



THE REIMBURSEMENT OF THE CITY OF SHERMAN'S RATE CASE EXPENSES; SETTING A PUBLIC HEARING FOR THE PURPOSES OF DETERMING IF THE EXISTING RATES OF ONCOR ELECTRIC DELIVERY COMPANY, LLC ARE UNREASONABLE OR IN ANY WAY IN VIOLATION OF ANY PROVISION OF LAW AND THE DETERMINATION BY THE CITY OF SHERMAN OF JUST AND REASONABLE RATES TO BE CHARGED BY ONCOR ELECTRIC DELIVERY COMPANY, LLC; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR'S LEGAL COUNSEL.

Brandon Shelby, City Attorney, said Oncor's parent company filed for bankruptcy last year and as a part of that filing, they are selling the Oncor portion of the business to some investors. The investors are splitting Oncor into two companies. They will realize some income tax benefits of between \$200 million and \$250 million annually, from the sale of the companies.

The Public Utilities Commission has approved the sale and approved the structure, and encouraged the company to share the rate savings with the customers. However, they could not force them to share the savings because it wasn't a rate case.

By way of this ordinance, this is a rate case, and is a mechanism to get them to share the tax savings with the ratepayers.

No citizens appeared before the City Council to discuss Ordinance No. 5946.

Mayor Plyler introduced Ordinance No. 5947 and called for a public hearing:  
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A COMMERCIAL AMUSEMENT CENTER (BASEBALL TRAINING FACILITY WITH BATTING CAGES) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1612 BAKER DRIVE, BEING LOTS 4 THRU 9, BLOCK 1, JOE GALBREATH SUBDIVISION (EDDIE YOUNG, OWNER; TODD YOUNG, REPRESENTATIVE; AND "THE BULLPEN", CHRIS STEPHENS, TENANT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 5947  
SUP FOR  
COMMERCIAL  
AMUSEMENT CENTER  
(1612 BAKER DR)

Scott Shadden, Director of Development Services, said a commercial amusement in a C-2 (General Commercial) District requires a Specific Use Permit. They appeared before the Planning and Zoning Commission, and the Commission recommended approval of the request.

No citizens appeared before the City Council to discuss Ordinance No. 5947.

Mayor Plyler introduced Ordinance No. 5948 and called for a public hearing:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING THE DESIGNATION OF RESIDENTIAL REINVESTMENT ZONE, NUMBER 041811-1, CITY OF SHERMAN, TEXAS, FOR THE PURPOSE OF RESIDENTIAL TAX ABATEMENT.**

**ORD 5948  
RESIDENTIAL  
REINVESTMENT ZONE**

Mr. Hefton said the Residential Reinvestment Zone is normally an administrative item that requires readoption and renewal every two years. The geographical areas that are used to determine eligibility for the abatements, are determined by the US Department of Housing and Urban Development census tract.

In the past, the low-to-moderate income locations have been generally located east of Hwy 75. The census tracts are updated every five years, and since the last update the map has changed and there are now two or three areas of low-to-moderate homes that aren't considered in the low-to-moderate target area.

Mr. Hefton said there is no determination from HUD as to why that happened, but he felt it was due to community efforts to revitalize, provide tax abatements, and encourage reinvestment, or gentrification, that has removed those low-to-moderate areas out of that status. He added that the City's efforts for redevelopment are having a positive effect in those areas.

However, he added, the citizens in those areas that were being redeveloped with tax abatements, will no longer qualify to receive tax abatements. The area will again be reviewed in five years, when HUD updates their census tract maps.

Mr. Hefton said the current ordinance concerns the adoption of the new map. He did point out that, because of the map changes, there are now some low-to-moderate areas west of Hwy 75, in very affluent areas of Sherman. Because of this, a \$100,000 "cap" was added into the ordinance.

Therefore, to be eligible for a residential tax abatement, the value of the improvements must be less than \$100,000. This cap will be in effect for two years, until the renewal is considered.

Council Member Davis asked if there was a price limit prior to this renewal. Mr. Hefton said there was previously no need for the price limit. Now the low-to-moderate areas include houses that might be worth \$70,000 but also some that are worth \$770,000.

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Deputy Mayor Sofey asked how long the City has been providing residential tax abatements and what the dollar amount is so far. Mr. Hefton said the City has been offering residential tax abatements for 10 to 12 years and approximately 250 have been granted. The residential tax abatements have added \$23 million back to the tax rolls.

No citizens appeared before the City Council to discuss Ordinance No. 5948.

The Public Hearing was closed.

**ADOPTION OF ORDINANCES**

**Ordinance 5946**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DIRECTING ONCOR ELECTRIC DELIVERY COMPANY, LLC TO FILE CERTAIN INFORMATION WITH THE CITY OF SHERMAN, TEXAS; SETTING A PROCEDURAL SCHEDULE FOR THE GATHERING AND REVIEW OF NECESSARY INFORMATION IN CONNECTION THEREWITH; SETTING DATES FOR THE FILING OF THE CITY'S ANALYSIS OF THE COMPANY'S FILING AND THE COMPANY'S REBUTTAL TO SUCH ANALYSIS; RATIFYING THE HIRING OF LEGAL COUNSEL AND CONSULTANTS; RESERVING THE RIGHT TO REQUIRE THE REIMBURSEMENT OF THE CITY OF SHERMAN'S RATE CASE EXPENSES; SETTING A PUBLIC HEARING FOR THE PURPOSES OF DETERMING IF THE EXISTING RATES OF ONCOR ELECTRIC DELIVERY COMPANY, LLC ARE UNREASONABLE OR IN ANY WAY IN VIOLATION OF ANY PROVISION OF LAW AND THE DETERMINATION BY THE CITY OF SHERMAN OF JUST AND REASONABLE RATES TO BE CHARGED BY ONCOR ELECTRIC DELIVERY COMPANY, LLC; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR'S LEGAL COUNSEL.

ORD 5946  
ONCOR ELECTRIC  
RATES

**Ordinance 5947**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A COMMERCIAL AMUSEMENT CENTER (BASEBALL TRAINING FACILITY WITH BATTING CAGES) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 1612 BAKER DRIVE, BEING LOTS 4 THRU 9, BLOCK 1, JOE GALBREATH SUBDIVISION (EDDIE YOUNG, OWNER; TODD YOUNG, REPRESENTATIVE; AND "THE BULLPEN", CHRIS STEPHENS, TENANT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 5947  
SUP FOR  
COMMERCIAL  
AMUSEMENT CENTER  
(1612 BAKER DR)

**Ordinance 5948**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RENEWING THE DESIGNATION OF RESIDENTIAL REINVESTMENT ZONE, NUMBER 041811-1,

ORD 5948  
RESIDENTIAL  
REINVESTMENT ZONE

CITY OF SHERMAN, TEXAS, FOR THE PURPOSE OF RESIDENTIAL TAX ABATEMENT.

**ACTION TAKEN.**

Motion by Deputy Mayor Sofey to adopt Ordinance Nos. 5946, 5947, and 5948, as presented. Second by Council Member Davis.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele.

VOTING NAY: None.

MOTION CARRIED.

**CONSENT AGENDA**

The Council reviewed the Consent Agenda. Council Member Couch moved to approve the Consent Agenda, as presented. Second by Council Member Steele. All present voted AYE.

**CONSENT AGENDA**

**RESOLUTIONS**

**RESOLUTION NO. 6074 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH AUSTIN ASPHALT, LP FOR AN ANNUAL SUPPLY OF HOT MIX ASPHALT**

**RES 6074  
ANNUAL SUPPLY  
HOT MIX ASPHALT**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH AUSTIN ASPHALT, LP FOR AN ANNUAL SUPPLY OF HOT MIX ASPHALT.

CONSENT AGENDA.

**RESOLUTION NO. 6075 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH JOEY AND LYNN WOMBLE FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1012 NORTH HARRISON AVENUE**

**RES 6075  
RESIDENTIAL TAX  
ABATEMENT  
(1012 N. HARRISON)**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH JOEY AND LYNN WOMBLE FOR THE ABATEMENT OF AD VALOREM PROPERTY TAXES FOR THE CONSTRUCTION OF A NEW SINGLE-FAMILY RESIDENCE AT 1012 NORTH HARRISON AVENUE.

CONSENT AGENDA.

**REQUEST TO ADVERTISE  
CONSTRUCTION OF A BIOSOLIDS DEWATERING FACILITY  
AT THE SHERMAN WASTEWATER TREATMENT PLANT**

**REQ TO ADVERTISE  
BIOSOLIDS  
DEWATERING  
FACILITY**

Mark Gibson, Director of Utilities, said the Biosolids Dewatering Facility at the Wastewater Treatment Plant is a new Capital Improvement Project with an estimated cost of \$1.8 million.

This is the second major project at the Wastewater Treatment Plant, with the other being the new headworks facilities.

Mr. Gibson said, with the Council's permission, they would take bids by the end of May 2016 and award the contract by

the end of June 2016. Construction for the project should start by the end of July 2016, and will take approximately 12 to 13 months to complete.

Over the last several years, the City has hired a contractor to process the biosolids and has paid him over \$275,000 annually for the service. This project will save the City a considerable amount of money and give the City complete control over the processing and disposal of the biosolids.

Council Member Steele recognized Mr. Gibson for coming up with a creative way to save the City money and provide excellent service at the same time.

**ACTION TAKEN.**

Motion by Council Member Steele to approve the request to advertise for a Biosolids Dewatering Facility at the Wastewater Treatment Plant, as presented. Second by Council Member Davis.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele.

VOTING NAY: None.

MOTION CARRIED.

**OTHER BUSINESS**

**CONSIDER REQUEST OF THE SHERMAN TOURISM/MAIN STREET MANAGER TO TEMPORARILY CLOSE CERTAIN STREETS AND USE CERTAIN CITY FACILITIES AND SERVICES FOR THE “7<sup>TH</sup> ANNUAL LIGHTS ON THE LAKE” ON SATURDAY, JULY 2, 2016**

**CLOSE STREETS FOR LIGHTS ON THE LAKE (JULY 2, 2016)**

Sarah McRae, Tourism/Main Street Manager, asked the City Council to approve the request to temporarily close certain streets and use City facilities and services for the “7<sup>th</sup> Annual Lights on the Lake” event on July 2, 2016, at Pecan Grove Park.

This year the event gates will open at 3:00 p.m. instead of 5:00 p.m. to better facilitate traffic and parking. Parking will also be expanded as additional lots will be added, however there will be no bus service by the Texoma Area Paratransit Service. Additional golf carts will be added to assist handicapped visitors.

This year, the event will include a concert by Foghat, fireworks by Illumination Fireworks of Dallas, vendors, and bounce houses.

Mayor Plyler verified the location of the new parking lot and that there will be a \$5 charge for parking in all lots this year. Mr. Hefton said there will also be additional parking on the west side of Shady Oaks Drive. He said hundreds of parking spots close to the park will be added.

**ACTION TAKEN.**

Motion by Council Member Johnson to approve the request to temporarily close certain streets and use City facilities for the “7<sup>th</sup> Annual Lights on the Lake” on July

2, 2016, as presented. Second by Deputy Mayor Sofey.  
VOTING AYE: Couch, Davis, Johnson, Sofey, Steele.  
VOTING NAY: None.  
MOTION CARRIED.

APPROVE QUARTERLY INVESTMENT REPORT FOR  
QUARTER ENDED MARCH 31, 2016

QUARTERLY  
INVESTMENT REPORT

The City Council approved the Quarterly Investment Report for the quarter ended March 31, 2016. Beginning this quarter, a separate report was included for the Tax Note proceeds that were received in February, as required by the Investment Policy.

As of March 31, 2016, the portfolios were in compliance with applicable State laws and the Investment Policy. The Operating investment portfolio had a book value of about \$20.5 million, an increase of about \$4.8 million from the prior quarter of \$15.7 million. The increase was due to purchases of State of Texas Obligations, a Certificate of Deposit, U.S. Agency securities and the Local Government Investment Pools.

The underlying investments were adequately diversified among four different types of securities. This portfolio is appropriately liquid, and its weighted-average maturity was about 498 days, up from 487 days last period.

The portfolio yield of 0.855% for the quarter is higher than the benchmark yield of 0.59%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The CO debt proceeds portfolio balance of \$1.8 million was invested in a Local Government Investment Pool with a maturity of one day. The yield of .32% was above the benchmark yield of .18% for this portfolio. Book value and market value were about the same.  
CONSENT AGENDA.

CITIZENS REQUESTS

CITIZENS REQUESTS

There were no citizens requests.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

CRAFT THE NIGHT AWAY

CRAFT THE  
NIGHT AWAY

Council Member Couch thanked Downtown Sherman Preservation & Revitalization and the volunteers that participated in "Craft the Night Away," held this weekend in the downtown area. He said there were quite a few breweries that came from the Dallas area. He also recognized local brewery 903 Brewers.

TEXOMA AREA PARATRANSIT SYSTEM

TAPS

Council Member Steele said as of 6:00 a.m. this morning,

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TAPS has officially opened again for business. He said they are providing “demand” services.

**TEXOMA AREA PARATRANSIT SYSTEM**

Council Member Davis thanked Council Member Steele for his work on the TAPS Board of Directors through this closing, reorganization, and new contract.

**TAPS**

**TAX ABATEMENT PROGRAM**

Deputy Mayor Sofey recognized another residential tax abatement that was on tonight’s agenda and commented on the importance of the program.

**TAX ABATEMENT PROGRAM**

**TEXOMA EARTH DAY**

Deputy Mayor Sofey congratulated the organizers and participants of the Texoma Earth Day Festival, recognizing their 8<sup>th</sup> anniversary.

**TEXOMA EARTH DAY**

**MAIN STREET PROGRAM**

Council Member Johnson said the City is going in a great direction and she was glad the Tourism/Main Street Manager position has been filled. She said she was excited to see what direction they would go.

**MAIN STREET PROGRAM**

**ANNOUNCEMENTS**

Mayor Plyler announced the following:

- On April 22, 2016, Austin College will dedicate a new Veteran’s Memorial. Congressman John Ratcliffe will speak at 10:30 a.m. in Mabee Hall.
- On May 4, 2016, at 1:00 p.m., Texas First Lady, Cecilia Abbott, will attend a formal dedication ceremony for Sherman’s designation as a Main Street City. After the ceremony, a reception will be held at the Old Iron Post Restaurant.

**ANNOUNCEMENTS**

**EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW)**

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

**EXECUTIVE SESSION**

**SECTION 551.071**

**CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION:  
RECEIVE THE CITY ATTORNEY’S BRIEFING ON PENDING OR CONTEMPLATED LITIGATION**

**SECTION 551.074**

**PERSONNEL MATTERS:  
CONSIDER THE QUALIFICATIONS, APPOINTMENT**



AND REMOVAL OF MEMBERS TO  
BOARDS AND COMMISSIONS:  
SHERMAN HIGHER EDUCATION  
FINANCE CORPORATION (7)

SECTION 551.087

DELIBERATE REGARDING  
ECONOMIC DEVELOPMENT  
NEGOTIATIONS:  
DELIBERATE REGARDING  
COMMERCIAL OR FINANCIAL  
INFORMATION THAT THE CITY  
HAS RECEIVED FROM A  
BUSINESS PROSPECT AND  
DELIBERATE ANY OFFERS OR  
INCENTIVES TO THE BUSINESS  
PROSPECT

On Motion duly made and carried, the Open Meeting  
recessed and reconvened in Executive Session at 5:28 p.m.

On Motion duly made and carried, the Executive Session  
recessed at 5:53 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on  
items discussed in Executive Session.

OPEN MEETING

SHERMAN HIGHER EDUCATION FINANCE CORPORATION  
(7)

ACTION TAKEN.

Motion by Council Member Johnson to reappoint Dr. Al  
Hambrick, Rad Richardson, Sheryl Bradshaw, Delinda  
Lough, George Rowland, Paul Bean, and Anna Laura  
Page to the Sherman Higher Education Finance  
Corporation Board of Directors, for a term from April 18,  
2016 to April 18, 2018. Second by Deputy Mayor Sofey.

VOTING AYE: Couch, Davis, Johnson, Sofey, Steele.

VOTING NAY: None.

MOTION CARRIED.

SHERMAN HIGHER  
EDUCATION  
FINANCE CORP

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at  
5:54 p.m.

ADJOURNMENT

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK