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

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

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
Tory Niewiadomski, Director of Community Development/Asst City Manager 7p
Lesa Smith, Finance Director/Assistant City Manager 7p
Gordon Frazier, Director of Human Resources/Assistant City Manager 7p
Jason Ricketson, Chief of Police 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 spoke of the successful ribbon cutting at the Senior Center. He stated that it is a beautiful facility. He explained that there were representatives from the state and Sulphur Springs was the first to complete the project under that grant program.

Councilman Aguilar thanked the city staff, parks and rec and the police for the help with Cinco de Mayo on the square. He said that it was a success and a great day.

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 had one minor workers' compensation claim and no liability claims in April.

COMPREHENSIVE PLAN – We have applied for a $250,000 grant from the General Land Office to help pay for the plan. They require an amendment to our Financial Management Policy before they approve the grant. The amendment is on the agenda.

COLLEGE STREET – We are on the home stretch. I still think we will have the street open by June 01.

HOLIDAY DRIVE – Capital Construction Division crews are installing the sewer main now. They have installed 850' of sewer so far. After sewer they will install sub-surface drainage. This is a complete reconstruction project, like College Street. After Holiday Drive we will need to start installing water and sewer at Thermo.

WATER FILTER REHABILITATION – All of the filters have been rehabilitated except filter #6. This $3.2 million project is funded by The American Rescue Plan Act (covid money).

STREET IMPROVEMENT PLAN (SIP) – Following is the list of streets to be repaved in the 2024 Street Improvement Program.

Street	Between	Length
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

Elsewhere around the city, employees:

- Checked out 3,745 items from the library plus 964 eBooks.
- Repaired op-lights on Hopkins County Veterans Memorial wall.
- Replaced GFI plugs on downtown light poles.
- Treated wastewater to a daily average total suspended solids reading of 0.36 mg/L.
- Hauled 596 tons of sludge to the landfill.
- Repaired 8 water main ruptures.
- Replaced 15 water meters.
- Unstopped 71 sewer mains.
- Repaired 1 fire hydrant.
- Repaired 8 sewer mains.
- Washed 98,000 feet of sewer mains.
- Flushed 37 dead-end water mains.
- Sold 3,466 gallons of AvGas and 6,600 gallons of JetA fuel.
- Accommodated 1,415 takeoffs or landings at the airport.
- Accommodated 28 aircraft at the airport for the solar eclipse as opposed to 178 reservation requests and 74 paid reservations.
- Power washed sidewalks on Main Street.

- Scalped rye grass areas downtown in preparation for transition to Bermuda.
- Changed banners downtown.
- Power washed the pavilion at Imagination Mountain.
- Conducted 52 building inspections, 24 electrical inspections, 14 plumbing inspections, and 8 mechanical inspections.
- Issued 28 building permits and 47 trade permits.
- Repaired 267 potholes.
- Made 10 major street repairs following utility cuts.
- Cleaned out storm drainage catch basins 3 times.
- Began demolition of 802 Jefferson.
- Accommodated 1,274 vehicles at spring clean-up for a total of 2,660 cubic yards sent to the landfill plus a small mountain of green waste which will be burned later.
- Responded to 248 animal control calls and achieved an adoption rate of 78%.
- Made 2 felony arrests in the Special Crimes Unit.
- Responded to 2,375 calls for police service.
- Responded to 15 accidents, wrote 566 traffic citations, recorded 36 offences, made 39 arrests in the Patrol Division.
- Responded to 200 calls for fire/rescue including 5 structure fires, 1 vehicle fire and 7 grass fires.
- Performed preventative maintenance on 80 fire hydrants.

- **REVENUES AND EXPENDITURES –** Finance Director Smith presented the usual report of revenues and expenditures.

DISCUSSION/ACTION ON CONSENT AGENDA

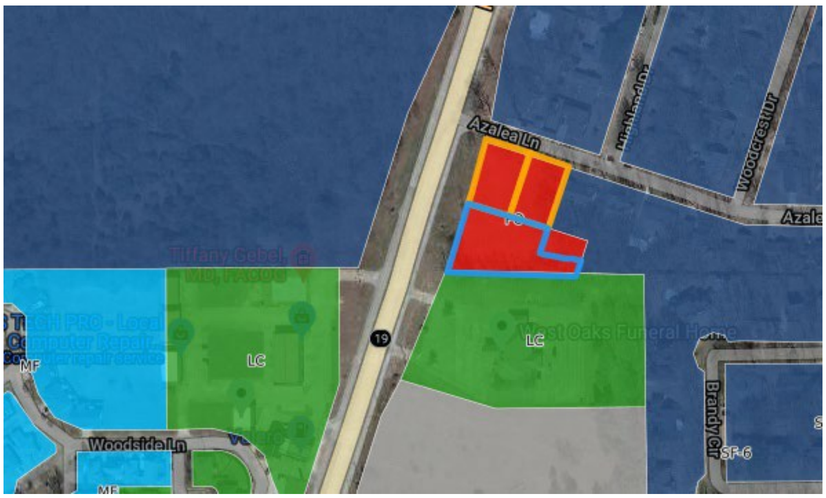
City Secretary Burling presented the staff report. Consider for approval the City Council regular meeting minutes of 04/02/2024; City Council Special Meeting Minutes of 4/15/2024; Zoning Board of Adjustment meeting minutes of 07/18/2023; and a 380 Agreement for 109 Rookson St. Councilman Law made a motion to approve the consent agenda as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2854 FOR A REZONE REQUEST BY SCOTT HEMBY AND DALE MCMAHAN FOR PROPERTY LOCATED AT 1336 AZALEA (LOT 2, BLK 215 5 1, PROPERTY ID NUMBER R7330), 1340 AZALEA

(LOT 1, BLK 215 5 1 – PROPERTY ID NUMBER R7329), AND 491 S. HILLCREST (PT LOT 10, BLK. 215 5 1 – R7338), FROM PROFESSIONAL OFFICE (PO) TO LIGHT COMMERCIAL (LC). THE ABOVE-DESCRIBED LOTS WENT THROUGH A REPLAT INTO ONE LOT (LOT 1R) CONSISTING OF 1.56 ACRES CALLED THE HILLCREST CORNER ADDITION AS PART OF THE HIGHLAND HILLS ADDITION

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. The applicant is proposing to rezone the property from PO to LC. The applicant indicated in their application that the change from PO to LC for the Vault Fitness Center is why they are applying. The property is located at the SE corner of Hillcrest and Azalea

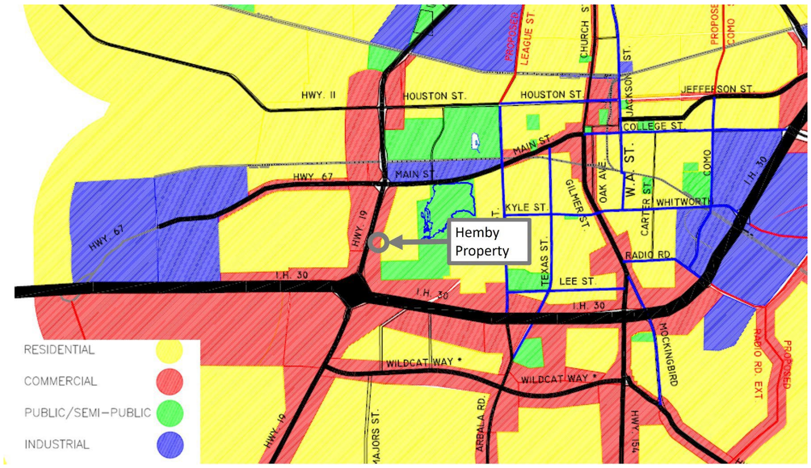


Lane.

	Zoning	Use
North	SF-6	Single family
East	SF-6	Single family
South	LC	Funeral Home
West	SF-6	Single family

The land use plan identifies this area along Hillcrest as commercial frontage. In 2010, the property was proposed to be rezoned from SF-6 to LC. Due to opposition presented, the applicant agreed to downzone to Professional Office. In January, 2023 and January 2024, the applicant's request to rezone to LC was denied. The Highland

Hills Subdivision was originally platted in 1967. Azalea lane is the entrance to the Highland Hills subdivision, which is exclusively a residential single-family development and included lots along Hillcrest north of this site. Professional office allows for bank, medical, and business offices as a low intensity range of uses allowable. PO is the lowest level of commercial zoning in the Zoning Ordinance. Stepping up to Light Commercial does expand the opportunities for potential uses that



would be allowed by right.

Under the prior request in January 2024, a neighborhood petition signed by over 50 people opposed the request from the neighborhood. The minutes from the P&Z and City Council meeting are attached for reference purposes.

CURRENT PO DISTRICT EXAMPLES	PROPOSED LC DISTRICT EXAMPLES
Municipal & Governmental Offices	Retail & Restaurants
Banks and Business Offices	Banks & Business Offices
Medical or Dental Offices	Gas Stations and tire shops
	Welding & machine shops
	Mattress and upholstery repair
	Lumber yards and mortuaries

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

Below is a response summary:

- In Favor Of: 3
- Opposed To: 7
- Undecided On: 1
- Other 31

<u>P&Z MEETING 03-18-24 MEETING:</u>

There were a couple of notable changes from the prior request. The applicant combined the three lots into one by replatting the property and put a restriction on the plat that no access from Azalea Ln and the property is only be accessible from Highway 19 aka Hillcrest. The applicant did indicate that they wanted to restrict the zoning to a gym use only during the submission process. However, outside council indicated that would be considered contract zoning which is not permissible in Texas. Therefore, all land uses in LC would need to be considered.
The public raised concerns with traffic safety, light pollution, children safety, property values, and encroachment of commercial development adjacent to the neighborhood. There were also several members from the public that were in support of having a gym at that location and to make investments into the community.
The P&Z indicated that the Land Use Plan along Highway 19 in this area shows to be commercial in the future and allowing it to be changed to Light Commercial can be consistent with the Land Use Plan. The P&Z considered the prior vote of City Council almost passing the request along with the efforts made by the applicant to address the neighborhood concerns with traffic safety by limiting access to the property. In regards to other factors such as light pollution, there are bank buildings that could be built in PO that can be just as invasive with lighting in the Light Commercial District. They observed that the Woodbridge development across the street is commercial and see that Highway 19 will be commercial in the future. There will be privacy fencing required between LC and SF-6 zoned property as well for additional screening from the neighborhood.
To be approved by City Council, it will only require a simple majority vote.
The P&Z unanimously recommended to change the zoning from PO to LC.
Seth Loyd, Scott Hemby and Jenna Tolleson, all spoke in favor of the rezone request stating that the property has been replatted, there is no entry off of Azalea and supported the gym that would. Mayor Sellers added one more time that there is lots of opposition to this zone change from the residents. Councilman Julian added that professional office fits that area. Councilman Spraggins made a motion to approve the rezone as presented. Councilman Law seconded and the vote was as follows:
Ayes: Nash, Aguilar, Harrison, Spraggins, Law
Noes: Julian and Sellers

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE 2855 SPECIAL USE PERMIT PROCESS

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. Over the past several months the Planning & Zoning Commission has reviewed the entire Special Use requirements and has made the following changes:

1. Added clear procedure and data required for applications.
2. Changed final decision authority from ZBA to City Council.

3. Added standards for approval so that the public and city council can better understand the nature of a request and the potential impacts the development can be reviewed by consistently.
4. Addressed the effect of denials and validity of permits.
5. Addressed approval conditions, expansions, and non-conformities
6. Reviewed the table of uses considered by special use.
7. Added definitions in the Zoning Ordinance to clarify uses that were not previously identified.

The land use attorney reviewed the ordinance and made some minor changes to the language of the ordinance for syntax along with savings and repeal clauses. NOTE: Since the P&Z meeting, the attorney reviewed the ordinance and did provide the following updates:

1. Updated the non-conformities section to better define uses in existence prior to May 7, 2024, were not intended to be made non-conforming by this ordinance and were still regulated under the previous ordinance.
2. In addition, staff noticed that in prior versions of the ordinance that the SUP would run with the land. Rather the land use attorney did indicate that we can make the SUP owner specific. This will be important to note that when a property changes hands, the new owner would need to obtain a new Special Use Permit. It is presented in this draft ordinance that a SUP be owner specific. A new owner may have a different operational plan which may change conditions. Staff recommends that we implement this change.

Staff recommends Approval of Ordinance 2855 with the two changes presented by the Land Use Attorney listed under Special Conditions. Councilman Spraggins said that he feels the Special Use permit should transfer with the land in case of a sale of a business. There was a lengthy discussion. Councilman Spraggins made a motion to approve the item with the change of making the Special Use Permit tied to the land. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE 2856 FOR ZONING AMENDMENT PROCEDURE AND REAPPLICATION TIMEFRAME

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. Over the past year, there have been multiple zoning cases brought back within months of a denial to be reconsidered for the same request. It is typical in most cities that there is a waiting period before an applicant can reapply for a request following a denial. Some cities vary between 12 months to 24 months to be reconsidered for the same request. Having a consequence for denial puts more emphasis on the applicant to provide more thought and consideration into making a request.

Staff is proposing to add a provision #6 under Article 28.101 Procedure that states: *Limitation on Reapplication: When a proposal is denied by the City Council or when the applicant has withdrawn after a recommendation of denial of the proposal by the Planning & Zoning Commission, no new applications of like nature shall be accepted by the city or scheduled for a hearing by the Planning & Zoning Commission within a period of 12 months of the date of denial or withdrawal.*
There was a lengthy discussion. Councilman Law made a motion approve the Ordinance, changing the waiting period to reapply to be 6-months before reapplication. Councilman Spraggins seconded and the vote was as follows:

Ayes: Aguilar, Spraggins, Law, Sellers
Noes: Julian, Nash, Harrison

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2857 APPROVING A PROJECT PLAN AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF SULPHUR SPRINGS; AND PROVIDING AN EFFECTIVE DATE
Finance Director/Assistant City Manager Smith presented the staff report. Since the creation of the Zone at the April 2, 2024 council meeting, the TIRZ #2 Board of Directors met and approved the Project and Financing Plan attached as EXHIBIT A of this ordinance. The Plan lays out the projects that can be funded through the TIRZ as well as how those projects can be funded. There was no one else to speak to the matter. Councilman Julian made a motion to approve the ordinance as presented on the first reading. Councilman Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1423, APPROVAL OF FINANCIAL MANAGEMENT POLICY - PROCUREMENT.
Finance Director/Assistant City Manager Smith presented the staff report. The City Council approved the Procurement Policy through Resolution #1405 on February 6, 2024. The City has applied for a grant through the Texas General Land Office and they would like the section on grants to be more specific. The only change made to this policy is on Page 9 under the Grants- State and Federal Funds Section.
The following modification has been made: By the City Council's adoption of this procurement policy, it also serves as the adoption and incorporation of federal procurement policies and procedures as set forth in 2 CFR Part 200, and more specifically the procurement standards found in 2 CFR 200.318-327 and related appendixes. Procurement Standards as part of 2 CFR Part 200 can be found at eCFR System 2 CFR

200.318-327. 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 ON BID AWARD FOR SIP 2024

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. Staff placed bid notices in the Sulphur Springs News Telegram on March 13, 2024, and March 20, 2024. The bid specifications and plans were advertised on Civcast. Bids were opened on April 12th. The City received 9 bids.

The work consists of furnishing all labor, materials, and equipment necessary for milling and inlay, hot mix asphaltic concrete (HMAC), and cement treatment of the sub grade (CTS) including mixing, adding cement, watering, compaction, final grading, and coating.

BIDDER	TOTAL BID PRICE
Texana Land & Asphalt	$1,651,525.00
Area Wide Paving	$1,786,526.00
J&L Paving, LLC	$1,844,584.00
Tatum Excavating Company Inc	$1,965,680.00
Advanced Paving Company	$2,100,650.00
Richard Drake Construction	$2,159,290.00
Francis Excavating	$2,186,475.00
Pavecon Public Works LP	$2,381,450.00
Level One Paving Inc	$2,539,150.00

Upon mutual agreement between the City and Bidder, the contract may be extended for up to one year. Quantities may vary between year 1 and 2 of contract. In addition, this work is to be completed prior to September 30, 2024, in order to follow the fiscal year for budgeting purposes. Included in this scope of work is Holiday Drive which is a CIP project. These estimates are within our anticipated budget for the proposed 2024 street list. Staffs recommends award of the contract to Texana Land & Asphalt as the lowest qualified bidder. There was a brief discussion. Councilman Law made a motion to approve the bid award as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON AUTHORIZING THE CITY MANAGER TO EXECUTE AND ENTER INTO A NONPROFIT SERVICES AGREEMENT WITH MEAL A DAY

Finance Director/Assistant City Manager Smith presented the staff report. For several years, the City of Sulphur Springs has allowed Meal A Day to use the Senior Activity Center as a preparation and distribution site to provide low-cost meals to the community and the citizens of Sulphur Springs. City staff believes that Meal A Day provides a needed service to the community and would like to enter into a formal agreement with Meal A Day for the use of a designated space in the new Senior Activity Center. This agreement designates facility use time and areas, the City's responsibilities, Meal A Day's responsibilities, and establishes reporting requirements. The initial term of the agreement is through September 30, 2025 and then can be renewed with City Manager's approval for three one year terms before coming back to City Council. Councilman Julian made a motion to approve the resolution as presented. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION IF ANY, ON EXECUTIVE SESSION ITEM

Councilman Law made a motion to authorize the City Manager to negotiate certain economic projects discussed during executive session. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1422 DIRECTING PUBLICATION OF NOTICE OF INTENTION TO ISSUE COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION AND DECLARING INTENT TO REIMBURSE PRIOR EXPENDITURES

Andrew Freeman, Financial Advisor for SAMCO, presented the report in detail. The resolution you are being asked to approve directs the publication of the notice of intention for Certificates of Obligation related to funds needed to begin construction of infrastructure at the Thermo property including water, sewer, streets, drainage, and associated costs. The maximum amount we will borrow is $12,000,000. The final amount we borrow will be dependent, in part, on how bids for Thermo Road come in on May 14th. After the notice of intention is published in the newspaper and on the website, the Council will be asked to approve an ordinance over 2 readings. Those readings will take place at two council meetings in July: July 2, 2024, and July 16, 2024. If there are no interruptions to the proposed timetable, the City will receive the proceeds from the sale on August 14, 2024. Andrew Friedman, Financial Advisor for SAMCO, will be available to answer any questions. Approval of all matters related to issuance of these certificates of obligations requires the presence and approval of a minimum of 4 council members. If any council member is unable to attend the July meetings, please notify the City Secretary. Approve the resolution authorizing the publication of the notice of intention to issue combination tax and revenue certificates of obligation. This resolution does not commit the use of or receipt of funds.

Final debt payment amounts will not be established until the July 16th meeting. Debt payment will be paid through the I&S portion of the property tax rate, through water and sewer revenues, and eventually through TIRZ #2 funds. There was a brief discussion. Councilman Spraggins made a motion to approve the Resolution as presented. Councilman Law seconded and the vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

Sandra Vickers, a Sulphur Springs resident, spoke to the council in reference to what she believes to be harassment from law enforcement that she believes is taking place because of her past relationship with a subject in organized crime.

Callie Bradshaw, a Sulphur Springs resident, spoke to the council in reference to the Hotel Tax placed on the short-term rentals by the county and the city. She wanted the opportunity to show the council that they should not be considered a hotel, therefore not subject to the tax. For one thing, she said that one set of guests can stay instead of several groups like a hotel. She had other points she wished to present to the council but needed more time. She requested to be added to the agenda for a future council meeting in hopes to remove this tax from her business.

ADJOURN

With all business complete the meeting was adjourned at 7:48 p.m.