

**CITY OF SULPHUR SPRINGS, TEXAS
REGULAR MEETING OF THE
CITY COUNCIL
March 3, 2026
7:00 p.m.**

The following council members and staff were present:

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

Absent: None

Staff: Marc Maxwell, City Manager
Natalie Burling, City Secretary
Daniel Ray, Interim City Attorney
Tory Niewiadomski, Director of Community Development/Asst City Manager
Lesa Smith, Finance Director/Assistant City Manager
Jason Ricketson, Chief of Police
Gordon Frazier, H.R. Director
Hope Cain, Library Director

An Executive Session was held at 5:46 p.m. in accordance with Texas Government Code, Title 5, Chapter 551 - §551.071 – consultation with attorney regarding pending or contemplated litigation - *City of Sulphur Springs v. Luminant Mining Company, LLC, Luminant Generation Company, LLC, and Vistra Corp.*; and §551.087 Discussion and Deliberations Regarding Economic Development Status and negotiations-Thermo.

RECONVENE

Mayor Law 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 Law led in the pledge of allegiance to the United States Flag and the Texas Flag, and Councilman Spraggins led the invocation.

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

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, March 2, 2026, the State of Texas will celebrate its 190th 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, Tyler Law, Mayor of the City of Sulphur Springs, Texas, on behalf of the city council, do hereby proclaim the month of March 2026 as

“TEXAS HISTORY MONTH”

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

It is so proclaimed, this, the 3rd day of March 2026.

Tyler Law, Mayor

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

Manager Maxwell presented the staff report.

Claims

Two workers' compensation claims were filed in February: A Fire Captain sustained a sprain/contusion to his left foot/ankle during a wildfire incident and was released to full duty. An Assistant Fire Marshal sustained a torn right calf muscle while detaining a suspect and was released to limited duty.

Liability matters included a Notice of Claim from Frontier regarding facilities in the 1600 block of Myrtle Drive and a property abatement notice in the 1200 block of College Street that did not qualify as a claim under TMLIRP.

A Notice of Claim was filed and forwarded to TMLIRP.

Thermo

Crews flushed the 18-inch water line, completed pressure testing, and began BAC-T testing. Nine concrete pads were installed around valve stands.

For the Thermo 21" sewer line (9,000 feet), crews continued mulching the path in preparation for installation. Installation will begin in 2 weeks.

Miracle League Field

Staff is reviewing bids for sitework, field construction and fencing. The bids are coming in a little better than before.

Street Improvement Program

Street	Between	Length
Asphalt/Conc. Repair	various soft spot repairs	1000
Hodge	League to Barbara	1130
Colorado	Longino to Jackson	401
Fleming	Church to Rosemont	428
Putman	Carter to Como	2360
Mulberry	Park to Glover	1299
League	Connally to Houston + curve	1316
Moore	Main to Connally	1193
Gaines	Fuller to Putman	422
Raintree	Loop 301 to Loop 301	2978
N. Lake Rd. and ramp	Peerless Hwy to ramp	3200
Towne	Hinnant to Robertson	412
Lemon	Bill Bradford-McGrede to Sprite	1088
Able and Ava	Putman to Fuller	820
Davis St.	South Davis from RR to Kyle	2149
Southland	Davidson to end	898
Simms	Freeman to end	400
Cranford	Austin to Hodge	891
Total Feet		22385

Total Miles	4.24
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Departmental Activity

Public Works

- Repaired 177 potholes and cleaned storm drains 2 times.
- Repaired pavement from 1 water/sewer cut.
- Installed 120 feet of curbs at Robertson and Towne Streets; installed new valley gutters at Gaines & Putman and Moore & Main Streets; began curb replacement on Hodge Street (SIP list).
- Repaired/replaced 2 stop signs and 8 street signs; installed 2 new 30 MPH signs on McGrede Street.
- Cleaned box culvert under South Texas Street; repaired a sinkhole at Stonebriar; filled asphalt settlement at Coleman Park parking area.
- Applied barricades for low-water areas during storms and hauled street-sweeper spoils to Maloy Landfill.

Utilities — Water

- Water breaks repaired: ¾"–1; 1"–1; 2"–3; 4"–2; 6"–4; 8"–8.
- Water meters replaced: ¾"–19; 1"–2; 2"–1; meter boxes–3. Dead meters: 1.
- Located over 5,400 feet of water mains for contractors; installed five 1" taps and one 2" tap; repaired or replaced two hydrants.

Wastewater Treatment Plant

- Monthly average effluent TSS = 1.95 mg/L.
- Hauled 578.59 tons of sludge to Maloy Landfill; none to Pleasant Oaks.
- Completed multiple maintenance items, including sludge pump repairs, drive unit preparation, and press-building bearing replacement.

Water Plant

- Collected bacteriological samples; collected TOC samples and received lab results.
- Flushed dead-end mains.
- Conducted BAC-T sampling on the 18" Luminant water line.
- Submitted annual Water Audit.

Community Development — Inspections & Permits

- Inspections: 98 building; 18 electrical; 23 plumbing; 4 mechanical.
- Permits: 33 building; 61 trade.
- No Planning & Zoning or ZBA applications were filed for February.

Fire Department

- 170 total calls; 40 inspections; 76 hydrants maintained; 178 CE hours.

- Incident detail: 4 structure fires; 3 vehicle fires; 12 non-structure fires; 14 alarms; 2 county mutual aids.

Police Department

Two patrol officers (Kaitlyn Childers and Austin Garrison) were hired to fill patrol positions.

Police Department

- 1,607 total calls
- 41 accidents (8 injuries; 0 fatalities)
- 443 citations
- 46 offenses
- 39 arrests

Animal Control

- 107 complaint calls
- 16 dogs/cats picked up; 6 owner drop-offs
- 15 adoptions (85% adoption rate)
- 8 animals released to owner

Library

- 5,054 visitors
- 3,858 checkouts
- 281 computer sessions
- 209 eBook users; 745 eBook checkouts

Programming included AARP tax assistance, preschool story time, Spring Break planning activities, Earth Day tree signups, and coordination with local schools and area libraries.

Parks & Recreation

- Daily maintenance and cleaning; banners changed for Mardi Gras and St. Patrick's Day; cleaned fountain wet vault twice; fertilized trees and rye grass.
- Sprayed sports fields and Pacific Park for weeds; trimmed trees in Buford Park; planted four trees; rebuilt three picnic tables; prepared Grays Building for 12 rentals; mowed airport terminal area once.
- Assisted with 120 senior activities; hosted a Valentine's Party (80 attendees) and Silver Saturday Night (85 attendees).

Coleman Park is booked every weekend (except Easter and July 4th) from March 21 through August 1.

Airport & Tourism

- 4,304 gallons AvGas sold.
- 5,982 gallons Jet-A sold.
- 2,145 aircraft operations (average 76 per day).

Out-of-State Travel - None

Finance Director/Assistant City Manager Smith presented the finance report

DISCUSSION/ACTION ON CONSENT AGENDA

City Secretary Burling presented the staff report. Consider for approval the City Council Regular meeting minutes of 02/03/2026; Tax Increment Financing Reinvestment zone No. 1 meeting minutes of 01/22/2025; Tax Increment Financing Reinvestment Zone No. 2 meeting minutes of 01/22/2025; Economic Development Corporation Meeting Minutes of 12/28/2025; and 380 agreements for 115 Randolph Street, 218 Calvert Street, 220 Calvert Street, 606 Fuller Street and 999 Church Street.

Councilman Julian made a motion to accept the consent agenda as presented. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1521 APPOINTING DIRECTORS FOR THE BOARD OF DIRECTORS OF CITY OF SULPHUR SPRINGS TAX INCREMENT REINVESTMENT ZONE #2 AND PROVIDING AN EFFECTIVE DATE

Finance Director/ACM Smith presented the staff report. When a Tax Increment Reinvestment Zone is created, the zone is managed and controlled by the City Council based on recommendations of the Board of Directors of that zone. The Board does not have independent authority to bind the City, approve expenditures, adopt budgets, issue debt, enter into agreements, or take any final action on behalf of the City. All final decisions regarding the administration of TIRZ #2, including approval of project plans, financing plans, expenditures, and amendments, are made by the City Council.

As established by Ordinance 2853 which created TIRZ #2, the Board of Directors for TIRZ Zone #2 is comprised of 5 directors. Each taxing unit that participates in the zone gets one appointment. If a taxing unit chooses not to participate in the zone, the City Council appoints directors in their place. Because SSISD and CPCISD elected not to participate in the Zone, the City appoints 3 directors and the Hospital District and Hopkins County each appoint one. The directors serve two-year terms. The City Council is also responsible for appointing one of the directors as the Chairman of the Board. The chairman serves in that position for 1 year. The appointment of the chairman was last done on January 6, 2026 and does not need to be done at this time. The TIRZ #2 Board is required to meet once a year in January, and as needed.

Current city-appointed board members for TIRZ #2 are Oscar Aguilar, John Sellers and Gary Spraggins. Oscar Aguilar is the chairman of the board. Pursuant to Chapter 311.009 of the Texas Tax Code, directors of a Tax Increment Reinvestment Zone must be at least 18 years of age and qualified voters of the State of Texas. If for any reason, a director is appointed and does not complete their term, the City Council can appoint a replacement

at a subsequent council meeting. There was a brief discussion. Councilman Spraggins made a motion to reappoint Oscar Aguilar, Gary Spraggins and John A. Sellers to the board. Councilman Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON ACCEPTANCE OF FISCAL YEAR 2025 AUDIT

Finance Director/ACM 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 2025 Audit has been completed by the firm of Vail & Park, P.C..

Once the final version of the report is available, it will be uploaded to the agenda dropbox. 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 presentation. Councilman Sellers asked about the unassigned General Fund balance to General Fund expenditures and how many months do they recommend to have. Mr. Vail explained there is about 6.5 months of operations and they recommend 3 to 6 months so we are above the recommendation. There was a brief discussion. Councilman Spraggins made a motion to approve the audit as presented. Councilman Sellers seconded and the vote was as follows:

AYES: NASH, AGUILAR, HARRISON, SPRAGGINS, LAW, SELLERS

NOES: NONE.

ABSTAIN: JULIAN

The motion carried.

RECEIVE A PRESENTATION FROM LINEBARGER, GOGGAN, BLAIR & SAMPSON LLP REGARDING DELINQUENT PROPERTY TAX COLLECTION

Finance Director/ACM Smith presented the staff report. The City uses Linebarger, Goggan, Blair & Sampson LLP for the collection of delinquent property tax. Kevin Dutton, Attorney made a presentation and distributed a collection report to council. Councilman Julian presented questions concerning their procedures and research. There was a lengthy discussion.

DISCUSSION/ACTION ON PROPOSALS AND AWARD OF CONTRACT FOR BANK DEPOSITORY

Councilman Sellers recused himself and left the chambers due to possible conflict of interest. Finance Director/ACM Smith presented the staff report. Every 5 years the City is

required to request proposals for bank depository services. The City published notices in the newspaper, and emailed the RFP to local banking institutions that have expressed interest. We received proposals from Guaranty Bank & Trust, and City National Bank. The new contract will be for 3 years with an option to extend the contract for an additional two-year term upon mutual agreement.

While City National Bank's proposed interest formula produced a slightly higher historical average (approximately \$671 annually), Guaranty's overall proposal ranked highest based on the weighted evaluation criteria established in the RFP. The City currently uses Guaranty Bank & Trust and the new proposal meets all RFP requirements and continues to provide banking services to the City at no cost. The City has 4 interest bearing checking accounts and 2 zero balance accounts that would earn interest under this proposal at the 13-week Treasury Bill less 85 basis points. For over 23 years, Guaranty Bank has been the City's depository and has provided excellent service to the City.

Category	Weight	Guaranty Bank & Trust			City National Bank		
		Marc	Lesa	Oscar	Marc	Lesa	Oscar
Responsiveness & Service	45%	45.00%	45.00%	45.00%	45.00%	44.18%	43.36%
Earnings & Costs	35%	35.00%	34.00%	34.00%	35.00%	34.00%	34.50%
Experience	10%	10.00%	10.00%	10.00%	10.00%	9.00%	8.67%
Creditworthiness	10%	10.00%	10.00%	10.00%	9.67%	9.67%	10.00%
Total Weighted Score		100.00%	99.00%	99.00%	99.67%	96.85%	96.53%
Average Total Score		99.33%			97.68%		

Councilman Harrison questioned why the City would not choose a local bank. Smith replied that the decision was based on criteria from an evaluation of each bank. Mayor Law added that a local bank has easier access to the leaders and added that Guaranty was recently sold and was having issues with the changeover. Councilman Julian asked about significant costs with a change over to City National Bank. Smith replied that it would mainly be City administrative costs. Manager Maxwell asked for Attorney Ray's legal opinion on switching to City National Bank. Attorney Ray explained the legality and that it is permissible. There was a brief discussion.

Councilman Law made a motion to award the City bank depository contract to City National Bank. Councilman Harrison seconded and the vote was as follows:

AYES: JULIAN, NASH, AGUILAR, HARRISON, SPRAGGINS, LAW

NOES: NONE

RECUSAL: SELLERS

The motion carried.

DISCUSSION/ACTION ON LIBRARY BOARD APPOINTMENT

Director Cane presented the staff report. Board member Carol Gee resigned although her term doesn't end until June 2027. Staff recommends appointing Menzie Chase as replacement Board member. There was no one else to speak to the issue.

Councilman Julian made a motion to approve the appointment of Menzie Chase to the Library Board. Councilman Spraggins seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON EXECUTIVE SESSION ITEM, IF ANY

Councilman Spraggins moved to approve the retention of 2 law firms, Caldwell Cassady Curry P.C., and the Stafford Davis Firm to represent the City in *City of Sulphur Springs v. Luminant Mining Company, LLC, Luminant Generation Company, LLC, and Vistra Corp.* Councilman Harrison seconded and the vote was as follows:

AYES: NASH, AGUILAR, HARRISON, SPRAGGINS, LAW, SELLERS

NOES: JULIAN

The motion carried.

VISITORS AND PUBLIC FORUM

Melissa Harris of County Road 2326 questioned delinquent taxes in the city and spoke against the data center project.

Becky Wix of County Road 2425 referenced court proceedings and the soil status at Thermo.

Cale McClure of County Road 3341 spoke of Delta County's town hall meeting and negatively toward the Data Center project and Mayor.

Terry Bolton of Charles street spoke negatively in reference to the City Manager and how the Council operates.

Dakota Cortez of Turtle Creek requested that the council consider different zoning got tattoo studios. Manager Maxwell asked him to stay after the meeting to speak with Community Development Director/ACM Niewiadomski.

ADJOURN

With all business concluded, Mayor Law closed the meeting at 8:11 p.m.