

STATE OF TEXAS

§

February 16, 2009

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 February 16, 2009.

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

MEMBERS ABSENT: NONE.

CALL TO ORDER

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

CALL TO ORDER

Mayor Magers welcomed Frank Budra, Mayor of Pottsboro, Texas, to the Council Meeting.

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of February 2, 2009 and the Called City Council Meeting of February 11, 2009. Council Member Adami moved to approve the Minutes as presented; Second by Council Member Steele. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Magers introduced Ordinance 5588 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ORDERING AN ELECTION OF THE QUALIFIED VOTERS OF THE CITY OF SHERMAN, TEXAS, ON THE 9TH DAY OF MAY, 2009, FOR THE PURPOSE OF ELECTING A MAYOR AND TWO AT-LARGE CITY COUNCIL MEMBERS FOR SAID CITY; PROVIDING THAT SAID ELECTION SHALL BE HELD JOINTLY WITH THE SHERMAN INDEPENDENT SCHOOL DISTRICT AND GRAYSON COUNTY COLLEGE; DESIGNATING ELECTION PRECINCTS; APPOINTING ELECTION OFFICIALS; PROVIDING FOR NOTICE OF SAID ELECTION; PROVIDING FOR THE USE OF DIRECT RECORDING ELECTRONIC VOTING EQUIPMENT; PROVIDING FOR EARLY VOTING.

ORD 5588
REGULAR ELECTION
MAY 9, 2009

No citizens appeared before the City Council to discuss Ordinance 5588.

Mayor Magers introduced Ordinance 5589 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT "A" OF THE CODE OF ORDINANCES, ENTITLED "GENERAL

ORD 5589
ZONING FOR
NEWLY ANNEXED
PROPERTY

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ZONING ORDINANCE”, AT SECTION 4(5); PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

No citizens appeared before the City Council to discuss Ordinance 5589.

Mayor Magers introduced Ordinance 5590 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, APPENDIX “A” OF THE CODE OF ORDINANCES, ENTITLED “GENERAL ZONING ORDINANCE”, AT SECTION 6.4, ENTITLED “C-1 (RETAIL BUSINESS) DISTRICT”; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5590
SPECIFIC USE
PERMITS**

No citizens appeared before the City Council to discuss Ordinance 5590.

Mayor Magers introduced Ordinance 5591 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT “A” OF THE CODE OF ORDINANCES, ENTITLED “GENERAL ZONING ORDINANCE”, AT SECTION 7, ENTITLED “SUPPLEMENTARY DISTRICT REGULATIONS AND EXCEPTIONS”, TO ADD SUBSECTION (1)(B) FOR REQUIREMENTS TO THE EXTERIOR FAÇADE ON BUILDINGS VISIBLE FROM THE FRONT STREET RIGHT-OF-WAY AND AMENDING SUBSECTION (5)(D) TO ADD TO THE LIST OF STREETS FOR SPECIAL BUILDING REQUIREMENTS; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5591
BUILDING FACADES**

Oliver McElroy, 2741 Fallon Drive

Mr. McElroy is the owner of Midway Industrial Park and updated the Council on future plans for the park. The proposed Ordinance adds Fallon Drive to a list of streets that would be governed by additional building requirements including exterior facades.

Midway Industrial Park is the only industrial park in Sherman where metal buildings are allowed. The park has been an asset to Sherman because they are an “incubation” for new businesses and start-ups that don’t have enough money for a brick and mortar facility. He felt the proposed changes would tighten rules to where metal buildings aren’t allowed in industrial parks.

Mr. McElroy said he could avoid the problem by changing his zoning to M-1 (Light Manufacturing) now, but he doesn’t want to do this. He has future plans to build quality low to moderate housing in the area.

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Mr. McElroy said his company has partnered with the State of Texas and American Bank and has constructed 180 low to moderate brick homes in Waxahachie, Texas. The project has been highly successful. He added that they would like to do the same thing near Fallon Drive, therefore he doesn't want to change to M-1 zoning.

Mr. McElroy said they would also like to build new metal buildings in the Industrial Park and continue that plan too. Their plan helps small businesses grow and expand into other areas.

No other citizens appeared before the City Council to discuss Ordinance 5591.

Mayor Magers introduced Ordinance 5592 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT (A) OF THE CODE OF ORDINANCES, ENTITLED "GENERAL ZONING ORDINANCE", AT SECTION 8(5)(A) TO AMEND THE REQUIREMENTS FOR MINI-WAREHOUSES AND STORAGE FACILITIES, AUTOMOBILE, GLASS, MUFFLER, SEAT COVER, TIRE AND UPHOLSTERY SERVICE, SALES, INSTALLATION AND REPAIR; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5592
SPECIFIC USE
PERMITS**

No citizens appeared before the City Council to discuss Ordinance 5592.

The Ordinances were introduced and the Public Hearing was closed.

**CLOSE PUBLIC
HEARING**

ADOPTION OF ORDINANCES

Ordinance 5588

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ORDERING AN ELECTION OF THE QUALIFIED VOTERS OF THE CITY OF SHERMAN, TEXAS, ON THE 9TH DAY OF MAY, 2009, FOR THE PURPOSE OF ELECTING A MAYOR AND TWO AT-LARGE CITY COUNCIL MEMBERS FOR SAID CITY; PROVIDING THAT SAID ELECTION SHALL BE HELD JOINTLY WITH THE SHERMAN INDEPENDENT SCHOOL DISTRICT AND GRAYSON COUNTY COLLEGE; DESIGNATING ELECTION PRECINCTS; APPOINTING ELECTION OFFICIALS; PROVIDING FOR NOTICE OF SAID ELECTION; PROVIDING FOR THE USE OF DIRECT RECORDING ELECTRONIC VOTING EQUIPMENT; PROVIDING FOR EARLY VOTING.

**ORD 5588
REGULAR ELECTION
MAY 9, 2009**

Ordinance 5589

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT "A" OF THE CODE OF ORDINANCES, ENTITLED "GENERAL ZONING ORDINANCE", AT SECTION 4(5); PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING

**ORD 5589
ZONING FOR
NEWLY ANNEXED
PROPERTY**

FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

Mayor Magers verified that Ordinance 5589 would bring newly annexed property into the City under R-A (Residential Agriculture) zoning instead of R-1 (One and Two Family Residential) zoning. Scott Shadden, Director of Developmental Services, added that it would also be a minimum two acre lot instead of a 6,000 foot lot.

Ordinance 5590

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, APPENDIX "A" OF THE CODE OF ORDINANCES, ENTITLED "GENERAL ZONING ORDINANCE", AT SECTION 6.4, ENTITLED "C-1 (RETAIL BUSINESS) DISTRICT"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5590
SPECIFIC USE
PERMITS**

Mayor Magers verified that proposed Ordinance 5590 is a companion to proposed Ordinance 5592 which will take mini-warehouses and require them to have a Specific Use Permit in any Commercial District.

Ordinance 5592

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT (A) OF THE CODE OF ORDINANCES, ENTITLED "GENERAL ZONING ORDINANCE", AT SECTION 8(5)(A) TO AMEND THE REQUIREMENTS FOR MINI-WAREHOUSES AND STORAGE FACILITIES, AUTOMOBILE, GLASS, MUFFLER, SEAT COVER, TIRE AND UPHOLSTERY SERVICE, SALES, INSTALLATION AND REPAIR; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

**ORD 5592
SPECIFIC USE
PERMITS**

ACTION TAKEN.

Motion by Council Member Adami to approve Ordinance Nos. 5588, 5589, 5590, and 5592, as presented. Second by Deputy Mayor Wacker.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

Ordinance 5591

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 14, EXHIBIT "A" OF THE CODE OF ORDINANCES, ENTITLED "GENERAL ZONING ORDINANCE", AT SECTION 7, ENTITLED "SUPPLEMENTARY DISTRICT REGULATIONS AND EXCEPTIONS", TO ADD SUBSECTION (1)(B) FOR REQUIREMENTS TO THE EXTERIOR FAÇADE ON BUILDINGS VISIBLE FROM THE FRONT STREET RIGHT-OF-WAY AND AMENDING SUBSECTION (5)(D) TO ADD TO THE LIST OF STREETS FOR SPECIAL BUILDING REQUIREMENTS; PROVIDING FOR INCLUSION IN THE

**ORD 5591
BUILDING FACADES**

**CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY;
PROVIDING FOR A REPEALER.**

Mayor Magers verified that the requirements only apply to the Commercial zoned property and not Manufacturing zoned property. Mr. Shadden said the street list has also been amended to remove the streets that have Overlay Districts or more stringent standards.

Mr. Shadden explained that the proposed Ordinance adds a requirement for masonry in Commercial Districts and applies to all buildings visible from the front street in the Central Business District and in the specific streets listed in the Ordinance. It also removes the streets that are already included in other Overlay Districts.

Council Member Steele asked if the requirements applied to a certain setback on Fallon Drive. Mr. Shadden said it applies to any tract of land that is zoned Commercial and that fronts on the listed streets.

Council Member Adami verified that the requirements would apply anywhere on Fallon Drive that was included in a Commercial Zone. The Industrial Park is zoned Manufacturing so it would not apply there. If Mr. McElroy was to zone future property as Manufacturing, it would not apply there either. If the property is zoned Commercial, it would apply.

Mayor Magers said the reason for the proposed Ordinance is to protect Sherman's thoroughfares with quality development on these gateways.

Jason Sofey, Chairman of the Planning and Zoning Commission, said the proposed Ordinance is to protect the corridors and to implement building standards for aesthetic purposes and to protect the City's thoroughfares.

He added that the intent of the Ordinance was not to implement it in the Manufacturing Districts. The staff knows what the Master Plan calls for, but sometimes you don't know what use is planned for undeveloped land. Mr. McElroy has plans for the property further east and the City should probably take that into consideration.

Mr. Sofey added that Fallon Drive is going to be a major thoroughfare that continues to Highway 289, but it doesn't have much development yet. This provides a good opportunity for the City to protect the development. The property on Fallon Drive, east of Texoma Parkway has had good development and the City should consider that too. He suggested amending the Ordinance to apply to Fallon Drive, west of Texoma Parkway.

Council Member Smith said the City Council and the Planning and Zoning Commission will be discussing the

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Master Plan at a meeting next week. He asked if there was an emergency to consider this Ordinance tonight.

Mr. Sofey said the direction for this proposed Ordinance came from the Master Plan Study. The need to do this now is to protect the City's thoroughfares.

Kendig Keast, the City's Master Plan consultants, gave three recommendations to the City that they felt had an immediate need for implementation. They will be giving additional recommendations to the City soon, but it may take time to implement these recommendations. The staff felt there was an immediate need to implement some of the recommendations as soon as possible. Mr. Sofey said it was important that the thoroughfares be protected today.

Deputy Mayor Wacker said she had been meeting with the Master Plan Advisory Committee and felt it was a good recommendation to put some level of protection in place now. Council Member Howeth questioned whether it should be done now or considered at the meeting next week.

Mr. Sofey said there are several unprotected thoroughfares and they have been discussing these for about a year. Council Member Steele agreed that the Council should move forward now, and make changes if they are needed later. Mayor Magers expressed concern about adopting an Ordinance now and making changes at a later date.

Mr. Sofey reiterated that the recommendation came from the Master Plan consultants to address an area that they saw as a problem. Council Member Adami suggested taking action now, but exempting Fallon Drive, east of Texoma Parkway.

Mayor Magers asked about the statement in the Ordinance that says "visible from front street right-of-way." He expressed concern about requiring four sides of a building to be covered in expensive masonry. He was especially concerned about redevelopment in the older parts of town where the requirement would increase the remodeling cost significantly.

The City already requires screening between properties zoned Residential and property zoned Commercial. He asked why both requirements would be needed. He agreed that thoroughfares and gateways should look nice, but why would the requirement include masonry on four sides and screening.

Mr. Sofey said when the building is in a Commercial Zone, the four sides of masonry should be required. However, if the Code requires screening between Commercial that borders Residential, then maybe an exception should be made. That doesn't affect the intent of the Ordinance.

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Mayor Magers agreed that the thoroughfares and gateways should have nice looking development. He questioned the requirement to put masonry on all four sides of the building where screening is already required.

Council Member Steele agreed that under those circumstances, the Ordinance could be changed not to require four sides of masonry, however, when the area will have visibility from other streets, the fourth side is important.

Council Member Adami added that an exception can be applied for through the Planning and Zoning Commission at a cost of \$140.

Council Members discussed possible wording to add to the Ordinance such as “four sides or three sides with screening.”

ACTION TAKEN.

Motion by Council Member Smith to approve Ordinance No. 5591, with the following amendments, changing Fallon Drive to Fallon Drive, west of Texoma Parkway, and to include the requirements for exterior façade on four sides or three sides if screening is required. Second by Council Member Steele.

Deputy Mayor Wacker verified that screening is required between Residential and Commercial Zones. Mr. Shadden suggested wording that masonry is required on all sides visible from the front street except for the back which may be screened from Residential.

Deputy Mayor Wacker confirmed that masonry would be required on four sides unless screening is required between Residential and Commercial Zones. Council Member Adami added that citizens can request an exception if they need too.

Mayor Magers reiterated the wording, “masonry requirements may be excluded on sides where screening is required if not visible from the front street right-of-way.”

Council Member Steele verified that there is no option to screen. It is where it's required between Commercial and Residential Zones.

Mr. Sofey asked whether it was on sides that require screening or on three sides. Council Members said masonry was required on three sides no matter what, except for the one side that may require screening.

RESTATEMENT OF MOTION.

Motion by Council Member Smith to approve Ordinance No. 5591, with the following amendments, changing Fallon Drive to Fallon Drive, west of Texoma Parkway,

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and to include the requirements for exterior façade on four sides or three sides if screening is required.

Second by Council Member Steele.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

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

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 5319 – AUTHORIZING EXECUTION OF A JOINT ELECTION AGREEMENT BETWEEN THE CITY OF SHERMAN, THE SHERMAN INDEPENDENT SCHOOL DISTRICT, AND GRAYSON COUNTY COLLEGE TO HOLD A JOINT ELECTION ON MAY 9, 2009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A JOINT ELECTION AGREEMENT BETWEEN THE CITY OF SHERMAN, THE SHERMAN INDEPENDENT SCHOOL DISTRICT, AND GRAYSON COUNTY COLLEGE TO HOLD A JOINT ELECTION ON MAY 9, 2009.

RES 5319
JOINT ELECTION
AGREEMENT

ACTION TAKEN.

Motion by Council Member Adami to approve Resolution No. 5319, as presented. Second by Deputy Mayor Wacker.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5320 – SUPPORTING THE NAMING OF STATE HIGHWAY 289 AS THE “PRESTON TRAIL HIGHWAY”

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, SUPPORTING THE NAMING OF STATE HIGHWAY 289 AS THE “PRESTON TRAIL HIGHWAY.”

RES 5320
DESIGNATING
S.H. 289 AS
PRESTON TRAIL
HWY

Frank Budra, Mayor of Pottsboro, Texas

Mayor Budra appeared representing the City of Pottsboro and the Pottsboro Chamber of Commerce, asking the Council to support the naming of State Highway 289 as the Preston Trail Highway.

Mayor Budra said they hoped to capitalize on the historical and financial value of the old Preston Trail and bring visitors to the historical North Texas area.

Mayor Magers also serves on the Metropolitan Planning Organization, MPO, and he encouraged Mayor Budra to bring the Resolution to that organization too.

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ACTION TAKEN.

Motion by Council Member Howeth to approve Resolution No. 5320, as presented. Second by Council Member Adami.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5321 – ENDORSING CERTAIN LEGISLATIVE CHANGES TO ENHANCE THE COMPETITIVE ELECTRIC MARKET SUPPORTED BY CITIES AGGREGATION POWER PROJECT, INC.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ENDORSING CERTAIN LEGISLATIVE CHANGES TO ENHANCE THE COMPETITIVE ELECTRIC MARKET SUPPORTED BY CITIES AGGREGATION POWER PROJECT, INC.

CONSENT AGENDA.

RES 5321
COMPETITIVE
ELECTRIC
MARKET

RESOLUTION NO. 5322 – EXPRESSING THE CITY OF SHERMAN'S AGREEMENT WITH THE TRANSFER OF FEDERAL TRANSIT ADMINISTRATION SECTION 5307 SMALL URBAN GRANT RESPONSIBILITY TO THE TEXOMA AREA PARATRANSIT SYSTEM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXPRESSING THE CITY OF SHERMAN'S AGREEMENT WITH THE TRANSFER OF FEDERAL TRANSIT ADMINISTRATION SECTION 5307 SMALL URBAN GRANT RESPONSIBILITY TO TEXOMA AREA PARATRANSIT SYSTEM.

RES 5322
TAPS GRANT

George Olson, City Manger, said this has historically been a pass through with the Texoma Council of Governments. Some rules and codes have changed and the Resolution makes the process more efficient. TCOG also supports the changes.

ACTION TAKEN.

Motion by Deputy Mayor Wacker to approve Resolution No. 5322, as presented. Second by Council Member Howeth.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5323 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH KIGHT FAMILY L.P. #1 FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1026 EAST CHAFFIN STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KIGHT FAMILY L.P. #1 FOR THE

RES 5323
RESIDENTIAL TAX
ABATEMENT
(1026 E. CHAFFIN)

ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1026 EAST CHAFFIN STREET.
CONSENT AGENDA.

RESOLUTION NO. 5324 – RESCINDING RESOLUTION NO. 5023 IN ITS ENTIRETY WHICH AUTHORIZED THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1119 SOUTH MONTGOMERY STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RESCINDING RESOLUTION NO. 5023 IN ITS ENTIRETY WHICH AUTHORIZED THE EXECUTION OF AN AGREEMENT WITH BARTON CAPITAL, LTD FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1119 SOUTH MONTGOMERY STREET.
CONSENT AGENDA.

RES 5324
RESCIND
RESIDENTIAL TAX
ABATEMENT
(RES NO. 5023)

REQUEST TO ADVERTISE
2009 STREET MILL AND OVERLAY PROGRAM

The City Council approved the request to advertise for bids for a contractor for the 2008-2009 Street Mill and Overlay Program. This fiscal year's street improvement program includes several mill and overlay projects that are part of the new "Enhanced Thoroughfare Network" program and the Capital Improvement Program.

REQ TO ADVERTISE
STREET MILL &
OVERLAY PROGRAM

Proposed projects include Taylor Street from Highway 75 to Texoma Parkway, Grand Avenue from Texoma Parkway to Lamar Street, and if funds are available, Washington Street from Heritage Parkway to Woods Street.
CONSENT AGENDA.

CONSTRUCTION OF A NEW SECTION OF WEST CANYON CREEK DRIVE

The City Council approved the request to advertise for bids to construct a new section of West Canyon Creek Drive. The Capital Improvement Project will build a new section of street from it's current west end in O'Hanlon Estates to Shady Oaks Lane, approximately 1,900 feet. This new section will also provide public access to the new Phase II Pecan Grove Park that is scheduled for completion later this year.

CONSTRUCTION OF
WEST CANYON
CREEK DR.

Funds for the project are included in the Capital Improvement Program in the amount of \$1.2 million.
CONSENT AGENDA.

SEAL COAT EMULSIFIED ASPHALT OIL AND STONE

The City Council approved the request to advertise for bids for a supply of street seal coat stone and emulsified asphalt

SEAL COAT
ASPHALT OIL
& STONE

oil. Each year the City's goal is to seal coat approximately 25 to 30 miles of streets, depending on the material costs and the annual budget.

CONSENT AGENDA.

FIRE ENGINEER TRAINING SIMULATOR

The City Council approved the request to advertise for the purchase of a Fire Engineer Training Simulator. Funding for the simulator is provided through a Federal Emergency Management Agency (FEMA) Homeland Security Grant through the 2008 Assistance to Firefighters Grant Program.

**FIRE ENGINEER
TRAINING
SIMULATOR**

The grant amount was \$68,000, with FEMA reimbursing \$61,200. The City portion of the cost is \$6,800.

CONSENT AGENDA.

OTHER BUSINESS

**RECEIVE FINANCIAL UPDATE FROM ASSISTANT CITY
MANAGER/CFO ROBBY HEFTON**

**FINANCIAL
UPDATE**

Robby Hefton, Assistant City Manager/CFO, presented a Financial Update, saying revenues are either flat or slightly up compared to prior years. However, the revenues are down compared to the 2009 Budget because the staff budgeted for modest increases. He addressed the challenges facing the national economy.

Last year the City discussed the increase in the Texas Municipal Retirement System and initiated a plan to phase in the increases over the next few years. Fuel and energy costs are down, however landfill costs with the Texoma Area Solid Waste Authority are increasing.

Mr. Hefton said the City's reserves are adequate and the City is in good financial shape. The City recently received a "three tier bump" in their Standard and Poor credit rating from an "A" to "AA."

The City has also recognized savings in several Capital Improvement Projects including about 15% on the Brockett Street Project and 20% on the Canyon Creek project.

General Fund

General Fund revenues are mainly supported by taxes, sales tax, property tax, and franchise tax, which amount to over 75% of the total General Fund revenue.

Sales taxes are projected to be down about \$350,000 from the budgeted amount for 2009 but up about .5% from last year's revenue. The staff budgeted a 2% increase in sales tax revenue for 2009. Holiday sales tax is usually up about \$250,000 to \$300,000 locally. This year there was an increase of only about \$200,000.

Property tax was down about 20% because of the tax cut that was given to citizens. Franchise taxes are up slightly due

mainly to an increase in the ATMOS franchise tax from 4% to 5% that was not included in the Budget.

Interest revenues are down and ambulance revenue is projected to be down about \$250,000 because of decreased transfer activities. Mr. Hefton said fuel costs are expected to be down \$250,000 and utility costs are expected to be down \$100,000 from the expenditures projected. Street materials are also costing less which will allow the City to mill and overlay additional street footage for less money.

Utility Fund

The Utility Fund is also experiencing a \$900,000 increase over the prior year, but a \$400,000 decrease from the 2009 Budget. Interest revenues are down \$80,000 from the 2009 Budget, but the City is projected to save about \$200,000 in electricity costs.

Solid Waste Fund

Mr. Hefton said the Solid Waste Fund revenues are also up \$170,000 from the prior year, but down \$400,000 from the 2009 Budget. Recycling material sales are down \$60,000 and interest revenue is down \$25,000 from the 2009 Budget.

Recycling material sales are about half of what they were in 2008 due to a deteriorating market for the co-mingled items. Fuel costs are down from both the 2009 Budget and from the prior year.

The City is experiencing pressure from the Texoma Area Solid Waste Authority due to rate increases. This year the City budgeted for landfill increases from \$24 per ton to \$28 per ton. It appears that the actual rate increase will be even greater.

Mayor Magers serves on the TASWA Board and explained that the landfill is a fixed cost business and they are not hauling enough trash to cover expenses. Sherman is TASWA's largest client, hauling 50% of the trash, but only has 20% of the vote on TASWA.

Mayor Magers anticipated an increase in the fees that TASWA must charge their member cities and counties. The Board is working diligently to cut costs, but he did not feel that even cutting costs would bring the entity where it needed to be. TASWA is experiencing a \$50,000 to \$75,000 per month shortfall.

Mayor Magers promised the Council that before he voted to increase the rates "one nickel", they would cut the expenses "to the bone." He added that they currently have about eleven months of cash left at the present expenditure rate.

Council Member Smith verified that the City of Sherman would be responsible for \$22 million in bonds for the facility. The cities and the counties are working together to

overcome the problem. He asked that the issue be placed on the next City Council Agenda.

Hotel/Motel Tax

Mr. Hefton said the City has now collected the \$50,000 that was owed in delinquent Hotel/Motel back taxes, penalties, and interest from one local entity.

Mr. Hefton reiterated that the City has upgraded three notches from an “A” bond rating to a “AA” bond rating. Only 13 other cities in Texas have higher ratings, as of the Fall of 2008. He added that, with the new bond rating, if bonds were being issued today on \$12 million, the City would save \$800,000 over the life of the bonds in interest cost reduction.

Mr. Hefton outlined the proposed bond projects for 2008 and 2009 and listed some possible projects for 2010. Proposed 2010 bond projects include the Southwest Fire Station and the rebuilding of Shady Oaks Drive.

In 2008 the City issued \$5 million in Certificates of Obligation and the staff is proposing to issue another \$5 million in the Spring of 2009. They will also propose a bond purchase of \$6,850,000 later in 2009 or in 2010.

Mr. Hefton said there are savings on the bond projects and that money can be used to offset the debt service payments, possibly even two or three years with no debt service.

He presented the following staff recommendations: proceed with the \$5 million Certificates of Obligation Bond issuance for FY 2009 projects; proceed with \$7 million Certificates of Obligation Bond issuance for FY 2010 projects in late calendar year 2009 or in 2010; and continue the planning and engineering on all approved projects. He added that if the City issued bonds today, the interest rate would be a little less than 4%.

Mr. Hefton said the City’s fund balances are appropriate with \$5.9 million in the General Fund, \$3.4 million in the Utility Fund, and \$.8 million in the Solid Waste Fund.

Mayor Magers congratulated Mr. Hefton and the staff on the great job on the bond rating.

CONSIDER CALLING A SPECIAL MEETING OF THE CITY COUNCIL FOR FRIDAY, MARCH 6, 2009, TO MEET NEW CHAMBER BOARD MEMBERS

At least three Council Members said they were unable to attend the proposed March 6, 2009 Meeting to meet the new Chamber Board Members.

Traci Carlson, Chamber President, will propose another time for the meeting.

**SCHEDULE
CALLED MEETING**

CITIZENS REQUESTS

There were no citizen's requests.

CITIZENS REQUESTS

MEDIA QUESTIONS

KATHY WILLIAMS SURGERY

Mayor Magers said the thoughts and prayers of the City Council and staff go out to Kathy Williams, Herald Democrat Reporter, who is having surgery.

KATHY WILLIAMS
SURGERY

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO
BOARDS AND COMMISSIONS:

PARKS AND RECREATION ADVISORY BOARD (1)

ACTION TAKEN.

Motion by Council Member Steele to appoint Jason Bethel to the Parks and Recreation Advisory Board for a term from February 23, 2009 to February 23, 2011.

Second by Council Member Adami.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

PARKS & REC
ADVISORY BOARD

COUNCIL COMMENTS

COMMENDING STAFF

Council Member Steele thanked the staff for the hard work on both the budgetary issues and the zoning issues that were discussed at tonight's meeting.

COMMENDING
STAFF

INCREASE IN BOND RATING AND THANKS TO P&Z
MEMBERS

Council Member Smith and Council Member Adami said it was awesome that the City increased their bond rating by three tiers. He also thanked Mr. Sofey, Darren Tankersley, and Lawrence Davis for their hard work on the zoning issues.

INCREASE IN
BOND RATING &
THANKS TO
P&Z MEMBERS

SPRING CLEAN-UP

Deputy Mayor Wacker asked where citizens could get information on the Spring Clean-Up. Jeff Miller, Director of Public Works, said flyers are placed in several City offices, advertisements will be published in the newspaper, and the information is on the City's website. Spring Clean-Up starts March 2, 2009.

SPRING CLEAN-UP

PROUD OF STUDENTS

Council Member Howeth said she was proud of her students that were attending the meeting for extra credit. She explained that students received ten points for each hour they attended. The students take notes on the meeting and then discussions are held in class. She added that students need to know about local government and know that is the first place to get involved.

PROUD OF
STUDENTS

SHERMAN IS A GREAT PLACE

Mayor Magers said tonight's meeting is a great example of why Sherman is a great place to live. Council Members,

Planning and Zoning Commission Members, other Board Members, and staff care about the City.

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 LITIGATION: IN THE COURT OF APPEALS, FIFTH DISTRICT OF TEXAS AT DALLAS NO. 05-06-00420-CV; THE CITY OF SHERMAN, TEXAS AND THE SHERMAN CITY COUNCIL, APPELLANTS V. JAMES WAYNE, APPELLE

SECTION 551.074

PERSONNEL MATTERS: DELIBERATING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE: INTERVIEW OF CITY ATTORNEY CANDIDATES

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:25 p.m.

On Motion duly made and carried, the Executive Session recessed at 7:16 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 7:17 p.m.

ADJOURNMENT

MAYOR

CITY CLERK