

**CITY OF SULPHUR SPRINGS, TEXAS**

**REGULAR MEETING OF THE**

**CITY COUNCIL**

**AUGUST 5, 2008**

**7:00 p.m.**

Mayor Pro Tem Spraggins called the regular meeting of the Sulphur Springs City Council to order at 7:03 p.m. The following council members and staff were present:

Mayor Pro Tem Gary Spraggins  
Councilman Clay Walker  
Councilman Chris Brown  
Councilman Charles Oxford

Absent: Mayor Oscar Aguilar  
Councilman Garry Jordan  
Councilman Freddie Taylor

Staff: Marc Maxwell, City Manager  
Gale Roberts, City Secretary  
James Litzler, Acting City Attorney  
Peter Karstens, Director of Finance  
Johnny Vance, Dir. Community Development  
Craig Vaughn, Director of Utilities  
Gordon Frazier, Human Resources Director

**PLEDGE AND INVOCATION**

Mayor Pro Tem Spraggins led in the pledge of allegiance and Councilman Oxford led in the invocation.

**MANAGER'S REPORT**

**MAIN STREET** - July was a big month for Main Street. Most of the concrete for the street was poured. The seat walls were erected. The curbs around the planters were poured. The bricks were ordered. Currently, the Capital Construction Division is constructing the underground drainage improvements. In the coming month, watch for sidewalks, lights, irrigation and trees. Bricks should show up in September.

**S.H. 11 UTILITY RELOCATES** – The Capital Construction Division is moving over to Highway 19 to relocate all of the water and sewer utilities on their approach to S.H. 11. This is the last portion of the S.H. 11 Bypass utility relocation project. The project has a budget of \$389,050.

**ROCKDALE ROAD II** - The second phase of the Rockdale Road project is still on hold while the Capital Construction Division performs the S.H. 11 utility relocations.

**CLAIMS** – Three employees filed workers compensation claims for injuries incurred on the job. All were for minor scrapes and bruises and none resulted in lost time on the job.

We also received a liability claim for damages to a fresh asphalt overlay on a parking lot on Main Street. Apparently City employees off-loaded a backhoe on the new lot. The claim is at TML.

**REVENUES AND EXPENDITURES** – Finance Director will not present the monthly report on revenues and expenditures. Rather, he will present the budget later in the week on the August 7<sup>th</sup> agenda.

**MISCELLANEOUS** – Elsewhere around the City, employees:

- Sold 10,765 gallons of jet fuel and 3,026 gallons of aviation gasoline.
- Responded to 94 fire/rescue calls.
- Conducted 42 fire inspections.
- Unstopped 12 sewer mains and repaired 4.
- Installed 2 new sewer taps and 2 new manholes.
- Cleaned 32,786 feet of sewer main.
- Repaired 31 water breaks.
- Replaced 2 fire hydrants and 31 water meters.
- Repaired lift station pumps.
- Performed preventative maintenance at wastewater treatment plant.
- Produce treated wastewater effluent to a total suspended solids count of 1.14 mg/L. One of our best months ever.
- Performed preventative maintenance at water treatment plant.
- Flushed 39 dead end water mains.
- Received police training in the following areas: Crime scene search, Taser instruction, leadership, currency smuggling, drug related homicides, marijuana growers (indoor), meth lab investigations, and cultural diversity.
- Recorded 83 criminal offenses, worked 35 accidents, made 107 arrests, and wrote 605 citations.
- Made 8 felony arrests in the Special Crimes Unit (drugs) and recovered \$40,000 in stolen property.

- Responded to 226 animal control calls, taking in 57 dogs and cats at the animal shelter, released 2 to their owners and found homes for 33. That is a 60% adoption rate.
- Processed 670 tickets through Municipal Court.
- Repaired 31 potholes and 13 utility street cuts.
- Conducted 15 health inspections and 108 public nuisance inspections.
- Conducted 47 building inspections, 41 electrical inspections, 45 plumbing inspections, 14 mechanical inspections, 23 miscellaneous inspections, and issued 27 building permits.
- Abated 1 substandard structure at 123 Lamar.
- Aerated and fertilized athletic fields at Coleman Park.
- Hosted 2 state softball tournaments.

### **CONSENT AGENDA**

The following items on the Consent Agenda were reviewed: Consider for approval regular City Council meeting minutes of July 1, 2008; Special City Council meeting minutes of July 15, 2008; Tourism and Promotion meeting minutes of June 11, 2008; Planning & Zoning meeting minutes of July 21, 2008; the Downtown Revitalization board meeting minutes of July 22, 2008; and the Economic Development Corporation meeting minutes of June 23, 2008. There was no one to speak to the issue. Councilman Walker moved to approve the consent agenda as presented. Councilman Brown seconded the motion and the vote was unanimous.

**The motion carried.**

### **DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2544 AMENDING THE CODE OF ORDINANCES OF THE CITY OF SULPHUR SPRINGS, ARTICLE 1, SECTION 17.23 TO AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO APPROVE AND PERMIT THE USE OF AMPLIFIED EQUIPMENT AFTER 10:00 P.M. IN OPEN AIR FUNCTIONS IN THE CITY OF SULPHUR SPRINGS**

On August 4, 1992 the City Council passed and approved Ordinance No. 2080 establishing rules and regulations governing the use of amplified equipment in open air functions in the City of Sulphur Springs after 10:00 p.m. Amending this ordinance will authorize the City Manager or his designee to approve and permit open air functions after 10:00 p.m. for events and activities. The event coordinator will be required to request permission and the City manager or his designee will carefully review each request. These requests will no longer have to go before the City Council for permission. There was no one to speak to the issue. Councilman Brown moved to adopt the ordinance on the second and final reading. Councilman Oxford seconded and vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON PUBLIC HEARING FOR THE SECOND AND FINAL READING OF ORDINANCE NO. 2545 ESTABLISHING A REINVESTMENT ZONE FOR OWENS FOODS INC.**

Owens Foods Inc. is in the process of expanding its operation in Sulphur Springs. The current expansion is 50,000 square feet and 10 million dollars. One incentive that is offered to all industries that expand is a tax abatement. This ordinance establishes a Reinvestment Zone, the geographical boundaries of an area where a taxing entity can offer a tax incentive. This ordinance creates the Reinvestment Zone but does not issue a tax abatement. EDC Director Roger Feagley and Phil Chapman of Owens Foods Inc. were available to answer any questions. There was no one to speak to this issue. Councilman Brown moved to adopt the ordinance on the second and final reading. Councilman Oxford seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON RESOLUTION NO. 961 AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH OWENS FOODS INC.**

This resolution authorizes the City Manager to enter into a contract agreement with Owens Foods Inc. for a tax abatement. EDC Director Roger Feagley and Phil Chapman of Owens Foods Inc. were available to answer any questions. There was no one to speak to this issue. Councilman Brown moved to approve the resolution. Councilman Walker seconded and the vote was unanimous.

**The motion carried.**

*\*\*The wording on the agenda for this line item was typographically incorrect. According to City Attorney Jim McLeroy the issue could be acted on regardless as long as it was noted in the minutes.*

**DISCUSSION/ACTION ON RESOLUTION NO. 962 SUSPENDING THE AUGUST 8, 2008 EFFECTIVE DATE ON ONCOR ELECTRIC DELIVERY COMPANY REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH ONCOR CITIES STEERING COMMITTEE TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; 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 FOR THE STEERING COMMITTEE**

This resolution suspends the August 8, 2008 effective date of the Company's rate increase for the maximum period permitted by law to allow the City, working in conjunction with

the Steering Committee of Cities Served by Oncor, to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue. The law provides that a rate request made by an electric utility cannot become effective until at least 35 days following the filing of the application to change rates. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. If the City fails to take some action regarding the filing before the effective date, Oncor's rate request is deemed administratively approved. Stan McKee, Area Manager of Business Operations with Oncor, made a presentation to the City Council and there was a general discussion. City Manager Marc Maxwell presented his staff report. There was no one to speak to the issue. Councilman Oxford made a motion to approve the resolution as presented. Councilman Walker seconded the motion and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SLUDGE DISPOSAL FROM BELT PROCESS AT THE WASTEWATER TREATMENT PLANT**

The City open bids for sludge disposal on Thursday, July 24<sup>th</sup> at 11:00 a.m. and received two bids. Terra Renewal Services bid \$12 per yard hauled from the plant plus an annual CPI adjustment on the anniversary date. Republic Malloy Landfill bid \$15 per yard **not** hauled plus an annual CPI adjustment on the anniversary date. Terra Renewal Services withdrew their bid. The City of Sulphur Springs will have to consider all plausible options as this puts a minimum of a 71% increase on this particular budget item. There was a general discussion held. There was no one else to speak to the issue. Councilman Walker moved to **table** this item to allow staff time to review options. Councilman Brown seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON BOARD APPOINTMENT TO THE ZONING BOARD OF ADJUSTMENT**

Kristi Brewer contacted the office of Director of Community Development Johnny Vance and City Manager Marc Maxwell stating that she did not want to serve on this board. Scott O'Neal has expressed a desire to serve on this board. There was no one else to speak to the issue. Councilman Oxford moved to appoint Scott O'Neal to the Zoning Board of Adjustment. Mayor Pro Tem Spraggins seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON 2008 ADOPTED HOPKINS COUNTY APPRAISAL DISTRICT BUDGET**

In accordance with Section 6.06 (a) of the Texas Property Tax Code the 2009 proposed Hopkins County Appraisal District's budget was forwarded to the City Council for their information and review. There was a general discussion held regarding the budget. There was no one else to speak to the issue. Councilman Walker moved to approve the budget as presented. Mayor Pro Tem Spraggins seconded and the vote was as follows:

Ayes: Walker, Brown, and Spraggins

Nays: Oxford

**The motion carried.**

**DISCUSSION/ACTION ON BIDS FOR HEALTH INSURANCE FOR CITY EMPLOYEES**

This is the annual bid for reinsurance for the health insurance program for the City employees. Finance Director Peter Karstens presented the staff report. The City of Sulphur Springs continues a partially self-funded program of health insurance for its employees. We go out for bid every year for a company to administer the claims. During the bid process we also bid on re-insurance which are individual (specific) and group (aggregate) limits. Each bid contains an administrator, a network, and the reinsurance coverage. The City received five bids with the lowest apparent bidder being Blue Choice at a \$45,000 level specific. There was no one else to speak to the issue. Councilman Oxford moved to approve Blue Choice at a \$45,000 level specific. Councilman Walker seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON GAP (SUPPLEMENTAL) INSURANCE FOR CITY EMPLOYEES**

Finance Director Peter Karstens presented the staff report. The request for bids is very specific for the type of gap plan required. The plan has to work with our \$2,500 deductible. We received one bid from American Public Life for their Medlink II Coverage. They are the same firm we have been using the last five years. The price will remain the same for the next two years. There was no one else to speak to the issue. Councilman Oxford moved to approve the bid submitted from American Public Life. Councilman Brown seconded the motion and the vote unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON CONTRACTUAL AGREEMENT WITH ATMOS ENERGY CORPORATION TO PROVIDE ONE-HALF OF THE FUNDING TO RELOCATE A GAS MAIN FROM MAIN STREET TO TOMLINSON STREET**

City Manager Marc Maxwell presented the staff report. This agreement allows us to split the approximate cost of \$96,000 with Atmos to move the gas main. There was a general discussion and Jeanette Moser, Atmos Energy Customer Representative, was available to answer any questions. There was no one else to speak to the issue. Councilman Oxford moved to approve the agreement with the minor changes implemented by the City Attorney. Councilman Walker seconded and the vote was unanimous.

**The motion carried.**

**VISITORS AND PUBLIC FORUM**

Stan McKee, Area Manager of Business Operations with Oncor, acknowledged that City Manager Marc Maxwell was the most innovative City Manager he had ever met. Jeanette Moser, Atmos Energy, stated that she completely agrees with Mr. McKee.

**ADJOURN**

With all business complete the meeting was adjourned at 8:24 p.m.