

MINUTES: CITY COUNCIL MEETING
August 15, 2011

PRESENT: Mayor Thomas Muir, Councilwoman Marjory Johnson, Councilman Russell Martin, Councilman Scott Stephens and Councilman Gary Bilyeu

ABSENT: Councilman Andy Garza

OTHERS

PRESENT: Mike Brice City Manager, Cheryl Price Administrative Assistant, Steve Watkins, Sam Alexander, Kelli Alexander, Meredith Maddox, John H. Reed, Jr. D.D.S.

1. Call Meeting to Order, Invocation, Pledge of Allegiance.

Mayor Muir called the meeting to order at 7:06 p.m. Councilwoman Johnson led the Invocation followed by Councilman Bilyeu leading the Pledge of Allegiance.

2. Citizens Input:

(Citizens are allowed 3 minutes to speak. The City Council is unable to respond or to discuss any issues brought up during this section).

Kelli Alexander spoke about Animal Control and Noah's Ark.

CONSENT AGENDA

**3. a) Approval of Minutes: August 1, 2011 - Work Session
August 1, 2011 - Council Meeting**

b) Disbursements

c) Consider Appointing the Following to Open Board Position:

Historic Preservation Commission Barbara Martin – Place 1

Councilwoman Johnson made a motion to approve. Seconded by Councilman Bilyeu. Motion carried unanimously.

4. Consider any Items Removed from Consent Agenda.

None.

REGULAR AGENDA

5. Conduct Public Hearing on Tax Rate.

City Manager summarized noting the certified totals came in a little lower than last year which pushes the effective rate a little over 65 cents and the current rate is a little over 63 cents. Keeping in mind that the Council's desire voiced at the budget work session was to keep the tax lower, staff has budgeted for 63 cents.

Mayor Muir opened the Public Hearing at 7:12 p.m.

Mayor Muir opened the Public Hearing.

No one spoke for or against.

Mayor Muir closed the Public Hearing at 7:13 p.m.

6. **Consider, Discuss and Possibly Act on Approving Ordinance #08-30-11 - Amending the Comprehensive Zoning Ordinance and Central Zoning Map by Granting a Specific Use Permit for a Quick-Service Food and Beverage Shop Within a B-2 Business District.**

City Manager Brice summarized the request noting it would be for a Snow Cone stand at the Sportsman. The Planning and Zoning Commission recommends approval. The only concern they had was impeding traffic, which was alleviated due to the proposed location of the stand.

There was brief discussion among Council. Councilwoman Johnson asked City Manager if the Specific Use Permit runs with the property. He noted it does run with the property, but it is specific only to the use as a Snow Cone Stand.

Councilwoman Johnson made a motion to approve. Seconded by Councilman Stephens. Motion carried unanimously.

7. **Consider, Discuss and Possibly Act on Approving Resolution #08-18-11 - Appointing Member to the Board of Managers of the DENCO Area 9-1-1 District.**

City Manager Brice gave a brief summary of the item noting that the Council needed to nominate a representative to the district Denco Area 9-1-1 Board of Managers. Brief discussion.

Councilwoman Johnson made a motion to approve Resolution #08-18-11 Appointing Olive Stephens to the Board of Managers of the Denco Area 9-1-1- District. Seconded by Councilman Martin. Motion carried unanimously.

8. **Consider, Discuss and Possibly Act on Approving Resolution #08-19-11 - Approving a Settlement Between ATMOS Energy Corp's Mid-Tex Division and ATMOS Texas Municipalities ("ATM") Resulting in no Change in Base Rates and Approving Tariffs Which Reflect Costs Related to the Steel Pipe Replacement Program.**

City Manager noted that this was a settlement for a rate increase which was proposed by ATMOS. The City of Sanger banded together with other cities (ATM) to protest the increase and this resolution is a result of the settlement. He noted that that a portion of the monies is going toward replacing the steel pipe infrastructure, which is deteriorating. He noted the large gas line explosion in the City of McKinney a few years ago was due to the deterioration of the lines.

Councilwoman Johnson made a Motion Approving Resolution #08-19-11 approving a Settlement between ATMOIS Energy Corporations Mid-Tex Division and ATMOS Texas Municipalities ("ATM:") resulting in not change in base rates and approving tariffs which reflect cost related to the Steel Pipe Replacement Program. Motion was seconded by Councilman Bilyeu. Motion carried unanimously.

9. **Consider, Discuss and Possibly Act on Approving Change Order #1 for the Reworking of the Pond at the Porter Sports Complex.**

City Manager provided a summary of the agenda item noting that the change order was to correct the situation that the pond would not hold water. We had some companies that specialize in pond linings come out and give us estimates. They suggested that we put a layer of Bentonite and then a clay liner to help alleviate the water seepage. The city received two bids and is requesting approval of the lower bid. Brief discussion ensued. It was noted the change order would not exceed \$65,086.00 and funding was available from funds for the sports park. There have been no other change orders to date and the park is about 60% complete.

Councilman Martin made a Motion to Approve Change Order #1 for the Reworking of the Pond at the Porter Sports Complex. Motion was Seconded by Councilwoman Johnson. Motion carried unanimously.

10. **Consider, Discuss and Possibly Act on Approving Lease for 103 Bolivar and Authorizing City Manager to Execute Lease.**

City Manager gave a summary of the agenda item. He noted that the 4A Board met last Friday and unanimously agreed to the terms set forth in the "Letter of Intent" presented for 103 Bolivar. The 4A has agreed to the terms recommends Council authorize the City Manager to execute the lease based on the "Letter of Intent".

Gary Wilike with E-Biofuels was recognized to present thier proposal. He provided a brief presentation, history on E-Biofuels and the impact it would have on the City. They are proposing a Bio-diesel plant at the City's facility at 103 Bolivar. Economically, they will be providing 25-30 jobs; projected revenues of \$25,000,000 to \$35,000,000 in the first year of production; 1,500,000 in real and personal property added to the tax rolls. The Community Impact they provide will be by working with the city doing sponsorships, donations and community participation. Also, "Going Green" efforts, by sponsoring recycling days, biodiesel demos, field trips, and work-study programs with the local schools.

Mr. Wilike also provided powerpoint photos of their existing facility and summarized some of the frequently asked questions about their business and facility. He advised that Biodiesel is non-toxic and non-hazardous. They have been approved to move by rail. He summarized how they would use the rail system located near the facility. The plant would have only minimal noise inside the plant and no noticeable noise outside of the plant. There is a faint odor inside the plant like "french fries". There is little or no odor in the office or outside of the warehouse. Traffic in and out of the plant will be from employees and trucks; night traffic will be minimal. They will be using the rail system.

Discussion by the Council and the following items were noted.

Councilmember Martin noted concern regarding traffic and the need for some type of a stop (signs or a light) at 2nd Street and FM 455. City Manager advised that staff would begin discussion with TxDOT to get either a light or stop signs into place at the FM 455 Intersection.

Councilwoman Johnson noted Mr. Wilike said there were two tanks that were going to be outside and wanted to clarify that she heard that one of the tanks would be buried under

the ground. Mr. Wilike confirmed that she was correct.

Councilman Bilyeu questioned what the impact on the City's water and wastewater system would be and Mr. Wilike advised it would be minimal. He also asked how much truck traffic there would be and Mr. Wilike advised that it could be anywhere from two to 20 trucks.

Council noted concern regarding the possible odors the plant would emit being so close to the city's business center and residences. Consensus was to put some type of remediation language regarding odors in the Lease Agreement. Mr. Wilike advised the Council that they do have to apply for a clean air permit. City Manager advised that he visited E-Biofuel's existing plant and that when he was there it was very clean and there was little to no odor outside of the plant and what he did smell was what smelled like a slight odor of french fries.

Councilman Martin asked if there would be pipes sticking up out of the roof of the facility and Mr. Wilike advised they would be required to have about five or six vent pipes which would stick up about 30 feet in the air and that the pipes help filter to improve the air quality.

Mayor Muir advised that he would recognize any citizens in the audience who may have questions for Mr. Wilike regarding the E-Biofuels facility.

Sam Alexander, 3219 McReynolds Road, was recognized and questioned Mr. Wilike if he had his TCEQ Permits. Mr. Wilike noted that they were in the application process. Mr. Alexander also noted concerns regarding traffic and it was noted that they would be using designated truck routes; 2nd, 5th, FM 455, and I-35.

Meridith Maddox, 600 Ranger Creek, was recognized and noted that she was thrilled to see a new business coming into the city to offer more job opportunities. She did note that she was concerned about the trucks going down some of the roads because there are a lot of cars parked along the streets. She also noted she was concerned about the condition of 5th Street. Staff noted that the County was going to overlay 5th street starting Friday. She also noted a concern regarding the large trucks tipping over when they circle around to get onto I-35 – it seems to happen about twice a month. Staff noted it was a TxDOT issue and that that they are aware of the problem.

Councilman Bilyeu made a motion to approve the Letter of Intent for 103 Bolivar and to authorize the City Manager to execute the lease with the stipulation that the remediation of odor be addressed in the Lease. Motion seconded by Councilman Martin. Motion carried unanimously.

11. **INFORMATION ITEMS**

- a) Financial and Investment Report - July
- b) Library Report - July
- c) Animal Control Report - July
- d) ATMOS Energy Rider GCR - Rate Filing Under Docket No. 9762

12. **Adjourn.**

Mayor Muir adjourned the meeting at 8:22 p.m.

