

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

**November 1, 2022
7:00 p.m.**

An Executive Session was held at 6:30 p.m. in accordance with Texas Government Code, Title 5, Chapter 551 - §551.071, Consultation with Attorney; and §551.087 Deliberations Regarding Economic Development Ashoka Steel.

Mayor Douglas Moore called the regular session of the City Council to order at 7:02 p.m. The following council members and staff were present:

Present: Mayor Douglas 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, Community Development Director/
Assistant City Manager -7p
Lesa Smith, Finance Director/Assistant City Manager -7p
Gordon Frazier, HR Director/Assistant City Manager -7p
Jason Ricketson, Police Chief – 7p
James Jordan, Director of Utilities – 7p
Bryan Craig, Capital Construction – 7p

RECONVENE

Mayor Moore called to order the open session of the regular meeting of the Sulphur Springs City Council to order at 7:02 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

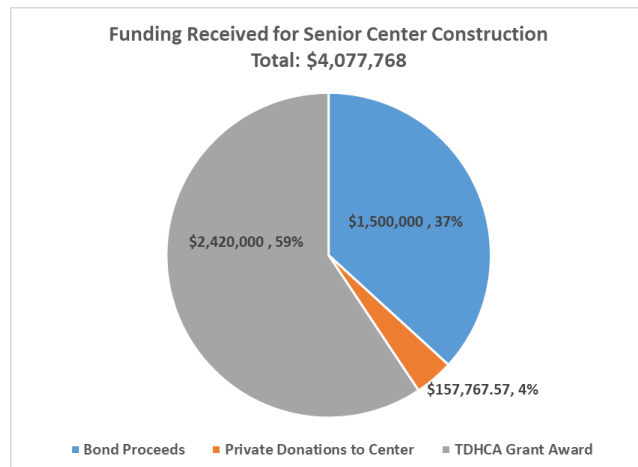
None.

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 1 workers compensation that required surgery in October. A police officer injured his knee while in training. We did not have any liability claims.

SENIOR CITIZENS CENTER

I have signed the contract with TDHCA. We have sent the contract out to bid, and we will open bids on November 16th. Expect to approve the bids at the December 6th regular city council meeting.



PACIFIC PARK – XLNT Construction has ordered the steel frame for the pavilion. The lead time is 4 months. I don't expect to see any more activity at Pacific Park until February. At that time XLNT will construct the building in about 90 days.

When the pavilion is complete, we will demolish the old basketball courts and grade the interior of the park. Then we will install irrigation and sod.

COLLEGE STREET – The contractor needs to construct several driveway approaches and other miscellaneous items. We decided to construct the intersection at College and Jackson ourselves. The intersection will have brick crosswalks, and it is just too complicated for this contractor. The contractor signed a deductive change order, and the Capital Construction Division will begin soon.

Further east, the Capital Construction Division has installed 771 feet of storm drain, 6 inlet boxes and 4 junction boxes to eliminate the flooding problem at Ramsey Street.

REVENUES AND EXPENDITURES – Finance Director Lesa Smith will present the year-end report of revenues and expenditures.

STREET IMPROVEMENT PROGRAM – Texana Land and Asphalt will begin repaving the following streets next week: Como, Drexel, Fisher, and Bonner.

Bad news for the residents on Ardis Street. Atmos is about to replace a gas line on that street, so we have decided to delay Ardis Street until Atmos completes the gas line replacement project.

The various repairs to Commercial Services Drive will be performed in-house.

2022 SIP		
Street	Between	Length
Jackson	Middle to College	2480
Kasie	Tate to Camp	684
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 (Delayed to 2023)	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:

- Conducted 41 building inspections, 18 electrical inspections, 19 plumbing inspections, 1 mechanical inspection and issued 20 building permits.
- Made 19 extensive street repairs following utility cuts.
- Repaired 25 potholes.
- Removed 3 fallen trees from city streets.
- Hauled street sweeper spoils to the landfill.
- Hosted the Senior Olympics.
- Sowed winter rye in on Celebration Plaza.
- Removed dead trees from city parks.
- Hosted 1 soccer tournament and 2 baseball tournaments.
- Prepared the Grays Building for 11 rentals.
- Performed repairs at Kids Kingdom.
- Responded to 222 calls for animal control while achieving a 61% adoption rate.
- Made 5 felony arrests in the Special Crimes Unit.
- Responded to 2,362 calls for police response.
- Responded to 46 accidents, issued 535 traffic citations, recorded 26 offenses and made 46 arrests in the Patrol Division.
- Responded to 239 fire/rescue calls including 3 structure fires, 1 vehicle fire and 3 grass fires.
- Conducted 30 fire inspections.
- Performed preventative maintenance on 78 fire hydrants.
- Checked out 3,028 items from the library plus 679 eBooks.
- Installed lights on end caps of the Hopkins County Veterans Memorial walls.
- Upgraded the electrical service at fire station #1, making the solar panels operational.
- Installed 2 new lights at Buford Park.
- Performed preventative maintenance on various items at the water treatment plant and wastewater treatment plant.
- Treated effluent to a daily average total suspended solids reading of .20 mg/L.
- Hauled 256 tons of sludge to the landfill.
- Repaired 19 water main ruptures.
- Replaced 22 water meters.
- Unstopped 15 sewer mains.
- Flushed 40 dead-end water mains.
- Sold 2,996 gallons of AvGas and 13,560 gallons of JetA fuel.
- Accommodated 1,198 operation (takeoffs or landings) at the airport.

DISCUSSION/ACTION ON CONSENT AGENDA

City Secretary Darrow presented the staff report. Consider for approval the City Council regular meeting minutes of October 4, 2022; the Special City Council Meeting of October 18, 2022; the Downtown Revitalization Board meeting minutes of August 30, 2022; the Economic Development Corporation regular meeting minutes of September 19, 2022; a 380 agreement for 133 Goodman Street and 604 Putman Street.

Councilman Julian moved to approve the consent agenda as presented. Mayor Pro Tem Sellers seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2819 AMENDING THE CODE OF ORDINANCES CHAPTER 25 TRAFFIC; ADDING TO SECTION 25-35 SETTING A PRIMA FACIE SPEED LIMIT ON MOCKINGBIRD LANE FROM EAST SHANNON ROAD TO POSEY LANE

Police Chief Ricketson presented the staff report. Mayor Doug Moore has been contacted by citizens about conducting a speed survey on Mockingbird Lane. This survey was to see if the current speed of 30 miles per hour is greater or less than what is reasonable or safe under the current road conditions. To conduct this survey the department used a Stalker radar trailer that stores and compiles data about vehicle speeds for a set amount of time. This data can then be used to determine the 85th percentile of vehicle speeds. The 85th percentile rule is one way the Texas Department of Transportation uses to set speed limits on roadways. This rule is determined by taking the speeds of all vehicles for a set time and calculating the speed to the 85th percentile. The 85th percentile speed is the speed at or below which 85 percent of the drivers will operate with open roads and favorable conditions. The underlying assumption of the 85th percentile speed is that most drivers will operate their vehicle at speeds they perceive to be safe. The results of the speed survey were compiled from September 13, 2022 – September 29, 2022. The radar trailer was stationed on the north and south end of Mockingbird Lane during these dates. The result of the speed survey showed the 85th percentile speed to be 33 miles per hour. There was a brief discussion. Councilman Spraggins moved to approve the ordinance as presented. Councilman Nash seconded and the vote was as follows:

Ayes: Julian, Nash, Aguilar, Spraggins, Moore, Sellers

Nos: Harris

Abstain: None

The motion carried.

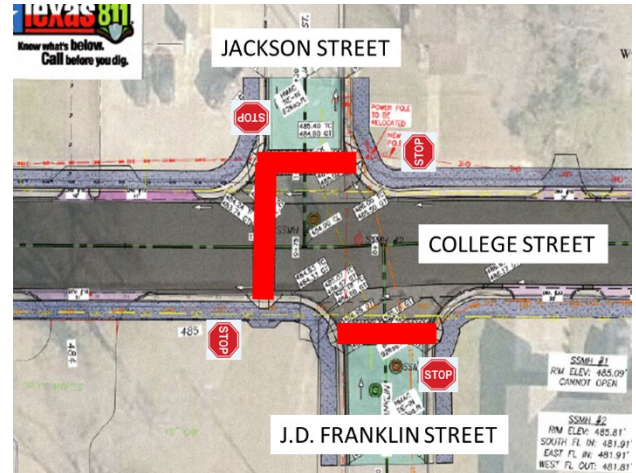
DISCUSSION/ACTION ON RESOLUTION NO. 1315, A RESOLUTION OF THE CITY OF SULPHUR SPRINGS AUTHORIZING THE SALE OF WATER TO THE UPPER TRINITY REGIONAL WATER DISTRICT (UTRWD)

City Manager Maxwell presented the staff report and slideshow. Staff proposes the sale of a portion of our water in storage at Jim Chapman Lake (Cooper Lake). Most of the city's water in Jim Chapman Lake goes unused and thus is lost to evaporation, spillage over the dam, or

eventually is diverted by other parties. The proposed agreement would allow the UTRWD to purchase approximately 1/9th to 1/3 of our water in Lake Jim Chapman in any given year.

The deal points are as follows:

- The price is \$.25 per thousand gallons.
- The price is adjusted for inflation each year.
- The term is 30 years plus automatic extensions of 10 years unless notice is given by either party.
- Water rights are not conveyed; this is a water sale only.
- The city commits to sell and UTRWD commits to purchase 2 million gallons per day (MGD) or 730,000 million gallons per year (MGY).
- At the city's sole discretion, it may offer an additional 4 MGD or 1,460,000 MGY.
- UTRWD is not required to purchase the additional offering.
- In lieu of physical water sales UTRWD may transfer its evaporative loss onto our books under the same terms and conditions.
- The City may curtail the sale of water if we curtail with other customers.
- We will bill monthly.
- We may audit.
- Venue is Hopkins County.



This agreement does not affect our water storage in Lake Sulphur Springs. The City has the right to divert a daily average 6.96 MGD from Lake Sulphur Springs. There was a brief discussion. Councilman Julian moved to approve the resolution as presented. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1318 AUTHORIZING FOUR WAY STOP SIGNAGE AT THE JACKSON/J.D. FRANKLIN AND COLLEGE STREET INTERSECTION

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. The City is getting ready to open up the first phase of College Street and is nearing the completion of the intersection at Jackson/J.D. Franklin and College. All new sidewalks are being constructed along College Street to provide a contiguous network of sidewalks from Downtown heading east out towards I-30. Prior to this street project, there were missing sections of sidewalk along College Street and stop signs were only located for Jackson/ J.D. Franklin. There will be a brick crosswalk at this busy intersection to allow for a safe pedestrian crossing along this section of College Street. With this crosswalk, staff is recommending that a stop sign be installed at the intersection to allow for pedestrian safety and accessibility at this

location. There was a brief discussion. Councilman Nash made a motion to approve the resolution as presented. Mayor Pro Tem Sellers seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1319, A RESOLUTION OF THE CITY OF SULPHUR SPRINGS AUTHORIZING A TAX ABATEMENT AGREEMENT WITH ASHOKA STEEL

City Manager Maxwell presented the staff report. Ashoka Steel proposes to invest in a manufacturing facility that would recycle scrap steel into rebar. They seek a property tax abatement from the city. The deal points are as follows.

- Ashoka will invest not less than \$245 million in a 345,000 s.f. facility before March 31, 2024.
- Ashoka will maintain a minimum assessed value of \$245 million throughout the term of the agreement.
- The term of the agreement is 10 years.
- Ashoka will employ not less than 315 full-time positions.
- The City will abate taxes 70% each year for the first 5 years and 50% the next 5 years.

Under the agreement the City would abate \$6.46 million in tax revenues and collect \$4.31 million in tax revenues over the term of the agreement. This assumes a value of \$245 million and a tax rate of \$.0044. There was no one else to speak to the issue.

Mayor Pro Tem said, "I move that we approve the 312 Tax Abatement Agreement with Ashoka Steel Mills, LLC, with the following changes:

Dates of Performance:

December 31, 2025: Ashoka will have invested \$245 million into the land in Sulphur Springs AND Ashoka will have constructed a 345,000 square foot environment friendly steel mill in our city. June 1, 2026: Ashoka will provide all documentation and receipts to the City reflecting their \$245 million investment in our city. The 315 jobs that Ashoka will establish in Sulphur Springs are not "exclusive," such that Ashoka employees may travel for training, sales, etc. Ashoka will only be required to submit required employee information required by state and federal law. Lastly in the even of any default of deficiency of Ashoka's development due to issues beyond their control, such as delayed arrival of building materials, Ashoka's period to cure their default is extended to 90 days." Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1320 RE-ADOPTING CIVIL RIGHTS POLICIES FOR CDBG CONTRACT # 70800001008 AND ALL FUTURE FEDERALLY FUNDED PROJECTS

Finance Director/Assistant City Manager Smith presented the staff report. The City received the Texas Department of Housing and Community Affairs (TDHCA) Community Development Block Grant CAREAS CRP Grant for \$2,420,000 for the construction of a new Senior Activity Center. The City is being asked to reaffirm civil rights policies and procedures that have been adopted. This resolution contains seven (7) policies and procedures that need to be re-adopted:

1. Citizen Participation Plan and Grievance Procedures;
2. Fair Housing Policy
3. Section 3 Policy;
4. Excessive Force Policy;
5. Section 504 Policy and Grievance Procedures;
6. Code of Conduct Policy; and
7. Limited English Proficiency Plan

There was no one else to speak to the issue. Councilman Spraggins moved to approve the resolution as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION 1321 AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AFTER REVIEW BY THE CITY ATTORNEY TO HIRE ARK-TEX COUNCIL OF GOVERNMENTS (NORTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT) TO PROVIDE PROFESSIONAL GRANT ADMINISTRATION AND MANAGEMENT SERVICES FOR THE ECONOMIC ADJUSTMENT ASSISTANCE AMERICAN RESCUE PLAN ACT (EAAARPA) DISASTER ASSISTANCE UNDER THE PUBLIC WORKS GRANT FUNDING PROJECT NUMBER 08-79-05698

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. On September 20, 2022, the U.S. Department of Commerce's Economic Development Administration (EDA) provided notice that the City of Sulphur Springs grant application was approved for \$2,380,000 of federal funds for nearly 2 miles of roadway improvements to the East Haul Road at the Thermo Industrial Park. Since this is a federal grant, the City will need to procure grant administration services to ensure the city is in compliance with grant related requirements from project management, financial management, environmental review, construction management, and audit/ closeout procedures. Ark-Tex Council of Government (ATCOG) is the Northeast Texas Economic Development District whose purpose is to carry out the provisions and spirit of the Public Works and Economic Development Act and prequalifies them to provide Management/Administration services on this type of grant project without the need for competitive sealed bids or proposals. There was a quick turnaround time to secure the grant and staff is of the opinion that there would have not been a more efficient or cost-effective manner to obtain the grant other than utilizing ATCOG. ATCOG has assisted the City with applying for and obtaining this grant. The grant pays \$50,000 for grant

administration services, which is how much ATCOG is eligible for to administer the grant to ensure the city is in compliance with the grant requirements. ATCOG previously administered the City's CDBG Saputo grant to the City and Texas Department of Agriculture's satisfaction. There was no one else to speak to the issue. Councilman Aguilar made a motion to approve the resolution as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON A MOTION TO APPROVE 5 AGRICULTURAL LICENSE AGREEMENTS AT THE THERMO PROPERTY AND AUTHORIZE CITY MANAGER TO SIGN SAID AGREEMENTS

Finance Director/Assistant City Manager Smith presented the staff report. For the past three years the City has renewed agricultural leases that Luminant had prior to our ownership of the property with the exception of 1,007 acres that we received bids on and awarded to Jonah Massey in December 2021. The proposed renewal for the largest lease has been reduced from 1,007 acres to 621.90 acres because of potential development happening on the land. Staff is satisfied with the condition in which current licensees are maintaining the land and therefore, staff recommends renewing all leases to current licensees.

The five leases need to be approved for renewal. Staff is recommending renewing all leases at the same rates as 2022. The term of the license shall be for one (1) year commencing on January 1, 2023 and ending on December 31, 2023. License may be extended on an annual basis with the approval of the City Council of the City of Sulphur Springs.

The following contains all licenses the City proposes to renew at the Thermo property:

Licensee	Acreage	Price Per Acre	Total Annual License	License Purpose
Hopkins County	87.55	N/A	\$2.00	Ag/Use of Sand for County Roads
Jonah Massey	82.00	\$62.00	\$5,084.00	Ag
Jean Barnes	4.71	\$62.00	\$292.02	Ag
Jonah Massey	51.80	\$62.00	\$3,211.60	Ag
Jonah Massey	621.90	\$62.00	\$38,557.80	Ag
Total Lease Revenue			\$47,147.42	

Competitive bidding or proposal requirements under Chapter 252 of the Local Government Code do not apply to the lease of real property. Additionally, the requirements under Chapter 272 of the Local Government Code that a city advertise the sale of real property do not apply to a normal term lease of a property. Councilman Julian pointed out that Hopkins County has 87.55 acres for \$2. He hoped this vote is recognized as a sign of continued cooperation and goodwill between the City of Sulphur Springs and Hopkins County, especially when it come to future budgeting considerations for the Public Library and Senior Citizens Center. These two entities serve the needs of many in Hopkins County. With that, Councilman Julian moved to approve the agricultural license agreements and authorize the city manager to sign said agreements. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PURCHASE OF A VOLVO LH60H WHEEL LOADER FROM ROMCO EQUIPMENT CO. INC., UTILIZING SOURCEWELL

Finance Director/Assistant City Manager Smith presented the staff report. As part of the FY 2023 budget, council approved \$225,000 for the purchase of a wheel loader. Staff is recommending the purchase of a Volvo LH60H wheel loader for a total of \$171,446. This Volvo Wheel Loader will be utilized, at the City stockpile yard, by any department that needs to load materials. This new loader will be replacing a 2007 John Deere Loader. The Volvo loader will come with a 6 year/3000-hour full coverage warranty, that covers all parts, and travel to make the repairs. It will also come with a 3 year/2500-hour PM Contract, which takes care of all maintenance (like oil changes), other than grease, tires, and brakes. Bids were not requested, as this is recommended to be purchased using Sourcewell Contract 032119-VCE. Sourcewell is a national purchasing cooperative that streamlines the procurement process by developing RFPs and IFBs for national, competitive solicitations, that meet or exceed local requirements. The list price for this loader is \$272,977, before the warranty, and PM Contract. The City will save \$119,018, before adding the Warranty and PM contract, by purchasing with the Sourcewell contract, instead of directly off of the quote provided by the vendor. This is a savings of 43.6%. The City occasionally utilizes purchasing cooperatives in lieu of requesting sealed bids. Chapter 271 of the Local Government Code authorizes cities to enter into cooperatives for the purpose of procuring goods and services. In December 2011, the City Council authorized the City Manager to join this national cooperative. There was no one to speak to the issue. Mayor Pro Tem Sellers moved to approve the purchase as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON EXECUTIVE SESSION ITEM, IF ANY

None.

VISITORS AND PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting was adjourned at 7:45 p.m.