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

December 6, 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 7:07 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 Tommy Harrison Councilman Gary Spraggins
Absent:	Councilman Oscar Aguilar
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 Joey Baker – Director of Aviation and Tourism Bryan Craig, Capital Construction – 7p David James – Fire Chief – 7p Lt. Brad Horton, Patrol – 7p

RECONVENE
Mayor Moore called to order the open session of the regular meeting of the Sulphur Springs City Council to order at 7:07 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 Julian.

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

The Street Maintenance Annual Report was presented by Finance Director/Assistant City Manager Smith.

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 did not have any workers comp claims in November. We did have two liability claims. One was for damage to a Frontier cable allegedly caused by city employees. The other claim seeks reimbursement for a tire and wheel after a driver struck a valve cover in the street.

SENIOR CITIZENS CENTER – Award of the construction contract for the Senior Citizens Center is on this agenda for approval.

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 – College Street is open down to Patton Street**.** We decided to construct the intersection at College and Jackson ourselves. The contractor needs to construct several driveway approaches and other miscellaneous items to complete his work in Phase 1.

Further east, the flooding problem at Ramsey Street has been resolved. We will now start Phase 2 of the project from Patton to Como. After that we will turn our attention to Holiday Drive.

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

STREET IMPROVEMENT PROGRAM – Texana Land and Asphalt paved Drexel Street this month and they should finish with Bonner Street tomorrow.

Bad news for the residents on Como Street. Atmos is about to replace a gas line on that street, so we have decided to delay Como Street until Atmos completes the gas line replacement project. We delayed Ardis Street last month for the same reason. We expect to pave both streets in 2023.

Staff also pulled Fisher Street off the list. We think Fisher is a candidate for a full reconstruction project due to a water main issue. We will bring this issue to you at a future meeting.

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 (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.		

RAW WATER SALES – In November, I executed the raw water sales agreement with the Upper Trinity Regional Water District that the city council had previously approved**.** I also retroactively authorized the transfer of approximately 915 million gallons of evaporative loss onto the city's books. This represents all of the evaporative loss for Upper Trinity beginning June 1 and ending November 30. I expect a check for approximately $245,000 this month.

Elsewhere around the city, employees:

- Responded to 164 animal control calls while achieving an 81% adoption rate.
- Made 6 felony arrests in the Special Crimes Unit.
- Responded to 26 accidents, wrote 479 citations, recorded 34 offenses and made 43 arrests in the Patrol Division.
- Sold 2,170 gallons of AvGas and 11,530 gallons of JetA fuel.
- Accommodated 1,503 operations (takeoffs or landings) at the airport.
- Repaired 299 potholes.
- Removed 2 fallen trees from the roadway.
- Cleaned storm drains twice.
- Replaced 2 stop signs and 3 street signs.
- Installed stop signs and yield signs for a new development.
- Installed new 4-way stop signs at College and Jackson/J.D. Franklin.
- Conducted 44 building inspections, 34 electrical inspections, 26 plumbing inspections, 7 mechanical inspections, and issued 28 building permits.
- Installed Christmas lights/décor downtown.
- Fertilized rye grass areas.
- Mowed Municipal airport twice.
- Hosted 2 softball tournaments.
- Repaired Christmas light circuits.
- Repaired school zone lights.
- Repaired the service center car wash.
- Performed preventative maintenance on numerous items at the water treatment plant and wastewater treatment plant.
- Treated wastewater to a daily average total suspended solids reading of .33 mg/L.
- Disposed of 150.36 tons of sludge at the landfill.
- Repaired 15 water main ruptures.
- Replaced 18 water meters.
- Unstopped 24 sewer mains.
- Responded to 203 calls for fire/rescue including 1 structure fire, 2 vehicle fires and 2 grass fires.
- Performed 25 fire inspections.
- Performed preventative maintenance on 72 fire hydrants.
- Checked out 2,781 items from the library and an additional 590 eBooks.

Finance Director/Assistant City Manager Smith presented the year end report of revenues and expenditures.

DISCUSSION/ACTION ON CONSENT AGENDA

City Secretary Darrow presented the staff report. Consider for approval the City Council regular meeting minutes of November 1, 2022: the Special City Council Meeting minutes of November 15, 2022; the Downtown Revitalization Board (DRB) meeting minutes of October 11, 2022; the Economic Development Corporation (EDC) regular meeting minutes of November 28, 2022; Planning and Zoning (P&Z) meeting minutes of August 15, 2022; The Tax Increment Financing Reinvestment Zone (TIF) meeting minutes of July 26, 2017; Zoning Board of Adjustment (ZBA) meeting minutes of January 25, 2022; and a 380 agreement for 302 Magnolia Street.

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. 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

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. There was no one else to speak to the issue.

Councilman Spraggins moved to approve the ordinance on the second and final reading as presented. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2815 AMENDING THE SANITATION RATE ORDINANCE SETTING NEW SANITATION RATES

Finance Director/Assistant City Manager Smith presented the staff report. Sanitation rates were previously proposed to be 9.8% in August based upon the CPI at that time. Council postponed the item to a later date so that more accurate rates could be set based on the actual CPI-W that rates will increase at. The landfill sanitation contract increase is based on the CPI-W for October, with the Sanitation Solutions contract based on December's CPI-W but capped at 5%. There is no cap on the landfill contract CPI increase. The CPI-W for October came in at a 7.9% increase over October 2021. Although the December CPI will not be known until January, it is highly unlikely that the CPI percentage increase would fall below the cap of 5%.

Staff is proposing a 6.16% increase in rates using the weighted average increase for the contracts. The landfill charges comprise around 40% of sanitation expense with a proposed increase in rates of 7.9% and the collection contract comprises around 60% of the cost with a proposed increase of 5%. Using the weighted average of the two contracts, it results in a total 6.16% increase. There was a brief discussion where Councilman Spraggins thanked Councilman Julian for moving this item to this agenda.

Councilman Spraggins moved to approve the ordinance on the first reading as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION FOR 2019-2023 CAPITAL IMPROVEMENTS PLAN AMENDMENT #3: RAMSEY STREET

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. The City Council approved the 5-year Capital Improvements Program in July, 2018 and included 10 projects. In September, 2018 an amendment to the plan was approved to include drainage at MLK and Carter Street and in February 2021, another amendment was approved for Pacific Park (Beckham to MLK) Drainage.

Since the adoption of the 5-year CIP, 9 of the 12 projects have been completed. Additionally, non-CIP projects that have been completed include: Crosstown Trails, Sunset Street, Highway 11 W. Lift Station including sewer line improvements (TxDOT), Woodbridge collapse, the TxDOT Thermo Bridge payment for 1870, TDA grant for Saputo Sewer line, and the Pacific Park improvements including the Grays Building. Some of these projects listed above impact the 5-year CIP and will likely extend the program into FY 2024 from a funding and timing standpoint. There may future grant projects that affect this timeline as well.

Drainage has been a problem over the years along Ramsey from Putman to College. Flooding occurs at the Putman/Ramsey intersection and the College/Ramsey intersection. The Public Works Department suggested piping the drainage from Putman to College Street due to maintenance concerns of the ditch. If storm drain pipe is installed, the street will be torn up and will require rebuilding the narrow street. With that being the case, now is a good time to loop the water line from Putman to College and replace the old clay tile sewer line while the street is cut open.

The CIP should be reviewed from time to time as priorities or needs change. As mentioned during the CIP adoption process, there is no funding mechanism to fix drainage issues and the costs would come from the street maintenance budget. Situations such as these are not always predictable but do need to be addressed. There was a brief discussion.

Councilman Nash moved to approve the amendment as presented. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR CONSTRUCTION OF SENIOR ACTIVITY CENTER AS PART OF TDHCA CDBG-CV COMMUNITY RESILIENCY PROGRAM GRANT

Finance Director/Assistant City Manager Smith presented the staff report. City staff published notices in the paper on October 19th, October 26th, and November 2nd and posted the Request for Proposal on BidNet Direct for the complete construction of the Senior Activity Center. Over 400 contractors and/or suppliers were notified of the project, and 26 downloaded the plans and specifications. The City used the Best Value Sealed Proposals method to accept proposals and evaluate the proposals based on pricing, timing, experience and other pre-determined criteria as described in the Project Manual. The City received sealed electronic proposals on November 16, 2022. We received two proposals. The low bid came from Hawk Builders LLC for $4,575,029 and the second bid was from Scott & Reid in the amount of $5,824,422. Both of these bids contain an Owner's Contingency of $200,000 which can only be used at the City's discretion.

Since March of 2020, City Staff along with hired professionals have been working diligently to design a Senior Activity Center that meets all of our needs, and will provide for a great facility for many years to come. Through the many difficulties encountered throughout the process such as the pandemic, design changes, architect changes, and record levels of inflation, we finally were able to put this facility out to bid. Both bids came in significantly higher than we were anticipating, with one of them being out of an acceptable range.

A proposal review committee comprised of Mayor Doug Moore, Mayor Pro Tem John Sellers, Marc Maxwell, Tory Niewiadomski, Mike Sparkman of REES, Sergio Ramirez of KSBR, and Don Roundtree of Tandem Consulting reviewed proposals on November 18th. The Hawk Builders proposal was ranked highest and a meeting with the contractor was held the following week. Staff and consultants reviewed the schedule of values, and had a thorough discussion about the project. Staff recommends that council accept the low bid from Hawk Builders. Hawk Builders estimates that it will take 340 days to complete the project.

This project is part of the TDHCA grant. The grant will pay up to $2,200,000 for the construction of the facility and the City must cover anything over that amount. Total sources of funding (including the grant) dedicated to this 11,350 sq. ft. project are $4,077,767.57. With existing contracts plus the bid submitted by Hawk Builders, the total cost of the project is $5,023,758.50. If the contract is awarded to Hawk Builders, a shortage of dedicated funding for the project will amount to $945,990.93. The cost of furnishings and equipment is not included in this figure and will likely be around $150,000.

Since this is a high priority, time constrained project, the shortage of $945,000+ can be covered through use of general fund reserves over the course of the current and next fiscal year. A fund balance impact analysis is attached to this cover memo. At the Council's discretion, once the new facility is completed, the current Senior Center can be sold to replenish some reserves. Using a significant amount of reserves will require being mindful of how we prioritize and budget for future projects and other expenditures to ensure that our fund reserves are in compliance with the policy

set forth by Council. Councilman Spraggins asked what the 200k was for. Finance Director/Assistant City Manager Smith replied that it is for unexpected items or change orders. There was a brief discussion.
Councilman Julian moved to accept the low bid from Hawk Builders for the construction of the Senior Center for $4,575,029. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON APPROVAL OF SEVEN (7) YEAR EXTENSION TO SANITATION SOLUTIONS SANITATION COLLECTION CONTRACT.

Finance Director/Assistant City Manager Smith presented the staff report. The City has two contracts for sanitation. One of the contracts is for the collection of trash and the other is for the landfill. Both contracts are up for renewal as of December 31st this year. The landfill contract with Republic Services stipulates that the contract is automatically renewed for the 7-year extension as long as they do not increase their rates outside of the CPI-W. Republic is not increasing their rates beyond the CPI-W and therefore will automatically renew. No action by council is needed for that contract. The action needed tonight is for the collection contract. The contract with Sanitation Solutions for the collection of trash has the option for a 7-year extension if both parties agree. Council must approve this contract extension. The new 7-year term will be from January 1, 2023 to December 31, 2029. Both sanitation contracts will end on December 31, 2029 with no renewal terms available. At that point, staff will likely recommend seeking proposals prior to the contract end dates. There was no one else to speak to the issue.
Councilman Spraggins moved to approve the contract extension with Sanitations Solutions as presented. Mayor Pro Tem Sellers seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON ASSIGNMENT OF THE EXISTING AIRPORT GROUND LEASE AGREEMENT FOR LOT 1220-15B

Director of Aviation and Tourism Baker presented the staff report and started by saying that he needed to correct the financial impact current lease rate from $0.0842 to $0.0995. The original ***Ground Lease Agreement*** between the City and Mr. Steve Hudson was executed on 8 June 2005, for the purpose of constructing an aircraft hangar and with a 20-year term and the option for three (3) five-year extensions.
Mr. Steve Hudson entered into an agreement to sell his hangar to Mr. Brian W. Jacobs and Mrs. Mattie E. Jacobs, Trustees of the Brian W. Jacobs and Mattie E. Jacobs Revocable Trust. That assignment was executed on 1 September 2020.
Section *7, Sub-section A,* states that Lessee may "sell, lease, or otherwise assign to another party his rights, title, interest in this lease, including any improvements on property, for the remaining term hereof." Mr. Brian W. Jacobs and Mrs. Mattie E. Jacobs, Trustees of the Brian W. Jacobs and Mattie E. Jacobs Revocable Trust, entered into an agreement to sell One-Half Undivided Interest in the hangar to Mr. Benjamin Hines and Mrs. Deanna Hines. This ***Assignment of Lease*** would assign the existing lease to the Brian W. Jacobs and Mattie E.

Jacobs Revocable Trust and Mr. Benjamin Hines and Mrs. Deanna Hines for the remaining term of the original lease. There was a brief discussion.
Councilman Julian moved to assign the lease agreement as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PURCHASING COMMUNICATION EQUIPMENT, THROUGH THE REGIONAL FEMA FIREFIGHTER ASSISTANCE GRANT

Fire Chief David James presented the staff report. The FEMA Firefighter Assistance Grant has been awarded to City of Sulphur Springs, Hopkins County, Texas, Hopkins County EMS District, Texas, Delta County, Texas, Cooper, Texas, Texas and Franklin County, Texas in the amount of $591,909 with a match of $59,191. The purchase of the equipment will be highly beneficial to the taxpayers of Sulphur Springs, Texas through the anticipated savings. The City of Sulphur Springs, Texas Fire Departments awarded portion of the Regional FEMA Firefighter Assistance Grant is $99,463 with a $9,946.30 match *(10%).* There was a brief discussion.
Councilman Harrison moved to approve the purchase as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON APPROVAL OF A NEW AIRPORT GROUND LEASE AGREEMENT FOR LOT 1220-53

Director of Aviation and Tourism Baker presented the staff report. The original ***Ground Lease Agreement*** between the City and Mr. Roger Elliot was executed on 4 December 2002, for the purpose of constructing an aircraft hangar and with a 50-year term. Mr. Elliot entered into an agreement to sell his hangar to Mr. Darin Hart, owner of American Legend Aircraft, LLC.
Section *7, Sub-section B,* of the current lease agreement states that Lessee may "sell the hangar to another party" and that the buyer must obtain a new lease for the land.
Mr. Roger Elliot entered into an agreement to sell his hangar to Mr. Darin Hart, owner of American Legend Aircraft, LLC. This new ***Ground Lease Agreement*** would:

- replace the existing lease.
- update the lease conditions to comply with current FAA standards and recommendations for ground lease agreements.
- place the lease rate and terms in line with current Airport Ground Lease requirements.

Mayor Pro Tem asked how we set our rates, how many leases do we have and how many building sites? Director of Aviation and Tourism Baker explained the rates are comparable to similar airports, we have about 16 leases and 400 acres, but utilities limit us. There was a brief discussion. Councilman Julian moved to approve the lease as presented. Mayor Pro Tem Sellers 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 7:41 p.m.