

**CITY OF SULPHUR SPRINGS, TEXAS
REGULAR MEETING OF THE
CITY COUNCIL
March 5, 2024
7:00 p.m.**

An Executive Session will be held at 6:00 p.m. in accordance with Texas Government Code, Title 5, Chapter 551 - §551.071, Consultation with Attorney; §551.072 Deliberations about Real Property; and §551.087 Deliberations Regarding Economic Development, Ashoka Steel.

The following council members and staff were present:

Mayor John A. Sellers
Mayor Pro Tem Harold Nash Sr.
Councilman Jay W. Julian
Councilman Oscar Aguilar
Councilman Tommy Harrison
Councilman Gary Spraggins
Councilman Tyler Law

Staff: City Manager Marc Maxwell
Natalie Burling, City Secretary
Nate Smith, City Attorney
Joey Baker, Director of Aviation and Tourism
Chris Brown, Director of EDC
Tory Niewiadomski, Director of Community Development/ Assistant City Manager 7p
Lesa Smith, Finance Director/Assistant City Manager 7p
Gordon Frazier, Director of Human Resources/Assistant City Manager 7p
David James, Chief of Fire Department 7p
Kelly Wiser, Sulphur Springs Police Department 7p

RECONVENE

Mayor Sellers called to order the regular meeting of the Sulphur Springs City Council at 7:00 p.m.

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

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

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

Mayor Sellers read the Texas History Month Proclamation.

**CITY OF SULPHUR SPRINGS
TEXAS HISTORY MONTH PROCLAMATION**

WHEREAS, it is imperative that the citizens of the great State of Texas make every effort to preserve, protect, and promote the diversified and cultural history of our state; and

WHEREAS, Wednesday, March 2, 2024, the State of Texas celebrated its 188th year since the signing of the Texas Declaration of Independence creating the Republic of Texas; and

WHEREAS, in February 1845 the Republic of Texas approved a resolution to enter the Union and part of that resolution, which came to be known as the Constitution of 1845, stated that Texas would retain its right to divide into four states in addition to the original Texas. The Republic of Texas existed for nine years before joining the Union as the 28th state on December 29, 1845; and

WHEREAS, the Texas Legislature purchased the land and buildings of the Alamo complex in the early part of the 20th century and designated the Alamo chapel as an official Texas State Shrine. Alamo Day is celebrated on March 6th of each year; and

WHEREAS, Texas is known as the Lone Star State and the flag displays a single five-point white star on a field of blue with an upper white horizontal stripe and a lower red horizontal stripe; and

WHEREAS, in 1826 the Texas Rangers, a unique group of lawmen used to track down outlaws, settle feuds, and reconcile land disputes, were established by Stephen F. Austin. In 1935, the Texas Rangers became a branch of the Texas Department of Public Safety and today the organization still works for law and order in the state; and

WHEREAS, Texas is the only state that was a Republic before joining the Union, the second largest state in land mass, and the second largest in population. It occupies about seven percent of the total land and water areas of the United States.

NOW, THEREFORE, I, John A. Sellers, Mayor of the City of Sulphur Springs, Texas, on behalf of the city council, do hereby proclaim the month of March 2024 as

“TEXAS HISTORY MONTH”

and urge all citizens to observe this month with appropriate ceremonies and activities.

It is so proclaimed this the 5th day of March 2024.

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

Manager Maxwell presented the staff report.

CLAIMS – We did not have any liability claims in February. We had one minor worker’s compensation claim.

COMPREHENSIVE PLAN – We have applied for a \$250,000 grant from the General Land Office to perform the plan. I had previously reported that we should know before this council meeting whether we got the grant. The General Land Office requested a few minor clarifications from us, and we responded last week. I like our chances on this one! We should know soon.

SENIOR CITIZENS CENTER – They are painting and installing flooring now. The contractor still says he will be done by March 31st. We shall see.

COLLEGE STREET – The Como/College intersection has been poured so that we can restore circulation to Como Street. The Capital Construction Division will tie-in the intersection to Como Street and College Street (eastward) next week. We will then open the 3-way intersection. The contractor has already begun working westward toward Rookson Street. At the present rate, the project should be finished by June.



HOLIDAY DRIVE – Capital Construction Division crews have nearly finished installing the water main. I expect them to begin installing the sewer main next week. This is a complete reconstruction project, like College Street.



WATER FILTER REHABILITATION – This \$3.2 million project will rehabilitate all 6 filters at the water treatment plant. Work is completed on filters 2, 3 and 4. Filters 1, 5 and 6 remain to be rehabilitated.

STREET IMPROVEMENT PLAN (SIP) – Following is a proposed list of streets to be repaved in the 2024 Street Improvement Program. The list is not yet finalized, The list may shrink or grow depending on how the asphalt bids come in. We will send the bid packets out on March 15 and open bids on April 12th.

<u>Street</u>	<u>Between</u>	<u>Length</u>
League	Asphalt Repairs	1000
League	Connally to KCS Rail	1200
W.A.	MLK to end	2223
Cranford	Robertson to Beasley	1287
S. Moore	Bellview to Tate	449

Oak	Gilmer to College	3446
Pollard	Mulberry to end	211
N. Davis	Glover to Airport	1728
Kirtley	Bellview to Nicholson	412
Ninth	Woodlawn to VanSickle	845
Carter	Bill Bradford to Whitworth	2000
Henderson	Craig to League	449
Melony	Azalea to end	1215
Jennings	Jefferson to College	929
Beckworth	Whitworth to Beckham	690
Sharon	W. Industrial to W. Pampa	803
Spence	Lemon to Carter	639
Weaver	Jackson to Teer	2877
Shook	Weaver to Jefferson	536
Jacobs	Houston to Bonner	848
		23787

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

Elsewhere around the city, employees:

- Installed new gate at Coleman Park.
- Replaced flagpole at Grays Building.
- Replaced light bulbs on Hopkins County Veterans Memorial.
- Turned the waterfalls on at the Hopkins County Veterans Memorial.
- Installed Cameras at Coleman Park.
- Hauled 793 tons of sludge to the landfill.
- Treated wastewater effluent to a daily average total suspended solids reading of 0.39 mg/L.
- Repaired 16 water main ruptures.
- Replaced 25 water meters.
- Unstopped 30 water mains.
- Repaired 6 sewer mains.
- Flushed 37 dead-end water mains.
- Operated water pumps at Cooper Lake on generator once due to a power outage.
- Repaired instrumentation on Coleman water tower.

- Checked out 3,611 items from the library plus 876 eBooks.
- Conducted 41 building inspections, 24 electrical inspections, 8 plumbing inspections and 3 mechanical inspections.
- Issued 21 building permits and 31 trade permits.
- Sold 2,457 gallons of AvGas and 5,735 gallons of JetA fuel.
- Accommodated 1,001 operations at the airport.
- Began preparing downtown for the busy season.
- Held 53 activities for seniors at the senior citizen center.
- Rented the Grays Building 18 times.
- Made several repairs to Kids Kingdom.
- Painted concession stands at Buford Park.
- Responded to 226 calls for fire/rescue.
- Responded to 1 structure fire and 13 grass fires.
- Conducted 15 fire inspections.
- Performed preventative maintenance on 76 fire hydrants.
- Repaired 436 potholes.
- Made 30 extensive street repairs following utility repairs.
- Cleaned out storm catch basins twice.
- Replaced 6 stop signs and 20 street signs.
- Responded to 172 animal control calls, while achieving a 74% adoption rate.
- Made 6 felony arrests in the Special Crimes Unit.
- Responded to 30 accidents, issued 592 traffic citations, made 70 arrests, and recorded 49 offences in the Patrol Division.
- Responded to 2,296 911 calls.

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

DISCUSSION/ACTION ON CONSENT AGENDA

City Secretary Burling presented the staff report. Consider for approval the City Council regular meeting minutes of 02/06/2024; Planning and Zoning meeting minutes 01/22/2024; Downtown Revitalization Board Meeting Minutes of 01/16/2024; Economic Development Corporation meeting minutes of 01/22/2024; and 380 agreements for 313 and 315 S. League and 380 agreements for 705 and 709 Fuller Street. Councilman Spraggins made a motion to approve the consent agenda as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2851 AMENDING THE CODE OF ORDINANCES CHAPTER 5 ANIMAL CONTROL AND PROTECTION; AMENDING SECTION 5-7 VACCINATION AGAINST RABIES

Chief of Police Ricketson submitted the staff report. Over the years further studies have been conducted to determine how long rabies vaccination shots are effective and the frequency that booster shots should be given. These studies concluded that a rabies vaccination should be given to an animal by the time the animal is three (3) months of age. A booster vaccine be given after twelve (12) months followed by additional booster vaccine every thirty-six (36) months thereafter. Currently our rabies vaccination ordinance require a rabies vaccination be given to an animal by the time the animal is three (3) months of age and at regular intervals of twelve (12) months thereafter. After speaking with our local veterinarian offices, they all currently use the three-year (36 month) vaccine and are in favor of updating our ordinance to reflect the above-mentioned recommended times for rabies vaccinations. The only concern expressed is the ability for people to remember to have their animals vaccinated every three years. Councilman Julian made a motion to approve the ordinance as presented. Mayor Pro Tem Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2852 REPEALING ORDINANCE NO. 2762 AND AMENDING CHAPTER 15 OF THE CITY OF SULPHUR SPRINGS CODE OF ORDINANCES BY REMOVING ARTICLE VII, CURFEW HOURS

Chief of Police Ricketson submitted the staff report. On June 9, 2023, Governor Greg Abbott signed House Bill 1819 which prohibits a political subdivision from adopting or enforcing an order, ordinance or other measure to regulate the movement or actions of persons younger than 18 years of age. This new law took effect on September 1, 2023. The passage of this ordinance will repeal the City of Sulphur Springs Curfew Ordinance and remove it from the City of Sulphur Springs Code of Ordinances. Councilman Law made a motion to approve the ordinance as presented. Councilman Julian seconded and the vote was unanimous.

The motion carried.

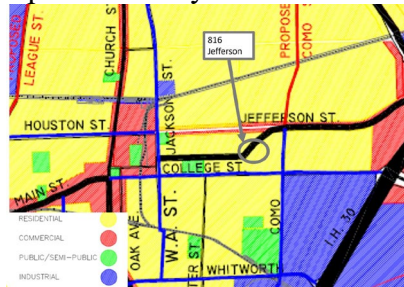
DISCUSSION/ACTION FOR FIRST READING OF ORDINANCE NO. 2750 FOR A REZONE REQUEST BY J&K WAGONER GROUP SERIES I FOR PROPERTY LOCATED AT 816 JEFFERSON STREET (LOT 1 & E PT LOT 2, BLK 56 2 S SKILLMAN ADDITION), PROPERTY ID NUMBER R4711 FROM HEAVY COMMERCIAL (HC) TO MULTIFAMILY (MF)

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. The applicant is proposing to downzone the property from HC to MF. The Heavy Commercial Zoning District does not list single family uses as a permitted use. The applicant desires to construct a single-family home on the approximate 0.14 acre lot (attached concept plan). Considering the existing zoning in the area being primarily multifamily, the applicant is requesting to be consistent with other properties.



	Zoning	Use
North	SF-6/MF	Single family
East	HC	Single family
South	SF-6	Single family
West	HC	Vacant

The land use plan currently identifies this area along Jefferson as residential.



CURRENT HC DISTRICT EXAMPLES	PROPOSED MF DISTRICT EXAMPLES
MF/PO/CC/LC District Uses	SF-10/SF-6/2F/SF-A District Uses
Auto body repair	Apartments
Bowling alleys and dance halls	Private clubs and fraternities
Grocery Stores	Institutions of philanthropic nature
Small Animal Clinics	Beauty shops
Bakery and Candy Factories	Child day care facilities

Staff sent 15 certified letters to surrounding property owners within 200 feet.

Below is a response summary:

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

P&Z MEETING 02-19-24 MEETING: Staff went over the report with the Board. Due to the downsizing of the zoning, and it being within the current land use plan the Planning and Zoning Commission recommended approval.

There was a brief discussion. Councilman Julian made a motion to approve the rezone as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

PUBLIC HEARING UNDER SECTION 311.003 OF THE TEXAS TAX CODE FOR THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE CONTAINING APPROXIMATELY 4,333 ACRES OF LAND WHOLLY WITHIN THE CORPORATE LIMITS OF THE CITY OF SULPHUR SPRINGS, TEXAS

Finance Director/Assistant City Manager Smith gave a brief presentation on the proposed zone. The first reading of the ordinance to create the zone is next on the agenda. To establish a tax increment financing reinvestment zone, a public hearing must be held to allow members of the public to speak for or against the creation of the zone, the boundaries of the zone and the concept of tax increment financing. The notice for the public hearing was placed in the Sulphur Springs News Telegram on February 14, 2024. No Council action required. Mayor Sellers opened the public hearing at 7:20 p.m. and asked if there was anyone that wanted to speak. There was no one else to speak to the issue. Mayor Sellers closed the public hearing at 7:21 p.m.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2853 DESIGNATING A CERTAIN AREA WITHIN THE CITY OF SULPHUR SPRINGS, HOPKINS COUNTY, TEXAS AS A TAX INCREMENT FINANCING REINVESTMENT ZONE TO BE KNOWN AS TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF SULPHUR SPRINGS, TEXAS, PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; ESTABLISHING THE BOUNDARIES OF THE TAX REINVESTMENT ZONE NUMBER TWO, CITY OF SULPHUR SPRINGS; ESTABLISHING A BOARD OF DIRECTORS FOR THE REINVESTMENT ZONE; ESTABLISHING A TAX INCREMENT FUND; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE CREATION OF THE TAX INCREMENT FINANCING REINVESTMENT ZONE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE

Finance Director/Assistant City Manager Smith presented the staff report. Since receiving

the former coal mine property, city council, city staff and the EDC have made progress on planning the potential development of the area. There is currently a limited amount of infrastructure on the property and any type of development would require significant investment to be made either publicly or privately. One economic development tool available for the city, is utilizing the tax increment financing act which would allow the city and other participating tax entities to collect property tax on the current value of the land while dedicating any property tax increase over the base value for the purpose of paying for infrastructure and improvements within the dedicated zone. There are several steps that the City must go through to establish the zone. The first step was to create a preliminary financing plan which is attached to this item. The next step of the process was to authorize the publication of a notice setting a public hearing for the creation of the zone and holding the public hearing. This is the first reading of the ordinance to create the zone. At the April meeting, upon approval of the second reading of the ordinance, the zone will be officially created. Since the February 6, 2024, meeting, the City Manager and Finance Director met with Hopkins County and Hopkins County Hospital District. The City Manager has also been in communication with the superintendents of Sulphur Springs ISD and Como-Pickton CISD about their desire to participate in the zone. Both school districts levy taxes on real property contained within the proposed zone.

The following is the draft timeline for establishing the zone:

<i>Date</i>	<i>Event</i>
Due by 1/31	Prepare Preliminary Reinvestment Zone Project and Finance Plan w/ Zone boundaries
2/6	Council Meeting: approve publication of notice of public hearing of TIRZ
2/14	Publish notice of hearing (at least 7 days before hearing)
3/5 & 4/2	Council Meeting: (1) Hold public hearing on creation of Zone 2 (2) Approve preliminary project and finance plan (3) Adopt Ordinance Creating the Zone (4) Adopt Resolution Appointing TIRZ Board
4/11	Zone Board Meeting: (1) conduct organizational meeting, if needed (2) adopt final project and finance plan
5/7	Council Meeting: Approve final Zone project and finance plan

No notable costs associated with the creation of the zone. Potential financial impact as noted in the preliminary plan. There was a brief discussion. Councilman Spraggins made a motion to approve the Tax Increment Zone #2 as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1408, AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS RELATED TO TXDOT AVIATION DIVISION'S PROJECT 24AWSULPH, FOR THE INSTALLATION OF A NEW AUTOMATED WEATHER OBSERVATION SYSTEM (AWOS) AT THE AIRPORT

Director of Aviation Baker presented the staff report. The TxDOT Aviation Division is prepared to submit their recommendations to the state's Transportation Commission for funding a new Automated Weather Observation System at Sulphur Springs' Municipal Airport. The scope of this project will include the replacement and relocation of the existing system, installed in 2004. Total costs for the project are estimated to be \$200,000.00. Of that amount, 90% will be Federal/State funds and 10% local funds. The city will initially fund the entire cost of the project and submit a reimbursement request to TxDot for 90%. This resolution will confirm local approval for the project and our commitment to funding. The current AWOS was installed 20 years ago, uses some outdated technology, and many of the replacement parts are becoming difficult to locate. This type of project is typically funded with a grant that is 75% Federal/State funds and 25% local funds. If we agree to fund the entire project initially, TxDot has agreed to reimburse 90% of the project costs. Savings to the city of \$30,000.00, at the current estimated cost. The total estimated cost for the project is \$200,000.00. The local match for the project will be \$ 20,000.00. The total amount of Federal/State Grant funds will be \$180,000.00. There was a brief discussion. Councilman Julian made a motion to approve the resolution as presented. Mayor Pro Tem Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION RESOLUTION NO. 1412 ON GRANT APPLICATION FOR REGIONAL FEMA FIREFIGHTER ASSISTANCE GRANT FOR PURCHASING SELF CONTAINED BREATHING APPARATUS (S.C.B.A.)

Fire Chief James presented the staff report. The FEMA Firefighter Assistance Grant, will be a regional grant with City of Sulphur Springs, Hopkins County, and Delta County. 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 will be hosting the grant. The City of Sulphur Springs Fire Departments requesting portion of the Regional FEMA Firefighter Assistance Grant will be under \$242,500.00 with a required 10% match of \$24,250.00. The financial impact will be \$24,250.00 (10%) Matching portion of the grant. There was a brief discussion. Councilman Law made a motion to approve the resolution as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1413 APPROVING THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF SULPHUR SPRINGS, TEXAS, HOPKINS COUNTY, TEXAS AND DELTA COUNTY, FOR PURCHASING EQUIPMENT, THROUGH THE REGIONAL FEMA FIREFIGHTER ASSISTANCE GRANT

Fire Chief James presented the staff report. The Interlocal Agreement between the City of Sulphur Springs, Hopkins County, Texas and Delta County, Texas, will provide new and/or upgraded S.C.B.A. equipment. The participation in this agreement will be highly beneficial to the taxpayers of Sulphur Springs, Texas through the anticipated savings. There was a brief discussion. Councilman Julian made a motion to approve the resolution as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION RESOLUTION NO. 1414 ADOPTION OF TAX ABATEMENT POLICY

EDC Director Brown submitted the staff report. State law requires that communities that wish to participate in tax abatements must have a policy in place. Tax abatement policies expire every two years and no changes or updates have been made to the policy presented from the adoption in 2022. We anticipate one company that will request an abatement in the near future. It exempts taxes for all or part of the increase in the value of real property and/or tangible personal property for 10 years or less. A tax abatement is an economic development tool that cities, counties and special districts use to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. Councilman Julian made a motion to approve the Tax Abatement Policy as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON ACCEPTANCE OF THE FISCAL YEAR 2023 AUDIT

Finance Director/Assistant City Manager Smith presented the staff report. In accordance with Texas Local Government Code Section 103.101, cities in Texas are required to conduct an annual independent audit of their financials within 180 days of the end of the Fiscal Year. The Fiscal Year 2023 Audit has been completed by the firm of Vail & Park, P.C.. Once the final version of the report is available, it will be emailed to you individually and sent to the City Secretary. The entire annual comprehensive financial report will also be available on the City's website on the Finance Department's page.

<http://www.sulphurspringstx.org/departments/finance.php>

Mike Vail, CPA or Tung Pham, CPA from Vail & Park P.C., made a brief presentation and were available to answer any questions. There was a brief discussion. Councilman Julian made a motion to accept the audit as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON ASSUMPTION OF ORIGINAL AIRPORT LAND

LEASE AND AN ADDENDUM TO GROUND LEASE AGREEMENT FOR LOT 1220-18

Director of Aviation Baker presented the staff report. The original Land Lease between the City and A.K. Gillis and Sons, Inc, now A.K. Gillis and Sons, LLC, was executed on 11 August 1981. It is the oldest lease on the airport. Section 5 of that lease allows the Lessee to sell the hangar constructed on the leased lot “It shall be within this policy for an individual or corporation to sell its hangar to another individual or corporation...” A.K. Gillis and Sons, LLC, desires to sell their hangar and has entered into Sale Agreement with 6T Holdings, LLC. Brian Toliver is the manager of 6T Holdings, LLC. Current Ground Lease Agreements contain language that is required by our Grant Assurances Agreement with the FAA and TxDot Aviation. Those assurances are a part of every grant contract that the city has executed since 1988. Early Land Lease Agreements did not include this required language. We will meet the intent of the original lease agreement between the City and A.K. Gillis and Sons by approving the assumption of the lease by 6T Holdings, LLC. We will ensure our compliance with existing covenants between the city and the FAA by adding the Addendum to the lease. This lease will expire in 2031. At that time the ownership of the improvements will revert to the city. Current Land lease rate is \$0.05/ft², \$ 240.00 annually. The rate will remain the same; however, the Addendum includes terms, required by Grant Assurances, allowing for a CPI adjustment to the rate in 2029. The lease will terminate in 2031 and the ownership of the improvements will revert to the city. At that time the Airport can negotiate new lease terms with the Lessee, who, as described in Section 6 of the original lease, has “...the first right of refusal to lease the hangar space at the then existing rate for a term of years to be negotiated between Lessor and Lessee.” There was a brief discussion. Councilman Law made a motion to approve the lease as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION IF ANY, ON EXECUTIVE SESSION ITEM

Councilman Julian made a motion to authorize the City Manager to execute 2 legal documents we talked about in executive session. Mayor Pro Tem Nash seconded and the vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

None

ADJOURN

With all business complete the meeting was adjourned at 7:49 p.m.