

CITY OF SULPHUR SPRINGS, TEXAS

REGULAR MEETING OF THE

CITY COUNCIL

JULY 3, 2007

7:00 p.m.

Mayor Yolanda Williams called the regular meeting of the Sulphur Springs City Council to order at 7:04 p.m. The following council members and staff were present:

Mayor Yolanda Williams
Councilman Garry Jordan
Councilman Clay Walker
Councilman Freddie Taylor
Councilman Gary Spraggins
Councilman Chris Brown

Absent: Mayor Pro Tem Oscar Aguilar

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

PLEDGE AND INVOCATION

Mayor Yolanda Williams led in the pledge of allegiance and Councilman Jordan led the invocation.

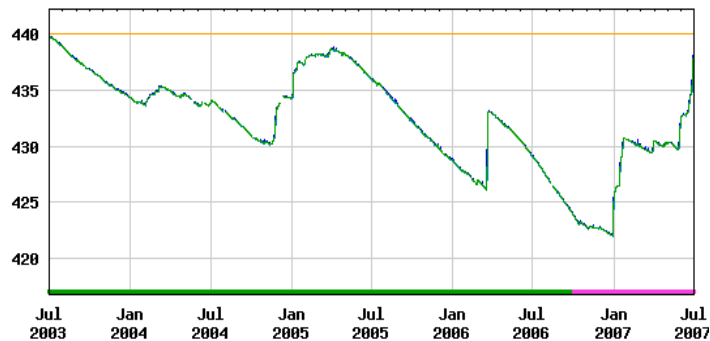
MANAGER'S REPORT

ISO RATING - The Insurance Services Office (ISO) was in town last month to review our Public Protection Classification (PPC). Presently, Sulphur Springs scores a 5 on a scale of 1 to 10. I am hopeful that our score will improve to a 4 as a result of the review. We won't know the results for 6 months or so. A better score means lower fire insurance rates for local homeowners.

MANHOLE REPLACEMENT - The Capital Construction Division replaced 10 old brick manholes with new concrete or fiberglass manholes at the following locations: Putman &

Becton, Putman & Ava, Putman & Ramsey, College & Como, 915 College, College & Ramsey, Carter & MLK, Carter & Lamar, Freeman & Sheffield, and 315 Karol.

COOPER LAKE - What a month! The lake is within a foot and a half of being full. A couple more rain showers and this drought may be over.



NORTH TOWN BRANCH

RELOCATION - The Capital Construction Division has made tremendous progress excavating the new route for North Town Branch behind City Hall. Most of the project has been excavated, with the exception of Spring Street. We are waiting for the delivery of box culverts before we can finish the project. As you may recall, this series of events was precipitated by the collapse of North Town Branch under the City Hall Parking lot.

SKATE PARK - Texas Parks and Wildlife has approved the construction plans for the skate park. Construction will now resume. The Council authorized \$100,000 for the construction of a skate park. The City then successfully applied for a \$50,000 grant from Texas Parks and Wildlife. The grant provides for the reconstruction of the basketball courts at Buford Park as well as some playground equipment.

CO-OP SEWER PROJECT - This project is next up. We are still dealing with alignment issues. Once completed, the project will replace 3,250 linear feet of sewer main beginning at Jackson Street near the Northeast Texas Farmers Co-op extending westward. The project has a budget of \$186,800.

FINANCIAL REPORT - Finance Director, Peter Karstens will give a review of revenues and expenditures year-to-date.

CLAIMS AND ACCIDENTS – We had no worker’s compensation claims and one liability claim in June. We hit another Verizon line while repairing a water leak at 228 Airport Road.

MISCELLANEOUS – Elsewhere around the City, employees:

- Treated 133 million gallons of drinking water.
- Aerated and fertilized all of the athletic fields at Coleman Park.
- Started de-thatching soccer fields.
- Sold 9,897 gallons of jet fuel, and 2,427 gallons of AvGas.
- Produced winning proposal for tourism display at the Texarkana Travel Information Center. (six months of display time)
- Responded to 79 fire/rescue calls.
- Conducted 45 fire inspections.
- Maintained 88 fire hydrants.
- Issued 15 weed tickets.

- Seized 82 pounds of marijuana and \$24,365.
- Received training in crisis intervention, cultural diversity, outlaw gangs, arrest-search-seizure, communications, emergency planning, hazardous materials, and other FEMA related topics.
- Made 11 felony arrests in the Special Crimes Unit and seized all manner of illicit drugs.
- Responded to 234 animal control calls, picking up 52 dogs and cats, and finding homes for 21.
- Made 96 arrests, worked 47 accidents and recorded 70 offenses.
- Checked out 6,042 books, tapes, etc.
- Concluded another successful season of the Summer Reading Program.
- Continued working on wireless “hot spot” in library.
- Repaired lift station at Raintree Circle.
- Attended confined space entry training.
- Cleaned 58,000 feet of sewer mains.
- Repaired 16 sewer mains and 4 sewer taps.
- Installed 4 new sewer taps.
- Unstopped 32 sewer mains.
- Repaired 5 water main breaks.
- Replaced 2 fire hydrants.
- Replaced 7 water meters.
- Installed new turntable drive on wastewater sludge basin.
- Performed preventative maintenance on influent storage basin.
- Performed preventative maintenance on water treatment clarifiers.
- Installed a new chlorine hoist system for chlorine cylinders at water treatment plant.
- Flushed out 39 dead end water mains.
- Repaired lightning damage at the water treatment plant and the wastewater treatment plant.
- Made 22 street repairs.
- Swept 87 streets.
- Conducted 28 health inspections, and 94 public nuisance inspections.
- Conducted 31 building inspections, 30 electrical inspections, 39 plumbing inspections, 21 mechanical inspections, and issued 24 building permits.
- Abated 2 substandard structures, bringing the total to 359.
- Prepared various streets around town for plant-mix sealing.
- Distributed 2,688 meals to seniors, and coordinated 1,590 volunteer hours at the senior center.

CONSENT AGENDA

The following items on the Consent Agenda were reviewed: Consider for approval: regular City Council minutes of June 5, 2007; Planning and Zoning meeting minutes of June 18, 2007; Zoning Board of Adjustment meeting minutes of June 19, 2007; Downtown Revitalization Board Meeting minutes of June 26, 2007; and the Economic Development Corporation meeting minutes of May 21, 2007. Councilman Taylor moved

to approve the consent agenda as presented. Councilman Walker seconded the motion and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2508, A CITY INITIATED REZONING REQUEST FOR PROPERTY LOCATED NORTH OF I-30 AND SOUTH OF MAIN STREET, BEING FURTHER DESCRIBED AS TRACT 3, FROM AGRICULTURE (AG) TO LIGHT INDUSTRIAL (LI) (THIS ITEM WAS PREVIOUSLY TABLED)

This property is owned by Johnny Dobson and was annexed into the city limits on November 7, 2006. All property annexed must be zoned Agriculture initially and later rezoned to accommodate the future proposed use within one year. This item was tabled at the May 1, 2007 meeting and passed on first reading at the June 5, 2007 meeting. Director of Community Development Johnny Vance was available to answer questions. The property owner, Johnny Dobson, addressed the City Council stating he had deeded a portion of his property to his children and they were not notified about the annexation. He is seeking protection for himself and his family as homeowners. There was a general discussion regarding this issue including the allowed uses in Light Industrial zoning and Ordinance No. 2318 which amended the zoning ordinance to provide fencing between residential and commercially zoned property. There was no one to speak to the issue. Councilman Brown moved to approve the ordinance on the second and final reading, directing staff to review Ordinance No. 2318 to come up with a solution for these types of properties. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL FIRST READING OF ORDINANCE NO. 2517, ESTABLISHING A REINVESTMENT ZONE FOR GSA ENTERPRISES, INC./DBA FIDELITY EXPRESS

GSA Enterprises, Inc./dba Fidelity Express is in the process of expanding its operation in Sulphur Springs. The current expansion is 4.5 million dollars and will add 12 new jobs. One of the incentives that we offered to them was a tax abatement and this ordinance establishes a reinvestment zone. EDC Director Roger Feagley was available to answer any questions. There was no one to speak to the issue. Councilman Jordan moved to approve the ordinance on the second and final reading. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2518 PROVIDING FOR THE ISSUANCE OF THE CITY OF SULPHUR SPRINGS, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2007; BEARING INTEREST AT THE RATES HEREINAFTER SET FORTH; TO SECURE FUNDS FOR THE PURPOSE OF PAYING CONTRACTUAL OBLIGATIONS INCURRED FOR CONSTRUCTING, IMPROVING, AND EXTENDING CITY STREETS AND DRAINAGE IN CONNECTION THEREWITH, ACQUISITION OF STREET EQUIPMENT, ACQUIRING, CONSTRUCTING, INSTALLING AND EQUIPPING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE CITY'S WATERWORKS AND SEWER SYSTEM, ACQUISITION OF A FIRE TRUCK AND RELATED EQUIPMENT, ACQUISITION OF EQUIPMENT AND VEHICLES FOR THE CAPITAL CONSTRUCTION DEPARTMENT AND THE PUBLIC UTILITIES DEPARTMENT, CONSTRUCTING AND EQUIPPING IMPROVEMENTS FOR THE CITY AIRPORT; PRESCRIBING THE FORM OF CERTIFICATES OF OBLIGATION; LEVYING AD VALOREM TAXES FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE CERTIFICATES OF OBLIGATION; MAKING CERTAIN OTHER COVENANTS OF THE CITY IN REFERENCE TO THE CERTIFICATES OF OBLIGATION AND THE FUNDS FROM WHICH SAID CERTIFICATES OF OBLIGATION ARE TO BE PAID; APPROVING AN OFFICIAL STATEMENT AND AWARDED SALE OF SAID CERTIFICATES OF OBLIGATION; AND ENACTING OTHER PROVISIONS RELATING THERETO

This ordinance authorizes the sale of Certificates of Obligation called for in the 2006-2007 budget which called for a combination of three debt issues. Finance Director Peter Karstens was available to answer any questions. Mr. Dan Almon of Southwest Securities made a presentation to the City Council. Moody's Investors Service assigned an A3 rating to the City of Sulphur Springs upcoming sale of \$6,975,000 Combination Tax and Limited Surplus Revenue Certificates of Obligations, Series 2007. The rating reflects the City's moderate tax base expansion, steady financial operations, and a manageable debt profile supported by rapid principal retirement. Proceeds from the sale of Bonds will be used for streets, water and sewer improvements, and to purchase equipment. The Bonds constitute direct obligations of the issuer payable from an annual ad valorem tax levied against all taxable property in the City, within the limits prescribed by law, and are further secured by a limited pledge (not to exceed \$1,000) of the surplus net revenues derived from the operation of the issuer's combined waterworks and sewer system. Ten bids were submitted using PARITY® and J. P. Morgan Securities Inc. provided the lowest True Interest Cost ("TIC") of 4.126%. There was no one else to speak to the issue. Councilman Jordan moved to approve the ordinance on the second and final reading and accepting the low bid of J. P. Morgan Securities Inc. Councilman Taylor seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2519, A CITY INITIATED REZONING REQUEST FOR PROPERTY LOCATED ON STATE HIGHWAY 19, BEING FURTHER DESCRIBED AS TRACT 241, FROM LIGHT COMMERCIAL (LC) TO LIGHT INDUSTRIAL (LI)

This property is owned by Plas Ray Williams Jr. and was annexed into the City on November 7, 2006. All property annexed must be done so as Agriculture (AG) initially and later zoned to accommodate the future proposed use within one year. This property was brought before the City Council at the June 5, 2007 meeting for a second reading and approved as Light Commercial (LC). The owner of the property has since requested that the property be zoned to Light Industrial (LI) due to purpose of which the land was to be used for before it was annexed. Community Development Director Johnny Vance was available to answer any questions. There was no one else to speak to the issue. Councilman Spraggins moved to approve the ordinance as presented. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2520, A CITY INITIATED REZONING REQUEST FOR PROPERTY LOCATED ON STATE HIGHWAY 19, BEING FURTHER DESCRIBED AS TRACT 241-03, FROM LIGHT COMMERCIAL (LC) TO LIGHT INDUSTRIAL (LI)

This property is owned by Ronny & Joyce Burchfield and was annexed into the City on November 7, 2006. All property annexed must be done so as Agriculture (AG) initially and later zoned to accommodate the future proposed use within one year. This property was brought before the City Council at the June 5, 2007 meeting for a second reading and approved as Light Commercial (LC). The owner of the property has since requested that the property be zoned to Light Industrial (LI) due to purpose of which the land was to be used for before it was annexed. Community Development Director Johnny Vance was available to answer any questions. There was no one else to speak to the issue. Councilman Spraggins moved to approve the ordinance as presented. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2521, A CITY INITIATED REZONING REQUEST FOR PROPERTY LOCATED ON STATE HIGHWAY 19, BEING FURTHER DESCRIBED AS TRACT 241-02, FROM LIGHT COMMERCIAL (LC) TO LIGHT INDUSTRIAL (LI)

This property is owned by E. L. and Wanda Alexander and was annexed into the City on

November 7, 2006. All property annexed must be done so as Agriculture (AG) initially and later zoned to accommodate the future proposed use within one year. This property was brought before the City Council at the June 5, 2007 meeting for a second reading and approved as Light Commercial (LC). The owner of the property has since requested that the property be zoned to Light Industrial (LI) due to purpose of which the land was to be used for before it was annexed. Community Development Director Johnny Vance was available to answer any questions. There was no one else to speak to the issue. Councilman Spraggins moved to approve the ordinance as presented. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 939 AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH GSC ENTERPRISES, INC./DBA FIDELITY EXPRESS FOR A TAX ABATEMENT

GSC Enterprises, Inc. /DBA Fidelity Express is in the process of expanding its operation in Sulphur Springs. The current expansion is 4.5 million dollars and will add 12 new jobs. One of the incentives offered to them was a tax abatement. This resolution authorizes the City Manager to enter into a tax abatement contract between the City of Sulphur Springs and the company. Economic Development Corporation Director Roger Feagley was available to answer any questions. There was no one to speak to the issue. Councilman Brown moved to approve Resolution No. 939. Councilman Taylor seconded the motion and the vote unanimous.

The motion carried.

DISCUSSION/ACTION ON FINAL PLAT OF GSC/FIDELITY EXPRESS, A REQUEST BY OWNER BILL SCHULTZ TO REPLAT SEVERAL LOTS IN BLOCKS 98 AND 100 INTO ONE LOT, PROPERTY LOCATED ON U.S. HIGHWAY 67/MAIN STREET

This plat combines several tracts/parcels of land into one large lot containing Grocery Supply Company and Fidelity Express. By removing the internal property lines of the previous lots, the zoning and building regulations will not interfere with the mutual use of the property and the proposed new building location. Fidelity Express is planning to reroute the sewer and drainage in order to make room for their expansion. The plans for these installations have been submitted and approved. A Community Facilities Contract has been executed for the rerouting of the public facilities. Community Development Director Johnny Vance was available to answer any questions and stated that it had been a pleasure to work with Grocery Supply Company/Fidelity Express. There was no one else to speak to the issue. Councilman Spraggins moved to approve the final plat of GSC/Fidelity Express. Councilman Taylor seconded the motion and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FINAL PLAT OF RENEAU ADDITION, A REQUEST BY OWNERS SEAN AND CHRYSTAL RENEAU TO SUBDIVIDE PROPERTY AT 720 COLLEGE STREET, BEING DESCRIBED AS LOT 29, BLOCK 54-1, INTO TWO LOTS

This plat is located between College and Putnam Streets along the west side of Mitchell Street. The single large lot presently has a house facing College Street and the owners wish to subdivide the back half of the property into a separate lot facing Putnam Street. Community Development Director Johnny Vance was available to answer any questions. There was no one to speak to the issue. Councilman Brown moved to approve the final plat of Reneau Addition. Councilman Spraggins seconded the motion and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 940 AUTHORIZING PARTICIPATION IN THE TEXAS MAIN STREET PROGRAM AND DESIGNATING THE CITY MANAGER TO COORDINATE PROGRAM ACTIVITIES

A number of downtown merchants have requested that the City apply to join the Texas Main Street Program. The program is administered by the Texas Historical Commission (THC). Joining the Texas Main Street program requires the City to commit to hiring and retaining a Main Street manager for a period of three year. Staff estimates the cost of a manager and a small operating budget to be \$234,748 over three years. Councilman Jordan moved to approve Resolution No. 940. Councilman Taylor seconded. It was then stated that the staff recommendation is not to approve this resolution. City Manager Marc Maxwell made a slide show presentation to the audience and shared his insights as well as explaining his ideas on how the downtown area could be revitalized. Councilman Spraggins asked the City Manager if the city staff had enough room in their schedules to work in the development of the downtown area. The City Manager replied that this type of project is what moves staff from the day-to-day tedium into an exciting project, this type of project excites staff members. Councilman Walker suggested a professional architect or professional designer/planner become involved in the project to maintain a level of consistency and insure the money is properly spent in the most effective manner. Rita Edwards, President of the Downtown Business Alliance, addressed the City Council stating that the Downtown Business Alliance supports the City Manager's plan but recommends that there be some accountability. She is requesting that there be three (3) members of the Downtown Business Alliance included in planning process. There should be a written two-year plan with monthly reports including timelines and completion schedules presented each month. These reports could be presented as part of the roundtable discussions conducted each month. Ms. Edwards assured the City Council

that she would keep this process in the forefront of the public eye with frequent radio interviews and through her newspaper articles. The Downtown Business Alliance has decided to work on the Main Street Program application process over the next year. In the event no cooperation or progress has occurred within the year, the Downtown Business Alliance will come back, in larger numbers, to the City Council requesting the application to be approved by the City Council. Ms. Edwards hopes this is the beginning of a very successful venture for the community, city and the Downtown Business Alliance. Roy Pelton, a member of the Downtown Revitalization Board, said he was honored to serve on the board and to see that people are genuinely excited about the efforts to revitalize the downtown area. He respectfully requests the City Council's support. There was no one else to speak to the issue. Councilman Jordan amended his motion to **deny** Resolution No. 940 authorizing participation in the Main Street Program and to support the City Manager in his efforts to revitalize the downtown area. Councilman Taylor seconded the motion and the vote was unanimous.

The motion to deny carried.

DISCUSSION/ACTION ON APPROVAL OF THE RECOMMENDATION OF THE DOWNTOWN REVITALIZATION BOARD FOR PARKING FOR THE MAIN STREET RECONSTRUCTION

On March 20, 2007, Staff submitted to the Downtown Revitalization Board four drawings for the proposed parking on Main St. in downtown. Over a series of three meetings the Downtown Revitalization Board discussed the different options. At the meeting on May 15, 2007, the Downtown Revitalization Board approved the design they sent to City Council for the June 15, 2007 meeting and the design was approved. The Downtown Business Alliance had been a part of the process of reviewing the plans and gave their support to the submittal chosen. However, once staff conducted a trial of the recommended design it was suggested by Councilman Walker that this item go back to the City Council for reconsideration. Community Development Director Johnny Vance was available to answer questions. Councilman Taylor moved to approve the design selected by the Downtown Revitalization Board. Councilman Spraggins seconded. There was a general discussion conducted. Tammy Olague, owner of Customer Threads located at 215 Main Street, addressed the City Council stating the construction will have a definite impact on her business. She likes the angle parking because most people have trouble parallel parking. She said it was recommended by one of the members, not her, to close that stretch of Main Street and let it be the beginning of the mall area with kiosk if it is not possible to have angle parking. Councilman Brown stated his concerns regarding the recommendation of the Downtown Revitalization Board since the trial run took place. He says the biggest problem is the twelve foot lane and he would like to see one-way traffic with the lane at least sixteen feet wide. Councilman Brown stated he was in favor of the hybrid design option or a variation of the California and Hybrid design options with one-way traffic. We need to build the street so it is adequate for emergency

equipment. Councilman Brown commended Councilman Walker for suggesting the trial run that indicated the narrowness of this design and recognized Councilman Walker's extensive experience in road construction. Councilman Walker wants to do what is best for the downtown revitalization and had been unable to find a design standard below 16' width street. He also stated that this stretch of street was located in a primary fire zone and two buildings had already burned. The traffic study was not adequate and if we want a successful revitalization effort downtown we need to do something that will work and not paint ourselves into the corner. He understands the downtown people are fired up but we have to do what works to get support from others and not make any mistakes in making downtown a vibrant part of the community again. Councilman Spraggins concurs that a sixteen feet wide lane is needed. Community Development Director Johnny Vance gave a brief overview of each design. There was a general discussion. Roy Pelton supports one-way head in parking and hopes the City Council will give the staff an opportunity to succeed. Robby Randolph asked the City Council to please include head in parking with whatever design they choose. He stated it was difficult for some of his customers to park further away and walk to his store to avoid the parallel parking. Janet Hamner, a member of the Downtown Revitalization Board, suggested this item be returned to the Downtown Revitalization Board for further review and recommendation. Billie Ruth Standbridge asked that the California style be considered for one-way traffic. There was no one else to speak to the issue.

Mayor Williams reminded the City Council that a motion and second had been made to approve the recommendation of the Downtown Revitalization Board for parking for the Main Street Revitalization.

The motion failed.

Councilman Walker made a motion to send the item back to the Downtown Revitalization Board for further review and recommendation. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON ABATEMENT PROCEEDINGS FOR 615 LAMAR STREET

Community Development Director Johnny Vance presented the staff report and stated that he just learned this afternoon that the owner, Mr. Tim Kelty, has a potential buyer for the property that desires to rehabilitate the property. Mr. Vance also stated the property is such that it could be rehabilitated. Mr. Kelty addressed the City Council stating he would like the opportunity to sell this property to be rehabilitated creating a home of approximately 1,600 square feet and hopefully eliminating vandalism at this property. There was no one else to speak to this issue. Councilman Spraggins moved to declare

this property a public nuisance and order abatement by demolition to be completed within thirty (30) days. Councilman Jordan seconded. Mr. Vance explained more than thirty (30) days would be needed for the new owner to rehabilitate the property. City Manager Marc Maxwell stated it would take time for the property to change ownership prior to the submission of a plan of action for rehabilitation. Councilman Spraggins amended his motion to declare this property a public nuisance and order abatement by demolition to be completed within one hundred eighty (180) days. Councilman Jordan seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON ABATEMENT PROCEEDINGS FOR 305 CARTER STREET

Community Development Director Johnny Vance presented the staff report. There was no one to speak to the issue. Mr. Vance explained that the owner, LaVelle Hendricks, was unable to attend the meeting but wanted Mr. Vance to express to the City Council Mr. Hendricks' desire to rehabilitate the property. However, Mr. Vance stated he did not believe the property was a candidate for rehabilitation. Councilman Spraggins moved to declare this property a public nuisance and order abatement by demolition to be completed within thirty (30) days. Councilman Jordan seconded and the vote was as follows:

Ayes: Jordan, Walker, Aguilar, Spraggins, Brown, Williams
Nays: Taylor
Abstain: None

The motion carried.

DISCUSSION/ACTION ON ABATEMENT PROCEEDINGS FOR 314 CARTER STREET

Community Development Director Johnny Vance presented the staff report. There was no one to speak to the issue. Councilman Spraggins moved to declare this property a public nuisance and order abatement by demolition to be completed within thirty (30) days. Councilman Walker seconded and vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting was adjourned at 9:37 p.m.

