

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GRAYSON CENTRAL APPRAISAL DISTRICT'S PROPOSAL REGARDING THE RELOCATION OF THE APPRAISAL DISTRICT OFFICES.

RELOCATION

Mayor Magers encouraged keeping the Central Appraisal District in downtown Sherman, the County seat, and moving it to another location in the downtown area. He said the issue has become a "political nightmare" with some of the other member bodies.

The positives are obvious. It's a great location, it keeps it close to the County government offices, the purchase price is fair at \$23 per square foot, the roof is under warranty, and it has great parking, which is a key concern.

Other member cities have expressed serious concerns about the cost of the building and he felt this came from a lack of credibility and lack of leadership at the Appraisal District. The main complaint he has received during his years as Mayor is that the employees at the Appraisal District are rude, they don't listen, they don't return telephone calls, they don't answer your questions, they don't care how they spend the tax dollars, and they are not accountable. He agreed with these opinions and felt that they stem from a lack of leadership.

Mayor Magers said the role of the City Council at this meeting is not to change the Appraisal District. Despite the fact that Sherman pays 40% of the taxes in Grayson County, they do not have enough votes to elect one member to the Board.

The role tonight is to make a good fiduciary responsibility to the citizens of Sherman and to Grayson County, by reviewing the issue in itself and not looking at the Appraisal District.

Mayor Magers asked several people to speak on the issue including former Mayor Harry Reynolds, who also served on the Selection and Building Committee; Council Member David Plyler, who is Vice President of Plyler Construction; and David Baca, architect and owner of David Baca Studio. He asked Mr. Reynolds to speak on the history and how the site was chosen, Council Member Plyler on the budget, and Mr. Baca on some of the things they are doing to keep the costs down.

Sherman has no votes on the Appraisal District Board, however they are the County seat and the largest taxpayer in Grayson County, and Mayor Magers felt the Council should show leadership on the issue.

Mr. Reynolds said the Selection Committee was charged with finding a practical building at a reasonable cost. They spent about two years looking at many possible buildings

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for the Appraisal District. Most were rejected because they did not meet the criteria of being close to the center of the County, convenient to citizens, and have adequate parking and easy access. The building selected met all the criteria. He discussed other sites that were considered, but said the most practical was the location on Travis Street in Sherman.

Mayor Magers introduced Brett Graham, Grayson County Representative on the Appraisal District Board and a local business owner.

Council Member Plyler recently walked through the proposed site for the Appraisal District. He saw no sign of roof leaks and the building is “wide open” which will be good for renovating. It already has a fire sprinkler system and the electrical service is very new.

He felt the budget that has been presented for the renovation is very good and is at the lower end, because of the lack of demolition that would be needed. He felt the data and infrastructure needs were adequately addressed. They are also taking bids on some “lightly used” equipment which is acceptable. He felt it was a good package and he was pleased with the type of materials they planned to use and the energy efficient items they plan to use.

Mayor Magers asked Mr. Baca to discuss the cost of the remodel and things that are being done to keep those costs low. He also asked what was included in the remodel costs. Mr. Baca said they were charged with creating a workable floor plan for the Appraisal District. The existing area is a large, open area, but they are working around an existing wall and the existing restrooms. The current code required additional restrooms, but they tried to add those where the sanitary sewer was already located. There were also some changes to meet the ADA rules.

He discussed other ways they tried to keep the costs down including working with the building as it currently is by using the existing grid for the acoustical tile and keeping the insulation, replacing single pane windows with energy efficient windows, reusing four air conditioning units and relocating duct work, laying carpet on the concrete floor, and using standard materials.

Mr. Baca added that besides the actual construction costs, these estimates include getting into the building, putting in the data systems, and furniture, which are normally not included. The estimates are for a full “turn-key” project that would get the Appraisal District into the building and set-up for business.

Mayor Magers asked about the contingency amount. Mr. Baca said there are two contingencies, a design contingency to cover unknowns, and a construction contingency. They wanted to be sure there would be enough money in the

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contingency to cover anything that might come up, before it was approved by the entities. Mayor Magers confirmed that the money wasn't spent up front, it was kept on the back end as a contingency. There is also money for the remodel. Mr. Baca added that the remodeling would be on par with the offices at City Hall.

Mayor Magers said many entities throughout the County are voting on this issue and on this, Sherman's vote counts the same as the other entities. Currently the City is a partner with Lynn Mitchusson, a representative on the Grayson Appraisal District Board. He felt they need to trust the Board to "do the right thing."

The current Resolution is to purchase the building and to approve up to a certain amount for remodeling. He said the risk of not passing the Resolution would be a risk that the Appraisal District would leave downtown Sherman, because this building is not the first choice of the leadership. Also, they could not build the type of building needed for this same amount of money.

Council Member Smith agreed that the Council should trust the recommendation of the people on the Appraisal District Board. Council Member Wacker felt the best use of taxpayer money is the adaptive reuse of a building and the estimated cost for remodeling seems reasonable.

Mr. Graham added that he had great confidence in this Board and they have made it clear that the costs needed to stay in line. This space is larger than needed at this time, however because of the location of the facility, it really makes sense. Only the areas that are necessary for the Appraisal District will be "built out" at this time. He assured the taxpayers that he, for one, would make sure that the tax dollars are spent wisely. He felt the entire Board would feel that way as well.

ACTION TAKEN.

Motion by Council Member Smith to approve Resolution No. 5660, as presented. Second by Council Member Softly.

VOTING AYE: Howeth, Plyler, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5661 – ADOPTING THE GRAYSON COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ADOPTING THE GRAYSON COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN.

**RES 5661
HAZARD MITIGATION
PLAN**

J.J. Jones, Fire Chief, said the Hazard Mitigation Plan does two things for the City of Sherman and for Grayson County. It allows identification of the risk hazards specific to the

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region and allows the entities to be eligible for grant funding to help mitigate those hazards.

Work on the plan began before Chief Jones was hired. Those working on the plan included Jeff Miller, former Director of Utilities; Tom Watt, Police Chief; Scott Shadden, Director of Development Services; Mark Gibson, Director of Engineering and Utilities; and Theresa Caudle, Community Development Coordinator.

Chief Jones said the Resolution before the Council is to add this Hazard Mitigation Plan to the City's current Local Emergency Management Plan, along with the Grayson County Plan which includes the City of Sherman.

He added that this Plan is the first step and identifies the hazards. He also recognized Chief Watt for initially taking the lead in the Plan.

ACTION TAKEN.

Motion by Council Member Wacker to approve Resolution No. 5661, as presented. Second by Council Member Softly.

VOTING AYE: Howeth, Plyler, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5662 – APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2012; APPROVING THE FORM OF OFFERING DOCUMENT TO BE USED IN THE MARKETING OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2012; APPROVING THE FORM OF OFFERING DOCUMENT TO BE USED IN THE MARKETING OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; PROVIDING FOR A REPEALER CLAUSE; PROVIDING AN EFFECTIVE DATE.

**RES 5662
TASWA REVENUE
BONDS**

Mayor Magers said Sherman accounts for about 50% of the waste in the Texoma Area Solid Waste Authority Landfill and serve on the Board with two other cities and two other counties. He said during the last several years, TASWA has moved from financing the operating costs of cells to paying on a cash basis.

Tonight he asked the City Council to consider the debt issue, but for the 2012-2013 Plan, rates will increase from

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\$33 per ton to \$35 per ton to move toward cash funding of the cells.

Robby Hefton, Assistant City Manager/CFO, said the City is keeping to the plan discussed by the TASWA Board in June of 2010 to increase rates slightly for the 2012-2013 period. At that time, TASWA decided to start planning to finance the future cells four, five, and six with cash. This change would save issuance costs and interest costs, which would amount to about \$1.9 million for cells four, five, and six combined.

He added that, since TASWA has not accumulated the cash to do that yet, for the years 2014, 2015, and 2016, it would require a spike in rates to accumulate the cash necessary to open cell four and then the rates would go back down considerably in 2017 and beyond. Mr. Hefton said the staff felt it was prudent for TASWA to do this.

He also felt it was important to develop a policy statement for the Board's consideration to cover the principal of using cash to fund cells four, five, and six. It would also be expanded to cover other issues related to debt issuance, such as the types of appropriate debt, maturities, and methods.

Mr. Hefton said even though there is a little "bubble" in the rates for a period up front, it does save costs and the policy statement formalizes the will of this Board for future Boards.

Mayor Magers said he understood that TASWA was originally developed so Sherman would have lower rates on the trash service. He felt, over time, this would be the case. If the economy picks up and the amount of trash picks up, there should be more cash to fund these cells. Therefore the rates might not have to increase so much.

Mayor Magers confirmed that the rates will probably be below 3%. Cost of a cell is approximately \$3 million. Dale Sissney, TASWA Executive Director, said a cell is a 12 acre tract of land, which is about 55 feet deep, lined with plastic, and meeting Texas Commission on Environmental Quality regulations.

According to Mr. Sissney, when cell two was started 3½ to 4 years ago, it was financed for 4½ years. The cell will last about 4½ years, or until February or March of 2013. The last payment on the cell will be in February 2013, so the life of the asset and the life of the debt are running about parallel.

A residential customer in Sherman creates about 185 pounds, or one-tenth of a ton, of trash per month. For the \$35 per ton rate, that tenth of a ton is about \$3.50 per household per month.

Council Member Smith asked about the temporary spike in the rates. Mr. Hefton said for three years they would be

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building more cash than they need to operate the landfill to accumulate the cash necessary to build the next cell. The plan is that TASWA would then reduce the rates.

Council Member Smith said if the citizens are told the rate will be reduced after three years, how does the Council assure that they will be reduced. Mayor Magers said the TASWA Board will consist of mayors and they “keep their finger” on the rates. He added that a future City Council may decide that they want to finance cells to keep rates artificially low.

Mayor Magers said the landfill is supposed to last 50 to 75 years, so the City of Sherman needs to be sure they are maximizing efficiency to keep the landfill active that long. He added that if more trash is generated the rates won't increase as much to pay for future cells. There is just not enough money now to cash finance the cells and the money must be borrowed. By increasing rates for a few years, the cash is accumulated to pay for the cells, thus saving \$2 million in financing charges.

Council Member Smith agreed that was a smart move, but he expressed concern that there was no assurance that the rates will come back down. Mayor Magers said the governing bodies will control the situation. Council Member Wacker agreed that this was a fiscally responsible decision to move forward.

Deputy Mayor Steele said it is fortunate that the next cell is expected to fill up at the same time the debt is paid off. He asked what would happen if the waste stream increases and the next cell fills up quicker than the debt is paid. Then cell four would need to be constructed before the cost of cell three is paid. Mr. Sissney said it is a fixed-cost business but if waste increased, you would also be increasing revenue.

Regardless of how future cells are financed, Mr. Sissney said the action tonight relates to the financing of cell three, which needs to be financed now. Construction will begin in May or June 2012. Otherwise the options will be kept open for future financing as discussed.

Mayor Magers said other member City's rates are twice what Sherman's rates are because the Sherman City Council has a different philosophy relating to sanitation. It's not used as a “cash cow” but as a service. This Council is concerned that there is a plan in place.

ACTION TAKEN.

Motion by Council Member Smith to approve Resolution No. 5662, as presented. Second by Council Member Wacker.

VOTING AYE: Howeth, Plyler, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

CONSIDER REQUEST OF THE 2012 EARTH DAY PLANNING COMMITTEE TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE “4TH ANNUAL EARTH DAY FESTIVAL” ON SATURDAY, APRIL 21, 2012

Council Members approved the request of the 2012 Earth Day Planning Committee to temporarily close certain streets for the “4th Annual Earth Day Festival” on April 21, 2012.

The event will be held in the Municipal Building Ballroom and on the grounds. The Committee has requested delivery and pick up of barricades and street closures around the Municipal Building.

CONSENT AGENDA.

CITIZENS REQUESTS

There were no citizen’s requests.

MEDIA QUESTIONS

WELCOME NEW HERALD DEMOCRAT REPORTER

Mayor Magers welcomed William Wadsack, new City Reporter for the Herald Democrat. He also recognized current Reporter Jerrie Whiteley.

COUNCIL COMMENTS

DOWNTOWN SHERMAN PRESERVATION & REVITALIZATION ST. PATRICK’S DAY EVENT

Council Member Wacker congratulated Downtown Sherman Preservation & Revitalization on their recent St. Patrick’s Day Event. She said it was very successful and there was a huge crowd. Mayor Magers estimated that at least 300 to 400 people were there.

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.

SECTION 551.087

DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:
DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM BUSINESS PROSPECTS AND DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECTS, INCLUDING THE FOLLOWING:
PROPERTY AT 4344 LOY LAKE ROAD, SHERMAN, TEXAS

CLOSE STREETS FOR EARTH DAY

CITIZENS REQUESTS

WELCOME NEW HERALD DEMOCRAT REPORTER

DSP&R ST. PATRICK’S DAY EVENT

EXECUTIVE SESSION

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On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:43 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:06 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

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:07 p.m.

ADJOURNMENT

MAYOR

CITY CLERK