

STATE OF TEXAS §
April 4, 2011

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on April 4, 2011.

MEMBERS PRESENT: MAYOR BILL MAGERS; DEPUTY MAYOR WILLIE STEELE.
COUNCIL MEMBERS ADAMI, HOWETH, SMITH, SOFTLY.

MEMBERS ABSENT: COUNCIL MEMBER WACKER.

CALL TO ORDER

Mayor Magers called the meeting to order at 5:01 p.m. The Pledge of Allegiance and the Invocation were given by Deputy Mayor Willie Steele.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of March 21, 2011 and the Called City Council Meeting of March 28, 2011. Council Member Smith moved to approve the Minutes as presented; Second by Council Member Adami. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

PROCLAMATIONS

RECOGNIZING DR. LIGHT T. CUMMINS, AUSTIN COLLEGE GUY M. BRYAN, JR. CHAIR OF AMERICAN HISTORY, UPON COMPLETION OF HIS TERM AS TEXAS STATE HISTORIAN

Mayor Magers presented a proclamation recognizing Dr. Light T. Cummins, Austin College Guy M. Bryan, Jr. Chair of American History, on the completion of his two-year term as Texas State Historian.

DR. LIGHT T. CUMMINS
TEXAS STATE
HISTORIAN

Mayor Magers praised the lectures given at Austin College by Dr. Cummins, saying he was enlightening, he was a “go-getter” and that he thoroughly enjoyed his classes.

Dr. Cummins said he was both honored and humbled by this honor and it has been his privilege over the past two years to travel all over Texas, representing both Austin College and the City of Sherman. He thanked the Mayor and City Council for the proclamation.

“NATIONAL LIBRARY WEEK” – APRIL 10-16, 2011

Council Member Howeth presented a proclamation to Jacqueline Banfield, Library Services Administrator, designating April 10 through April 16, 2011 as “National Library Week.”

NATIONAL LIBRARY
WEEK
(APRIL 10-16, 2011)

Ms. Banfield thanked the Mayor and City Council for the proclamation adding that there are several new things at the Library. The teen children’s librarian has started a Teen Library Advisory group with 14 to 15 members, the reference

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librarian is spearheading downloadable books, and they have completed a major upgrade to the circulation software.

“TEXOMA EARTH DAY FESTIVAL DAY” – APRIL 16, 2011

Council Member Smith presented a proclamation to Amy Hoffman-Shehan, Texoma Earth Day Festival Committee, designating April 16, 2011 as “Texoma Earth Day Festival Day.”

TEXOMA EARTH
DAY FESTIVAL DAY
(APRIL 16, 2011)

Ms. Hoffman-Shehan thanked the Mayor and City Council for the proclamation and for their support for the Texoma Earth Day Festival activities. The project is a grassroots effort to celebrate Earth Day and she outlined several activities and services that will be offered at the event.

CONSENT AGENDA

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

CONSENT AGENDA

RESOLUTIONS

RESOLUTION NO. 5573 – AUTHORIZING EXECUTION OF A PROFESSIONAL ENGINEERING SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR THE WASTEWATER TREATMENT PLANT HEADWORKS PUMP AND VARIABLE FREQUENCY DRIVE UPGRADES PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL ENGINEERING SERVICES AGREEMENT WITH FREEMAN-MILLICAN, INC. FOR THE WASTEWATER TREATMENT PLANT HEADWORKS PUMP AND VARIABLE FREQUENCY DRIVE UPGRADES PROJECT.

CONSENT AGENDA.

RES 5573
WASTEWATER
TREATMENT PLANT
PROJECTS

RESOLUTION NO. 5574 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH BLUESTONE PARTNERS LLC. FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN THE CRESCENT OAKS ADDITION TO THE CITY OF SHERMAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH BLUESTONE PARTNERS LLC. FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN THE CRESCENT OAKS ADDITION TO THE CITY OF SHERMAN.

CONSENT AGENDA.

RES 5574
DEVELOPER'S
AGREEMENT
CRESCENT OAKS
ADDITION

CHANGE ORDER NO. 1

U.S. HIGHWAY 75 NORTH SEWER IMPROVEMENTS, CONTRACT “B”; TRI-CON SERVICES, INC.; \$6,476.52 INCREASE

The City Council approved Change Order No. 1 to adjust project quantities and approve project changes on the U.S. Highway 75 North Sewer Improvement Project, to accommodate property owner requests.

CHANGE ORDER
HWY 75 NORTH
SEWER
IMPROVEMENTS

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During construction of this project it became necessary to realign the sewer, force main, and a manhole at Loy Lake Road, and provide drainage through a berm for property owners along the sewer route. The change order results in an increase of \$6,476.52 to the contract price, yielding a revised contract amount of \$1,157,101.39.

Mayor Magers verified that the project is still within the budgeted amount.
CONSENT AGENDA.

CHANGE ORDER NO. 1

**SHEPHERD DRIVE #1 WOODBINE WELL REPAIRS:
WEISINGER WATER WELL, INCORPORATED; \$720.25
INCREASE**

**WATER WELL
REPAIRS**

The City Council approved Change Order No. 1, which is a final reconciliatory change order to adjust the final project quantities for the Shepherd Drive #1 Woodbine Well repair project. The project required repairs and a pump replacement.

The change order results in an increase of \$720.25 to the contract amount, yielding a final contract price of \$115,121.75.

Mayor Magers verified that the project is still within the budgeted amount.
CONSENT AGENDA.

OTHER BUSINESS

**RECEIVE THE AIRPORT ADVISORY BOARD'S
PRESENTATION ON A MUNICIPAL AIRPORT BUSINESS
PLAN**

**AIRPORT ADVISORY
BOARD – AIRPORT
BUSINESS PLAN**

Carlos Rivas, a Member of the Airport Advisory Board, presented a Business Plan for the Municipal Airport. He recognized what an asset the airport is to the community and said one business currently operates out of the facility.

Mr. Rivas added that North Texas Regional Airport is located near Sherman but is geared to larger aircraft and has a control tower. General aviation pilots typically prefer a non-controlled airport. The aviation community is growing every year and both airports complement each other.

He felt that the Municipal Airport is close to downtown Sherman and could be developed as an economic force within the City.

Currently the airport features 18 hangars which result in approximately \$52,000 annually in revenue. Fuel sales result in approximately \$346,000 of which about \$15,000 a year is actual profit. This number does fluctuate based on fuel sales and the pricing structure. They try to stay competitive in fuel pricing and pilots come from as far away as McKinney and Greenville to purchase fuel because of the price.

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The North Texas area has one-third of all registered aircrafts in the State of Texas and this number grows annually. Pilots are attracted to the Sherman Municipal Airport because of its proximity to Dallas. Typically there are about 700 take-offs and landings at the airport each year. About ten visitors also use the courtesy car available through the airport.

Mr. Rivas said that the Texas Department of Transportation has provided pads for 14 hangars, or two seven-unit T-hangars to be built at the airport. Currently there are 18 hangars which are at capacity, and there is a waiting list of over 20 people. He added that other airports in the region are full.

He estimated that for every seven hangars that could be leased at \$250 per month, annual revenue could be \$23,000 to \$50,000. The pads and taxiways are already in place, but the hangar slabs and actual hangar construction would be needed.

Mr. Rivas asked that the City join with the Airport Advisory Board in developing the land. It is an asset to the City and there is a great potential. They would also like to take advantage of TxDOT's RAMP grant which provides 50/50 funding for any qualified improvements to the airport.

He urged the City Council to move forward with the hangar construction. If the economy was better, Mr. Rivas said the City should fund the development, construction, and building of the hangars. However, because of the economy, there are several potential investors that would be interested in a ground lease to develop and maintain the hangars.

The Airport Board would also like a marketing plan to be developed for the airport so it would be included with tourism.

Mayor Magers said this is not the first time the Airport Advisory Board has appeared before the Council with this request. These are issues that would be appropriate for the upcoming budget discussions.

Mr. Rivas said if a private ground lease is used it would bring in thousands of dollars and would reduce any shortfall the City might have. Currently the airport costs the City about \$2,000 annually. A ground lease would more than cover that amount and would not cost the citizens anything if it was privatized.

Council Member Adami said last time the Council considered this they were looking at a 20 year ground lease, however when the proposals went out no one was interested unless it was a 30 year ground lease. He asked if that was the term being considered now. Mr. Rivas said the builders would have to answer that question, but he felt they would probably want a 30 year lease.

Mr. Rivas added that currently with the RAMP projects that have been completed in previous years, the airport would be required to remain open for at least 20 years or the City would owe the State “a few million dollars.”

Mayor Magers said he thought it was actually 20 years from 2005, which was the last time significant capital was invested in the airport. Mr. Rivas said capitalizing on that money, even if it extends the time, would be better than allowing the asset to sit there.

CONSIDER REQUEST OF ST. MARY’S CATHOLIC SCHOOL TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE “TIGER TRAIL 5K FUN RUN” ON SATURDAY, MAY 7, 2011 ACTION TAKEN.

**CLOSE STREETS
ST. MARY’S CATHOLIC
SCHOOL FUN RUN**

Motion by Council Member Smith to approve the request of St. Mary’s Catholic School to temporarily close certain streets for the “Tiger Trail 5K Fun Run” to be held on May 7, 2011. Second by Deputy Mayor Steele.

VOTING AYE: Howeth, Smith, Softly, Steele.

VOTING NAY: None.

ABSTAIN: Adami.

MOTION CARRIED.

CITIZENS REQUESTS

SHERMAN MUNICIPAL AIRPORT HANGAR PROPOSAL

**AIRPORT HANGAR
PROPOSAL**

Robert Bond, 1424 Lotus Circle, is a partner and co-founder of NT Aviation LLC, which is currently the largest owner of T-hangars in Grayson County. They have 30 units operating out of North Texas Regional Airport.

The company was founded in 1997 and has been constructing and leasing hangars since that time. They have approached the City of Sherman twice about constructing hangars, prior to the construction of the pad.

Mr. Bond added that his son currently serves on the Airport Advisory Board.

There are currently two other partners in NT Aviation LLC and they have both declined to participate with the City of Sherman. Their company’s board did give Mr. Bond full approval to proceed with proposing potential construction at Sherman Municipal Airport.

Mr. Bond said their company has been very successful at constructing hangars and have been in business for 14 years. He felt that such a venture could be accomplished in conjunction with the City of Sherman, given the right business model.

He understood that with the current economic conditions, the City did not want to invest any capital outlays at the present time. He said that fact severely restricts their ability to make a favorable return as a private investor. However, he still felt they could be creative to accommodate the needs

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of both a private investor and the City of Sherman. Mr. Bond said the single most important factor was to determine the long-term viability of the airport to achieve a fair return.

With an investment of over \$200,000, Mr. Bond said they would want to be sure they could get a fair return. In all the business models they have done, he said a 15 year payback to break even is about right. A 20 year lease doesn't give much return for the risk associated with the investment.

Currently NT Aviation currently has a 20 year option on one piece of property at the Regional Airport, with four options of five years, therefore it is a 40 year lease. They also have two other leases that have 30 year terms.

Mr. Bond wanted to reaffirm to the City Council that there are parties that are interested and private investors that are interested in seeing growth take place at the Airport, and that it could be beneficial to both the City and to investors.

He asked the Council for permission to proceed with presenting a business proposal to the City Manager within the next 60 days.

Mayor Magers told Mr. Bond he did not need the Council's permission to make a proposal. He reiterated that this would really need to be a budget item to discuss during the June Budget Work Session. In years past there has been a lot of talk, but nothing ever moved forward.

MEDIA QUESTIONS

There were no media questions.

MEDIA QUESTIONS

APPOINT/REMOVE OR CONSIDER QUALIFICATIONS TO BOARDS AND COMMISSIONS

LIBRARY BOARD (3)

ACTION TAKEN.

Motion by Council Member Adami to reappoint Ron Roberts and Darlene Schweizer to the Library Board for a term from April 8, 2011 to April 8, 2014. Second by Council Member Smith.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele.

VOTING NAY: None.

MOTION CARRIED.

LIBRARY BOARD

COUNCIL COMMENTS

WASHINGTON STREET PROJECT

Mayor Magers recognized Don Keene, Executive Director of Planning and Public Works, the Street Department, and all the other City employees that have been involved with the Washington Street Project, thanking them for their work on the project. The bridge had a "soft opening" last week and he has received positive feedback on the new bridge.

WASHINGTON STREET PROJECT

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ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 5:34 p.m.

ADJOURNMENT

MAYOR

CITY CLERK