STATE OF TEXAS §

February 15, 2016

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 15, 2016.

MEMBERS PRESENT: **MAYOR DAVID PLYLER; DEPUTY MAYOR JASON SOFEY. COUNCIL MEMBERS COUCH, DAVIS, JOHNSON, STEELE, WATT.**

MEMBERS ABSENT: **NONE.**

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 Deputy Mayor Jason Sofey.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of February 1, 2016. Council Member Couch moved to approve the Minutes as presented; Second by Council Member Steele. All present voted AYE.
MOTION CARRIED.

PUBLIC HEARING

CONDUCT THE SECOND PUBLIC HEARING CONCERNING THE ANNEXATION OF APPROXIMATELY 274 ACRES OF LAND NEAR FRIENDSHIP ROAD AND STATE HIGHWAY 56, ADJACENT TO THE SHERMAN CITY LIMITS AND IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION — **ANNEXATION FRIENDSHIP ROAD**

Mayor Plyler introduced the second public hearing on the proposed annexation of 274 acres of land near Friendship Road and SH 56.

Tom Reed, 4501 W. Houston

Mr. Reed is a Managing Partner of Hughlan Property Holdings, LLC, which owns three properties for a total of 10.257 acres, in the area that is proposed for annexation on Hwy 56. Their properties include existing buildings, improvements, and raw land.

He said they are opposed to the annexation without receiving some compensation from the City. The company also operates a classic car dealership, Classic Car Liquidators, at the location and paid over $21,000 in property taxes and over $8,000 in special inventory taxes in 2015.

Mr. Reed asked what additional taxes they would be responsible for if the property is annexed and when they could expect to receive water and sewer utility services from the City. He also requested that they receive a tax abatement until such time as the utility services are provided.

In addition, Mr. Reed also requested that their existing buildings and improvements be grandfathered into the City in their existing condition and location. Including but not limited by this grandfather clause would be, the appearance, as-built code and fire protection standards, and any zoning ordinances that would apply such as setback dimensions, building heights, and drainage patterns.

Robby Hefton, City Manager, confirmed that Mr. Reed had not spoken to any City staff member about his concerns. He said Mr. Reed's questions could be answered and he suggested that the staff contact him directly to address his questions at his earliest convenience.

Aubrey Page, 5207 W. Meadowridge Road

Mr. Page said it was inevitable that the area would develop and as the annexation is considered he expressed his concern about the additional cars on the road, many of which would use Friendship Road.

He said Friendship Road is in terrible condition. The section from Setting Suns Estates, heading north to Hwy 56, is both narrow and has "dips" in it. There is also a small hill and drivers are unable to see vehicles coming toward them, and this is dangerous.

Mr. Page asked that, as the City considers annexation of the property, they should also consider some serious road work on the half mile section from Hwy 56, heading south.

He said he has spoken with Clay Barnett, Director of Public Works and Engineering, and the plan is to chip seal the road. Mr. Page said the road is narrow and dangerous, and has serious dips, and chip sealing the road would not be enough. He asked the City Council to address this issue if they continue with the annexation and take this area into the City.

Kenneth Meyers, Meyers Industrial Park

Mr. Meyers is the owner of Meyers Industrial Park, located at Friendship Road and Hwy 56. He is opposed to the annexation of this property and asked about the scheduled timetable for City services.

Mr. Meyers also asked what items would be "grandfathered in" due to new regulations that have been put in force since the construction of the buildings in his Industrial Park. He did not want his buildings to be required to have sprinkler systems and other things that are now required. Currently City water is not available inside the Industrial Park.

He asked if it was necessary, that it would be done at City expense. He asked that a meter for each building be supplied and paid for by the City, and that mains and fire hydrants be supplied for each of the buildings. Due to the increase in City vehicles, he asked that the City accept

responsibility for maintenance of the three streets in the Industrial Park. Mr. Meyers also asked that zoning exceptions be made for all present tenants and like future tenants.

No other citizens appeared before the City Council to discuss the annexation of approximately 274 acres of land, near Friendship Road and SH 56.

Mayor Plyler said the staff will contact those that spoke with the information they are requesting. He said the Council will consider the annexation at the March 7, 2016 Council Meeting.

The Public Hearing was closed.

CONSENT AGENDA **CONSENT AGENDA**

The Council reviewed the Consent Agenda. Chris Cornett, representing Morrison Supply, asked to remove Item C-2, entitled "Resolution 6059 – Awarding a Bid to and Authorizing Execution of a Contract with Ferguson Waterworks for an Annual Supply of Water and Sewer Maintenance Supplies and Parts" from the Consent Agenda, for consideration in its regular order of business.

Council Member Steele moved to approve the Consent Agenda, with the exception of Item C-2, which will be discussed in its regular order of business. Second by Council Member Davis. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 6058 – AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. TO UPDATE THE CITY OF SHERMAN'S SUBDIVISION ORDINANCE, FLOODPLAIN ORDINANCE AND ENGINEERING DESIGN STANDARDS **RES 6058 UPDATE SUBDIVISION ORD, FLOODPLAIN ORD & ENGINEERING DESIGN STANDARDS**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. TO UPDATE THE CITY OF SHERMAN'S SUBDIVISION ORDINANCE, FLOODPLAIN ORDINANCE AND ENGINEERING DESIGN STANDARDS.

Mr. Barnett said the 2009 Comprehensive Master Plan identified updating the Subdivision and Zoning Ordinances as the number one goal. The staff has been working on the Zoning Ordinances for the past year. This is the first step to updating the Subdivision Ordinances, Floodplain Ordinances, and Development Standards. The project was budgeted as a Capital Improvement Project last Spring.

Council Member Watt asked if the staff anticipated any major changes in the Floodplain Ordinance. Mr. Barnett said there might be some minor changes, but probably not any major changes. He said most of the changes are outlined in the 2009 Comprehensive Master Plan.

ACTION TAKEN.
Motion by Council Member Steele to approve Resolution No. 6058, as presented. Second by Deputy Mayor Sofey.
VOTING AYE: Couch, Davis, Johnson, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

RES 6059 WATER & MAINTENANCE SUPPLIES & PARTS

RESOLUTION NO. 6059 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH FERGUSON WATERWORKS FOR AN ANNUAL SUPPLY OF WATER AND SEWER MAINTENANCE SUPPLIES AND PARTS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH FERGUSON WATERWORKS FOR AN ANNUAL SUPPLY OF WATER AND SEWER MAINTENANCE SUPPLIES AND PARTS.

Chris Cornett, Morrison Supply, asked to remove Item C-2 from the Consent Agenda for consideration in its regular order of business.

Mr. Cornett said Morrison Supply has been the City's primary supplier since 2012 on the annual contract for water and sewer maintenance supplies and parts. The contract for consideration is for Ferguson Waterworks.

In November 2015, Mr. Cornett said he contacted several City staff members about the renewal of the annual contract. Morrison Supply wanted to renew the contract and continue it as it was. All of their suppliers except one, were willing to renew the annual contract. Romax Supply was asking for a marginal 6% increase on their materials.

Mr. Cornett said they understood that the contract would be extended until March 2016, with renewals taken in February 2016. He said Morrison Supply did not receive any invitation to bid or notice of the bid. He added that the bid was advertised on proper channels through the City.

He said, had the City decided to accept Morrison Supply's renewal, with the 6% increase, based on Ferguson's "to be awarded" number, they would have saved the City over $100,000. This would include the 6% increase and any additions that have been made to the annual contract.

Mr. Cornett asked that the bid from Ferguson Waterworks, be rejected and be put back out for secondary bids. Morrison Supply will continue to honor the numbers that are in place through the end of March 2016.

Mayor Plyler verified that the City's request for bids went out in accordance with State requirements and Morrison Supply didn't submit a bid at the appropriate time. Mr. Cornett said

that was correct, because they were unaware of when it was supposed to bid.

Mr. Hefton said many times, the contracts are annual contracts with automatic renewals. Generally it is done at the same time each year, either the end of the fourth quarter or the first quarter of the calendar year.

He said the City has the authority, by law, to reject any bids, but he expressed his concern about what that might "open up." Mr. Cornett said even so, there was only one bidder, and if they had known about the bid, Morrison Supply would have entered with a "strong" number. He also felt it was in the City's best interest to rebid the contract.

Council Member Watt confirmed that the City did what they were supposed to do when putting out the bids. Mr. Cornett said the only thing was that Morrison Supply did not receive the standard invitation for bid. He admitted that no invitations were sent out.

Mr. Hefton said State law requires that the request for bids be advertised publicly, and that was done. They did not receive a letter or mailing telling them bids were being taken or sending them a bid packet. Mary Lawrence, Director of Finance, confirmed that no letters were sent to anyone, and Mr. Hefton added that all vendors were treated the same.

Mayor Plyler said the problem is that the low numbers are public knowledge and it's not fair to the first bidder to rebid the contract.

Council Member Couch said his company "lives and dies" by the annual contract renewals, but Mr. Cornett has acknowledged his company's oversight. Timing is everything and the City did their part. He did not recommend rebidding the contract.

Council Member Sofey said his business was also handled through bidding and he did not feel it was fair to rebid the contract. He added that he was upset that Morrison Supply didn't bid to give the City an opportunity to save some money. However, if the City went through the proper channels, then they have done everything they can do.

Mr. Hefton said there may be some other opportunities with some of the major water and sewer pipeline projects that are planned, that may be done outside this contract. He said the City has received good service from Morrison Supply in the past.

Council Member Davis asked who the City staff contact was that's responsible for the bids or for buying the materials. Mr. Hefton said the utility crews are involved in the day-to-

day repairs and would informally advise by "word of mouth." The Finance Department actually puts out and receives the bids.

ACTION TAKEN.

Motion by Deputy Mayor Sofey to approve Resolution No. 6059, as presented. Second by Council Member Davis.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

REQ TO ADVERTISE CONCESSION STANDS

REQUEST TO ADVERTISE CONCESSION STAND(S) FOR THE CITY OF SHERMAN'S PARK SYSTEM

The City Council approved the request to advertise for concession stands for the City's park system. The City provides concessions through an outside vendor within various parks to coincide with the organized youth and adult activities.

CONSENT AGENDA.

OTHER BUSINESS

PANDA SHERMAN POWER ADDENDUM TO PROPERTY TAX ABATEMENT

SETTING THE PUBLIC HEARING ON A PROPOSED ADDENDUM TO AN AGREEMENT WITH PANDA SHERMAN POWER, LLC FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR IMPROVEMENTS WITHIN INDUSTRIAL REINVESTMENT ZONE, NUMBER 072009-2, CITY OF SHERMAN, TEXAS

Mr. Hefton said this is the first step in a two step process to offer some assistance to Panda Sherman Power, LLC, for some economic incentives. The staff is proposing to modify the tax abatement agreement slightly for one year. Panda has seen the economic effect of a really mild summer of 2015; a really mild winter of 2015-2016; and low natural gas prices, which fuels the price of electricity.

He said Panda is a huge economic driver for the City of Sherman, and by far the largest property taxpayer, by a factor of about four. He felt like the incentives were "the right thing to do."

Mr. Hefton said the item is to set the public hearing in March for final action on the proposed abatement.

ACTION TAKEN.

Motion by Council Member Johnson to approve a proposed addendum to an agreement with Panda Sherman Power, LLC for the abatement of ad valorem property taxes, as presented. Second by Council Member Watt.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

CONSIDER REQUEST OF LAKESHORE OPERATING, LLC FOR A REDUCTION IN THEIR OIL WELL PERFORMANCE BOND

LAKESHORE OPERATING REQUEST FOR AN OIL WELL PERFORMANCE BOND REDUCTION

Brandon Shelby, City Attorney, explained that Lakeshore Operating, LLC, has purchased five oil wells from an existing company, one of which is in the City limits of Sherman. These wells are already in operation and Lakeshore Operating is asking the City to reduce their required performance bond.

The City has an Ordinance that allows the bond to be reduced once a well goes into operation. This well is already in operation and it makes sense to reduce their bond as well.

Council Member Davis verified that the bond only applies to the well that is located in Sherman, which is located in the area of the Sherman Municipal Airport.

ACTION TAKEN.

Motion by Council Member Davis to approve the request of Lakeshore Operating, LLC for a reduction in their oil well performance bond, as presented. Second by Council Member Steele.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele, Watt.
VOTING NAY: None.
MOTION CARRIED.

FINAL PLAT APPROVAL OF RIDGEVIEW COURT ESTATES, BEING 19.568 ACRES IN THE WILLIAM THOMPSON SURVEY, ABSTRACT NO. 1210; S&P TEXOMA REAL ESTATES, LLC, OWNERS; TEAGUE, NALL & PERKINS, ENGINEERS; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (100-400 BLOCKS OF RIDGEVEIW ROAD)

APPROVE FINAL PLAT RIDGEVIEW COURT ESTATES (100-400 BLOCKS OF RIDGEVIEW ROAD)

Scott Shadden, Director of Development Services, said the owners are proposing to plat 12 lots at the Ridgeview Court Estates.

ACTION TAKEN.

Motion by Council Member Watt to approve the Final Plat of Ridgeview Court Estates, located in the 100 to 400 blocks of Ridgeview Road, as presented. Second by Council Member Couch.

VOTING AYE: Couch, Davis, Johnson, Steele, Watt.
VOTING NAY: None.
ABSTAIN: Sofey.
MOTION CARRIED.

FINAL PLAT APPROVAL OF THE PLEASANT HOME ADDITION IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION, BEING 17.241 ACRES IN THE LEONARD REED SURVEY, ABSTRACT NO. 1029; JOHN AND DELLA SKERKIS, OWNERS; AND UNDERWOOD DRAFTING

APPROVE FINAL PLAT PLEASANT HOME ADDITION (747 PLEASANT HOME ROAD)

AND SURVEYING, SURVEYOR (747 PLEASANT HOME ROAD)

The City Council approved the Final Plat of the Pleasant Home Addition in the City's Extra Territorial Jurisdiction. The 17.241 acre parcel is located at 747 Pleasant Home Road, off of South Friendship Road. The owners would like to plat the property into two lots.

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

REPLAT APPROVAL OF LOT 2, BLOCK 1, HELEN PERKINS ADDITION, BEING LOT 2, BLOCK 1, HELEN PERKINS ADDITION, CONTAINING 6.33 ACRES; ALCOHOLIC SERVICES OF TEXOMA, INC., OWNERS; AND HELVEY AND ASSOCIATES, INC., SURVEYOR (2407 TEXOMA PARKWAY AND 1515 BAKER DRIVE)

APPROVE REPLAT HELEN PERKINS ADDITION (2407 TEXOMA PKWY & 1515 BAKER DR)

The City Council approved the Replat of Lot 2, Block 1, of the Helen Perkins Addition, which consists of 6.33 acres, and is located at 2407 Texoma Parkway and 1515 Baker Drive. The owner would like to replat the property into three lots for commercial development.

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

SPECIAL CONSIDERATION TO ORDINANCE NO. 2684, SECTION 12 (F) TO NOT REQUIRE SIDEWALKS IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT, BEING LOTS 3-1 THRU 3-5, BLOCK 1, REPLAT OF LOTS 3 & 4, PARK PLAZA ADDITION; TCV APTS LLC, OWNER; AND JOE GILBERT, REPRESENTATIVE (1918, 1922, 1926, 1930 AND 1934 CREEKSIDE AVENUE)

VARIANCE TO NOT REQUIRE SIDEWALKS IN PARK PLAZA ADDITION (1918, 1922, 1926, 1930 & 1934 CREEKSIDE AVE)

The City Council approved the request for special consideration to Ordinance No. 2684, to not require sidewalks in an R-1, One Family Residential District, in the Park Plaza Addition. The variance would apply to 1918, 1922, 1926, 1930 and 1934 Creekside Avenue. There are currently no sidewalks on the development to the north.

The Planning and Zoning Commission recommended approval of the variance to not require sidewalks at the specified addresses.
CONSENT AGENDA.

CITIZENS REQUESTS

CITIZENS REQUESTS

There were no citizen's requests.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

STREET REPAIRS NEEDED ON WILLOW STREET

STREET REPAIRS ON WILLOW STREET

Council Member Watt said northbound on Willow Street, as you approach Pecan Street, it is very rough to drive over.

FIELDER PARK RENOVATIONS — **FIELDER PARK RENOVATIONS**

Council Member Watt said many families have been out at Fielder Park and he said the renovations for that park were a great project. It has really paid off.

EARLY VOTING — **EARLY VOTING**

Council Member Johnson said Early Voting starts tomorrow and she encouraged all citizens to vote.

ANNOUNCEMENTS — **ANNOUNCEMENTS**

Mayor Plyler announced the following:

- **The Sherman Public Library is conducting a survey of citizen's attitudes, concerns, and ideas, regarding the Library's future. Log on to the City's website, take the survey, and let your voice be heard.**
- **The Sherman High School Band Boosters will host the Second Annual Band on the Run 5K and Fun Run on March 5, 2016, with a rain date of March 12, 2016.**
- **Keep Sherman Beautiful Commission will host the Annual Trash-Off event on April 9, 2016. Volunteers are encouraged to pick up trash around Sherman Town Center.**
- **Downtown Sherman Preservation & Revitalization will host Craft the Night Away on April 16, 2016.**

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

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

SECTION 551.071	**CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION: RECEIVE THE CITY ATTORNEY'S BRIEFING ON PENDING OR CONTEMPLATED LITIGATION**
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 5:29 p.m.

On Motion duly made and carried, the Executive Session recessed at 5:58 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.

ADJOURNMENT **ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 6:01 p.m.

MAYOR

CITY CLERK