

**CITY OF SULPHUR SPRINGS, TEXAS
REGULAR MEETING OF THE
CITY COUNCIL**

**July 5, 2022
7:00 p.m.**

An Executive Session was held at 6:18 p.m. in accordance with Texas Government Code, Title 5, Chapter 551 - §551.071, Consultation with Attorney, §551.072, Discussions about value or transfer of real property; §551.073 Discussions about a prospective gift or donation to City; and §551.087 Deliberations Regarding Economic Development projects Superman and Elephant.

Mayor John A. Sellers called the regular session of the City Council to order at 7.00 p.m. The following council members and staff were present:

Present: Mayor Doug Moore
Mayor Pro Tem John A. Sellers
Councilman Jay W. Julian
Councilman Harold Nash Sr.
Councilman Oscar Aguilar
Councilman Tommy Harrison
Councilman Gary Spraggins

Absent: None

Staff: Marc Maxwell, City Manager
Natalie Darrow, City Secretary
Nate Smith, City Attorney
Tory Niewiadomski, Assistant City Manager/Community Development Director
Gordon Frazier, Assistant City Manager/HR Director-7 p
Roger Feagley, Director of EDC
Brad Horton, SSPD Officer – 7 p

RECONVENE

Mayor Moore reconvened into open session of the regular meeting of the Sulphur Springs City Council to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE TO THE UNITED STATES FLAG, TEXAS FLAG, AND INVOCATION

Mayor Moore led in the pledge of allegiance to the United States Flag and the Pledge to the Texas Flag, and the invocation was led by Councilman Nash.

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

None.

MANAGER'S REPORT WILL INCLUDE A STATUS REPORT OF CAPITAL IMPROVEMENTS, MUNICIPAL OPERATIONS, ACCIDENTS AND CLAIMS FOR THE MONTH, AND A REVIEW OF EXPENDITURES AND REVENUES

CLAIMS – We had four workers compensation claims in June. Two were serious enough to result in lost time. One resulted in hospitalization. Both of the more serious injuries were in the Capital Construction Division. The other two were in the Parks Department and the Police Department

We had one minor liability claim in May.

SENIOR CITIZENS BUILDING – The contract with Texas Department of Housing and Community Affairs (TDHCA) is not ready for signature yet. I had expected to sign the contract in June, but we have gotten word that it may still be a few months.

PACIFIC PARK – The splash pad is complete, and the children are having lots of fun.

The Capital Construction Division is installing a concrete walking path around the park.

The basketball pavilion contract was let to XLNT Contracting. They expect to be finished by October.

COLLEGE STREET – I reported previously that the contractor, Highway 19 Construction was off to a rough start. We have ironed out the issues and things seem to be going a bit more smoothly now.

ONCOR RATE INCREASE – Oncor has filed their rate case. The Steering Committee of Cities Served by Oncor is performing an evaluation of the rate case now.

REVENUES AND EXPENDITURES – Finance Director Lesa Smith is absent tonight so we will not have the usual report from her.

STREET IMPROVEMENT PROGRAM – Texana Land and asphalt has paved Lee and League on an extension of last year's contract. Recently the price of asphalt emulsion has increased, and the contractor seeks a price increase. This item is on the agenda for consideration. The following streets will be paved:

2022 SIP		
Street	Between	Length
Jackson	Middle to College	2480
Kasie	Tate to Camp	681

Lee	Davis to League	3099
Fore	Main to Connally	1070
Forrest Ln	Bell to Barbara	1119
Garrison	Main to Connally	940
Glover	Davis to Church	348
Houston	Hillcrest to League	4800
Commercial Serv.	various repair	442
Como	College to RR	3317
Dabbs	Gilmer to Davis	401
Drexel	Broadway to Mockingbird	1441
Fisher	Spence to Lee	1500
Ardis	Spence to Beckham	1880
Azalea	Hillcrest to Main	3648
Bonner	Church to Davis	539
Brinker	Beasley to dead-end	2629
California	Church to Seventh	1520
Charles	College to Lakeshore	998
Lee (2021)	Davis to Broadway	1901
League (2021)	Bellview to Pampa	3131
Total Linear Feet		37,884
Total Miles		7.18
Total Cost		\$ 2,012,318.00
Street Maintenance Fee Cost Estimate		\$ 1,072,668.00
Estimated Street Maintenance Fee Funds Available (Fund Balance Plus Budgeted Revenue)		\$ 1,049,101.81
Red Text indicates streets paid for by the Street Maintenance Fee. All other streets are paid for by a transfer from General Fund to Capital Fund.		

Elsewhere around the city, employees:

- Checked out 4,791 items from the library plus an additional 718 eBooks.
- Responded to 217 fire/rescue calls including 4 vehicle fires and 12 grass fires.
- Performed 30 fire inspections.
- Performed preventative maintenance on 82 fire hydrants.
- Responded to 229 animal control calls while achieving an 82% adoption rate.
- Made 3 felony arrests in the Special Crimes Unit.

- Responded to 38 accidents, recorded 27 offences, wrote 500 traffic citations, and made 58 arrests in the Patrol Division.
- Cleaned storm drain inlets.
- Repaired 182 potholes.
- Made 18 extensive street repairs following utility repairs.
- Installed asphalt tie-ins for 4 new driveways.\
- Shredded the Lake Sulphur Springs dam and emergency spillway.
- Conducted 40 building inspections, 16 electrical inspections, 7 plumbing inspections, 4 mechanical inspections and issued 11 building permits.
- Sold 2,755 gallons of AvGas and 8,990 gallons of JetA fuel.
- Accommodated 1,621 operations (take-offs and landings) at the airport.
- Made repairs to Clearwell at the water treatment plant.
- Treated 171 million gallons of potable water.
- **Treated wastewater to a daily average total suspended solids reading of .09 mg/L.**
- Performed preventative maintenance on several items at the water treatment plant and wastewater treatment plant.
- **Repaired 12 water main ruptures.**
- Replaced 10 water meters.
- Unstopped 16 sewer mains.
- Repaired 5 sewer mains.
- Washed 85,000 feet of sewer mains.
- Flushed 39 dead-end water mains.
- Filled 3,000 feet of sidewalk seams downtown.
- Hosted one baseball tournament and one softball tournament.

DISCUSSION/ACTION ON CONSENT AGENDA

City Secretary Darrow presented the staff report. Consider for approval the City Council regular meeting minutes of June 7, 2022; the City Council special meeting minutes of June 13, 2022; and the Planning and Zoning meeting minutes of May 16, 2022. Mayor Pro Tem Sellers moved to approve the consent agenda as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2798 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, AMENDING ORDINANCE NO. 2783, THE 2021-2022 ANNUAL BUDGET ORDINANCE

This budget amendment addresses changes that have occurred during the fiscal year due to

action by the public, City Council, and circumstances outside of our control. An explanation of what expenditures and revenues are changing as well as the reason for the changes is included as Exhibit A of the Ordinance. This budget amendment increases the overall expenditure limit by \$1,069,820. The budget amendment also recognizes the additional revenue that the City is collecting which amounts to a projected increase of \$1,060,970. The remaining funds of \$8,850 comes from the Airport fund balance. Councilman Spraggins moved to adopt Ordinance No. 2798 on the second and final reading. Mayor Pro Tem Sellers seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2799 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, AMENDING ORDINANCE NO. 2790, THE MASTER FEE SCHEDULE FOR COSTS, FEES AND RATES ASSOCIATED WITH PERMITTING, UTILITY SERVICES AND OTHER SERVICES PROVIDED BY THE CITY

Last September, the council adopted an ordinance establishing a Master Fee Schedule. Part of the reason for having the schedule separate from the budget was so that if fees needed to be changed during the year for any reason, it could be done more easily. The purpose of user fees are for the City to recoup the cost (or most of the cost) of providing a service to an individual benefactor rather than putting the burden on the general population. With inflation at record levels, staff has reviewed fees and is recommending that the fees below be increased. The current utility related fees were set in 2018. Since then, we have faced a significant increase in the cost of parts, fuel, labor and other material costs. The Distribution and Collection Department calculated the current cost required for them to purchased materials and perform the work. In addition to rising costs, the number of taps and meters being installed or requested has risen significantly in the past several months which means the margin of loss is getting wider as well and it is important to close that gap.

Proposed Fee Changes:

Utilities

Description	Current Fee	Proposed Fee	Calculated Cost	Cost Increase
Sewer Tap Fee- 4" No street cut	\$1,150	\$1,890	\$1,888	\$740
Sewer Tap Fee- 4" w/ street cut	\$2,050	\$3,990	\$3,993	\$1,940
Sewer Tap Fee- 6" no street cut	\$1,200	\$2,050	\$2,051	\$850
Sewer Tap Fee- 6" w/ street cut	\$2,100	\$4,250	\$4,249	\$2,150
Water Tap Fee- 3/4" no street cut	\$1,250	\$2,070	\$2,071	\$820
Water Tap Fee- 3/4" w/ street cut	\$2,400	\$4,390	\$4,388	\$1,990
Water Tap Fee- 1" no street cut	\$1,250	\$2,070	\$2,071	\$820
Water Tap Fee- 1" w/ street cut	\$2,400	\$4,390	\$4,388	\$1,990
Water Tap Fee- 2" no street cut	\$3,100	\$3,740	\$3,743	\$640

Water Tap Fee- 2" w/ street cut	\$4,200	\$5,910	\$5,910	\$1,710
3/4" Meter Set Fee	\$150	\$180	\$179	\$30
1" Meter Set Fee	\$150	\$260	\$256	\$110
2" Meter Set Fee	\$150	\$1,485	\$1,485	\$1,335
Grease Trap Fee- No street cut	\$950	\$1,890	\$1,888	\$940
Grease Trap Fee- w/ street cut	\$950	\$3,990	\$3,993	\$3,040
New Connect Fee- Fire Hydrant Meter	\$10	\$30	\$36	\$20

These changes do not impact the general population, only those who directly benefit from the service the City is providing to them. Councilman Julian moved to adopt Ordinance No. 2799 on the second and final reading as presented. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2800 - ZC# 220401 ON A REQUEST BY JASON AND JENNIFER LACOMFORA TO REZONE PROPERTY LOCATED AT 1120 CHURCH STREET IDENTIFIED AS LOT 6A, BLK: 402, TOWN: SULPHUR SPRINGS CONSISTING OF APPROXIMATELY 1.54 ACRES FROM MULTIFAMILY TO HEAVY COMMERCIAL

Assistant City Manager/Community Development Director Tory Niewiadomski presented the staff report. The applicant is proposing to rezone the property to Heavy Commercial to accommodate commercial and/or mini-storage development on the lot. The property has split zoning on the lot as depicted in the graphic. Rezoning it to one zoning classification is preferred to alleviate future development of the property with zoning restrictions. The property is surrounded by Heavy Commercial to the north, west, and south, and Multifamily to the east. The land uses are office/storage to the west, residential to the north and east, and vacant land to the south. Given the context of the area, commercial is an appropriate designation along the Church Street corridor. It also fits in with the land use plan of commercial along Church Street. Councilman Aguilar moved to approve the Ordinance No. 2800 on the second and final reading as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2801 - ZC# 220501 ON A REQUEST BY HOPKINS COUNTY HOLDINGS LLC. TO REZONE PROPERTY LOCATED AT 302 & 306 MAGNOLIA STREET IDENTIFIED AS LOT 17A & 17B, BLK: 8, TOWN: SULPHUR SPRINGS CONSISTING OF APPROXIMATELY 0.66 ACRES FROM LIGHT INDUSTRIAL TO MULTIFAMILY

Assistant City Manager/Community Development Director Tory Niewiadomski presented the staff report. The applicant is proposing to rezone the property to Multifamily to

accommodate residential development on the lot. The property is located at the SE corner of Magnolia and Hinnant Street. The properties about the RR tracks to the north, light commercial to the east, and Multifamily to the south and west. The land uses are residential to the west and south, and office to the east. Given the context of the area, multifamily is an appropriate designation on Magnolia. It also fits in with the land use plan of residential. Councilman Julian made a motion to adopt Ordinance 2801 on the second and final reading as presented. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2802 - (ZC# 220502) ON A REQUEST BY HOPKINS COUNTY HOSPITAL DISTRICT TO REZONE PROPERTY LOCATED AT 525 CHURCH STREET IDENTIFIED AS LOT 6B, BLK: 71, TOWN: SULPHUR SPRINGS CONSISTING OF APPROXIMATELY 0.49 ACRES FROM MULTIFAMILY TO PROFESSIONAL OFFICE

Assistant City Manager/Community Development Director Tory Niewiadomski presented the staff report. The applicant is proposing to rezone the property from Multifamily to Professional Office to maintain professional offices use on the lot. The property is located four lots north of Houston along Church Street. The property has been a medical office for a long time and the hospital district is looking to sell the property. These properties would not be allowed to be utilized as office space unless zoned as professional office. The property abuts the MF to the north, east, and south and SF-10 to the west. The land uses are multifamily to the north, residential to east and south, and office to the west. Given the context of the area, professional office is an appropriate designation on Church Street. It also fits in with the land use plan of commercial. Mayor Pro Tem Sellers moved to adopt Ordinance No. 2802 on the second and final reading as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2803 - (ZC# 220503) ON A REQUEST BY HOPKINS COUNTY HOSPITAL DISTRICT TO REZONE PROPERTY LOCATED AT 530 DAVIS STREET IDENTIFIED AS LOT 4, BLK: 71, TOWN: SULPHUR SPRINGS CONSISTING OF APPROXIMATELY 0.46 ACRES FROM SF-10 TO PROFESSIONAL OFFICE

Assistant City Manager/Community Development Director Tory Niewiadomski presented the staff report. The applicant is proposing to rezone the property from SF-10 to Professional Office to maintain professional office uses on the lot. The property is located at the SE corner of Woodlawn and Davis Street near the library. The property has been a medical office for a long time and the hospital district is looking to sell the property. The property would not be allowed to be utilized as office space unless zoned as professional office. The property abuts MF to the north and east, and SF-10 to the south and west. The land uses are residential to

the south, west, and north, and office to east. Given the context of the area, professional office is an appropriate designation at this location due to the mixture of uses in the area including the library. Councilman Spraggins moved to adopt Ordinance No. 2803 on the second and final reading as presented. Councilman Aguilar seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2804 - (ZC# 220504) ON A REQUEST BY LIBBA LAND LTD TO REZONE A PORTION OF PROPERTY LOCATED AT THE NE CORNER OF I-30 AND HIGHWAY 19 IDENTIFIED AS LOT 3B, BLK: 215, MCDOWELL ADDITION CONSISTING OF APPROXIMATELY 12 ACRES OUT OF THE 24.73 ACRE PARCEL FROM HEAVY COMMERCIAL TO LIGHT INDUSTRIAL.

Assistant City Manager/Community Development Director Tory Niewiadomski presented the staff report. The applicant is proposing to rezone a portion of the property from HC to Light Industrial to build a truck stop/ travel center (CEFCO) on the southern end of the site. The property is located at the NE corner of I-30 and Highway 19. The applicant held a neighborhood meeting prior to submission of the rezoning application to better understand issues and concerns from adjacent property owners. Staff was in attendance as an observer and generally concurs with the applicant's letter of items that they can address to alleviate concerns. From staff's perspective, it appeared many residents wanted to know what was going to happen right behind their homes in the area that is to remain heavy commercial. The applicant indicated that they only have plans to develop the travel center and the rest would be a remainder at this time. There were some security concerns raised and the applicant responded that they would construct a wall on the north side of the light industrial zoned piece of property to help shield activity away from the neighborhood and put in lighting for security but also not create light pollution to the neighborhood. The applicant also put the proposed travel center on the far south side of the property to try and keep truck activity away from the residential neighborhood to the north. There was a discussion about traffic and alignment of access. TxDOT ultimately controls access to the property and will need their review and approval. The portion of the property being rezoned abuts HC to the north, SF-6/Light Industrial to the east, Light Industrial to the south, and TxDOT ROW to the west. The land uses are vacant to the north east, and south, and ROW to the west. Given the context of the area, Light Industrial is an appropriate designation at this location due to the commercial/industrial zones in the area. The P&Z discussed the topic and the following issues were raised: 1. There were questions about access to the site. a. Staff indicated that TxDOT is requiring alignment across from Woodbridge Crossing for an entrance/exit off Highway 19. TxDOT will have jurisdiction over driveway placement on the service road. 2. There was discussion about the interchange and that CEFCO requested to pay for a traffic light but TxDOT is not ready for that. a. Staff did speak with TxDOT and they indicated that the bridge interchanges in Sulphur Springs are in their 10-year plan and will be the next priority once they get done in Hunt County to address turnaround access improvements.

Highway 19 is their highest priority followed closely by Broadway. 3. A property owner raised the issue of truck stops attracting transients and others to camp in our parks with other crime. a. Staff followed up with the Police Chief about the truck stops causing solicitation issues. The Police Chief does not believe that to be the case with the existing truck stops in town. 4. Another property owner spoke about property values and Coleman Park. a. The closest home is approximately 800 feet away from proposed truck stop area. In comparison, looking at Pilot Travel Center, the closest home is about 300 feet from the truck parking area. The market value of that home from 2018 to 2022 has increased by 61%. Staff sent 14 certified letters to surrounding property owners within 200 feet. Below is a response summary: • In Favor Of: 2

• Opposed To: 4

• Undecided On: 0

Those opposed to the request are concerned with traffic, trash, and property values. Councilman Sellers voiced concerns with access, traffic, light pollution and crime in Coleman Park. Councilman Julian relayed statistics from the other truck stops to the community as well as voicing safety concerns for the public. Councilman Spraggins spoke of the positive impact and growth that would be a direct result of the Cefco Truckstop to our community. Ken Mikos, David Poskey, Joel and Renae Thomas, Danny Haywood, all of whom live in the neighborhood spoke against the rezoning and truck stop. John Heilman proposed a different location. Guy Slimp spoke on behalf of Cefco to answer questions from the council and public. There was a lengthy discussion. Councilman Julian moved to deny Ordinance No. 2804 on the second and final reading. Mayor Pro Tem Sellers seconded and the vote was as follows:

Aye: Julian, Nash, Aguilar, Sellers

Nay: Harrison, Spraggins, Moore

Abstain: None

Motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2805 - NO.SS22-03 ESTABLISHING A REINVESTMENT ZONE FOR ASHOKA STEEL MILLS

EDC Director Feagley presented the staff report. Ashoka Steel Mills is a new company to Sulphur Springs. They will be constructing approximately 750,000 of new building. This will be their first location in the US. They will be located in the old mine property (Thermo Business Park) Initial construction will be on 250 acres. They will be adding 265 million dollars in the building and equipment. They will create 315 new jobs. Councilman Spraggins moved to adopt Ordinance No. 2805 on the second and final reading as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION FOR FIRST READING OF ORDINANCE NO. 2806 - A REINVESTMENT ZONE FOR D6

EDC Director Feagley presented the staff report. D6 Inc. is a company from Portland Oregon. They have purchased the old Commercial Services Building/Coke Cola Building. They have added a 25,000 square foot building and a 66,000 square foot to the building. They are in the process moving their headquarters from Portland to Sulphur Springs, This will require an additional 300,000 square feet of manufacturing. One of the incentives that we offered was a tax abatement for their Hospital Taxes. The Hospital District does not have the legal authority to create a reinvestment zone. What you have before you is an ordinance to establishment a Reinvestment Zone. This is nothing more than establishing the geographical boundaries of an area where a taxing entity can offer a tax incentive. You are not issuing a tax abatement by the creation of the reinvestment zone. of this ordinance and a notice of public hearing. You are not approving a tax abatement for this company. This reinvestment zone will only be used by the Hospital for a tax abatement. There was a brief discussion. Mayor Pro Tem Sellers moved to approve Ordinance No. 2806 on the first reading as presented. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2807 - (ZC# 220601) ON A REQUEST BY ANDREA AND MALACHI SANDOVAL TO REZONE PROPERTY LOCATED AT 1659 ARBALA RD. IDENTIFIED AS LOT 1, BLK: 236, TOWN: SULPHUR SPRINGS

Assistant City Manager/Community Development Director Tory Niewiadomski presented the staff report. At this time, the applicant is proposing to rezone a portion 0.93 acres out of a called 11-acre parcel from Single Family to Light Commercial at the NW corner of Arbala Road and Wildcat Way. The land use plan identifies this area as commercial along Wildcat Way. Provided below is a table of zoning and adjacent land uses: Staff sent 8 certified letters to surrounding property owners within 200 feet. Below is a response summary:

- In Favor Of: 0
- Opposed To: 0
- Undecided On: 0

Councilman Spraggins moved to approve Ordinance No. 2807 on the first reading as presented. Mayor Pro Tem Sellers seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON CONTRACT AMENDMENT FOR SIP 2022

In March, 2021 the City awarded the low bid to Texana Land & Asphalt for the Street Improvement Program. Upon mutual agreement between the City and Bidder, the contract could be extended for up to one year. Quantities may vary between year 1 and 2 of contract. The City extended the contract in February of 2022 for an additional year of quantities at the same unit prices if oil prices remain stable (+/- 20%). On June 24, 2022, Texana received correspondence from RK Hall their material supplier indicating that a price increase is

necessary to fulfill the City's hot mix contract. They indicated that from January 2022-June 2022 the rack price of liquid asphalt oil has increased by \$240 per liquid ton. RK Hall indicated that they would charge Texana an additional \$13 per ton of asphalt. Diesel has also increased by \$2.10 per gallon which is a 58% increase. Texana has asked to increase the Type 'D' and 'F' HMAC surface by \$13 to cover the cost increase from their supplier. This raises Type D from \$98 per ton to \$111 per ton and Type F from \$99 per ton to \$112 per ton. This means that we will have to cut approximately \$125,000 worth of street work this year. This will likely put Houston Street into the next year for paving based on our budget constraints. There was a brief discussion.

Councilman Julian moved to approve the price modification. Councilman Nash seconded and the vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

None.

ADJOURN

With all business completed the meeting was adjourned at 8:02 p.m.