

CITY OF SULPHUR SPRINGS, TEXAS

**SPECIAL MEETING OF THE
CITY COUNCIL**

JULY 11, 2017

7:00 p.m.

Mayor John Sellers called the special meeting of the Sulphur Springs City Council to order at 7:00 p.m. The following council members and staff were present:

Mayor John Sellers
Mayor Pro Tem Oscar Aguilar
Councilman Craig Johnson
Councilman Clay Walker
Councilwoman Freddie Taylor
Councilwoman Emily Glass
Councilman Dan Froneberger

Absent: None

Staff: Marc Maxwell, City Manager
Gale Roberts, City Secretary
Jim McLeroy, City Attorney
Peter Karstens, Finance Director
Gordon Frazier, HR Director
Tory Niewiadomski, Community Development Director
Russ Nuss, Director of Public Works
Robert Lee, Utilities Director
Russell Ham, Superintendent of Utilities
Jason Ricketson, Captain, SSPD
Bryan Craig, Capital Construction
Glenda Bassham, EDC Director Business Retention and Workforce

PLEDGE AND INVOCATION

Mayor Sellers led in the pledge of allegiance to the United States Flag, the Pledge to the Texas Flag, and Councilwoman Glass led the invocation.

PRESENTATIONS, ANNOUNCEMENTS AND PROCLAMATIONS

None.

MANAGER'S REPORT

LOCUST STREET – The utility work (water, sewer, gas) is complete. Cement stabilization is complete and concrete work continues to progress from north to south. The concrete work is approximately 70% complete.

MOORE STREET - Utility work is nearly completed on Moore Street. The Capital Construction Division has completed the sewer improvements, and water improvements will be completed before the next city council meeting. Atmos has replaced the gas main. The contract for concrete street construction is later on the agenda.



WASTEWATER TREATMENT PLANT - Work continues at the wastewater treatment plant. The concrete work for the three large primary clarifiers is nearly completed. Total suspended solids (TSS) came in at 1.3 mg/L, well within the limit of 10 mg/L.



CLAIMS – We did not have any liability claims in June. We had one minor workers' compensation claim for a cat bite. The police department submitted one claim to our insurer for damage to electronics resulting from a lightning strike.

REVENUES AND EXPENDITURES – Finance Director, Peter Karstens will present a year-to-date summary of revenues and expenditures.

Elsewhere around the city, employees:

- Repaired 107 potholes.
- Made 26 extensive road repairs following utility repairs. 10 repairs were water and sewer, and 16 were Atmos.
- Repaired 4 water mains.
- Replaced 29 water meters and made 3 new water taps.
- Repaired 2 storm drains.
- Unstopped 16 sewer mains.
- Washed 85,000 feet of sewer mains.

- Flushed 35 dead end water mains.
- Treated 139 million gallons of potable water.
- Sold 3,799 gallons of AvGas and 7,854 gallons of JetA fuel.
- Aerated and fertilized athletic fields.
- Made repairs to Highway 11 lift station.
- Made 4 felony arrests in the special crimes unit.
- Responded to 190 animal control calls and achieved an adoption rate of 55%.
- Made 55 arrests in the patrol division, wrote 532 citations, recorded 45 offences and responded to 30 accidents.
- Conducted 37 building inspections, 36 electrical inspections, 27 plumbing inspections, 6 mechanical inspections, and issued 32 building permits.
- Responded to 100 fire/rescue calls including 1 structure fire.
- Conducted 56 fire inspections.
- Maintained 84 fire hydrants.
- Kicked off the summer reading program at the library.
- Checked out 2,752 materials and 308 e-books from the library.

DISCUSSION/ACTION ON THE CONSENT AGENDA

Consider for approval the regular City Council meeting minutes of June 6, 2017; the Planning and Zoning Commission meeting minutes of June 19, 2017; the Downtown Revitalization Board meeting minutes of June 19, 2017; the Zoning Board of Adjustments and Appeals meeting minutes of June 20, 2017; and the Economic Development Corporation meeting minutes of May22, 2017. There was no one to speak to the issue. Councilman Johnson made a motion to approve the minutes as presented. Councilman Taylor seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR THE SECOND AND FINAL READING OF ORDINANCE NO. 2702 DESIGNATING A CERTAIN AREA AS AN INDUSTRIAL REINVESTMENT ZONE FOR OCEAN SPRAY CRANBERRIES INC.

Ocean Spray is in the process of expanding its operation in Sulphur Springs. The current expansion is 5 million dollars. One of the incentives that we offered to all industries that expand is a tax abatement. What you have before you is an ordinance to establishment a Reinvestment Zone. This is nothing more than establishing the geographical boundaries of an area where a taxing entity can offer a tax incentive. Item #13 on this agenda you will be asked to approve a tax abatement for Ocean Spray. There was no one to speak to the issue. Councilman Taylor moved to adopt the ordinance on the second and final reading. Councilwoman Glass seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2708 AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SULPHUR SPRINGS, TEXAS, COMBINATION AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017; TO PROVIDE FUNDS FOR THE PURPOSE OF PAYING CONTRACTUAL OBLIGATIONS INCURRED TO FUND WATER AND SEWER SYSTEM IMPROVEMENTS AND ACQUISITION OF EQUIPMENT AND VEHICLES FOR MUNICIPAL DEPARTMENTS, AND FOR COSTS OF ISSUANCE OF THE CERTIFICATES OF OBLIGATION; BEARING INTEREST AT THE RATES HEREINAFTER SET FORTH; PRESCRIBING THE FORM OF CERTIFICATES OF OBLIGATION; LEVYING AD VALOREM TAXES AND PLEDGING SURPLUS NET REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE CERTIFICATES OF OBLIGATION , THE FUNDS FROM WHICH SAID CERTIFICATES OF OBLIGATION; AUTHORIZING EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AGREEMENTS FOR MUNICIPAL ADVISORY AND BOND COUNSEL SERVICES, AWARDED SALE OF CERTIFICATES OF OBLIGATION; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING THERETO

Finance Director Karstens presented the staff report. This is the first reading of the ordinance authorizing the bond issue which includes \$3,000,000 that is in the budget for the Water and Sewer CIP (replacing water and sewer lines) for the next five (5) years, \$600,000 that is added for the contractor for the WWTP rehabilitation and \$242,000 for vehicles and equipment that were last year in the FY 2016 budget through a budget amendment and \$1,509,200 that was this year in the FY 2017 budget also for vehicles and equipment, including a new fire truck. \$123,800 has also been added making the total \$5,475,000 which includes issuance costs as well as a small contingency for some of the items but primarily the wastewater treatment plant. There was a brief discussion. There was no one to speak to the issue. Councilwoman Glass moved to approve the ordinance on the first reading. Councilman Taylor seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2703 AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SULPHUR SPRINGS, TEXAS, GENERAL OBLIGATION REFUNDING BOND, SERIES 2017, TO PROVIDE FUNDS FOR THE PURPOSE OF REFUNDING OUTSTANDING OBLIGATIONS OF THE CITY ISSUED FOR VARIOUS PUBLIC IMPROVEMENTS AND FOR PAYING COST OF ISSUANCE OF THE BOND; BEARING INTEREST AT THE RATES HEREINAFTER SET FORTH;

PRESCRIBING THE FORM OF BOND; MAKING CERTAIN OTHER COVENANTS OF THE CITY IN REFERENCE TO THE BOND AND THE FUNDS FROM WHICH SAID BOND IS TO BE PAID; AUTHORIZING EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AGREEMENTS FOR THE MUNICIPAL ADVISORY AND BOND COUNSEL SERVICES, AWARDED SALE OF SAID BOND; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING THERETO

Finance Director Karstens presented the staff report. Last month staff presented the possibility of refinancing the City's 2007 Certificates of Obligations. The \$1,550,000 remaining becomes callable this summer. If the interest rates hold until August, the city may be able to save \$13,000 per year for 10 years in the Enterprise Fund. Approving the ordinance on first reading will begin the process to obtain bids just before the August 1, 2017 City Council meeting. There was a brief discussion. There was no one else to speak to the issue. Councilman Taylor moved to approve the ordinance on the first reading. Councilman Froneberger seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2704 FOR ZONE CHANGE REQUEST BY OWNERS JOHN AND MARCIA DAVIS TO REZONE PROPERTY LOCATED AT 312 COLLEGE STREET, BEING FURTHER DESCRIBED AS LOT 16 OF BLOCK 51, FROM MULTI-FAMILY (MF) TO SINGLE FAMILY (SF-6)

Community Development Director Niewiadomski presented the staff report. This property is located on the south side of College Street between Jackson Street and Beckton Street. Adjacent properties are currently zoned Multi-Family to the east and west of the subject property and abuts Heavy Commercial to the south. However, the use of property in the area is in a traditional single family residential neighborhood. The Land Use Plan identifies the area as residential which is consistent with this request. Staff recommends approval as it is consistent with the existing surrounding land uses and intended future land use plan for the area. The Planning and Zoning Commission conducted a Public Hearing and recommends approval. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Aguilar moved to approve the ordinance on the first reading. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF READING OF ORDINANCE NO. 2705 FOR ZONE CHANGE REQUEST BY OWNERS MONTIE AND VIVIAN MONZINGO TO REZONE PROPERTY LOCATED AT 333 COLLEGE

STREET, BEING FURTHER DESCRIBED AS LOTS 3, 4, S. PT. OF LOT 11 OF BLOCK 52, FROM MULTI-FAMILY (MF) TO SINGLE FAMILY (SF-6)

Community Development Director Niewiadomski presented the staff report. This property is located on the north side of College Street between Jackson Street and Patton Street. Adjacent properties are currently zoned Multi-Family to the south, east and west of the subject property and abuts Heavy Commercial and Light Industrial to the north. However, the use of property in the area is in a traditional single family residential neighborhood. The Land Use Plan identifies the area as residential which is consistent with this request. Staff recommends approval as it is consistent with the existing surrounding land uses and intended future land use plan for the area. The Planning and Zoning Commission conducted a Public Hearing and recommends approval. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Aguilar moved to approve the ordinance on the first reading. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF READING OF ORDINANCE NO. 2706 FOR ZONE CHANGE REQUEST BY OWNER CHARLES MOORE TO REZONE PROPERTY LOCATED AT 317 AND 319 JEFFERSON STREET, BEING FURTHER DESCRIBED AS LOTS 2-10 AND 2-20 OF BLOCK 55, FROM LIGHT INDUSTRIAL (LI) TO LIGHT COMMERCIAL (LC)

Community Development Director Niewiadomski presented the staff report. This property is located on the north side of Jefferson Street between Jackson Street and Patton Street. Adjacent properties are currently zoned Light Industrial to the north, east and west of the subject property and abuts Heavy Commercial to the south. The existing land use pattern in the area is traditionally a light commercial area. There are office uses, storage uses, two residential properties, and a vacant retail store and car wash within this block. Light Commercial would be consistent with the existing land use pattern of this block and would be more appropriate than Light Industrial in an area that has lower intensity uses in the area especially when abuts residential land both to the south and east of this block. Light Commercial zoning does afford an opportunity for residential utilization of the property which is currently not allowed in Light Industrial zoning. The proposed zoning classification permits some flexibility to allow as a transitional area in the future. Staff recommends approval as it is consistent with the existing surrounding land uses. The Planning and Zoning Commission conducted a Public Hearing and recommends approval. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Aguilar moved to approve the ordinance on the first reading. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AS REQUIRED BY CHAPTER 312 OF THE TEXAS TAX CODE TO ESTABLISH A REINVESTMENT ZONE AND ON FIRST READING OF ORDINANCE NO. 2707 DESIGNATING A CERTAIN AREA AS A COMMERCIAL-INDUSTRIAL REINVESTMENT ZONE

Mayor Sellers opened the public hearing. There was no one to address the issue, but Billie Ruth Standbridge stated she was in favor. Mayor Sellers closed the public hearing.

Community Development Director Niewiadomski presented the staff report. The city has a geographic area that has been distressed and has had lack of investment in the area for some time that is generally bordered by Main Street to the north, Magnolia to the east, Towne Street to the west, and the railroad tracks to the south. If a district were in place, it could allow the City to issue time limited tax abatements on properties within the district if substantial enhancements or upgrades are made to the property in the area that help promote economic development in the City. It is important to note that this is an optional economic development tool that could allow for future options of property owners in the district to utilize and does not impact the current rights of a property owner. It is proposed that this particular zone will be in place for five (5) years at this time. Staff recommends approval as this will allow for additional economic incentives to improve property near the downtown area and promote economic development in the City. There was a brief discussion. There was no one else to speak to the issue. Councilman Johnson moved to approve the ordinance on the first reading. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1131 FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION TO CHANGE RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL

City Manager Maxwell presented the staff report. On March 17, 2017, Oncor filed an application to change rates with cities retaining original jurisdiction. In the filing, the Company seeks to increase system-wide transmission and distribution rates by \$317 million or approximately 7.5% over current revenues. The Company asked the City to approve an 11.8% increase in residential rates and 0.5% increase in street lighting rates. If approved, a residential customer using 1000 kWh per month would see a bill increase of about \$6.68 per month. The Steering Committee's attorneys recommend that all members adopt the Resolution denying the rate change. There was a brief discussion. There was no one else to speak to the issue. Councilman Johnson moved to approve the

resolution denying the rate change as presented. Councilwoman Glass seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1132 APPROVING A TAX ABATEMENT AGREEMENT WITH OCEAN SPRAY CRANBERRIES INC.

Shawn Coleman with Ocean Spray Cranberries Inc. addressed the City Council. This is a five-year tax abatement agreement and it is for an equipment upgrade for the facility. Glenda Bassham, EDC Director of Business Retention and Workforce, was also available to answer any questions. There was a brief discussion. There was no one else to speak to the issue. Councilwoman Glass moved to approve the resolution approving the tax abatement for Ocean Spray. Councilman Taylor seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR CHEMICALS

Direct of Utilities Robert Lee presented the staff report. The City advertised for bids on the following chemicals to be used at the Water and Waste Water Treatment Plants:

- Alum
- Alum Copper Blend
- Chlorine
- Sulphur Dioxide
- Sodium Hydroxide
- Liquid Ammonia Sulfate
- Poly Phosphate Corrosion Inhibitor

The bids received on June 21, 2017 are as follows:

Alum

Chemtrade	\$ 179.89 per dry ton
Affinity Chemical	\$ 184.95 per dry ton
Chameleon	\$ 196.00 per dry ton
Brenntag	\$ 344.20 per dry ton
Geo Specialties	\$ 365.06 per dry ton

Alum Copper Blend 1%

Chameleon	\$ 248.00 per dry ton
Brenntag	\$ 409.19 per dry ton
Chemtrade	\$ 410.00 per dry ton

Alum Copper Blend 2%

Chameleon	\$ 275.00 per dry ton
Brenntag	\$ 439.19 per dry ton
Chemtrade	\$ 471.90 per dry ton

Chlorine

Brenntag	\$ 680.00 per ton
D.P.C. Industries	\$ 773.00 per ton

Sulphur Dioxide

Brenntag	\$ 680.00 per ton
D.P.C. Industries	\$ 823.00 per ton

Caustic Soda 25%

D.P.C. Industries	\$ 707.96 per dry ton
Brenntag	\$ 718.00 per dry ton
Univar USA	\$ 790.00 per dry ton
Harcross	\$ 804.00 per dry ton

Caustic Soda 32%

FSTI	\$ 560.00 per dry ton
Brenntag	\$ 718.00 per dry ton
Univar USA	\$ 760.00 per dry ton

Caustic Soda 50%

Brenntag	\$ 594.00 per dry ton
D.P.C. Industries	\$ 619.83 per dry ton
Harcross	\$ 652.00 per dry ton
Univar USA	\$ 690.00 per dry ton

Liquid Ammonium Sulfate

Chemtrade	\$.0895 per liquid pound
Chameleon	\$.0929 per liquid pound
Brenntag	\$.1050 per liquid pound

Phosphate Ortho/Poly Barrel 55 gallon

Brenntag	\$.4549 per liquid pound
Shannon Chemical	\$.4870 per liquid pound
Chemright	\$.5280 per liquid pound
Sterling	\$.6271 per liquid pound
Edward R. Ducote	\$ 1.300 per liquid pound

Phosphate Ortho/Poly Tote 275 gallon

Brenntag	\$.4549 per liquid pound
Shannon Chemical	\$.4870 per liquid pound
Chemright	\$.5280 per liquid pound
Sterling	\$.5762 per liquid pound
Edward R. Ducote	\$ 1.250 per liquid pound

The staff recommendation is to accept the low bid for each individual chemical category. There is an annual increase of approximately \$12,081.38 in the cost of chemicals. There was no one to speak to the issue. Councilman Johnson moved to accept the bids and award the contract to the lowest bidder in each category. Councilman Froneberger seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SOUTH MOORE STREET PAVING

Director of Public Works Russ Nuss presented the staff report. Four bids were received.

Highway 19 Construction	\$498,580.00
Sulphur Rental Inc.	\$606,847.00
Richard Drake Construction Co., LP	\$637,260.50
5W Contracting	\$649,172.89

Staff recommends awarding the contract to the lowest bidder, Highway 19 Construction. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Aguilar moved to accept the bids and award the contract to Highway 19 Construction. Councilman Froneberger seconded and the vote was as follows:

Ayes: Aguilar, Froneberger, Johnson, Taylor, Glass, Sellers
Nays: None
Abstain: Walker

The motion carried.

DISCUSSION/ACTION ON A PLAT OF RZ ADDITION, A REQUEST BY OWNER MIKE MOORE TO PLAT A 0.48 ACRE PORTION OF A 12.373 ACRE LOT DESCRIBED AS LOT 19 AND THE NORTH PART OF LOT 26 OF BLOCK 36-2

Community Development Director Niewiadomski presented the staff report. This property is located on Gilmer Street across from Toliver Ford. The development will

include the replacement of the existing sanitary sewer line across the property and therefore requires a Community Facilities Contract (CFC). Staff recommends approval of the plat and the authorization for the execution of a Community Facilities Contract. The Planning and Zoning Commission conducted a public hearing and recommends approval. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Aguilar moved to approve the plat contingent on the execution of the Community Facilities Contract. Councilman Johnson seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON BOARD APPOINTMENT TO THE DOWNTOWN REVITALIZATION BOARD

No action taken.

DISCUSSION/ACTION ON APPOINTING AN ALTERNATE BOARD MEMBER TO THE ZONING BOARD OF ADJUSTMENTS AND APPEALS

No action taken.

VISITORS AND PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting was adjourned at 7:31 p.m.