

CITY OF SULPHUR SPRINGS, TEXAS

**REGULAR MEETING OF THE
CITY COUNCIL**

SEPTEMBER 4, 2018

7:00 p.m.

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

Mayor John A. Sellers
Mayor Pro Tem Emily Glass
Councilwoman Erica Armstrong
Councilman Jimmy D. Lucas
Councilman Norman Sanders
Councilman Freddie Taylor
Councilman Doug Moore

Absent: None

Staff: Marc Maxwell, City Manager
Gale Roberts, City Secretary
Jim McLeroy, City Attorney
Tory Niewiadomski, Community Development Director
Lesa Smith, Finance Director
Gordon Frazier, HR Director
Jason Ricketson, Captain, SS Police Department

PLEDGE AND INVOCATION

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

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

City Secretary Roberts the City Council of the public hearing scheduled for September 5, 2018.

MANAGER'S REPORT

CROSTOWN TRAIL – The railroad crossing is complete. The Capital Construction Division has constructed the path between the KCS railroad tracks and Main Street.

They have also constructed the path on the North face of Coleman Lake dam. We are now waiting for delivery of the flashing lights for the crossing. When finished, this grant-funded project will connect Buford Park to Coleman Park and the high school/civic center complex. It will also replace the sidewalk on the north side of Connally Street.

CANTEX FORCE MAIN – This project is about 75% completed. The Capital Construction division began on the East end of the project and they are now progressing West on Airport Road. This is the final capital improvement project in the 2013-2017 C.I.P. It replaces 2,400 linear feet of aging sewer force main and 2,900 feet of gravity main. Currently the main passes through the middle of the hospital complex. The new route passes around the hospital complex. One-third of the city's sewage passes through this line.

SUNSET STREET – We will open bids for materials for this project in September. Expect to approve the low bids at the October 2nd council meeting. The project will include new water mains, new sewer mains and a new concrete street from Connally to Houston. The \$275,000 CDBG grant is matched with \$132,000 of city funding. We have submitted construction drawings for approval. Work will begin in the fall.

WASTEWATER TREATMENT PLANT – Phase 2 continues with the demolition of the secondary clarifiers. This will make way for the new diffused air aeration units. This project is on time and under budget.

CLAIMS – We had one minor workers compensation claim in August. We did not have any liability claims.

REVENUES AND EXPENDITURES – Finance Director Lesa Smith will not give a year-to-date report of revenues and expenditures.

Elsewhere around the city, employees:

- Made 21 street repairs following utility repairs.
- Repaired 166 potholes.
- Cleaned out drainage ditch from Ardis to MLK.
- Cleaned out drainage ditch from Church to Houston.
- Replaced 10 stop signs, 2 child crossing signs, 3 one way signs, 4 no parking signs, 3 school zone signs and 6 no cell phone use signs.
- Replaced driveway approach to Brookshire's off Kyle Street.
- Conducted 40 building inspections, 34 electrical inspections, 31 plumbing inspections, 7 mechanical inspections and issued 29 building permits.
- Aerated all athletic fields.
- Repaired bare spots on soccer fields.

- Checked out 3,255 items from the Municipal Library plus 558 e-Books.
- Repaired the Celebration Plaza fountain.
- Programmed school zone lighting.
- Repaired/replaced various A/C units around the city.
- Achieved a daily average total suspended solids reading of 1.87 mg/L at the wastewater treatment plant.
- Responded to 179 fire/rescue calls including 1 structure fire, 1 vehicle fire and 4 grass fires.
- Performed preventative maintenance on 80 fire hydrants.
- Conducted 44 fire safety inspections and reviewed 44 pre-fire plans.
- Responded to 261 animal control calls, achieving an adoption rate of 48%.
- Made 115 arrests, recorded 89 offenses, responded to 32 accidents, and wrote 707 citations in the patrol division.
- Repaired 28 water main ruptures.
- Replaced 15 water meters.
- Treated 188 million gallons of potable water.
- Unstopped 11 sewer mains and made 5 sewer repairs.
- Washed 70,000 feet of sewer mains.
- Flushed 35 dead-end water mains.
- Sold, 1,915 gallons of AvGas and 7,031 gallons of JetA fuel.

DISCUSSION/ACTION ON THE CONSENT AGENDA

Consider for approval the special City Council meeting minutes of August 7, 2018; the regular City Council meeting minutes of August 7, 2018; the special City Council meeting minutes of August 14, 21, and 30, 2018; and the Economic Development Corporation meeting minutes of July 18, 2018. There was no one to speak to the issue. Mayor Pro Tem Glass made a motion to approve the minutes as presented. Councilman Moore seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2726, A BUDGET AMENDMENT FOR FY 2017-2018

Finance Director Smith presented the staff report. The City's 2016-2017 fiscal year ended September 30, 2017. At that time, there was a contract for the purchase of a fire engine that was approved and budgeted in fiscal year 2016-2017, but the actual expenditure was incurred in the 2017-2018 fiscal year. The carry over for that expenditure is being requested, and that the budget for that item to be reestablished in this fiscal year. The carry over item will be funded from available balances as of 09/30/2017. The process for such carryovers is a normal and regular process moving from one fiscal

year to into the next. There is also an additional request for the authorization to increase revenue and expenses related to the Airport Fund that are a result from the combination of rising fuel costs and increased fuel sales. The budget amendment will increase the overall expenditure limit by \$562,727.00. There was a brief discussion. There was no one else to speak to the issue. Councilman Taylor moved to adopt the ordinance on the second and final reading as presented. Mayor Pro Tem Glass seconded and the vote was as follows:

Ayes: Taylor, Glass, Armstrong, Sanders, Moore, Sellers
Nays: Lucas
Abstain: None

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2727, THE APPROPRIATIONS ORDINANCE FOR THE CITY OF SULPHUR SPRINGS FOR FY 2018-2019

Finance Director Smith presented the staff report. This budget reflects changes to the proposed budget discussed during the budget workshops and meetings. 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. Council Moore seconded and the vote was as follows:

Ayes: Taylor, Glass, Armstrong, Sanders, Moore, Sellers
Nays: Lucas
Abstain: None

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2729 SETTING THE WATER RATE FOR THE CITY OF SULPHUR SPRINGS

Finance Director Smith presented the staff report. The water rates, as noted in the budget workshops, increase by 2.0% from last year. 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. Mayor Pro Tem Glass seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2730 SETTING THE SEWER RATE FOR THE CITY OF SULPHUR SPRINGS

Finance Director Smith presented the staff report. The proposed increases in the sewer rate are as presented in the budget workshops. The increase in rates is 2.0% for all sewer

rates. This structure changes from a 3 tier rate structure to a 2 tier rate structure which is the end goal for the rate change that began 5 years ago. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Glass moved to approve the ordinance on the first reading. Councilwoman Armstrong seconded and the vote was unanimous.

The motion carried.

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2731
SETTING THE SANITATION RATE FOR THE CITY OF SULPHUR SPRINGS**

Finance Director Smith presented the staff report. The sanitation rates, as noted in the budget workshops, increase by 2.25% from last year. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Glass moved to approve the ordinance on the first reading. Councilman Moore seconded and the vote was unanimous.

The motion carried.

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2732
AUTHORIZATION OF UPDATED SERVICE CREDITS**

Human Resources Director Frazier presented the staff report. Staff recommends the city continues with the updated service credits for all current full-time employees. We act on this annually so we have the option to discontinue at any time. There was a brief discussion. There was no one else to speak to the issue. Councilman Sanders moved to approve the ordinance on the first reading. Councilman Lucas seconded and the vote was unanimous.

The motion carried.

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2733 ON A
REQUEST BY HAROLD AND KAREN MARTS TO REZONE PROPERTY
LOCATED AT 1332 SOUTH HILLCREST FROM SINGLE FAMILY (SF) TO
LIGHT COMMERCIAL (LC)**

Community Development Director Niewiadomski presented the staff report. This property is located at the southeast corner of Hillcrest Drive (Highway 19) and Rockdale Road. Adjacent properties are currently zoned Single Family to the east and west with the north and south zoned Light Commercial. The uses in this area are residential, agricultural, and commercial. The Land Use Plan identifies the area as commercial which is consistent with this request. 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 Sanders seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2734 ON A REQUEST BY BURT LL, LLC, PAT CHASE AND CARRIE NUCKOLLS TO REZONE PROPERTY LOCATED AT 435 CONNALLY STREET FROM SINGLE FAMILY (SF) TO SINGLE FAMILY ATTACHED (SFA)

Community Development Director Niewiadomski presented the staff report. This property is located on the west side of Easy Street, south of Atkins Street, and north of Connally Street. Adjacent properties are currently zoned Multi Family and Single Family to the north, Single Family to the east and west, and Light Commercial to the south. The uses of property in this area are primarily residential. The Land Use Plan identifies the area as residential which is consistent with this request. There was a brief discussion. Carrie Nuckolls was available to answer any questions. There was no one else to speak to the issue. Councilman Taylor moved to approve the ordinance on the first reading. Councilman Sanders seconded and the vote was unanimous.

The motion carried.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2018 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL

City Manager Maxwell presented the staff report. The Legislature’s GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex’s claim that its historic cost of service should entitle it to recover \$42 million in additional system-wide revenues, the RRM settlement at \$24.9 million reflects savings of \$17.1 million. ACSC’s consultants produced a report indicating that Atmos had justified increased revenues of at least \$21.7 million. Settlement at \$24.9 million is fair and reasonable. The average residential impact is approximately \$1.06 per month. There was a brief discussion. Beth Dattomo, Manager

of Public Affair, Atmos Energy, was available to answer any questions. There was no one else to speak to the issue. Councilman Moore moved to pass and approve the resolution as presented. Councilman Lucas seconded and the vote unanimous.

The motion carried.

DISCUSSION/ACTION ON AN AMENDMENT TO THE CAPITAL IMPROVEMENT PLAN FOR 2019-2023 FOR DRAINAGE AT PACIFIC PARK

Community Development Director Niewiadomski presented the staff report. The City Council recently approved the 5-year Capital Improvements Program in July which included 10 projects. Councilman Lucas requested the City to fix a drainage issue at MLK and Carter Street. The Public Works Department was directed to look at fixing drainage concerns on MLK at Carter Street near Pacific Park and to provide a cost estimate if it can't be easily fixed. The Public Works Department investigated the issue and offered a solution to re-route approximately 470 feet of storm drainage from Carter to Lamar Street to fix the drainage problem. Engineering was consulted to see if the solution would work and to provide a cost estimate to implement the project. Engineering determined that the topography can work to re-route the storm sewer and provided an estimate of nearly \$85,000 to complete the project. The CIP should be reviewed from time to time as priorities or needs change. As mentioned during the CIP adoption process, there is no funding mechanism to fix drainage issues and the costs would come from the street maintenance budget. If the project is approved, it means we may lose a future summer paving project such as Park Circle Drive or about 1/3 of a mile of overlay work since this was not accounted for in the approved CIP. There was a general discussion. There was no one else to speak to the issue. Councilman Sanders moved to approve the amendment to the C.I.P. as presented. Councilman Lucas seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON APPOINTMENTS TO THE CHARTER REVIEW COMMITTEE

Mayor Sellers presented the staff report. City Attorney McLeroy tallied the votes. The Charter Review Committee will be comprised of Mayor Sellers, Councilman Lucas, City Manager Maxwell, and City Attorney McLeroy along with nominated members Tyler Law, Jay Julian, Thomas Harrison, Will Longino, Dr. Scott McDearmont, Larry Powers, Bill Watts, and Kayla Price-Mitchell. There was no one to speak to the issue. Mayor Pro Tem Glass moved to approve the elected nominees. Councilman Sanders seconded and the vote was unanimous.

The motion carried.

**DISCUSSION/ACTION ON APPROVAL OF THE BUDGET FOR THE
SULPHUR SPRINGS/HOPKINS COUNTY ECONOMIC DEVELOPMENT
CORPORATION**

Executive Director Roger Feagley presented the staff report. City Council approval of the budget is required by State Law. The budget will go into effect October 1, 2018. There was a brief discussion. There was no one else to speak to the issue. Councilman Taylor moved to approve the budget as presented. Mayor Pro Tem Glass seconded and the vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting was adjourned at 7:36 p.m.