**CITY OF SULPHUR SPRINGS, TEXAS**
**REGULAR MEETING OF THE**
**CITY COUNCIL**
**September 3, 2024**
**7:00 p.m.**

The following council members and staff were present:

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

Staff: Marc Maxwell, City Manager
Natalie Burling, City Secretary
Nate Smith, City Attorney
Tory Niewiadomski, Director of Community Development/Asst City Manager
Lesa Smith, Finance Director/Assistant City Manager
Gordon Frazier, HR Director/Assistant City Manager
Jason Ricketson, Chief of Police SSPD
James Jordan, Director of Utilities
Bryan Craig, Director of Capital Construction
Chris Brown, Director of EDC

**RECONVENE**
Mayor Nash reconvened the regular meeting of the Sulphur Springs City Council at 7:01 p.m.

**PLEDGE OF ALLEGIANCE TO THE UNITED STATES FLAG, TEXAS FLAG, AND INVOCATION**
Mayor Nash 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 Spraggins.

**PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS**

## CONSTITUTION WEEK PROCLAMATION

**WHEREAS**: September 17, 2024, marks the two hundred and thirty-seventh anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

**WHEREAS:** It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

**WHEREAS:** Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week**,**

**NOW, THEREFORE I,** Harold Nash, by virtue of the authority vested in me as Mayor of the City of Sulphur Sulphur Springs, Tx and on behalf of the City Council do hereby proclaim the week of September 17 through 23 as

**CONSTITUTION WEEK**

**AND** ask our citizens to reaffirm the ideals of the Framers of the constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, remembering that lost rights may never be regained.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Sulphur Springs to be affixed this 3rd day of September of the year of our Lord two thousand twenty-four.

**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 worker's compensation claims or liability claims in August. We submitted a claim to TML for vehicle damage resulting from a minor accident involving 2 fleet vehicles.

**COMPREHENSIVE PLAN –** We have been awarded the $250,000 grant to help pay for the comprehensive plan, and the grant contract is signed. Staff is preparing a request for qualifications to distribute to planning firms in September.

**HOLIDAY DRIVE –** Water and sewer lines are completed. Underground drainage is also completed. The Capital Construction Division is now replacing the curb and gutter that was approved at the August city council meeting. The 12" bore across IH-30 is completed and the contractor is pressure testing the line now.

After Holiday Drive Capital Construction crews will move to Alabama Street and Thermo for water main and sewer main installation.

**WASTEWATER CHLORINE CONTACT CHAMBER –** This $2.2 million project will repurpose a former (abandoned) sand filter turning it into a chlorine contact chamber. Chlorine contact time is a bottleneck at the wastewater treatment plant (WWTP). The WWTP has a rated capacity of 5.4 MGD. Staff believes we can increase the capacity to 10 MGD when the project is completed. The increase will require TCEQ approval, but staff thinks it is feasible. The project is being funded from the Enterprise Fund balance. Staff has published a request for qualifications for an engineering firm. We expect to have the recommended engineering firm on the November city council agenda for your approval.
**STREET IMPROVEMENT PLAN (SIP)** – Following is the list of streets to be repaved in the 2024 Street Improvement Program. The highlighted streets have been completed. Weaver and Shook were completed in August. All the remains are a few asphalt repairs.

| 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 |
| | | 23,787 |

**REVENUES AND EXPENDITURES –** Finance Director Lesa Smith will present the usual report of revenues and expenditures.
Elsewhere around the city, employees:

- Responded to 254 fire/rescue calls including 2 structure fires, 8 vehicle fires and 13 grass fires.

- Performed preventative maintenance on 78 fire hydrants.
- Performed 15 fire inspections.
- Repaired 194 potholes.
- Made 18 extensive street repairs following utility cuts.
- Replaced 17 stop signs.
- Hauled street sweeper spoils to the landfill.
- Shredded around Lake Sulphur Springs.
- Checked out 3,951 items from the Library plus 1,165 eBooks.
- Performed 69 building inspections, 24 electrical inspections, 17 plumbing inspections, and 5 mechanical inspections.
- Issued 41 building permits and 55 trade permits.
- Made electrical repairs to the Hopkins Count Veterans Memorial.
- Programmed all school zone lights.
- Repaired ac units at city hall.
- Performed preventative maintenance to the wastewater belt press and various other apparatuses.
- Treated effluent to a daily average total suspended solids reading of 0.29 mg/L.
- Hauled 185 tons of sludge to the landfill.
- Repaired 20 water main ruptures.
- Replaced 16 water meters.
- Unstopped 10 sewer mains.
- Drained and cleaned #2 clear well at the water treatment plant.
- Installed 2 mixers in clear well.
- Operated Cooper Lake Pump Station on backup power for 7 hours.
- Flushed 37 dead-end water mains.
- Responded to 200 animal control calls while maintaining an adoption rate of 88%.
- Made 5 felony arrests in the Special Crimes Unit.
- Responded to 17 accidents, issued 550 citations, recorded 40 offences and made 47 arrests in the Patrol Division.
- Responded to 2,365 calls in the Patrol Division.
- Sold 2,442 gallons of AvGas and 11,262 gallons of JetA fuel.
- Accommodated 1,839 flight operations at the airport.
- Power washed sidewalks downtown.
- Treated all grass areas for army worms.
- Held 81 activities for seniors.

- Installed 600 feet of French drain on Soccer Field 6.
- Secured a grant to upgrade field lighting at Coleman Park.
- Secured funding for new scoreboards.

**DISCUSSION/ACTION ON CONSENT AGENDA**
City Secretary Burling presented the staff report. Consider for approval the City Council Regular Meeting Minutes of 08/06/2024; City Council Special Workshop Meeting Minutes of 08/06/2024 and 08/13/2024; Downtown Revitalization Board meeting minutes of 07/16/2024**;** Planning and Zoning meeting minutes of 06/17/2024; and Economic Development Meeting Minutes of 07/22/2024; and 380 agreements for 220 Calvert, 0 Calvert St., Lot512, Block 48 3, Property ID R3981, 211 Lee St. and 202 MLK Street. Councilman Julian made a motion to approve the consent agenda as presented. Councilman Sellers seconded and the vote was unanimous.

**The motion carried.**

**CONDUCT A PUBLIC HEARING ON THE TAX RATE**
Mayor Nash opened the public hearing at 7:12 pm. There was no one to speak to the issue. Mayor Nash closed the public hearing at 7:13 pm.

**DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2860 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, AMENDING ORDINANCE NO. 2835, THE 2023-2024 ANNUAL BUDGET ORDINANCE**
Finance Director/Assistant City Manager Smith presented the staff report. This budget amendment addresses changes that have occurred during the fiscal year resulting from past action by the City Council, operational and other cost increases/overruns that have come about since the adoption of the budget in September. An explanation of what expenditures and revenues are changing as well as the reason for the changes is included as Exhibit A of the Ordinance. This budget amendment increases the overall expenditure limit by $1,454,215. The budget amendment also recognizes the adjustments to revenue which amounts to a projected decrease of $287,480 due to grant reimbursement timing. The remaining funds of $415,000 comes from the ARPA (American Rescue Plan Act) fund and $1,326,695 in fund balance. Staff will place a Resolution on the agenda at the September meeting to adjust the ARPA budget to move the unused ARPA funds to the general fund for general services. All funds have to be obligated before 12/31/2024 or they go back to the Treasury.

| | | |
|---|---|---|
| ARPA Funds Received | $ | 4,030,507 |
| | | |
| Transfer to GF for General Services | $ | 450,000 |
| WTP Engineer | $ | 237,488 |
| WTP Contractor | $ | 3,211,744 |
| WTP Turbine Repair | $ | 18,110 |
| Total ARPA Funds Used/Obligated | $ | 3,917,342 |
| | | |
| ARPA Funds Unobligated | $ | 113,165 |
| Estimated Interest Earned on ARPA Funds | $ | 301,835 |
| Total ARPA Fund Available for general services 7/31 | $ | 415,000 |
| | | |
| Under Treasury's guidance, interest earned from SLFRF funds is not subject to program restrictions and can be used for any general government service. | | |
| | | |
| The City can claim up to $10 million in ARPA funds as lost revenue(even if no revenue was actually lost) and use towards general services of the government | | |

Councilman Sellers made a motion to approve the ordinance on the second and final reading. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

**<u>DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2861 ADOPTING THE FY 2025 BUDGET AND APPROPRIATING CERTAIN FUNDS AND DIRECTING THEIR EXPENDITURE</u>**

Finance Director/Assistant City Manager Smith presented the staff report. This first reading of the budget ordinance includes all funds for next budget year which begins on October 1st. This is a $48,699,142 total budget that includes $27,425,746 in operating costs, $17,097,475 in capital costs, and $4,175,920 for debt service and other contractual obligations.

This budget reflects the draft budget discussed during budget workshops with the following changes made:

- Increased Tourism advertising from $17,000 to $67,000.
- Increase grant expense in Tourism Dept from $17,000 to $30,000
- Decreased TIRZ#1 Revenue by $17,061 due to decrease in Hopkins County tax rate.
- Added a transfer in from General Fund to Debt Service fund to pay for the remainder of the TIRZ #1 debt payment that will not be covered by TIRZ revenue due to the item above. There was a brief discussion. Councilman Spraggins made a motion to approve the ordinance on the first reading. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

Councilman Aguilar thanked the city staff and Smith for keeping the finances in order and all the department heads for keeping a well-balanced budget. He said that they make it easy.

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2862 FOR TAX SETTING THE 2024 TAX YEAR PROPERTY TAX RATE FOR THE 2025 FISCAL YEAR**

Finance Director/Assistant City Manager Smith presented the staff report. Property tax rate is set at $0.43573 per $100 of valuation as discussed in budget workshops. Taxes for properties on the tax roll as of January 1, 2024 will be assessed October 1, 2024.

As stated below, the Local Government Code requires specific language for the motion, and the ordinance. The percentage increase in the motion is not the same as the percentage increase in the ordinance. The State requires different tax rate calculations for each one. The motion uses the no-new-revenue tax rate, and the ordinance uses the no-new-revenue maintenance & operations rate. As a reminder, although the tax rate is decreasing, the tax revenue is increasing and therefore state law says we must call this a tax increase. Councilman Sellers made a motion stating, "I move that the property tax rate be increased by the adoption of a tax rate of $0.43573 per 100 dollars which is effectively a 10.28 percent increase in the tax rate." Councilman Law seconded and the vote was unanimous.

**The motion carried.**

Councilman Law stated that the state makes us word the motion in that exact manner even though it is a decrease in the tax rate.

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2863 AMENDING WATER RATE ORDINANCE SETTING NEW WATER RATES EFFECTIVE OCTOBER 1, 2024**

Finance Director/Assistant City Manager Smith presented the staff report. Ordinance No. 2863 amending water rate ordinance setting new water rates effective October 1, 2024. This ordinance shows rates as proposed at the August budget meetings. Councilman Sellers made a motion to approve the ordinance as presented. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2864 AMENDING THE SEWER RATE ORDINANCE SETTING NEW SEWER RATES EFFECTIVE OCTOBER 1, 2024**

Finance Director/Assistant City Manager Smith presented the staff report. First reading of Ordinance #2864 amending the sewer rate ordinance setting new sewer rates effective October 1, 2024. This ordinance shows rates as proposed at the August budget meetings. Councilman Spraggins made amotion to approve the ordinance on the first reading as presented. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2865 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, AMENDING ORDINANCE NO. 2840, THE MASTER FEE SCHEDULE FOR COSTS, FEES AND RATES ASSOCIATED WITH PERMITTING, UTILITY SERVICES AND OTHER SERVICES PROVIDED BY THE CITY**

Finance Director/Assistant City Manager Smith presented the staff report. The purpose of user fees are for the City to recoup the cost (or most of the cost) of providing a service to an individual benefactor rather than putting the burden on all citizens. Staff has reviewed fees and is recommending that the fees below be increased. There was a brief discussion. Councilman Julian made a motion to approve the ordinance on the first reading. Councilman Aguilar seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2866, AUTHORIZATION OF UPDATED SERVICE CREDITS**

HR Director/Assistant City Manager Frazier presented the staff report. Staff recommends the city continues with the updated service credits for all current full time employees. We choose to act on this annually so we have the option to discontinue at any time, which we have done for periods in the past. Our 2025 TMRS contribution rate is 7.52 % without updated service credits and increases to a total rate of 8.53% with the adoption of updated service credits. The cities funded ratio will decrease slightly from 98.3% to 96.6%. The additional cost of the updated service credits are estimated at $103,319.60 for 2025 fund year. Updated Service Credits enhance each retirement account of current employees for inflationary factors above specific thresholds. Inflation decreases your buying power if you are on a fixed income, or if a lot of your retirement is based on the value of money from retirement contributions made early in your career while at a much lower wage. The higher inflation is over time combined with a large salary increase, the more problematic the issue can become. Updated Service Credits apply an actuarial formula to help mitigate that issue account by account. There was a brief discussion. Councilman Sellers made a motion to approve the ordinance as presented. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON RESOLUTION NO. 1439 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING**

**COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2024 RATE REVIEW MECHANISM FILING**

Manager Maxwell presented the staff report. The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2024, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2023, entitled it to additional system-wide revenues of $196.8 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to $182.5 million, $132.6 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be $149.6 million instead of the claimed $182.5 million.

After several settlement meetings, the parties have agreed to settle the case for $164.7 million. This is a reduction of $32.1 million to the Company's initial request. This includes payment of ACSC's expenses. The Effective Date for new rates is October 1, 2024. ACSC members should take action approving the Resolution/Ordinance before September 30, 2024.

**RATE TARIFFS**

Atmos generated rate tariffs attached to the Resolution/Ordinance that will generate $164.7 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

**BILL IMPACT**

The impact of the settlement on average residential rates is an increase of $5.52 on a monthly basis, or 6.84%. The increase for average commercial usage will be $13.39 or 3.44%. Atmos provided bill impact comparisons containing these figures.

**SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS**

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

**RRM SAVINGS OVER GRIP**

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2024, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

**Comparison to Other Mid-Tex Rates (Residential)**

| | Average Bill | Compared to RRM Cities |
|---|---|---|
| RRM Cities: | $48.19 | - |
| DARR: | $54.30 | $6.11 |
| ATM Cities: | $49.59 | $1.40 |
| Environs: | $49.53 | $1.34 |

Note: ATM Cities and Environs rates are as-filed. Also note that DARR uses a test year ending in September rather than December.

Councilman Spraggins made a motion to approve the resolution as presented. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON RESOLUTION NO. 1440 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS AMENDING RESOLUTION NO. 1330, THE GRANT PROJECT BUDGET FOR THE CITY OF SULPHUR SPRINGS AMERICAN RESCUE PLAN ACT OF 2021: CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS**

Finance Director/Assistant City Manager Smith presented the staff report. This resolution finalizes the City's use of the American Rescue Plan Act (ARPA) funds now that the Water Treatment Plant filter project is complete. Council previously adopted a project budget for the funds in February 2023 but all of the funds allocated for the Water Treatment Plant filter project will not be used and the City must obligate the remainder of funds before December of this year or they revert back to the Treasury. This resolution amends the grant project budget to use $3,467,341.93 for the Water Treatment Plant instead of the original $3,580,506.93. This amendment sends an additional $113,165 to the General Fund to be used on General Services, specifically to cover public safety salaries for a total of $563,165 in ARPA funds spent on general services. The Treasury issued the Final Rule of the

Coronavirus State and Local Fiscal Recovery Funds that became effective April 1, 2022 allowing for a recipient to elect a standard allowance of up to $10,000,000 in revenue loss that can be used for government services. The recipient does not actually have to have a loss in revenue in order for this standard allowance to be taken. The issuance of this final rule allows recipients more flexibility in the ways that the funds can be used. An additional $113,165 will be transferred from the ARPA fund to the General Fund to cover public safety salaries. The remaining ARPA funds will be used for the Water Treatment Plant project. Councilman Julian made a motion to approve the resolution as presented. Councilman Harrison seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON BID AWARD FOR THE CHEMICAL CHLORINE DIOXIDE**

Director of Utilities Jordon presented the staff report. The City advertised for bids on the following chemical to be used at the Water Treatment Plant, Wastewater Treatment Plant:
Chlorine Dioxide
The bids received are as follows:
Chlorine Dioxide

| | |
|---|---|
| Evoqua | $7.80 dry lbs |
| International Dioxide | $10.40 dry lbs |

Annual estimated cost increase of approximately $8,550.00
Jordon added that this is a mistake on the Evoqua bid. It should say $7.20. There was a brief discussion. Councilman Spraggins made a motion to approve the lowest bid as presented. Mayor Pro Tem Aguilar seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON A REPLAT (PL240801) BY MATT BROWN LOCATED AT 1321 E. SHANNON RD. CONSISTING OF A 5.05 ACRE TRACT OF LAND BEING ALL OF LOTS 1 (1.4 ACRES) & 2 (3.65 ACRES) OF THE HILL ADDITION AND PART OF THE REQUEST IS TO VACATE AN ABANDONED RIGHT OF WAY**

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. Applicant is proposing to combine property into one lot allowing for the construction of a self-storage facility which will include both climate controlled and non-climate-controlled facilities. The property is zoned HC- Heavy Commercial and the proposed use is a principally permitted use in this district. The property is adjacent to a residential district which will require the developer to construct a 6' Masonry fence along this boundary. The developer is making provisions to meet this requirement. As part of this request, developer is asking the City to vacate 1820 square for of City right of way shown on the plat and dedicate the right of way to the owner. This will require City Council action and authorization. This is a separate item on the council agenda. If approved, this will require the City Council to vacate the 1820 sq. ft. of right-of-way at a future date when the plat is approved. There was a brief discussion. There was no one else to speak to the issue. Councilman Sellers made a motion to approve the replat as presented with the 4 conditions required by the city. Councilman Julian seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2867 TO VACATE AND ABANDON UNIMPROVED RIGHT OF WAY EAST OF 1321 E. SHANNON ROAD AS PART OF A REPLAT CALLED THE HILL ADDITION**

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. This request will formalize the vacation and abandonment of the unimproved right of way identified on the property consisting of 1820 square feet. There was no one else to speak to the issue. Councilman Spraggins made a motion to approve the Ordinance as presented. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON POLICE DEPARTMENT ASSET FORFEITURE BUDGET**

Chief of Police Ricketson presented the staff report. State law requires Governing body to accept Department Asset Forfeiture Budget. Asset Forfeiture money is acquired from cash and liquidation of forfeited property from narcotic related enforcement.
Current Balance $295,407.95 Proposed Expenditures for 2024 – 2025 Equipment (duty belts, body cameras, radars, radio equipment, computers, vehicle equipment, etc.) Total $100,000
There was no one else to speak to the issue. Councilman Law made a motion to approve the budget as presented. Councilman Sellers seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON APPROVAL OF THE BUDGET FOR THE SULPHUR SPRINGS - HOPKINS COUNTY ECONOMIC DEVELOPMENT CORPORATION**

EDC Director Brown presented the staff report. This budget will outline the spending of the EDC for the next fiscal year. The City Council approval of the budget is required by State Law. The budget goes into effect in October 1, 2024. Revenues and expenditures are supported by the ½ cent EDC sales tax. There was a brief discussion. Councilman Sellers made a motion to approve the budget as presented. Councilman Law seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON THE ANNUAL 2025 PLAN OF WORK FOR THE SULPHUR SPRINGS - HOPKINS COUNTY ECONOMIC DEVELOPMENT CORPORATION**

EDC Director Brown presented the staff report. This document is intended to outline the plan of work for the EDC. This Plan has been reviewed and approved by the SS-HC EDC Board. There was no one else to speak to the issue. Councilman Law made a motion to approve the plan as presented. Councilman Spraggins seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION/ACTION ON THE PURCHASE OF 36 DOUBLE ACTING ACTUATORS FOR THE WATER TREATMENT PLANT FROM MUNICIPAL VALVE AND EQUIPMENT UTILIZING TIPS CONTRACT NO. 23010401**

Director Jordan presented the staff report. The City has completed WTP filter rehabilitation. The construction contract came in under budget and staff would like to use the amount saved to purchase new actuators. Staff received quotes for the actuators from vendors participating in purchasing cooperatives. Two quotes were received:

| | Total Quote |
|---|---|
| Municipal Valve and Equipment<br>4010 Billy Mitchell Drive<br>Addison, TX 75001 | $56,808.00 |
| MVA Services<br>PO Box 311<br>Royse City, TX 75189 | $59,472.00 |

The total contracts for Engineering, construction, and materials for the filter project at the plant were $3,467,342. The Contract with Stolz came in $52,430 under total contract price due to some of the unit price work not being needed or needed in smaller quantities than originally bid. There was also a $30,000 testing contingency built into the contract that was not needed. 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. There was no one else to speak to the issue. Councilman Spraggins made a motion to approve the contract as presented. Councilman Harrison seconded and the vote was unanimous.

**The motion carried.**

**DISCUSSION /ACTION ON PERSONNEL POLICY REGARDING HOLIDAY POLICY AND SICK LEAVE POLICY**

HR Director Frazier presented the staff report. After reviewing the policies, and particularly Section VII Policies/Amendment of Policies, staff believes the recommended changes are substantive which requires City Council approval to amend both the Holiday and Sick Leave policy.

During the last two reviews of our personnel policy, our labor attorney has recommended that we change our Holiday and Sick leave accruals for the Fire Department to be more comparable to other fire departments in Texas along with being equitable across all City of Sulphur Springs Departments. For some time now, the leave accruals for Fire Department 24-hour shift employees has been excessive in comparison to most Texas cities.

Staff recommends the following changes to Fire Department Holiday and Sick time accruals effective September 30th, 2024:

- Reduce Holidays from 24 hours per holiday (leave averages around 13 hours per holiday) to 11 hours Holiday Leave accrued per month.
- Reduce monthly Sick Leave accrual from 24 hours monthly to 12 hours monthly but increase maximum accrual from 640 hours to 720 hours.

With the proposed 2024-25 budget containing Fire Step Plan changes which are more comparable with other cities our population, it is a good opportunity to make the Fire Holiday and Sick Leave benefits comparable as well. Councilman Harrison made a motion to approve the changes as presented. Councilman Law 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 7:42 p.m.