic Development Corporations in Texas. He recognized the SEDCO staff on this accomplishment.

SEDCO has also submitted 12 new project proposals and hosted four site visits. These companies range from one with a \$600 million investment and 1,200 jobs to one looking at an existing building with plans to hire 10 to 15 employees.

They also approved a Performance Agreement with Modular Power Solutions. MPS will invest over \$10.2 million and retain 105 jobs and SEDCO will provide a \$510,000 incentive.

They also authorized a dedication of right-of-way in Legacy Village to the City for the construction of Legacy Boulevard.

Mr. Sharp said they have discussed increased marketing and having one of the SEDCO staff attend more trade shows. By attending, they will market the land in Sherman that is available for development.

He recognized Ashton Ghaemi, Director of Research & Marketing, for her work with the shermantxjobs campaign, which lists many of the Sherman industries and the jobs they have available. They were also able to target about 250 people that were being laid off from another company, that is not located in this area. Several hundred responses were received from that community.

REQ TO ADVERTISE
COMMUNITY
DEVELOPMENT
SOFTWARE

SEDCO QUARTERLY
PROGRESS REPORT

Mr. Sharp said SEDCO is currently working on six active projects with an estimated \$244 million in investments and approximately 1,200 new jobs.

REPAIR AND REWORK THE DORCHESTER 8 TRINITY WELL UNDER AN EMERGENCY DESIGNATION

The City Council approved the repair and rework of the Dorchester 8 Trinity Well under an emergency designation. The well has suffered a failure that has rendered it inoperable. The well is the prime producer for the ground water supply zone, and is needed to meet production demands.

The repair is considered an emergency due to the time involved to repair the well, and the need to return the well to service as soon as possible to meet the oncoming Summer demands.

The staff estimated that the cost to repair the well will be between \$250,000 and \$275,000.

CONSENT AGENDA.

DORCHESTER 8
TRINITY WELL
EMERGENCY REPAIRS

CONSIDER REQUEST OF TRUE OPTIONS PREGNANCY CENTER TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE FOURTH ANNUAL “TURKEY TROT 5K & FUN RUN” ON SATURDAY, NOVEMBER 23, 2019

The City Council approved the request of True Options Pregnancy Center to temporarily close certain streets for the Fourth Annual “Turkey Trot 5K & Fun Run” on November 23, 2019.

They have asked to close Rusk Street in front of the Municipal Building for the race. They will also need traffic control assistance, cones, and barricades.

CONSENT AGENDA.

CLOSE STREETS
TURKEY TROT 5K
& FUN RUN
(NOV. 23, 2019)

FINAL PLAT APPROVAL OF MAVERICK ADDITION, PHASE TWO, BEING 0.341 ACRES IN THE J.B. McANAI SURVEY, ABSTRACT NO. 763; MJLM HOLDINGS, LLC, OWNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR (1300 NORTH BROUGHTON STREET)

The City Council approved the Final Plat of Maverick Addition, Phase Two, located at 1300 North Broughton Street. The 0.341 acre tract is zoned R-1 (One Family Residential) District and the owner would like to plat the property into two lots for residential development.

An exception was granted by the Planning and Zoning Commission to allow a 51.87 lot width in lieu of the required 60 feet in the R-1 District on Lot 1. The Commission also recommended approval of the Final Plat, subject to the Staff Review Letter.

CONSENT AGENDA.

APPROVE FINAL PLAT
MAVERICK ADDITION
(1300 N. BROUGHTON)

REPLAT APPROVAL OF LOT 1 OF THE AMENDED PLAT OF HALIBURTON ADDITION, BEING 9.524 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625; EAST

APPROVE REPLAT
HALIBURTON
ADDITION

SHERMAN BAPTIST CHURCH, OWNERS; BLUESTONE PARTNERS, DEVELOPER/REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR [2122 SOUTH F.M. 1417 (HERITAGE PARKWAY)]

(2122 S. FM 1417)

The City Council approved the Replat of Lot 1 of the Amended Plat of Haliburton Addition, located at 2122 South FM 1417. The 9.524 acre tract is located in front of the City's water tower, across from the Pebblebrook Subdivision.

The property is zoned a C-1 (Retail Business) District and is located in the O-1.1 (FM 1417) Overlay District. The owners would like to replat the property into two lots for commercial development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

REPLAT APPROVAL OF MIDWAY INDUSTRIAL PARK ADDITION, LOTS 2R, 6 AND 7, BLOCK 1, A REPLAT OF LOTS 2, BLOCK 1, MIDWAY INDUSTRIAL PARK ADDITION, BEING ALL OF LOT 2, BLOCK 1, MIDWAY INDUSTRIAL PARK ADDITION AND A PORTION OF MIDWAY DRIVE, CONTAINING 70.76 ACRES IN THE J.B. SHANNON SURVEY, ABSTRACT NO. 1085; DATAVAULT JOINT VENTURE, OWNERS; HOLTMAN DESIGNWORKS, DEVELOPER; AND EAGLE SURVEYING, LLC, SURVEYOR (2900 BLOCK OF FALLON DRIVE)

APPROVE REPLAT
MIDWAY INDUSTRIAL
PARK ADDITION
(2900 BLOCK OF
FALLON DR)

The City Council approved the Replat of Midway Industrial Park Addition, Lots 2R, 6 and 7, Block 1, a Replat of Lot 2, Block 1, Midway Industrial Park Addition, being all of Lot 2, Block 1, Midway Industrial Park Addition, and a portion of Midway Drive, located in the 2900 block of Fallon Drive.

The 70.76 acre tract extends to the end of Fallon Drive and includes a portion of the property in the City's Extra Territorial Jurisdiction. It is zoned an M-1 (Light Manufacturing) District, and the owners would like to replat the property into three lots for industrial development.

The Planning and Zoning Commission recommended approval of the Replat, subject to the Staff Review Letter.
CONSENT AGENDA.

APPROVE QUARTERLY INVESTMENT REPORT FOR QUARTER ENDED MARCH 31, 2019

QUARTERLY
INVESTMENT
REPORT

The City Council approved the Quarterly Investment Report for the quarter ended March 31, 2019. As of March 31, the portfolios were in compliance with applicable State laws and the City's Investment Policy.

The operating investment portfolio had a book value of about \$15.0 million, an increase of about \$2.5 million from the prior quarter of \$12.5 million, due to investments made with property tax receipts. The underlying investments were adequately diversified among four different types of securities.

This portfolio is appropriately liquid, and its weighted-average maturity was about 405 days, down from 448 days last quarter. The portfolio yield of 2.22% for the quarter is 18 basis points lower than the benchmark yield of 2.40%. The portfolio value on the City's books approximates market value.

The debt proceeds portfolio balance of \$23.8 million was invested in a Local Government Investment Pool and an FDIC insured investment account. Transactions in this portfolio include payments for capital projects and the receipt of interest income. The yield of 2.41% was below the benchmark yield of 2.43% for this portfolio. Book value and market value were about the same.

CONSENT AGENDA.

CITIZENS REQUESTS

DEVELOPMENT AROUND OLD SHOPPING MALLS

Peter Tracy, 705 S. Valentine, expressed concern about a "swath of decay." Sherman previously had a mall located on Texoma Parkway at Hwy 82. Now there is Midway Mall located farther north on Texoma Parkway.

He addressed the businesses that grew up around Midway Mall and the fact that the area is now dying. He asked what was being planned to rejuvenate that area.

He said several of the malls in Dallas are being torn down and replaced with apartment complexes, which bring in customers for those businesses, as well as residents.

He asked what was in the future for the many vacant buildings in Texoma. He encouraged revitalization of the existing structures.

Mayor Plyler said the Council has discussed motivating the developers and real estate personnel to repurpose those types of facilities. SEDCO is working hard to bring in employers.

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

BUDDY BENCHES

Council Member Howeth thanked ARThropology, a new downtown business that teaches art lessons, and Home Depot, that combined their efforts to create "Buddy Benches."

Two Buddy Benches will be placed at each elementary school in Sherman for children that feel alone, or are "out of sorts." Kids can sit on the bench and other kids are being instructed that if they see someone on the benches, go say hello. Counselors will then follow-up with the kids.

ARThropology painted the benches and Home Depot supplied the materials and constructed the benches. She thanked the

DEVELOPMENT
AROUND OLD
SHOPPING MALLS

MEDIA QUESTIONS

BUDDY BENCHES

local businesses for working together to provide a very important program for the schools.

BERRY COMPANIES, INC.

Council Member Melton thanked the Berry Companies for locating in Sherman and using one of the vacant buildings in town. She said the Council can't have people purchase property, but she was glad they were able to offer an incentive to encourage them to locate here.

BERRY COMPANIES

Mr. Vickers thanked City staff members Patsy Reeves, Development Services Coordinator, and Pam Cloer, Assistant to the City Manager, for all their help during the process.

THANKS TO SEDCO

Council Member Melton thanked SEDCO for what they do. She said the City tries to work with the citizens, with companies located in Sherman, and with new companies coming to the community.

THANKS TO SEDCO

ANNOUNCEMENTS

Mayor Plyler announced the following:

- The Sherman Community Players show of "Annie" will continue through April 28, 2019.
- The Sherman Farmers Market will open for the season on April 20, 2019, at the northwest corner of Crockett and Houston Streets.
- Parks and Recreation will hold their annual "Eggstravaganza" on April 20, 2019, at 10:00 a.m., at Fairview Park.
- He encouraged everyone to meet the artist at a reception for the Sherman Art League artists, whose works are on display at the Sherman Public Library. The reception will be held at the Library on April 30, 2019, from 6:00 p.m. to 8:00 p.m.
- The 10th Annual Lights on the Lake will be held on July 3, 2019, at Pecan Grove Park West. KC and the Sunshine Band will perform at the event. Fireworks will follow the concert. The event is free to the public.

ANNOUNCEMENTS

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

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

EXECUTIVE SESSION

SECTION 551.071 --

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 551.087 -- 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 5:58 p.m.

On Motion duly made and carried, the Executive Session
recessed at 6:34 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
6:35 p.m.

ADJOURNMENT

MAYOR

CITY CLERK