

**CITY OF SULPHUR SPRINGS, TEXAS  
REGULAR MEETING OF THE  
CITY COUNCIL**

**NOVEMBER 3, 2020**

**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:

Public link: <https://www.youtube.com/channel/UC8CxjG8pt3Cn8DDMgg0xr8g>

Present: Mayor John A. Sellers  
Mayor Pro Tem Freddie Taylor  
Councilman Doug Moore  
Councilman Harold Nash Sr.  
Councilman Oscar Aguilar

Absent: None

Staff: Marc Maxwell, City Manager  
Gale Roberts, City Secretary  
Jim McLeroy, City Attorney  
Lesa Smith, Finance Director  
Tory Niewiadomski, Community Development Director  
Roger Feagley, Executive Director/Economic Development  
David James, Fire Chief  
Joey Baker, Airport/Tourism Director

**CALL TO ORDER**

Mayor John A. Sellers called the regular meeting of the Sulphur Springs City Council to order at 7:00 p.m.

**PLEDGE AND INVOCATION**

Mayor Sellers led in the pledge of allegiance to the United States Flag and the Pledge to the Texas Flag, and the invocation was led by Councilman Nash.

## **PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS**

Councilman Aguilar reminded everyone of the UPRA rodeo at the Civic Center this November 19-21. It will be the 41<sup>st</sup> year to host the event.

## **MANAGER'S REPORT**

**COVID-19 RESPONSE** – The number of active cases in Hopkins County nearly doubled in October with a total of 141 active cases as of November 02. The state has tested 1905 people at the Hopkins County testing site since the October council meeting. We have had 559 recoveries and 36 fatalities in Hopkins County.

As a part of the City's response to Covid-19 the City suspended the practice of cutting off water service for non-payment. Some of the balances are growing quite high. The total arrearage is \$108,358 with 469 accounts (6.7% of all accounts) in arrears. 168 accounts are more than 90 days in arrears. I have not planned on reinstating cut offs until after a vaccine is available. At that point we will have to decide how to bring the delinquent accounts up to a current status. I will likely propose requiring residents to pay their current bill along with 1/6<sup>th</sup> or 1/12<sup>th</sup> of their arrearage to avoid being cut off. In this way their accounts would be brought current in either 6 months or 12 months.

**GRAYS BUILDING** – The foundation for the building and the patio have both been poured. Sulta Manufacturing is supplying the steel for the project, and we expect the steel to be delivered the week of November 16<sup>th</sup>. Hawk Construction will begin erecting the steel as soon as it is delivered. Staff installed the grease trap and the sewer service to the building in October.

**SENIOR CITIZENS BUILDING** – Construction drawings are still being prepared by REES Associates. We have hired Tandem Consulting to oversee the construction just like the Grays Building.

**BELLVIEW STREET** – Atmos is finally finished replacing the gas line. We have finished all or our work on Bellview. Texana Land and Asphalt plans to pave Bellview and McCann the week of the 16<sup>th</sup>, weather permitting.

**MCCANN STREET** – The sewer main and water main have both been replaced. We are currently replacing some sections of curb and gutter and some driveway approaches. After that, the street will be paved with asphalt. Texana Land and Asphalt plans to pave Bellview and McCann the week of the 16<sup>th</sup>, weather permitting.

**WOODLAWN STREET** – This is the next project in the Capital Improvement Plan. This 1,000' long street is more than 80 years old, and the utilities are completely depleted. The street will receive a new water main and a new sewer main. We will replace portions of curb and gutter and cement-stabilize the road base. Texana Land and

Asphalt will then pave the street with asphalt. We have already begun replacing the sewer main.

**CLAIMS** – We did not have any workers compensation claims or liability claims in October.

**REVENUES AND EXPENDITURES** – Finance Director Lesa Smith will not present a report of revenues and expenditures since the year has only just begun.

**Elsewhere around the city, employees:**

- Responded to 179 Fire/Rescue calls including 2 structure fires and 3 vehicle fires.
- Performed preventative maintenance on 78 fire hydrants.
- Performed 10 fire inspections.
- Sent 16 notices of code violations.
- Made 16 major street repairs following utility repairs.
- Cleaned storm drains after 4 rain events.
- Conducted 28 building inspections, 21 electrical inspections, 16 plumbing inspections, 3 mechanical inspections and issued 34 building permits.
- Checked out 2,892 items from the Library.
- Installed a Zoom booth at the Library.
- Sold 7,820 gallons of Jet A fuel and 2,934 gallons of AvGas at the Airport.
- Replaced the lamps on the girls' softball fields at Coleman Park.
- Washed tertiary filters and performed preventative maintenance on the clarifiers at the wastewater treatment plant.
- Treated wastewater effluent to monthly average total suspended solids count of .38 mg/L.
- Repaired 9 water main ruptures.
- Replaced 43 water meters.
- Unstopped 18 sewer mains.
- Repaired 5 sewer services.
- Flushed 36 dead end water mains.
- Treated 148 million gallons of potable water.
- Made 2 felony arrests in the Special Crimes Unit.
- Responded to 45 accidents, wrote 472 citations, recorded 34 offenses, and made 29 arrests in the Patrol Division.
- Responded to 225 calls for animal control.
- Achieved an 88% adoption rate at the animal shelter.
- Hosted a 62-team collegiate baseball/softball tournament.
- Trimmed trees and undergrowth at Buford Park.
- Planted winter flowers downtown.

- Pressure washed various sidewalks downtown.

**DISCUSSION/ACTION ON THE CONSENT AGENDA**

Consider for approval the regular City Council meeting minutes of October 6, 2020; the City Council Special meeting minutes of September 22, 2020; the Zoning Board of Adjustments and Appeals meeting minutes of September 22, 2020; and the Economic Development Corporation meeting minutes of September 28, 2020. There was no one to speak to the issue. Mayor Pro Tem Taylor 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. 2773, ESTABLISHING A CERTAIN AREA AS A COMMERCIAL – INDUSTRIAL REINVESTMENT ZONE**

Community Development Director Niewiadomski presented the staff report. City-owned property that was recently annexed has industrial use potential. 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 to help promote economic development within the City. It is proposed that this particular zone will be in place for five years and could be renewed in 5-year increments if desired. There was no one to speak to the issue. Councilman Moore moved to approve and adopt the ordinance on the second and final reading. Mayor Pro Tem Taylor seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2774, ESTABLISHING LOT 6 OF THE PIONEER BUSINESS PARK AS AN INDUSTRIAL REINVESTMENT ZONE**

Economic Development Executive Director Feagley presented the staff report. My Perfect Pet has completed a 19,000 square-foot facility to USDA standards for the production of human grade dog food. This project has produced an investment of \$2.5 million dollars. One of the incentives that we offered was a tax abatement for their hospital taxes. The hospital district does not have the legal authority to create a reinvestment zone. This ordinance establishes the geographical boundaries of an area where a taxing entity can offer a tax incentive. There was no one to speak to the issue. Mayor Pro Tem Taylor moved to approve and adopt the ordinance on the second and final reading. Councilman Nash seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2775, A REZONING REQUEST BY THE CITY OF SULPHUR SPRINGS TO REZONE PROPERTY ANNEXED (GENERALLY REFERRED TO AS THE LUMINANT OR THERMO MINE PROPERTY) TO HEAVY INDUSTRIAL**

Community Development Director Niewiadomski presented the staff report. This area was annexed March 3, 2020 and is owned and controlled by the City of Sulphur Springs. When the property was annexed, it was not brought in with a zoning designation and the next step is to provide it with a proper zoning designation. From staff's perspective, the site has historically been utilized as a heavy industrial use on the property while it was a coal mine operation dating back to the 1970's. The property has potential to be utilized for industrial purposes again in the future with the Class 1 KCS railroad along with two 7,000-foot railroad spurs on and through the property. The Heavy Industrial zoning designation provides the most flexibility in development opportunity for the site should opportunities arise. This designation can allow the EDC to make investments into the property and help attract major employers and industry to portions of the site that are suitable for development to help increase the tax base to the City of Sulphur Springs. There was no one else to speak to the issue. Mayor Pro Tem Taylor moved to approve and adopt the ordinance on the second and final reading. Councilman Aguilar seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2776, A REZONING REQUEST FOR PROPERTY LOCATED AT THE CORNER OF SPENCE AND FISHER STREETS FROM HEAVY COMMERCIAL TO SINGLE FAMILY ATTACHED**

Community Development Director Niewiadomski presented the staff report. The applicant is proposing to downzone the property from Heavy Commercial to Single Family Attached housing which will limit the intensity of uses on the property to residential development only. The property is surrounded by a mix of zoning designations from Heavy Commercial to the east, Light Commercial to the south, Single Family and Multi-Family to the west, and Single Family and Two Family to the north. Single Family Attached zoning provides transition between Multi-Family and Single-Family development. Given the context of the area, Single Family Attached zoning is an appropriate transition zone for this area. The applicant has expressed a desire for duplex style housing on this property and the Single Family Attached zoning designation permits that use. There was no one to speak to the issue. Mayor Pro Tem Taylor moved to approve and adopt the ordinance on the second and final reading. Councilman Moore seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON PURCHASE OF A LARGE TRACK LOADER WITH A CLAM SHELL BUCKET FOR \$248,500.00 TO REPLACE THE 1980 CAT D6 DOZER AND THE 1990 JOHN DEERE 555 TRACK LOADER**

Finance Director Smith presented the staff report. The purchase of a large track loader will be used at our city yard for moving and stock piling concrete debris, maintaining our rock and dirt stockpiles. There was a brief discussion. There was no one else to speak to the issue. Mayor Pro Tem Taylor move to approve the purchase. Councilman Nash second and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON ASSIGNMENT OF AN EXISTING AIRPORT GROUND LEASE AGREEMENT FOR LOT 1220-06**

Airport/Tourism Director Baker presented the staff report. Mr. Hanna, via his contracted Realtor, has entered into an agreement to sell his hangar to Jeff Martin, dba Cirrus Holdings, LLC. The new *Ground Lease Agreement* would effectively assign the existing lease to Mr. Martin/Cirrus Holdings, LLC for the remaining term of the original lease, 33 years. The new *Ground Lease Agreement* has been updated to include all land utilized in the improvement of the lot, including the hangar area, concrete approach apron, and the concrete rear vehicle access and parking area. The original lease rate of \$0.07/ft<sup>2</sup> had been adjusted to a current rate of \$0.0931/ft<sup>2</sup>. The original square footage was estimated to be 6128 ft<sup>2</sup>; however, that estimate was not adjusted to reflect the as-built total of 8316 ft<sup>2</sup>. That area is shown on Exhibit A and is included with the new *Ground Lease Agreement*. Additionally, Mr. Martin has informed me that it is his intent, dependent upon closing on this hangar purchase, to relocate his Citation Jet to Sulphur Springs Airport and to base his operation of that aircraft from here. Current Land lease is rate \$0.0931/ft<sup>2</sup>, \$ 571.45 annually. The rate will remain the same; however, with the adjustment in the total land included in the lease, the annual payment will increase to \$ 774.22. Terms for adjustment at 5-year intervals will remain, the next adjustment is scheduled for 2023. There was a brief discussion. There was no one else to speak to the issue. Councilman Moore moved to approve the lease. Councilman Aguilar seconded and the vote was unanimous

**The motion carried.**

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2777, ESTABLISHING LOT A39, BLOCK A, VOL. 3, PAGE 60, AS AN INDUSTRIAL REINVESTMENT ZONE**

Economic Development Executive Director Feagley presented the staff report. D6 Inc. is a company from Portland Oregon. They have purchased the old Commercial Services Building/Coca Cola Building. They are adding 25,000 square feet and adding 6 million

dollars of investment. The current value of the property is remaining on the tax rolls. All the incentives are for the increase in value, not existing. One of the incentives that we offered was a tax abatement for their hospital taxes. The hospital district does not have the legal authority to create a reinvestment zone. This ordinance establishes the geographical boundaries of an area where a taxing entity can offer a tax incentive. There was a brief discussion. There was no one else to speak to the issue. Councilman Aguilar move to approve the ordinance on the first reading. Councilman Nash seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON RESOLUTION NO. 1213, APPROVING THE 380 AGREEMENT WITH D6, INC. AND AUTHORIZING THE CITY MANAGER TO ENTER INTO SAID AGREEMENT FOR AN ECONOMIC DEVELOPMENT PROJECT**

Economic Development Executive Director Feagley presented the staff report. D6 Inc. is a company from Portland Oregon. They have purchased the old Commercial Services Building/Coca Cola Building. They are adding 25,000 square feet and adding 6 million dollars of investment. The cost for the expansion is \$6 million dollars. One of the incentives that we offered to them was a 390 agreement. This contract is in compliance with the current policy. The incentives only apply to the new building and machinery, not to any existing values. There was a brief discussion. There was no one else to speak to the issue. Councilman Moore moved to approve the 380 agreement. Councilman Aguilar seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON RESOLUTION NO. 1214, CLOSING THE CARES ACT SMALL BUSINESS ASSISTANCE PROGRAM**

Finance Director Smith presented the staff report. In response to the COVID-19 pandemic, the City Council authorized a program to provide financial assistance to small businesses physically located in the City of Sulphur Springs. The program was adopted to provide \$2,500 in financial assistance to each eligible and approved small business for a total of up to \$220,000 in grants. A total of 88 awards were available to our local businesses. The committee as established by the Council, reviewed 37 applications, and awarded 28 small businesses a \$2500 grant for a total of \$70,000 in awards. The financial assistance program was made possible by the CARES Act - Coronavirus Relief Fund, passed through to the City from the State of Texas. The City is eligible for up to \$890,945 in funds, of which 75% of reimbursable expenditures must be related to public health, medical expenses, or payroll expenses. 25% of expenditures may be used to provide economic support. The City submitted and was reimbursed for \$645,088.83 in

police/fire salaries for the months of April and May and \$22,793.98 in public health expenses incurred through July. Reimbursements received, requested, or planned are listed in Exhibit A. As part of the policy adopted for the program, the program ends when all funds are expended, or it is closed by the Council. Since we did not receive 88 applications, or expend \$220,000 for small business grants, the council will need to decide whether to close the program or take other action. Before November 13<sup>th</sup>, City staff must report to the state the plans for the remaining CARES funds. Because of this, it is vital that a discussion take place tonight so that the form can be completed, and the City does not lose access to the remaining funds. Funds must be spent before December 15, 2020 and can be used for the purchase of public safety equipment, gear, and technology. There was a brief discussion. There was no one else to speak to the issue. Councilman Moore moved to approve the resolution as presented. Councilman Aguilar seconded and the vote was unanimous

**The motion carried.**

**DISCUSSION/ACTION ON APPROVAL FOR THE PURCHASE OF PERSONAL PROTECTIVE EQUIPMENT (BUNKER GEAR) FOR THE CITY OF SULPHUR SPRINGS FIRE DEPARTMENT**

Fire Chief James presented the staff report. Due to the COVID-19 pandemic and the cancer rate in fire services, the purchase of a backup set of gear is crucial and will probably become a requirement in the future by the National Fire Protection Association. This will provide a backup set of PPE for all full-time firefighters. There was no one to speak to the issue. Councilman Moore moved to approve the purchase. Councilman Aguilar seconded and the vote was unanimous.

**The motion carried.**

**VISITORS AND PUBLIC FORUM**

Mayor Sellers gave an update on the City Council election Early Voting numbers.

**ADJOURN**

With all business complete the meeting was adjourned at 7:47 p.m.