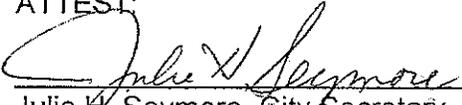


15. ITEMS FOR FUTURE AGENDAS - None
16. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 7:17 p.m. upon motion, by Councilmember Brockman and second by Councilmember Seymore.


 R.C. Anderson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, JANUARY 16, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert, William Hilliard, and Elaine Seymore. Councilmember Ron Sanford joined the meeting at 6:20 p.m. City Secretary, Julie Seymore, and Directors Jim Stephens, Lonny Cluck, Tim Gothard and Rick Malone were also in attendance. City Attorney, Richard Davis, and Gary Burton were present.

Discussion and action were as follows:

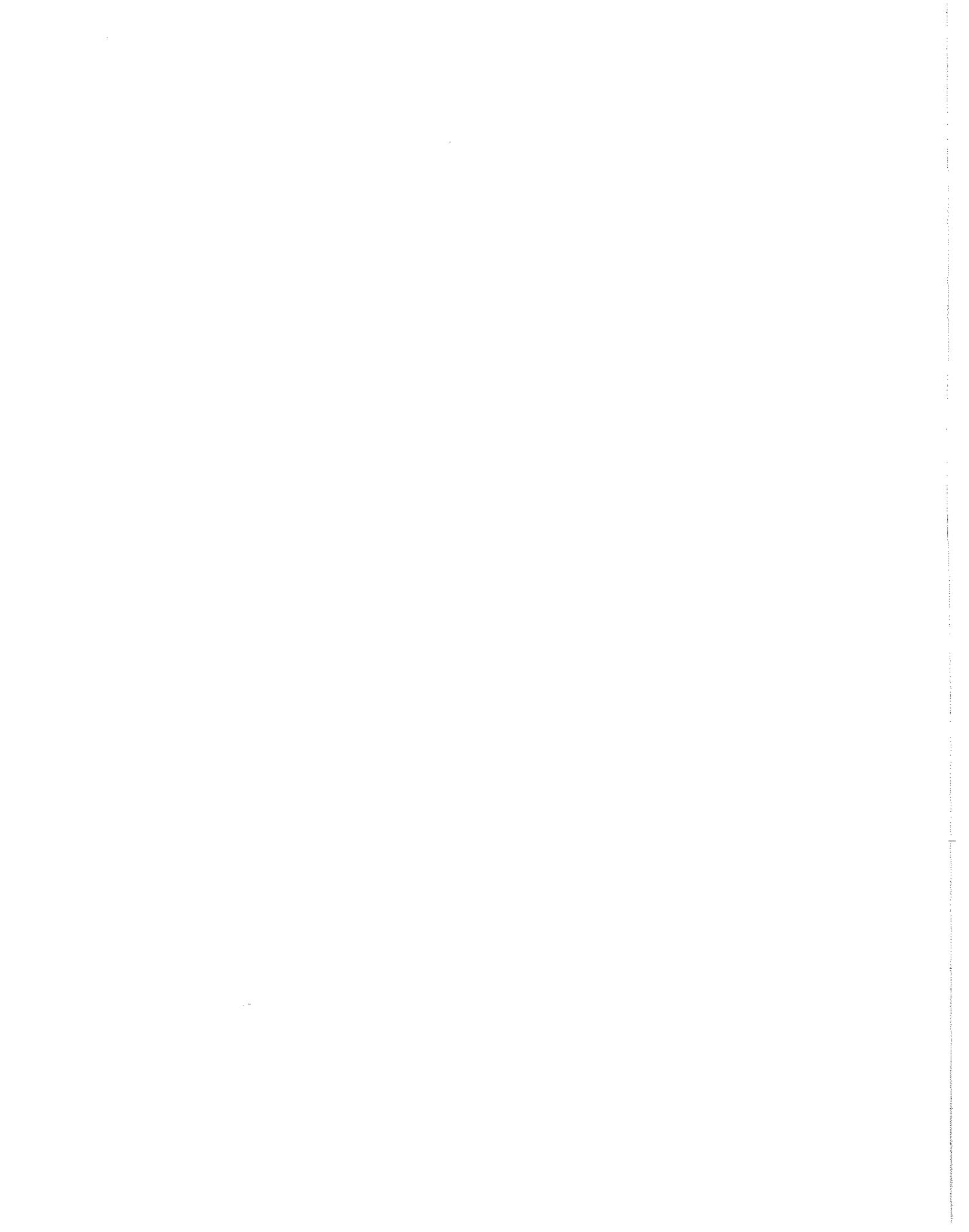
1. CALL TO ORDER - Mayor Anderson called the meeting to order at 5:30 p.m. and declared a quorum present.
2. INVOCATION - None during work session.
3. PLEDGE OF ALLEGIANCE - None during work session.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during work session.
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during work session.

CITIZEN'S FORUM

6. CITIZEN'S FORUM - CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None during work session.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM DECEMBER 19, 2006 CITY COUNCIL MEETINGS - No changes to the minutes were noted.
8. CONSIDER APPROVAL OF DECEMBER 2006 FINANCIAL STATEMENTS - There were



no changes to the financial statements.

9. CONSIDER APPROVAL OF BURTON ENGINEERING PROFESSIONAL SERVICES AGREEMENT FOR CITY LAKE DAM EMERGENCY ACTION PLAN TASK ORDER / PROJECT NO 014060501 AND AUTHORIZE CITY SECRETARY TO EXECUTE ALL RELATED DOCUMENTS – Julie Seymore pointed out the TCEQ and Department of Homeland Security required the City Lake Dam Emergency Action Plan and the project was approved during the budget process. Gary Burton explained his firm would do a breach analysis of the dam, identify downstream properties and the property and individuals to be notified in the event of a catastrophic failure of the dam, and would determine how high the water would rise. Rick Malone said the City was required to have the dam inspected every five years. Gary Burton estimated the plan would be completed by the end of February 2007 and they would include a dam inspection with the project. Mr. Burton did not feel the work would exceed the estimated cost of \$5000.00. Rick Malone said the City occasionally performed inspections of the dams to make sure the two toe jams were draining. Mr. Burton said an inspection would include looking for varmint holes, making sure vegetation was cleared from the downstream slope, and keeping the spillway clear. Rick Malone stated they had recently burned off the dam and noted some beaver activity in the area, for which they had hired a trapper.
10. CONSIDER APPROVAL OF BURTON ENGINEERING PROFESSIONAL SERVICES AGREEMENT FOR WATER TREATMENT PLANT IMPROVEMENTS TASK ORDER / PROJECT NO 014060601 AND AUTHORIZE CITY SECRETARY TO EXECUTE ALL RELATED DOCUMENTS – Julie Seymore explained the proposed contract involved improvements to the water plant, including a filter media replacement, sludge blow-down system and backwash troughs at a cost not to exceed \$25,000. Mr. Burton explained the air scour system would be improved and the rest of the project was replacing items worn out over time.

INDIVIDUAL CONSIDERATION

11. CONSIDER ORDINANCE 2007-01 DISANNEXING A 3.68 ACRE TRACT AND A 1 ACRE TRACT SITUATED IN THE Q.C. NUGENT SURVEY, LOCATED ON HIGHWAY 17 AT INTERSTATE 20, OWNED BY TRAVIS DWAIN AND JUDY EASLEY AND JAMES AND RHONDA KING, RESPECTIVELY – Julie Seymore presented the request for disannexation. She explained minutes of the council meeting at which the property was annexed reflected the representative property owner, Mr. Pierson, said they wanted water and sewer and he noted both were already on the property and he would pay for any extension. Ms. Seymore added the staff felt the City had met its obligation since water and sewer were available at the time of annexation, and, alternatively, it only had to provide services similar to other similar situations inside the city limits. Councilmember Brockman asked if the property owner didn't give an easement when the property was sold. Julie Seymore informed the Council the property owner's recourse if the request were denied would be to go to district court. She added some considerations were the potential future use of the land, whether or not the City would be setting a precedent by granting the disannexation, the loss of potential tax revenue, and the restriction that the property could not be re-annexed for ten years if it were disannexed. Richard Davis felt the city was on solid ground if the council decided to deny the request based upon an attorney in a similar suit who was relying upon the same statutes regarding whether the city had an obligation to disannex. He said in that case, they did not believe the city had an obligation to disannex and he agreed with that for Canton since it was the agreement at the time and

they provided similar services for land similarly situated. Rick Malone stated the property in question contained one home and a storage building. Julie Seymore mentioned emergency response services were available and the garbage provider would provide trash service to that area at city rates. Councilmember Deibert noted it would be disannexing a piece of property between the City and another property the Council was considering annexing. Councilmember Hilliard stated the City didn't need the property and it should not have annexed it in the first place. Councilmember Brockman disagreed and said disannexing the property would be a big problem. Councilmember Seymore questioned whether there would be a strip outside the city limits between the Mill Creek Ranch property being annexed and the larger tract remaining inside the city limits. She said it seemed new business was going out toward the Interstate. She felt the Council needed to consider long-term effects and the benefits to the City, and to look at the overall plan for the entire area rather than just at the one tract in question, especially if the City had other tracts in the area that were being petitioned for annexation.

12. CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF A 20.48-ACRE TRACT OF LAND SITUATED IN THE DAVID TOWNS SURVEY, A-845, LOCATED ON NORTH INTERSTATE 20 SERVICE ROAD AT FM 1255, OWNED BY HENRY LEWIS, AND SCHEDULE PUBLIC HEARINGS IN FEBRUARY – Julie Seymore said the property adjoined the city limits along the Interstate 20 service road. She noted Mr. Lewis signed a waiver to water and sewer service until such time the service was economically available. Mr. Malone said the property was part of the Fish & Jog which Mr. Lewis wanted to bring into the city limits.
13. CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF A 58.14-ACRE TRACT OF LAND AND A 22.82-ACRE TRACT OF LAND SITUATED IN THE Q.C. NUGENT SURVEY, A-618, OWNED BY B.J. SENTINEL LIMITED D.B.A. COTTAGE INVESTORS OF CANTON, LLC AND SCHEDULE PUBLIC HEARINGS IN FEBRUARY – Julie Seymore explained the petition for voluntary annexation was received by an owner wishing to develop an RV/Cottage resort with fishing ponds between Highways 19 and 17 called Mill Creek Ranch. Rick Malone noted there would not be a significant impact on water. Ms. Seymore stated two public hearings were required. The hearing scheduled selected was at noon on February 13, 2007, and at the Council's regular meeting on February 20, 2007.
14. CONSIDER APPROVAL OF AGREEMENT WITH THE WATERS CONSULTING GROUP, INC. FOR PROFESSIONAL SERVICES RELATING TO THE SEARCH FOR A NEW CITY MANAGER – Mayor Anderson postponed discussion of the issue until later in the meeting.
15. CONSIDER ACCEPTANCE OF STREETS IN LAKE MEADOWS SUBDIVISION - Julie Seymore said the matter was discussed approximately one year prior, at which time Mr. Burton was asked to inspect the streets. She said he then returned to the Council to report the streets were in fairly good shape for their age but some cracks needed sealing. He had asked the council if they wanted him to do some core sampling to find more conclusive information. The Council declined the expense at that time. Mr. Burton added he had looked at the streets again and they looked about the same as the previous year. Councilmember Deibert suggested they might be able to use information from core samples done in a related lawsuit. The Council discussed requiring the cracks be sealed prior to acceptance. Julie Seymore advised the City could accept the streets contingent upon Mr. Burton's approval of the seals. Mayor Anderson preferred the cracks be fixed and the matter brought up after that time. Rick Malone advised easements had not been signed. Councilmember Deibert filed a conflict of interest statement on this issue since he

lived in the subdivision

16. CONSIDER AWARDING BID FOR DOWNTOWN STREETScape IMPROVEMENT PROJECT – Julie Seymore explained this project was funded through a TxDOT grant, but the bids came in a little higher than the \$1 million budgeted. Tracy Hicks of Wisenbaker and Fix said he and Jim Stephens met with TxDOT since the last meeting regarding maximizing the available funds. Mr. Hicks explained the total amount of grant funds available, both local and federal, was \$1,071,044. He added TxDOT agreed to reduce their project administration fees and free up \$80,000 for Canton to use on the project, while Wisenbaker and Fix agreed to eliminate the part-time person budgeted to oversee the project, which would free up an additional \$25,000. He said there would still be a budget shortfall of \$64,000. Mr. Hicks suggested the line item for trash receptacles and benches be removed, noting they could be added at a later time. Mr. Hicks and Mr. Stephens also suggested the block on Groves Street between Capital and Buffalo be removed from the project for a savings of \$35,000. Jim Stephens explained this block was the site for the future city hall and any improvements made now would be destroyed during the construction of that building. Mr. Stephens also said Main Street would raise \$10,000 to go toward the shortfall. Mr. Stephens also felt TxDOT would be returning over half of the \$100,000 they are withholding and that money could go toward the shortfall. Mr. Hicks agreed TxDOT would probably return approximately 80% of the money held. He noted the project should take approximately one year to complete. Mr. Hicks said it would not be started until TxDOT concurred on the award of the contract and the contract was signed, which could take up to six weeks. Councilmember Seymore mentioned the contracts should contain start and end dates to hold the contractors accountable.
17. CONSIDER AUTHORIZATION TO ADVERTISE FOR BIDS FOR FM 859 WATER LINE TEXAS CAPITAL FUND PROJECT – Julie Seymore said TCEQ had given its authorization to proceed on the water line and Mr. Burton wanted to proceed with the bid process prior to obtaining all necessary easements in order to save time. She added if the easements were not obtained prior to the time the bids expired, the project might have to be rebid. Mr. Burton indicated the letters to the landowners would be sent out any day and initial contact had been made via phone with all but one. Rick Malone indicated using the right-of-way would be more difficult and labor-intensive because of the presence of telephone fiber optics. Mr. Burton expressed a concern that if the water line was put in the right-of-way and the highway was later widened, the city would bear the cost of moving the line. He conceded that if landowners did not cooperate in giving easements, the right-of-way could be used. *(Ron Sanford joined the meeting at 6:21 p m)*
18. CONSIDER REQUEST FROM C.I.S.D. FOR PARTICIPATION IN COPS GRANT PROGRAM – Mayor Anderson explained he and Chief Gothard met with the Superintendent regarding a policeman at the school. He suggested the school look into forming their own jurisdiction and owning their own policeman. Mayor Anderson tabled this item until the school board explored this possibility.
19. CONSIDER APPOINTMENT TO FILL A VACANCY ON CANTON ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS – Mayor Anderson said he spoke with other cities about how they appointed board members. He said some cities used Boards and Commissions as a training ground for more demanding roles in other government activities. He said they would start people out on the Board of Adjustment, then move them to the Planning & Zoning Commission, then the Economic Development Board, and then they were recommended to run for council. Mayor Anderson announced

he had asked Dr Kris Ingram if he would serve on the CEDC Dr Ingram currently serves on the Main Street Board

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071.

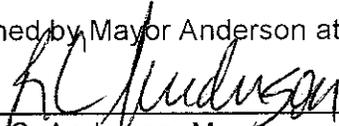
- 20 EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071) -- None during work session

RETURN TO OPEN SESSION

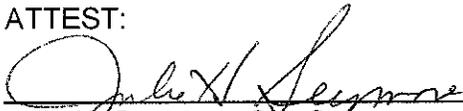
- 21 RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION

REPORTS

- 22 MAYOR'S REPORT -- None during work session.
- 23 STAFF REPORTS -- None during work session
- 24 ITEMS FOR FUTURE AGENDAS -- None during work session
- 25 ADJOURN -- The meeting was adjourned by Mayor Anderson at 6:27 p m


R.C. Anderson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL

6:30 P.M., TUESDAY, JANUARY 16, 2007

City Hall Council Chambers

290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R C Anderson, Robert Brockman, William Hilliard, Kevin Deibert, Ron Sanford and Elaine Seymore. City Secretary, Julie Seymore, and Directors Jim Stephens, Tim Gothard, Lonny Cluck and Rick Malone were also in attendance. City Attorney, Richard Davis, and Gary Burton were present.

Discussion and action were as follows:

- 1 CALL TO ORDER - Mayor Anderson called the meeting to order at 6:33 p m. and declared a quorum present

2. INVOCATION was given by Jim Stephens
3. PLEDGE OF ALLEGIANCE was led by Rick Malone
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – Councilmember Deibert declared a conflict of interest regarding Agenda Item No 15.
5. PROCLAMATIONS AND ANNOUNCEMENTS – None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM DECEMBER 19, 2006 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF DECEMBER 2006 FINANCIAL STATEMENTS
9. CONSIDER APPROVAL OF BURTON ENGINEERING PROFESSIONAL SERVICES AGREEMENT FOR CITY LAKE DAM EMERGENCY ACTION PLAN TASK ORDER / PROJECT NO. 014060501 AND AUTHORIZE CITY SECRETARY TO EXECUTE ALL RELATED DOCUMENTS
10. CONSIDER APPROVAL OF BURTON ENGINEERING PROFESSIONAL SERVICES AGREEMENT FOR WATER TREATMENT PLANT IMPROVEMENTS TASK ORDER / PROJECT NO 014060601 AND AUTHORIZE CITY SECRETARY TO EXECUTE ALL RELATED DOCUMENTS

Mayor Anderson recommended all items on the consent agenda be approved Councilmember Brockman made a motion to approve the consent agenda Councilmember Seymore seconded, and all voted in favor

INDIVIDUAL CONSIDERATION

11. CONSIDER ORDINANCE 2007-01 DISANNEXING A 3.68-ACRE TRACT AND A 1-ACRE TRACT SITUATED IN THE Q.C. NUGENT SURVEY, LOCATED ON HIGHWAY 17 AT INTERSTATE 20, OWNED BY TRAVIS DWAIN AND JUDY EASLEY AND JAMES AND RHONDA KING, RESPECTIVELY – Mayor Anderson stated he felt the City had met its obligations to provide services and it needed to be careful about disannexation of the property because it could not be re-annexed for ten years. Councilmember Brockman made a motion to deny the request for disannexation of the 3.68-acre tract and 1-acre tract situated in the Q.C Nugent Survey, located on Highway 17 at Interstate 20, owned by Travis Dwaine and Judy Easley and James and Rhonda King, respectively Councilmember Sanford seconded. Councilmember Hilliard voted nay, all others voted in favor of denying the request. Councilmember Brockman stated he preferred to see the city limits contiguous because it made it easier for the city to provide services to the area.

12. CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF A 20.48-ACRE TRACT OF LAND SITUATED IN THE DAVID TOWNS SURVEY, A-845, LOCATED ON NORTH INTERSTATE 20 SERVICE ROAD AT FM 1255, OWNED BY HENRY LEWIS, AND SCHEDULE PUBLIC HEARINGS IN FEBRUARY – Councilmember Deibert made a motion to accept the petition for annexation of a 20.48-acre tract of land situated in the David Towns Survey, A-845, located on North Interstate 20 Service Road at FM 1255, owned by Henry Lewis. Councilmember Sanford seconded. Councilmember Hilliard voted nay and all others voted in favor of accepting the petition. The first public hearing was scheduled for February 13, 2007, at 12 noon, followed by a second public hearing at 6:30 p.m., February 20, 2007.
13. CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF A 58.14-ACRE TRACT OF LAND AND A 22.82-ACRE TRACT OF LAND SITUATED IN THE Q.C. NUGENT SURVEY, A-618, OWNED BY B.J. SENTINEL LIMITED D.B.A. COTTAGE INVESTORS OF CANTON, LLC AND SCHEDULE PUBLIC HEARINGS IN FEBRUARY - Councilmember Brockman made a motion to accept the petition for annexation of a 58.14-acre tract of land and a 22.82-acre tract of land situated in the Q.C. Nugent Survey, A-618, owned by B.J. Sentinel Limited d b a Cottage Investors of Canton, LLC. Councilmember Seymore seconded and all voted in favor. Mayor Anderson scheduled the first public hearing on this matter for February 13, 2007, at 12 noon, and the second at 6:30 p.m. on February 20, 2007.
14. CONSIDER APPROVAL OF AGREEMENT WITH THE WATERS CONSULTING GROUP, INC. FOR PROFESSIONAL SERVICES RELATING TO THE SEARCH FOR A NEW CITY MANAGER – After a brief discussion regarding the need for a search firm to assist in the hiring of a new city manager and the amount of the contract, Councilmember Brockman made a motion to approve the agreement with The Waters Consulting Group, Inc. for professional services related to the search for a new city manager. Councilmember Sanford seconded. Councilmember Hilliard stated he did not want to overlook any current city employees who might be interested in the position. Councilmember Hilliard voted nay, and all others voted in favor of approving the agreement.
15. CONSIDER ACCEPTANCE OF STREETS IN LAKE MEADOWS SUBDIVISION- Mayor Anderson stated that, based upon the engineer's opinion, the streets were in good shape with the exception of some cracks which needed to be sealed. He instructed the City request Sean Stewart have the street cracks sealed and the city would reconsider acceptance.
16. CONSIDER AWARDED BID FOR DOWNTOWN STREETScape IMPROVEMENT PROJECT – Mayor Anderson pointed out the project had been ongoing for the last four years. He reported it was determined there was a shortfall of approximately \$64,000 and some items were being cut to allow for the shortfall. He added Main Street had agreed to contribute \$10,000 toward the project and any monies refunded by TxDOT would also go toward adding back any items deleted. Upon the recommendation of the project engineer, Councilmember Seymore made a motion to award the bid for the Downtown Streetscape Improvement Project to the low bidder, Santa Rosa Construction Co., in the amount of \$986,338.25, and to approve the proposed change order reducing the project costs by \$102,441.40. Councilmember Deibert seconded. Councilmember Hilliard abstained from voting since he was a property owner in the affected area. All others voted in favor.

17. CONSIDER AUTHORIZATION TO ADVERTISE FOR BIDS FOR FM 859 WATER LINE TEXAS CAPITAL FUND PROJECT – Mayor Anderson explained the engineer wanted to start the bid process prior to acquiring all the necessary easements and there was a possibility the project might have to be re-bid if the easements were not acquired within ninety days from the date of the bid, which could entail additional advertising costs to run the notice in the Canton paper. Upon Mayor Anderson recommendation, Councilmember Seymore made a motion to authorize advertisement of bids for the FM 859 water line Texas Capital Fund Project. Councilmember Deibert seconded, and all voted in favor.
18. CONSIDER REQUEST FROM C.I.S.D. FOR PARTICIPATION IN COPS GRANT PROGRAM – Mayor Anderson tabled the matter to allow the school district time to explore the possibility of forming its own jurisdiction.
19. CONSIDER APPOINTMENT TO FILL A VACANCY ON CANTON ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS – Mayor Anderson said due to Kerry Huddle's resignation from the CEDC, there was a vacancy on the CEDC board of directors. He said he spoke to Dr. Kris Ingram about filling that vacancy. Councilmember Deibert said he approved of the system whereby citizens started on a small committee and worked their way up into the larger committees. He then made a motion to approve the appointment of Dr. Kris Ingram to the vacancy on the Canton Economic Development Corporation Board of Directors. Councilmember Brockman seconded, and all voted in favor.

EXECUTIVE SESSION

Prior to executive session, the Mayor skipped to Item 23 Staff Reports. See notes below.

20. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071) – Pursuant to Section 551.071, of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, the Council convened in closed session at 7:23 for consultation with the city attorney.

RETURN TO OPEN SESSION

21. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 8:09 p.m. with no action taken.

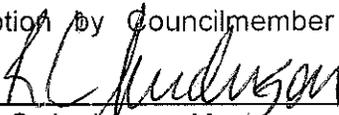
REPORTS

22. MAYOR'S REPORT
23. STAFF REPORTS – Julie Seymore mentioned she received a letter from the Texas Parks and Wildlife Department stating they were recommending the City's \$400,000 grant request for the Phase II Parks Project at a hearing set for the following Thursday. Tim Gothard reported a fire truck was down for brake repairs necessary to pass annual inspection, and they would probably require a budget amendment. He also said the fire department's application for a SAFER grant which would have funded some full-time firefighters had been denied. Jim Stephens said he was excited about the grant for the park and getting started on the sidewalk project, and the office was in the process of preparing the 1099's and W-2's for 2006. Lonny Cluck reported the new First Monday software was coming along well and the old system was completely useless. Mr. Cluck

explained the situation surrounding a complaint from the Trade Center IV vendors about the previous First Monday and the lack of traffic in the building. He said they would prepare a letter to the vendors and explain the City's side of the situation, as well as, personally speak with the vendors who complained. Mr. Cluck added he asked Holley Goodson to develop some incentives to vendors with lots in that building.

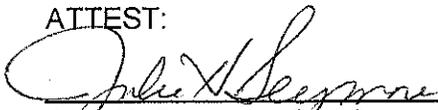
Councilmember Brockman said several people had spoken to him about property conditions in town. He felt it was important to keep up with code enforcement. Rick Malone explained Tim Gothard currently did code enforcement but those duties would transfer to Coy Prather as soon as he was licensed. Councilmember Deibert questioned the animals coming from outside the city limits. Rick Malone said the City helped DPS and the Sheriff's Department with animal control from time to time. Councilmember Deibert reported the First Monday Committee wished to have a master plan prepared on how to develop First Monday and Lonny Cluck was researching companies to use. He said it would eliminate a lot of questions on which direction to go. Mayor Anderson pointed out there were two ways to grow the City: one was to have people move to the area and the other was to have it as a travel destination for tourists.

24. ITEMS FOR FUTURE AGENDAS - Councilmember Hilliard requested an item on the next regular agenda regarding hiring a firm to do an accurate population count.
25. ADJOURN – There being no further business to come before the Council, the meeting adjourned at 8:10 p.m. upon motion by Councilmember Sanford and second by Councilmember Seymore.



 R.C. Anderson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
12 NOON, TUESDAY, FEBRUARY 13, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

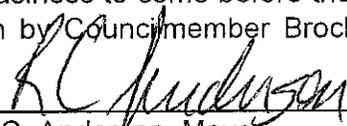
The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Ron Sanford, Robert Brockman, Elaine Gothard, Kevin Deibert, and William F. Hilliard. City Secretary Julie Seymore, and Directors Jim Stephens, Tim Gothard and Rick Malone were also in attendance.

Discussion and action were as follows:

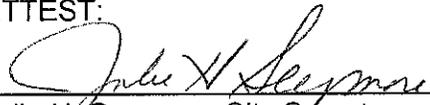
1. CALL TO ORDER - Mayor Anderson called the meeting to order at 12 noon and declared a quorum present.
2. FIRST PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 20.28 ACRE TRACT OF LAND SITUATED IN THE DAVID TOWNS SURVEY A-845 LOCATED ON NORTH INTERSTATE 20 SERVICE ROAD AT FM 1255, OWNED BY HENRY LEWIS - A

public hearing was opened at 12 noon concerning the annexation of the 20 48-acre tract owned by Henry Lewis. Julie Seymore presented a waiver signed by Mr Lewis stating he waived any rights under the annexation for water and sewer until such time as service was economically available Mayor Anderson stated this was the first of two public hearings, the second would be held at the regular council meeting on February 20, 2007, and the final vote would be taken at the March 2007 regular council meeting. Councilmember Deibert requested clarification on the waiver that the City would make the decision on when water and sewer were economically available There being no further comments, the public hearing was closed at 12:03 p m

3. FIRST PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 58 14-ACRE TRACT OF LAND AND A 22 82-ACRE TRACT OF LAND SITUATED IN THE Q.C NUGENT SURVEY, A-618, OWNED BY B.J. SENTINEL LIMITED DBA COTTAGE INVESTORS OF CANTON LLC – A public hearing was opened at 12:03 p.m concerning the annexation of a 58 14-acre tract of land and a 22 82-acre tract of land owned by B.J. Sentinel Limited d/b/a Cottage Investors of Canton LLC Mayor Anderson explained the property was adjacent to the city limits Rick Malone said the engineers were present to answer any questions Councilmember Deibert said the map looked good and he felt it would be an asset to the community. Mayor Anderson requested the engineers be available at the council meeting to answer any questions during the second public hearing on February 20, 2007 He noted the final vote would be taken during the March council meeting There being no further comments, the public hearing was closed at 12:05 p m Rick Malone commented sewer ran through the entire eastern part of the property
- 4 ADJOURN - There being no further business to come before the Council, the meeting adjourned at 12:05 p m. upon motion by Councilmember Brockman and second by Councilmember Sanford.


R C Anderson, Mayor

ATTEST:


Julie H Seymore, City Secretary

REGULAR MEETING WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, FEBRUARY 20, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Ron Sanford, Elaine Gothard, Robert Brockman, Kevin Deibert and William F. Hilliard. City Secretary, Julie Seymore, and Directors Jim Stephens, Lonny Cluck and Tim Gothard were also in attendance. City Attorney, Richard Davis, and Ray Brumley from Burton Engineering were present.

Discussion and action were as follows:

- 1 CALL TO ORDER - Mayor Anderson called the meeting to order at 5:32 p.m. and declared

a quorum present.

2. INVOCATION – None during work session
3. PLEDGE OF ALLEGIANCE - None during work session
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during work session.
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during work session
 - A. COMMENDATION OF CASSIE MARTIN FOR EXEMPLARY SERVICE IN HER CAPACITY AS DISPATCHER FOR THE CANTON POLICE DEPARTMENT

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None during work session

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM JANUARY 16, 2007 CITY COUNCIL MEETING – No changes to the minutes were noted
8. CONSIDER APPROVAL OF JANUARY 2007 FINANCIAL STATEMENTS – Julie Seymore reported budget amendments would be submitted at the next regular council meeting for the animal shelter, the antique show and for utilities due to increased rates. She noted the total revenue to date for the current year's budget was at 26% and the expenditures were also around 26%.
9. CONSIDER APPROVAL OF JOINT ELECTION AGREEMENT WITH CANTON INDEPENDENT SCHOOL DISTRICT FOR MAY 12, 2007 GENERAL ELECTION – Julie Seymore explained the joint election was required by new legislation requiring school districts to hold their elections with at least one city in their district. She said the school board would hold early voting at its regular location but election day voting would be at city hall.
10. CONSIDER CONTRACT FOR ELECTION SERVICES WITH VAN ZANDT COUNTY FOR MAY 12, 2007 GENERAL ELECTION – Julie Seymore said the HAVA-compliant electronic voting equipment was required for the election to help the disabled vote unassisted and she also planned to use a counting machine for the upcoming election. She noted the city had waived a building permit fee for the new jail in exchange for that amount in credit to be applied toward the rental of voting equipment.
11. CONSIDER ADOPTION OF ORDINANCE NO 2007-01 CALLING THE MAY 12, 2007 CITY OF CANTON GENERAL ELECTION TO ELECT A MAYOR AND TWO COUNCILMEMBERS AND DESIGNATING THE POLLING PLACE AND TIMES FOR EARLY VOTING AND ELECTION DAY – Julie Seymore advised the election would be held May 12, 2007 at city hall and early voting was scheduled for April 30 to May 8. She explained the law required two days of early voting be held from 7:00 a.m. to 7:00 p.m., but the city had offered more extended hours the previous year with only a few taking advantage of that. She recommended cutting back to the required two days of extended

voting to save on the cost of the election. She also noted the time period for filing as a candidate began February 12 and ended March 12.

12. CONSIDER ADOPTION OF RESOLUTION NO. 2007-01 APPOINTING DEBRA JOHNSON AND RITA RAGSDALE DEPUTY CITY SECRETARIES FOR 2007 CALENDAR YEAR – Julie Seymore explained the resolution appointed two staff members living outside the city limits as deputy city secretaries to make them eligible as election clerks.
13. CONSIDER APPROVAL OF CONTRACT WITH ATLAS ENTERPRISES, INC FOR JULY 4TH 2007 FIREWORKS DISPLAY – Julie Seymore advised the amount of the fireworks contract was \$12,500—the same cost and content as the previous year. She also suggested Labor Day as the alternate date in the event of bad weather. Mayor Anderson mentioned the fireworks display was an impressive one and many people attended.
14. CONSIDER ADOPTION OF ORDINANCE NO. 2007-02 AMENDIGN INDUSTRIAL WASTE ORDINANCE NO. 93-11 PROVIDING REQUIREMENT FOR INSTALLATION OF TRAPS, INTERCEPTORS AND SEPARATORS TO PROHIBIT GREASE, OIL, SAND FLAMMABLE WASTE AND OTHER HARMFUL ASTE DISCHARGE INTO SANITARY SEWER SYSTEM – Julie Seymore reported Building Inspector Coy Prather developed an ordinance setting out in more detail what would be required in grease traps, where before it had been a judgment call by the inspector. Mr. Prather said he contacted various cities while developing the ordinance to protect the sanitary sewer system.
15. CONSIDER RESOLUTION NO. 2007-02 AUTHORIZING CONTINUED PARTICIPATION WITH STEERING COMMITTEE OF CITIES SERVED BY TXU AND PAYMENT OF 10 CENTS PER CAPITA TO STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO TXU ELECTRIC DELIVERY – Julie Seymore said Canton had been a member of the TXU Steering Committee for some time and had received annual payments, including the last one of \$7500.00, as a result of a lawsuit the group had filed with TXU regarding franchise fees. She explained the committee was now requesting membership dues at a rate of 10 cents for each citizen (\$514) to help offset the cost of continuing its efforts on behalf of the coalition.

INDIVIDUAL CONSIDERATION

16. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 20.48-ACRE TRACT OF LAND SITUATED IN THE DAVID TOWNS SURVEY, A-845, LOCATED ON NORTH INTERSTATE 20 SERVICE ROAD AT FM 1255, OWNED BY HENRY LEWIS – Julie Seymore said the property on the I-20 North Service Road at FM 1255 was owned by Henry Lewis. She noted Mr. Lewis amended the waiver regarding providing utilities until the city felt it was economically feasible.
17. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 58.14-ACRE TRACT OF LAND AND A 22.82-ACRE TRACT OF LAND SITUATED IN THE Q.C. NUGENT SURVEY, A-618, OWNED BY B.J. SENTINEL LIMITED D.B.A. COTTAGE INVESTORS OF CANTON, LLC – Bud Surles explained the location of the property between I-20 and Hwys 19 and 17. He proposed the development of Phase I to include 100 RV sites. He noted the cottage development would be below that area. He added the cottages were technically considered RV's but would be sold in a time-share manner and the owners could put them on the site and return their usage back to the property manager to rent them out. He reported they would build a main lodge, approximately 7500 square feet, to

be used as a common area for meetings, seminars and family reunions. He added the master plan included two hundred additional rental units and they planned to develop a greenbelt corridor from I-20 to Old Mill Marketplace. He said the plan also included a swimming pool and stock ponds for recreational fishing, as well as hiking and biking trails, and pavilions available for weddings. He stated the RV pads would be concrete and have water, sewer, Y-5 cable, TV hook-ups, and 100 amp power. Mr. Surles said they owned the access off Hwy 17 which would be developed during Phase II.

18. CONSIDER AWARDING BID FOR UTILITY RELOCATION PROJECT AT INTERSECTION OF HIGHWAYS 198 AND 243 – Julie Seymore showed a letter of recommendation from Burton Engineering awarding the bid to Triple AAA Sanitation. Ray Brumley indicated the contractor had previously done good work for the city.
19. HEARING ON GRIEVANCE FILED BY STEVE THOMPSON – No discussion during work session.

REPORTS

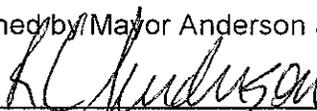
20. MAYOR'S REPORT – None during work session.
21. STAFF REPORTS – Julie Seymore reported the bids on the waterline from FM 859 to I-20 ranged from \$282,000 to \$525,000 and that Burton Engineering was checking the lowest bid because it was more than \$100,000 lower than the other bids. She also reported the animal shelter opening had been scheduled for March 9 from 10:00 a.m. to 5:00 p.m., the EMS building was scheduled to be turned over March 1 to Champion EMS, and the process of codifying city ordinances had been initiated and would cost \$6500 plus \$650 to allow web access of the ordinances. Tim Gothard reported the fire department was running smoothly. Mayor Anderson asked how many times they were called out for Careflight during a month. Tim Gothard said since the flights were now from the new clinic, they might not be needed to report for all the flights. Mike Echols reported everything was going well at the Police Department. Lonny Cluck said he had spoken to three different groups regarding the development of a First Monday master plan and they would first present their ideas to the First Monday Committee and then to the council. He also reported repairs had begun on the older First Monday restrooms, he was checking on prices for a sound system for the Civic Center, and the property lease on the Civic Center RV Park had been reviewed. Councilmember Deibert said the First Monday grounds needed to be surveyed in conjunction with preparation of the master plan. Mayor Anderson said Mrs. Sumner had contacted him about her RV park being mentioned on the internet for renting out RV's. Lonny Cluck advised the city's RV's were not rented out on the internet. Councilmember Deibert said he had spoken to Mrs. Sumner and asked her to put all her concerns down in writing and he would get answers for her. Judge Durham said everything was operating well at the Municipal Court and she was speaking to Jim Stephens about hiring a part-time clerk. Jim Stephens said the preconstruction meeting for the sidewalks was scheduled March 15, TxDOT had approved all of the city's changes, and work should begin April 1.

EXECUTIVE SESSION

22. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING PENDING LITIGATION (SECTION 551.071) – Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, the Council convened in closed session at 6:10 p.m. for consultation with attorney.

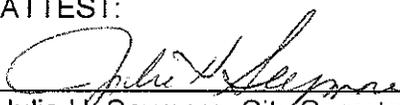
RETURN TO OPEN SESSION

23. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 6:31 with no action taken.
24. ITEMS FOR FUTURE AGENDAS – None during work session
25. ADJOURN – The meeting was adjourned by Mayor Anderson at 6:31 p.m.



 R.C. Anderson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, FEBRUARY 20, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Ron Sanford, Elaine Gothard, Robert Brockman, Kevin Deibert, and William F. Hilliard. City Secretary Julie Seymore, and Directors Jim Stephens, Tim Gothard and Lonny Cluck were also in attendance. City Attorney, Richard Davis, and Ray Brumley of Burton Engineering were present.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Anderson called the meeting to order at 6:38 p.m. and declared a quorum present.
2. INVOCATION was given by Jim Stephens.
3. PLEDGE OF ALLEGIANCE was led by Coy Prather.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None.
5. PROCLAMATIONS AND ANNOUNCEMENTS
 - A. COMMENDATION OF CASSIE MARTIN FOR EXEMPLARY SERVICE IN HER CAPACITY AS DISPATCHER FOR THE CANTON POLICE DEPARTMENT – Tim Gothard recognized Cassie Martin for her outstanding performance of duty in handling a 911 call from Alvin Tankersley on February 2, 2007, regarding his son who had called for help. Mayor Anderson expressed his appreciation for everyone at the Police Department and Fire Department.
6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE

REGULAR AGENDA - None

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM JANUARY 16, 2007 CITY COUNCIL MEETING
8. CONSIDER APPROVAL OF JANUARY 2007 FINANCIAL STATEMENTS
9. CONSIDER APPROVAL OF JOINT ELECTION AGREEMENT WITH CANTON INDEPENDENT SCHOOL DISTRICT FOR MAY 12, 2007 GENERAL ELECTION
10. CONSIDER CONTRACT FOR ELECTION SERVICES WITH VAN ZANDT COUNTY FOR MAY 12, 2007 GENERAL ELECTION
12. CONSIDER ADOPTION OF RESOLUTION NO. 2007-01 APPOINTING DEBRA JOHNSON AND RITA RAGSDALE DEPUTY CITY SECRETARIES FOR 2007 CALENDAR YEAR
13. CONSIDER APPROVAL OF CONTRACT WITH ATLAS ENTERPRISES, INC FOR JULY 4TH 2007 FIREWORKS DISPLAY
14. CONSIDER ADOPTION OF ORDINANCE NO 2007-02 AMENDING INDUSTRIAL WASTE ORDINANCE NO 93-11 PROVIDING REQUIREMENTS FOR INSTALLATION OF TRAPS, INTERCEPTORS AND SEPARATORS TO PROHIBIT GREASE, OIL, SAND, FLAMMABLE WASTE AND OTHER HARMFUL WASTE DISCHARGE INTO SANITARY SEWER SYSTEM
15. CONSIDER RESOLUTION NO 2007-02 AUTHORIZING CONTINUED PARTICIPATION WITH STEERING COMMITTEE OF CITIES SERVED BY TXU AND PAYMENT OF 10 CENTS PER CAPITA TO STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO TXU ELECTRIC DELIVERY

Councilmember Gothard made a motion to approve all items on the consent agenda. Councilmember Brockman seconded, and all voted in favor

INDIVIDUAL CONSIDERATION

16. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 20.48-ACRE TRACT OF LAND SITUATED IN THE DAVID TOWNS SURVEY, A-845, LOCATED ON NORTH INTERSTATE 20 SERVICE ROAD AT FM 1255, OWNED BY HENRY LEWIS – Mayor Anderson explained two public hearings were required, the first of which was held February 13, 2007, at 12 noon. He then opened the second public hearing at 6:45 p.m. concerning the annexation of the 20.48-acre tract owned by Henry Lewis. Hearing no comments, the public hearing was closed at 6:46 p.m.
17. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 58.14-ACRE TRACT OF LAND AND A 22.82-ACRE TRACT OF LAND SITUATED IN THE Q.C. NUGENT SURVEY, A-618, OWNED BY B.J. SENTINEL LIMITED D.B.A. COTTAGE INVESTORS OF CANTON, LLC – Mayor Anderson explained two public hearings were required, the first of which was held February 13, 2007, at 12 noon. A public hearing was opened at 6:46 p.m. concerning the annexation of the 58.14-acre tract owned by B.J. Sentinel Limited d.b.a. Cottage Investors of Canton, LLC. Mayor Anderson mentioned the briefing given at

the workshop by the developers. Hearing no comments, the public hearing was closed at 6:47 p.m.

18. CONSIDER AWARDED BID FOR UTILITY RELOCATION PROJECT AT INTERSECTION OF HIGHWAYS 198 AND 243 – Mayor Anderson explained TxDOT was widening the intersection at Highways 198 and 243 requiring the City to move utilities in that area. Upon Burton Engineering's recommendation to accept the lowest bid from AAA Sanitation, Councilmember Brockman made a motion to award the bid to AAA Sanitation in the amount of \$491,934.80 for the utility relocation project at the intersection of Highways 198 and 243. Councilmember Sanford seconded, and all voted in favor.
19. HEARING ON GRIEVANCE FILED BY STEVE THOMPSON – William Dunleavy presented himself on Mr. Thompson's behalf and indicated a public session would be fine. The public hearing concerning the grievance on file by Steve Thompson began at 6:49 p.m. Richard Davis explained the rules governing the proceeding. Each side would have twenty minutes to present their case then the council could ask questions, if necessary. After that, the council would vote as to whether or not to sustain the action previously taken or to modify it in some way. Mr. Dunleavy stated he had waited over a year to be heard by the council regarding a written reprimand Mr. Thompson received in November 2005. He explained Officer Thompson was called in from vacation in 2005 when the victims of Hurricane Katrina were sent to Canton, and he was not released from standby until the following week. He noted Officer Thompson raised the issue with his supervisor about being compensated for losing his vacation and not being paid overtime, but was told it was too bad. He added when Officer Thompson complained about not receiving compensation, he was reprimanded. Mr. Dunleavy pointed out the Police Department's policy manual stated police officers should submit complaints through the chain of command, which is through the Chief of Police, then the City Manager, then the City Council, but there was no police chief in November 2005 and no city manager at that time. He said City employees were told to speak with Lonny Cluck who was acting as city manager but when Officer Thompson did so, he was reprimanded. He added Officer Thompson had not been allowed to attend training or use the police department computer for training, and when Officer Thompson got approval for courses and took them on-line, he was not compensated for his time. Mr. Dunleavy said what happened with Officer Thompson was indicative of the major problems at the police department--supervisors had asked him to change his time sheet, officers were asked not to report their true time, and supervisors were in relationships with officers they evaluate. Mr. Dunleavy also stated a decision would be made that night by someone who had not recused herself when she should. Mr. Dunleavy said he told the council in 2004 to change what they were doing. He noted since that time, Charles Fenner was let go and paid \$100,000, Cliff Bowden was let go and paid \$90,000, and Ms. Abio's claim was \$50,000. He stated the council had not been a good steward of the taxpayers' money and the city was violating federal payroll practices. He added the city needed to fix what was broken. Mr. Dunleavy requested Officer Thompson be paid for vacation time he was not allowed to take and given the time back he was asked to work. He also requested Officer Thompson be compensated for time he spent training on-line. Mr. Dunleavy asked the city to correct these problems. Mr. Dunleavy ended his comments at 6:59 p.m.

At 7:00 p.m., Julie Seymore began the city's response. She said Officer Thompson was on vacation but called in to work during the sheltering of hurricane evacuees. She said he worked 8 hours of a 12-hour shift that day. She noted overtime was not paid by the city unless a total of eighty hours had been worked in a two-week period. She explained the

vacation time Officer Thompson did not use was banked for later use, per the customary policy, and Officer Thompson was paid for the time he worked that week. She presented leave reports and stated his accrued leave time prior to the payroll was 133.76 and after the payroll was 102.38. She explained the only thing reduction in leave time was the thirty-six hours he took for vacation prior to being called in to duty. She added that none of the other officers were paid overtime until after they had worked eighty hours. Ms. Seymore explained Officer Thompson used thirty-two hours before the hurricane occurred then four more because he only worked eight hours of the twelve-hour shift. He was scheduled for four days vacation and used three and one-half. She also noted the city did not have a standby status. Mr. Dunleavy reiterated that Officer Thompson was told he could not go on vacation and he was to be on standby. Tim Gothard stated the city did not know of the victims coming to Canton until Friday night. Julie Seymore said the standard procedure was not to pay overtime until after eighty hours was worked in the two-week period. Mike Echols said he was on vacation at the same time and was called in to work. Mr. Echols worked more days than Officer Thompson but was not paid overtime because he was on vacation during the pay period. Mr. Echols said Officer Thompson only worked six hours actually and then left without permission for two. He also noted the reprimand to Officer Thompson was for other issues. Officer Thompson had spoken to Lonny Cluck regarding Mike Echols said he believed Mr. Dunleavy had been misinformed by his client about a number of things. Brad Allison stated he had personally helped Officer Thompson on the computer at the Police Department. Mike Echols said both Sgt. Allison and Sgt. Hall told Officer Thompson about the procedure to follow to obtain training prior to Tim Gothard issuing a memo about the matter. He said in the past eleven years, he had arranged for officer training and not once had any officer not been allowed to take mandatory classes. He added the first time he was aware of Officer Thompson's complaint about training was in September 2006. He said Officer Thompson had admitted he did not do what Sgt. Allison and Sgt. Hall instructed him to do regarding signing up for training. There was a school scheduled for December 4-6. Officer Thompson was signed up for and did not attend nor did he contact Sgt. Allison to let him know he would not be attending. Officer Thompson did not attend two other classes he was scheduled to attend. Mr. Echols stated the Police Department had established a policy to make sure notices about all available classes were posted on the bulletin board as a result of Officer Thompson's complaints. He pointed out Officer Thompson had not contacted his supervisors about any of the classes. He added officers were allowed to do computer work at the police department, but they had not been paid in the past when they took on-line classes off duty. He noted Heath Burton was sent to FTO school, but Officer Thompson had attended a week-long school to become an FTO but refused to do the job. Councilmember Deibert asked whether or not Officer Thompson knew he was scheduled for the three classes he failed to attend. Mike Echols said they were on the schedule. Mike Echols also mentioned the November 16, 2005 document passed out by Mr. Dunleavy was not related to Hurricane Katrina, but that it concerned Officer Thompson bypassing procedure. He said Officer Thompson had been barred from speaking to the payroll clerk because he had been rude to her. Julie Seymore explained Officer Thompson's vacation started on November 21 according to his timesheet. He had vacation on November 21, 22, 23 and four hours on the 24th. Mayor Anderson clarified that Officer Thompson was not paid overtime because he was on vacation and then off the three days after the hurricane. Julie Seymore said most officers did receive overtime during this period because they worked their full schedule. Councilmember Sanford felt the staff had proven their point. Councilmember Sanford made a motion to sustain the actions of the staff with regard to how Officer Thompson was treated as far as vacation and overtime pay. Councilmember Brockman seconded and all voted in favor. There being no further comments, the grievance hearing

was closed at 7:28 p m.

REPORTS

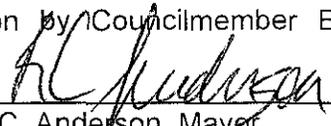
20. MAYOR'S REPORT – Mayor Anderson reported Congressman Hensarling was in Canton that morning for a town hall meeting on the Washington budget. He also reported the CISD Band Director, Mr. Toups, invited everyone to attend a free concert (ticket required) at the high school on March 22 by the army field band and soldiers chorus.
21. STAFF REPORTS – None

EXECUTIVE SESSION

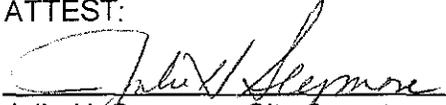
22. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING PENDING LITIGATION (SECTION 551.071) – Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, the Council convened in closed session at 7:31 p m for consultation with the City Attorney

RETURN TO OPEN SESSION

23. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 7:54 p.m with no action taken
24. ITEMS FOR FUTURE AGENDAS – None during Regular Meeting
25. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 7:55 p.m upon motion by Councilmember Brockman and second by Councilmember Deibert


R C. Anderson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
12 NOON, TUESDAY, FEBRUARY 26, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R C Anderson, Ron Sanford, Elaine Gothard, Kevin Deibert and William F. Hilliard. Councilmember Robert Brockman was absent. City Secretary, Julie Seymore, and Directors Jim Stephens, Tim Gothard and Lonny Cluck were also in attendance. City Attorney, Richard Davis, was present

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Anderson called the meeting to order at 12 noon and declared a quorum present.

2. CONSIDER PROPOSED AMENDMENTS TO CITY OF CANTON PERSONNEL HANDBOOK AND POLICY MANUAL – Richard Davis stated the council should clarify the periods in which employees could work and the necessity for getting either the supervisor's prior approval or approval at the time any overtime was worked. Julie Seymore pointed out dispatched water and sewer calls could, as a standard, be considered as pre-approved. Rick Malone explained the automatic dialing system for emergencies at the water and sewer plants. Mr. Davis advised pre-approval for emergency situations was fine and if a situation were major, the supervisor would be made aware. Lonny Cluck pointed out First Monday pay was not being handled as described in the personnel handbook. He explained that in the past, everyone who worked during First Monday weekend was paid overtime by separate check on a separate payroll, while now no overtime was paid unless forty hours was worked during the week after First Monday. Julie Seymore said the workweek was Friday through Saturday and when she started, it was understood no one would take off the week following First Monday because they were receiving overtime for First Monday. Sheh added with a lot of new employees coming on, there had been an issue with people taking off and not working forty hours. Lonny Cluck said when the city changed to paying one check, it put a lot of people in a bind because they were used to having a separate check. Julie Seymore said the city paid individuals who needed to transition into the change. She explained the change was made because individuals in other departments were not being paid overtime until they worked their forty hours, even if it was a First Monday weekend, and everyone was not being treated fairly. Rick Malone said in the past, six to eight employees got a First Monday check but did not actually work on the First Monday grounds. Julie Seymore said a lot of part-time personnel began working First Monday on Wednesdays and many who work only sixty to seventy hours a month. There was a general discussion regarding changing the workweek to Monday through Sunday. Mayor Anderson requested calculations be done to determine the effect of changing the workweek. Julie Seymore reported the handbook had recently been reviewed and updated, but wasn't quite complete. She noted there were several other issues which needed to be decided, such as in what order people needed to take their leave time. Councilmember Hilliard made a motion to approve the proposed amendments to the City of Canton personnel handbook and policy manual as follows:

METHODS OF COMPENSATION

- (1) Add for clarification: Time worked shall be rounded to and paid in quarter-hour increments

OVERTIME

- (2) Current handbook states: Employees shall work overtime when necessary, and only when approved by the Department Head

Proposed change to: Employees shall work overtime when necessary, and only when approved prior to, or at the time of, its occurrence by the supervisor or department head.

- (3) Current handbook states: All permanent full-time employees that work First Monday part-time shall be paid at the over-time rate of one and one-half (1 ½) times the regular rate of pay for Saturday and Sunday, regardless if they worked forty hours the previous week or not.

Proposed change to: Omit the statement. In an effort to comply with FLSA and provide a fair and equitable system to all employees, a policy change was effected June 2006 whereby only time worked after 40 hours would be considered overtime for all employees, including First Monday. This policy has been fully-implemented and it is requested it be ratified.

HOLIDAYS

(4) Current handbook states: As many employees as possible will be given each holiday off without loss of pay. All permanent full-time employees who are required to work on holidays shall be given an alternate day off. When the holiday and regular day off occur on the same day, those employees who are scheduled off-duty on that day will be entitled to another day off.

Proposed Addition: Employees are encouraged to use their benefits, including holidays. If an employee must work a holiday, he shall take an alternate day off as soon as possible.

(5) Proposed Addition: Holidays are considered time worked when computing overtime. If an employee works more than half a regular shift on a holiday, he shall receive the greater of a full day's pay or time worked, plus an alternate holiday off. If an employee works less than half a regular shift on a holiday, he shall receive time worked plus a full shift paid holiday for that day.

Time worked plus holiday hours must equal forty hours per week (eighty hours per two-week pay period for police and fire) before overtime is paid. Any other leave time will not be awarded above a forty-hour work week (eighty-hour two-week pay period for police and fire).

Councilmember Deibert seconded, and all voted in favor.

3. MAYOR'S REPORT – Mayor Anderson passed out the City Manager profile prepared by Waters-Oldani Executive Search Consultants and suggested the advertised salary range be \$70,000-90,000. He said he would try to review the city manager ordinance and have a proposed ordinance by the March council meeting. He also noted Councilmember Deibert wanted to make sure people in residential neighborhoods could not rent out RV-type residences, as proposed in the RV-Cottage resort area development. Rick Malone said zoning for R-1, R-2 and R-3 would not allow rentals in yards. Mayor Anderson instructed Mr. Malone to double check and propose any zoning amendments to prevent this use. Tim Gothard pointed out the cottages would be listed as travel trailers on fire reports.

4. STAFF REPORTS

EXECUTIVE SESSION

5. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071) – Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, the Council convened in closed session at 12:41 p.m. for consultation with attorney.

RETURN TO OPEN SESSION

- 6. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 1:04 p.m. with no action taken
- 7. ITEMS FOR FUTURE AGENDAS – Mayor Anderson instructed Rick Malone to gather information on a timekeeping system.
- 8. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 1:07 p.m. upon motion by Councilmember Hilliard and second by Councilmember Sanford



 R.C. Anderson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, MARCH 20, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert, Elaine Gothard, William Hilliard, and Ron Sanford. City Secretary, Julie Seymore, and Directors Lonny Cluck, Tim Gothard, and Jim Stephens were also in attendance. City Attorney Richard Davis and City Engineer Gary Burton were present.

Discussion and action were as follows:

- 1. CALL TO ORDER - Mayor Anderson called the meeting to order at 5:30 p.m. and declared a quorum present
- 2. INVOCATION – None during work session.
- 3. PLEDGE OF ALLEGIANCE – None during work session
- 4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None during work session
- 5. PROCLAMATIONS AND ANNOUNCEMENTS – None during work session

CITIZEN'S FORUM

- 6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None during work session.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM FEBRUARY 13, 20 AND 26, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF FEBRUARY 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF RESOLUTION 2007-03 APPOINTING ELECTION JUDGE, ALTERNATE JUDGE, AND EARLY VOTING BALLOT BOARD FOR MAY 12, 2007 GENERAL ELECTION – Julie Seymore reported Don Bullard agreed to serve as Election Judge and Judge of the Early Voting Ballot Board. She noted one less clerk would be necessary since they were planning to use a counting machine.
10. CONSIDER ADOPTION OF ORDINANCE 2007-03 AMENDING ORDINANCE EXISTING FRANCHISE ORDINANCE BETWEEN CITY OF CANTON AND TXU ELECTRIC DELIVERY COMPANY TO PROVIDE A DIFFERENT PAYMENT SCHEDULE AND AN EXTENSION OF THE FRANCHISE TERM – Julie Seymore explained as one of the terms of the TXU Steering Committee's Settlement Agreement with TXU, TXU was offering qualifying cities quarterly rather than annual payments in exchange for a six-year extension on the current franchise agreement, which for Canton would be from 2013 to 2019. She reported TXU's current franchise fee in Canton was four per cent based on usage, which was passed on by TXU to its customers and could increase franchise revenue to the city as customers and usage increased. She indicated a TXU representative said most other cities were taking advantage of the offer and franchise fee increases were not anticipated since they were passed on to customers

INDIVIDUAL CONSIDERATION

11. CONSIDER RECYCLABLE MATERIAL AT FIRST MONDAY – Teresa Leftwich represented the Reclamation Station and made a presentation requesting they be allowed to take cardboard from the grounds during First Monday for recycling. She said the purpose was to reduce solid waste in the community and to train and employ handicapped adults who were not employable in the average business. Ms. Leftwich added she had discussed the details with Lonny Cluck. Trailers would be located on the grounds on which vendors could place their broken-down boxes. The trailers would be rotated out daily and taken to the Reclamation Station where the cardboard would be baled. Lonny Cluck said this would reduce the amount of solid waste taken to the transfer station and, therefore, would reduce the amount the City paid for pickup. He noted there were still logistics to be worked out regarding picking up the material and where trailers would be located. Mr. Cluck also advised the current contractor for garbage service released in writing its right to serve in this capacity. He added another contractor expressed interest in recycling cardboard but he had not yet received his bid which he expected to be minimal. Mayor Anderson questioned whether or not the service should be put out for bids. Richard Davis said he would research that matter.
12. CONSIDER ADOPTION OF ORDINANCE 2007-04 ON VOLUNTARY ANNEXATION OF A 20 48-ACRE TRACT OF LAND SITUATED IN THE DAVID TOWNS SURVEY, A-845, LOCATED ON NORTH INTERSTATE 20 SERVICE ROAD AT FM 1255, OWNED BY HENRY LEWIS – Julie Seymore explained two public hearings were previously held on the requested annexation and it was now before the Council for a vote. She noted the property would come in zoned as Rural Agricultural in accordance with the Zoning Ordinance.

13. CONSIDER ADOPTION OF ORDINANCE 2007-05 ON VOLUNTARY ANNEXATION OF A 58.14-ACRE TRACT OF LAND AND A 22.82-ACRE TRACT OF LAND SITUATED IN THE Q C NUGENT SURVEY, A-618, OWNED BY B.J. SENTINEL LIMITED D B A COTTAGE INVESTORS OF CANTON, LLC – Julie Seymore explained two public hearings had been held on the proposed annexation and it was now before the Council for a vote. She noted the property would come in zoned as Rural Agricultural, but Public hearings would be held on their request for Planned Development zoning, which included a site development plan. Councilmember Gothard expressed safety concerns over having only one entrance into the development. Rick Malone said it was fairly common to only have one entrance, the property would have a low-density use, the company reached an agreement with Paul Michael to expand the current entrance to two-lane, and future phases would include an additional entrance from FM 17.
14. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2007-06 AMENDING THE 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE FROM RETAIL TO MIXED-USE NON-RESIDENTIAL ON THE NORTH SIDE OF HIGHWAY 64 FROM LITTLE STREET TO FLEA MARKET ROAD – Julie Seymore explained the Future Land Use Plan designated the area on Highway 64 as Retail, while a mixed-use non-residential would allow for Restricted Professional Office (RPO), Local Business District B-1 and General Business District B-2. She noted the staff and Planning & Zoning Commission recommended the amendment to the future land use plan. When asked about living in the warehouse, Ms. Seymore stated there currently was no restriction in the zoning ordinance against living in areas zoned RPO, B-1 or B-2. It was also determined the proposed storage building at 680 West Dallas would be required to meet the new exterior building standards or to apply for a variance.
15. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2007-07 EFFECTING A ZONING CHANGE FROM MULTIPLE FAMILY RESIDENTIAL (MF-1) TO GENERAL BUSINESS DISTRICT (B-2) ON THAT CERTAIN LOT LOCATED AT 680 WEST DALLAS STREET, CANTON, TEXAS, CURRENTLY OWNED BY BILLY JACK DEEN
16. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2007-08 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO MULTIPLE FAMILY RESIDENTIAL (MF-1) ON THAT CERTAIN LOT LOCATED AT 1301 WEST COLLEGE STREET, CANTON, TEXAS, CURRENTLY OWNED BY G.E. JAMESON – Julie Seymore explained the property owner wished to change zoning from Rural Agricultural to Multiple Family Residential 1, which would allow multiple family residences up to quadplexes only. She said the developer's wanted to develop single-story duplexes for seniors with minimum upkeep, similar to the residences behind Circle E. She reported six property owners were notified, and two responded against and one in favor. She added about 8 others not in that group expressed disfavor with that and were worried about property values, renters, and two-story structures. Ms. Seymore reported the Planning & Zoning Commission recommended the change and MF-1 zoning complied with the Future Land Use Plan. She noted the developer proposed building one-story structures only, but that restriction could not be placed on the zoning. Councilmember Gothard pointed out the units would be sold to individuals who would pay property taxes and the developer was targeting the retirement age which would have a low impact on the school district. Rick Malone reminded the council the developer would also have to submit a site plan for approval. He also said the residences would be more like townhomes than duplexes. When asked if the plan could be for more than the proposed thirty units, Mr. Malone stated the developer had not confirmed if thirty units would fit into the development. Councilmember Gothard asked if

the developer could rent the units he was unable to sell them. Ms Seymore confirmed they could be rented under the MF-1 zoning. Mr Malone said the estimated living space would be approximately 1200 square feet, they would have garages plus parking in the driveway, fencing would surround the property, and the duplexes would be a good buffer between the apartments and the homes in the area. Councilmember Hilliard expressed his concern that this property might be required in the future for a street from College to Hwy 243. Councilmember Deibert stated the street on the east side of the apartments was a public street. Mr Malone said there were two options, including the street by the apartments or straightening out a street further east. He suggested Towles Road could be opened up.

17. UPDATE ON FM 859 WATER LINE TEXAS CAPITAL FUND GRANT PROJECT FOR FIRE PROTECTION SERVICE TO TRINITY MOTHER FRANCES CLINIC – Gary Burton reported the letters for the utility easements had been sent. He stated JDR Contracting was the low bidder by quite a large margin, approximately \$100,000. He said the contractor did the sewer project on the city's east outfall and did a very good job. Mr. Burton contacted the contractor to question whether or not the job could really be done for the bid amount. The contractor said he wanted to work locally and could do the project for the stated amount. Mr. Burton requested the council award the bid so materials could be ordered while pipe prices were lower, even though all the easements had not yet been obtained. He added the order to proceed would not be issued until the easements were in hand. Rick Malone stated he had already made preliminary contact on all the easements and received favorable responses.
18. CONSIDER APPROVAL OF TASK ORDER AMENDMENT NO 2 SUPPLEMENT TO CONTRACT WITH GARY BURTON ENGINEERING, INC FOR PLAN REVISIONS AND ADDITIONAL BID PHASE SERVICES FOR ETHERIDGE ROAD RECONSTRUCTION – Gary Burton explained the amendment was for additional engineering on Etheridge Road since the project was being changed to only include the area between Hwy. 198 to the west side of Malinda. He said specifications and the bidding process would have to be redone. Julie Seymore said the contract was for engineering services not to exceed \$8000. When discussing the width of the street, Rick Malone reported there was a problem getting an easement from one property owner. Mr. Burton said the driving surface for the new road would be thirty-two feet and the right-of-way would be sixty feet. He agreed to obtain bids for both an asphalt and a concrete surface for the road.
19. REVIEW AND CONSIDER ADOPTION OF ORDINANCE NO 2007-09 ADOPTING EMERGENCY ACTION PLAN FOR MILL CREEK RESERVOIR DAM PREPARED BY GARY BURTON ENGINEERING, INC. – Gary Burton presented the Emergency Action Plan for the Mill Creek Reservoir Dam. The plan identified three different classifications of emergencies: one was a non-failure concern, then a potential failure, then an imminent failure. The Plan also set out a response procedure. Blanks were left to fill in the titles of the people to be contacted. Mayor Anderson announced he would table the matter until the next regular council meeting to allow time for a review of the plan.
20. CONSIDER ADOPTION OF ORDINANCE 2007-10 ESTABLISHING THE CITY MANAGER'S POSITION AND REPEALING PREVIOUS CITY MANAGER ORDINANCES - Mayor Anderson announced he would table the matter to a later meeting to allow more time to develop the ordinance.
21. CONSIDER ADOPTION OF ORDINANCE 2007-11 AMENDING THE 2006-2007 FISCAL

YEAR BUDGET – Not addressed during work session

REPORTS

- 22. MAYOR'S REPORT - None during work session.
- 23. STAFF REPORTS – None during work session

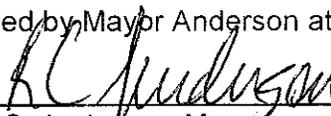
EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071, 551.076 and 551.087. None during work session.

- 24. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING SECURITY DEVICES (SECTION 551 076)
- 25. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTION 551 087)
- 26. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551 071.)

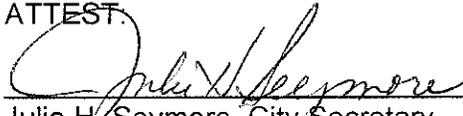
RETURN TO OPEN SESSION

- 27. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
- 28. ITEMS FOR FUTURE AGENDAS
- 29. ADJOURN – The meeting was adjourned by Mayor Anderson at 6:27 p m.



 R C. Anderson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, MARCH 20, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert, Elaine Gothard, William Hilliard and Ron Sanford. City Secretary, Julie Seymore, and Directors Jim Stephens, Tim Gothard, and Lonny Cluck were also in attendance. City Attorney Richard Davis and City Engineer Gary Burton were present.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Anderson called the meeting to order at 6:33 p m and declared a quorum present
2. INVOCATION was given by Jim Stephens.
3. PLEDGE OF ALLEGIANCE was led by Tim Gothard
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Jim Fuller, 1755 Desert Willow, updated the Council on the progress of the 2007 Bluegrass Festival. He said he had 20,000 litter bags printed with advertising for the festival and had already distributed 10,000 around the country. He noted the concentration of the advertising budget would be spent in the Tyler and Dallas markets. He stated they would like to have as much local attendance as possible for the June 20-23, 2007 event

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM FEBRUARY 13, 20 AND 26, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF FEBRUARY 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF RESOLUTION 2007-03 APPOINTING ELECTION JUDGE, ALTERNATE JUDGE, AND EARLY VOTING BALLOT BOARD FOR MAY 12, 2007 GENERAL ELECTION
10. CONSIDER ADOPTION OF ORDINANCE 2007-03 AMENDING ORDINANCE EXISTING FRANCHISE ORDINANCE BETWEEN CITY OF CANTON AND TXU ELECTRIC DELIVERY COMPANY TO PROVIDE A DIFFERENT PAYMENT SCHEDULE AND AN EXTENSION OF THE FRANCHISE TERM

Mayor Anderson read each item on the Consent Agenda. Julie Seymore informed the Council Don Bullard agreed to serve as Election Judge and the school district was not planning to share election officials. Upon motion by Councilmember Brockman and second by Councilmember Sanford, all voted in favor of passing the consent agenda.

INDIVIDUAL CONSIDERATION

11. CONSIDER RECYCLABLE MATERIAL AT FIRST MONDAY – Mayor Anderson explained the Reclamation Station made a presentation and request to pick up the city's cardboard free of charge to support their tax-exempt organization and provide work opportunities for

handicapped and mentally-challenged individuals Jim Stephens mentioned he had a letter from the city's trash collector which stated they did not object. Councilmember Brockman made a motion to approve the request by Reclamation Station contingent Mr. Davis' research to determine if it was necessary to obtain other bids. Councilmember Deibert seconded, and all voted in favor

12. CONSIDER ADOPTION OF ORDINANCE 2007-04 ON VOLUNTARY ANNEXATION OF A 20.48-ACRE TRACT OF LAND SITUATED IN THE DAVID TOWNS SURVEY, A-845, LOCATED ON NORTH INTERSTATE 20 SERVICE ROAD AT FM 1255, OWNED BY HENRY LEWIS – Mayor Anderson explained two public hearings had previously been held. He said key was Mr. Lewis' waiver of water and sewer service until the city decided it could be provided at a reasonable cost. He explained the property would come into the city zoned Rural Agricultural. Councilmember Gothard made a motion to adopt Ordinance 2007-04 for the voluntary annexation of the 20.48-acre tract of land situated in the David Towns Survey, A-845, located on the North Interstate 20 service road at FM 1255, currently owned by Henry Lewis. Councilmember Deibert seconded and all voted in favor.
13. CONSIDER ADOPTION OF ORDINANCE 2007-05 ON VOLUNTARY ANNEXATION OF A 58.14-ACRE TRACT OF LAND AND A 22.82-ACRE TRACT OF LAND SITUATED IN THE Q.C. NUGENT SURVEY, A-618, OWNED BY B.J. SENTINEL LIMITED D.B.A. COTTAGE INVESTORS OF CANTON, LLC – Mayor Anderson said the property under consideration was the old Mill Creek RV Park. He noted two public hearings had been held and a site plan still needed to be approved. Councilmember Brockman made a motion to adopt Ordinance 2007-05 for the voluntary annexation of a 58.41-acre tract of land and a 22.82-acre tract of land situated in the Q.C. Nugent Survey, A-618, owned by B.J. Sentinel Limited d.b.a. Cottage Investors of Canton, LLC. Councilmember Sanford seconded and all voted in favor.
14. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2007-06 AMENDING THE 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE FROM RETAIL TO MIXED-USE NON-RESIDENTIAL ON THE NORTH SIDE OF HIGHWAY 64 FROM LITTLE STREET TO FLEA MARKET ROAD - A public hearing opened at 6:44 p.m. Mayor Anderson explained the landowner wished to build a storage unit next to an existing one. He added the Planning & Zoning Commission recommended approval. Hearing no comments, the public hearing closed at 6:45 p.m. Upon motion by Councilmember Gothard and second by Councilmember Deibert, all voted in favor of adoption of Ordinance 2007-06 amending the Future Land Use Plan from retail to mixed-use non-residential on the north side of Highway 64 from Little Street to Flea Market Road.
15. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2007-07 EFFECTING A ZONING CHANGE FROM MULTIPLE FAMILY RESIDENTIAL (MF-1) TO GENERAL BUSINESS DISTRICT (B-2) ON THAT CERTAIN LOT LOCATED AT 680 WEST DALLAS STREET, CANTON, TEXAS, CURRENTLY OWNED BY BILLY JACK DEEN – A public hearing opened at 6:46 p.m. Hearing no comments, the public hearing was closed at 6:46 p.m. Councilmember Gothard made a motion to adopt Ordinance 2007-07 effecting a zoning change from Multiple Family Residential (MF-1) to General Business District (B-2) on that certain lot located at 680 West Dallas Street, currently owned by Billy Jack Deen. Councilmember Brockman seconded, and all voted in favor.
16. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2007-08 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO MULTIPLE FAMILY

RESIDENTIAL (MF-1) ON THAT CERTAIN LOT LOCATED AT 1301 WEST COLLEGE STREET, CANTON, TEXAS, CURRENTLY OWNED BY G E. JAMESON – A public hearing opened at 6:47 p.m. The developer, Calvin Clark, explained the target age for the community was 55 and up. Mr. Clark said some units could be sold to investors and he could not dictate whether or not the duplexes were put up for rent. He stated there would be a homeowners' association for the maintenance of landscaping and yards, the average unit would be approximately 1200-1400 square feet, the price would be in the \$120,000 range, and there would be no government underwriting. Hearing no further comments, the public hearing was closed at 6:48 p.m. Councilmember Sanford made a motion to adopt Ordinance 2007-08 effecting a zoning change from Rural Agricultural (RA) to Multiple Family Residential (MF-1) on that certain lot located at 1301 West College Street, Canton, Texas, currently owned by G E. Jameson. Councilmember Brockman seconded and all voted in favor.

17. UPDATE ON FM 859 WATER LINE TEXAS CAPITAL FUND GRANT PROJECT FOR FIRE PROTECTION SERVICE TO TRINITY MOTHER FRANCES CLINIC – Rick Malone reiterated the contractor wanted the council to award the bid now to allow him to order materials. A called meeting of the council was scheduled for March 29, 2007, at noon. Mr. Malone said he would also try to negotiate easements during that time in case any action was required by the Council.
18. CONSIDER APPROVAL OF TASK ORDER AMENDMENT NO 2 SUPPLEMENT TO CONTRACT WITH GARY BURTON ENGINEERING, INC FOR PLAN REVISIONS AND ADDITIONAL BID PHASE SERVICES FOR ETHERIDGE ROAD RECONSTRUCTION – Mayor Anderson explained there were revisions to the plans for Etheridge Road. He said engineering and rebidding costs were estimated at approximately \$8,000. Councilmember Hilliard made a motion to approve the Task Order Amendment No 2 supplement to the contract with Gary Burton Engineering, Inc for plan revisions and additional bid phase services for the Etheridge Road reconstruction. Councilmember Brockman seconded, and all voted in favor.
19. REVIEW AND CONSIDER ADOPTION OF ORDINANCE NO 2007-09 ADOPTING EMERGENCY ACTION PLAN FOR MILL CREEK RESERVOIR DAM PREPARED BY GARY BURTON ENGINEERING, INC – Mayor Anderson tabled this item to the next regular council meeting to allow time to review the plan.
20. CONSIDER ADOPTION OF ORDINANCE 2007-10 ESTABLISHING THE CITY MANAGER'S POSITION AND REPEALING PREVIOUS CITY MANAGER ORDINANCES – Mayor Anderson tabled this item until the next council meeting to allow time for further review and development of the ordinance.
21. CONSIDER ADOPTION OF ORDINANCE 2007-11 AMENDING THE 2006-2007 FISCAL YEAR BUDGET – Julie Seymore explained the ordinance would change the current budget of \$11,865,000 to \$11,988,000. She noted the largest portion of the increase (appx \$98,000) was for increased utility costs which had almost doubled. Another increase was for the city manager search. The proposed changes also included hiring a contractor to help with computer maintenance for an estimated \$9,000 which would be distributed among all three funds. Ms. Seymore also reported the auditor recommended the city hire a contractor to help rectify a problem with the new accounting system so the audit could commence. She added the Charter development legal fees in the sum of \$8,000 were charged in the new fiscal year instead of the previous year as anticipated, the EMS building cost \$7,500 more than expected, the Police Department requested the

dispatch supervisor which was supposed to be a shared position with a municipal court clerk be changed to full-time with the police department and the municipal court be allowed to hire its own part-time clerk, the police department needed a new air conditioning unit at a cost of \$6,100, the animal shelter cost approximately \$19,200 more than the budgeted amount, and First Monday's new software system exceeded the budgeted amount. Ms. Seymore reported the total increase to revenue and expenses to the budget would be \$122,390 which would require an additional \$201,000 from the fund balance. She noted the transfer station's revenue and expense budget would decrease due to the effects of higher fees and the loss of one of the major garbage service contractors. Julie Seymore mentioned one of the wells was also in need of repair for an estimated \$22,500 but that money could be taken from the amount budgeted for dredging the lake, which could be postponed. She also noted the second and final payment for the purchase price of the sewer line came due and was not in the budget. Councilmember Deibert recommended the money for the executive search be taken from the salary budgeted for a city manager. Mayor Anderson said he felt the budget amendments were indicative of a tight budget since they were only 1% to 1-1/2% of the total budget. Councilmember Brockman made a motion to adopt Ordinance 2007-11 amending the 2006-2007 fiscal year budget with the recommendation stated. Councilmember Gothard seconded, and all voted in favor.

REPORTS

- 22 MAYOR'S REPORT – Mayor Anderson mentioned the auditors recommended the City consider hiring someone in-house with accounting experience in the future. Mayor Anderson reported he received a letter from a citizen requesting the council look into banning all smoking in public places. When asked about time clocks, Rick Malone stated he researched the matter and found that, out of a survey of fifteen cities, none used time clocks and there were various types costing up to \$6,000 per machine. Mr. Malone also stated he could not find any way to tie in the gasoline system with any type of debit card without spending at least \$7,000. Councilmember Brockman felt it was the supervisor's responsibility to make sure the time sheets were correct. Mayor Anderson charged the directors with tightening up the time sheet system currently in place. Mayor Anderson stated he had erred when preparing the organizational chart when he failed to place the city secretary position underneath the city manager. Richard Davis suggested the change be placed on the next agenda.
- 23 STAFF REPORTS – Lonny Cluck reported he was still looking into a sound system for the Civic Center, a majority of the bugs were worked out of the new First Monday computer system, First Monday revenue had been increasing, and all First Monday restrooms but the blue one had been re-roofed. Judge Durham stated she had interviews the next week for a new part-time clerk. Jim Stephens reported they were looking at hiring some new personnel. Tim Gothard reported applicants for an opening at the police department were scheduled to go before the review board April 4 and the police department received one of its new vehicles that day. He further reported Mike Echols conducted a recent comparison which showed that since 2004, the actual man-hours and time of officers on the streets increased although the number of officers decreased. He noted crime had also dropped. Chief Gothard also stated the fire department calls had increased, the fire department passed a recent inspection by the Texas Commission for Fire Protection, they were averaging twenty to twenty-five volunteers, and they had been recruiting for volunteers. Julie Seymore said the search firm had placed ads for a new city manager and mailed out brochures, and twelve resumes had been received to date. She noted the

first review would begin after the first of April and Chris Hartung was available to present an update at the April council meeting. Rick Malone reported work had been done to all city internet communications and a backup had been put into place, some loose ends were worked out concerning Elm Street and getting neighbors on new water, everything had been running well at the sewer plant, there was still a problem with infiltration when it rained, the new animal shelter opened the previous Friday, and EMS moved into their building early and were very happy. Mr. Malone reminded the Mayor he was to give a 5-minute speech in Tyler the next day regarding the grant application for a new water line through the Wynne Community. Richard Davis explained he had received a letter from the Texas City Attorneys Association regarding a ruling which created a new distinction regarding sexually oriented businesses. He said there were currently no studies which would support an ordinance regulating the sale for off-premise use, but the association offered to perform a study and had asked cities to contribute 3 cents per citizen to pay for the study.

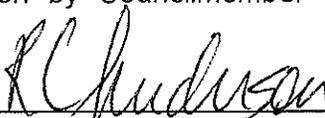
EXECUTIVE SESSION

Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071, 551.076 and 551.087, the Council convened in closed session at 7:34 p.m. for deliberation regarding security devices, economic development negotiations and consultation with attorney Richard Davis.

24. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING SECURITY DEVICES (SECTION 551 076)
25. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTION 551.087)
26. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551 071.)

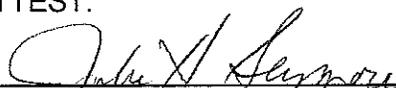
RETURN TO OPEN SESSION

27. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:34 p.m. Councilmember Brockman made a motion to increase the budget amendment by \$5,000 for security purposes. Councilmember Sanford seconded, and all voted in favor.
28. ITEMS FOR FUTURE AGENDAS – The mayor suggested the requested funding for a study regarding sexually-oriented businesses and an amendment to the organizational chart regarding the city secretary's position be placed on the next agenda.
29. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 8:35 p.m. upon motion by Councilmember Brockman and second by Councilmember Deibert.



 R C Anderson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
12 NOON, THURSDAY, MARCH 29, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert, Elaine Gothard, William Hilliard and Ron Sanford City Secretary, Julie Seymore, and Directors Tim Gothard and Rick Malone were also in attendance. City Engineer Gary Burton was also present.

Discussion and action were as follows:

- 1 CALL TO ORDER - Mayor Anderson called the meeting to order at 12 noon and declared a quorum present.
2. CONSIDER PROPOSED REVISIONS TO CITY OF CANTON ORGANIZATIONAL CHART – Mayor Anderson presented the proposed organizational chart which has the position of city secretary report directly to the City Manager rather than to the Director of Administration Councilmember Brockman made a motion to adopt the proposed City of Canton organizational chart. Councilmember Gothard seconded, and all voted in favor
- 3 CONSIDER AWARDING BID FOR FM 859 WATER LINE TEXAS CAPITAL FUND GRANT PROJECT – Rick Malone recommended the bid from JDR Contracting of Van be accepted He assured the council negotiations for the easements were going well Gary Burton explained if the project costs came in under the grant amount, it would reduce the amount of the grant Councilmember Deibert requested Mr. Burton investigate whether or not unused grant money could be used to further extend the water line Julie Seymore explained the grant was an end-use grant with jobs that were tied to the Trinity Mother Frances Clinic. Councilmember Deibert made a motion to award the bid for the FM 859 water line Texas Capital Fund project to low bidder JDR Contracting in the amount of \$ of \$281,791 73. Councilmember Brockman seconded, and all voted in favor.
- 4 CONSIDER APPROVAL OF PARTICIPATIVE FUNDING FOR A STUDY SPONSORED BY TEXAS CITY ATTORNEY'S ASSOCIATION TO SUPPORT THE LEGAL DEFENSE OF SEXUALLY-ORIENTED BUSINESS ZONING ISSUES – Mayor Anderson reminded everyone the city attorney brought to their attention at the last regular meeting a recent appellate court decision regarding ordinances on sexually-oriented businesses and a study which was proposed by the Texas City Attorney's Association After a brief discussion, Councilmember Hilliard made a motion to approve the participative funding of \$0.03 per person (\$154 41) for a study sponsored by Texas City Attorney's Association to support the legal defense of sexually-oriented business zoning issues. Councilmember Sanford seconded, and all voted in favor.
5. CONSIDER APPOINTMENTS TO PLANNED DEVELOPMENT COMMITTEE – Mayor Anderson requested volunteers from the Council to serve on the Planned

Development Committee. Councilmembers Gothard and Deibert volunteered Councilmember Brockman made a motion to appoint Elaine Gothard, Kevin Deibert, Elisa Heard and Scott Brooks to the Planned Development Committee. Councilmember Hilliard seconded, and all voted in favor

6 Mayor's Report – None

7 Staff Reports – Rick Malone encouraged everyone to attend Congressman Jeb Hensarling's presentation of the Taxpayers' Bill of Rights at City Hall on April 5, 2007, at 2:45 p.m. Mr. Malone also asked the Council to consider a request by Red Montgomery and Carter Clark from the Veterans Memorial Fundraising Committee to allow a "mudbog" fundraiser for the Veterans Memorial. He said the event would be put on by a promoter and be held on city property located near the remote control airport at the New City Lake. He noted the event promoters would pay off-duty officers for security, would clear the property at their expense, and provide their own liability insurance. Tim Gothard raised concerns about alcohol use at the event. Julie Seymore raised a question regarding the city's liability and noted restrooms and noise also needed to be considered. The Council also questioned whether or not it would be a one-time event, how much profit would be donated to the Veterans Memorial, and whether or not it would be a profit-making venture which might require it be put out for bid. Mr. Malone said it could become annual. Councilmember Deibert suggested granting the request for a one-time event contingent upon responses regarding the city's liability and insurance coverage. Rick Malone said the group would provide the restrooms and also probably have ambulance service on medical standby. It was determined the item required council action and would be placed on the next regular agenda.

Tim Gothard announced he had been selected as Firefighter of the Year for 2007 which made him eligible for State Fireman of the year in June. He asked for the support of the Council in attaining that goal. Councilmember Brockman asked about the current status of code enforcement and noted there were problems with trash. Rick Malone said Coy Prather was signed up for school in May and would be handling code enforcement instead of Tim Gothard thereafter.

8 EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY - The Council did not convene in closed session

9 RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION

10 CONSIDER APPROVAL OF EASEMENT AGREEMENTS FOR FM 859 WATER LINE TEXAS CAPITAL FUND GRANT PROJECT – No action or discussion required

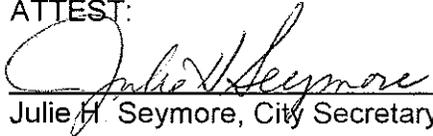
11 ITEMS FOR FUTURE AGENDAS - None

12 ADJOURN – There being no further business to come before the Council, the meeting adjourned at 12:25 p.m. upon motion by Councilmember Hilliard and second by Councilmember Deibert.



 R.C. Anderson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, APRIL 17, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert, Elaine Gothard, William Hilliard, and Ron Sanford. City Secretary, Julie Seymore, and Directors Lonny Cluck, Tim Gothard, and Jim Stephens were also in attendance. City Attorney, Richard Davis, and City Engineer, Gary Burton, were present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Anderson called the meeting to order at 5:30 p.m. and declared a quorum present.
2. INVOCATION – None during work session.
3. PLEDGE OF ALLEGIANCE – None during work session.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None during work session.
5. PROCLAMATIONS AND ANNOUNCEMENTS
 - CONSIDER ADOPTION OF PROCLAMATION ENDORSING THE NOMINATION OF TIM GOTHARD AS TEXAS FIREFIGHTER OF THE YEAR – Julie Seymore explained Mr. Gothard had been named North Texas Firefighter of the Year for 2007 and the proclamation was an endorsement by the Council for Tim Gothard's nomination as State Firefighter of the Year.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None during work session.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM MARCH 20 AND 29, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF MARCH 2007 FINANCIAL STATEMENTS

INDIVIDUAL CONSIDERATION

9. CONSIDER REQUEST FROM JAMES CANNADA FOR AUDIENCE WITH CITY COUNCIL REGARDING FLOOD DAMAGE TO 1805 OAK CIRCLE – Julie Seymore reported Mr Cannada asked to speak to the Council about rain damage to his home. She said he also notified the City in writing of his intention to file a lawsuit regarding the flooding situation at his home. She noted, in September 2005, Mr. Cannada reported a similar problem and was instructed to file a claim with the City's insurance, which he did not do. She added that Mr Cannada had been instructed to file a claim on the recent incident, which he did but a response had not yet been received. Rick Malone presented a diagram of the area and indicated where the water flowed from the east on the north side of Etheridge Road. Mr Malone said during the last rainstorm, he and Mr. Cluck went to the area but saw no water crossing Etheridge Road there. Councilmember Deibert asked if there were flooding problems before the subdivision went in. Mr. Malone said yes. He also explained an incident when a trash bag was caught in the drainage pipes and water got over the road. He explained that Mr Cannada's house was set very low and that he requested permission and constructed a fence and installed pumps in 2005 which helped. Mr. Malone said he instructed Mr. Cannada the City would remove part of the curb if some shrubs were removed. Gary Burton explained the water flow and said that before the City put in culverts, the rain did go over the road regularly. Rick Malone said Mr and Mrs. Toliver who live next door also had rain in their house once and in their storage building. The Tolivers were told of some improvements they could make to help the situation and if they took out their shrubs, the city would trench a little bit. Some trenching has been done, but the shrubs have not been removed nor the other improvements made. Mr Malone said there were people living on Stacey where water runs into the backyards but not the houses. Mayor Anderson recalled the last time Mr. Cannada complained a trash bag had blocked the culvert and the water had crossed the road. Mr Malone said a City employee now checked whenever it rained to make sure no bags were blocking the culverts. Julie Seymore pointed out the landowner had made some major landscaping renovations on his property which could contribute to the problem.
10. UPDATE FROM CANTON PARKS COMMITTEE – Julie Seymore advised Andy Reese would present an update from the Canton Parks Committee.
11. CONSIDER ADOPTION OF ORDINANCE NO 2007-12 DEDICATING 79.69-ACRE TRACT ON CHERRY CREEK AS PUBLIC PARK LAND – Julie Seymore explained Items 11 and 12 were combined into Resolution 2007-04 naming the park property "Cherry Creek Park" and dedicating the property for public parks and recreation purposes in perpetuity. Andy Reese said one requirement of the grant was to get the park land dedicated and to have an appraisal performed. He added approval from the Historical Commission was also required.
12. CONSIDER ADOPTION OF RESOLUTION NO 2007-04 NAMING 79.69-ACRE TRACT ON CHERRY CREEK "CHERRY CREEK PARK"
13. CONSIDER ALLOCATION OF FUNDING FOR SURVEYING AND MARKING PROPERTY BOUNDARIES OF 79.69-ACRES ON CHERRY CREEK – Julie Seymore explained the Parks Committee was requesting funding for a survey of the property line. Andy Reese said the Parks Board requested a survey before work on the Frisbee golf course could begin since the property backed up to residences on two sides. Stanger Survey estimated the job would cost approximately \$3500. He noted the grant did not

include monies for professional services. Julie Seymore said Rick Malone suggested using funds set aside for the sprinkler system for the playscape area. Jim Stephens said the church property had been surveyed previously and markers should still be evident. Rick Malone said the property was surveyed in 1997 by W.W. Land Co. but the surveyor would probably not cooperate in locating the markers. Andy Reese said there was no particular hurry since they did not anticipate doing any major work on the borders this year. Jim Stephens said CEDC had files on the tract and the survey might be in the file.

14. REVIEW AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-09 ADOPTING EMERGENCY ACTION PLAN FOR MILL CREEK RESERVOIR DAM PREPARED BY GARY BURTON ENGINEERING, INC. – Julie Seymore indicated the adoption of the emergency action plan for the dam was previously tabled to allow for a review of the plan. She stated the plan had since been reviewed by Rick Malone and Tim Gothard who both recommended its adoption.
15. PUBLIC HEARING AND CONSIDER ORDINANCE NO. 2007-13 AMENDING THE 1985 CITY OF CANTON ZONING ORDINANCE REGARDING REGULATIONS FOR PARKING, OUTDOOR DISPLAYS, AND RECREATIONAL VEHICLES – Julie Seymore indicated the council would hold a public hearing then consider an ordinance amending the current zoning ordinance. She noted the amendments were to the existing parking regulations, the addition of a section on outdoor displays, and restriction of RV use in residential areas. Councilmember Deibert asked if the ordinance affected the outdoor signage on First Monday weekends. Rick Malone explained previous councils had allowed signs on the roads during First Monday if they were removed immediately thereafter. Mr. Malone said the City could be more aggressive in removing off-premise signs if the Council so desired. He also noted garage sale signs had been allowed as long as they were not up before Thursday and were gone by Sunday or Monday. Julie Seymore explained there was no outdoor display ordinance currently in existence, that temporary displays would need to be taken in each night, a thirty-two inch clearance free of displays and merchandise would have to be maintained on the sidewalks, and permanent outdoor merchandise would have to be behind a fence and no higher than the fence. She pointed out the ordinance would apply to all businesses, including existing businesses. Ms. Seymore stated the ordinance also addressed parking in residential areas and that all new driveways would have to be concrete or asphalt and no wider than the width of the garage or twenty feet, whichever was wider. She added a boat could be parked in the driveway but two parking spaces had to be reserved for vehicles, outside the Central Business District, there could be no off-street parking that required backing out onto the street, the parking requirements were based on gross square footage of the building and the property use, and businesses would be required to have off-street facilities for unloading merchandise. She indicated the ordinance also prohibited the parking of recreational vehicles and boats on residential streets. Rick Malone said permission could be granted by the building inspector for temporary parking of a recreational vehicle in a driveway for visitors or for development of new construction. Mr. Malone further explained the new downtown sidewalks would be seventy-two inches.
16. CONSIDER AUTHORIZATION FOR GRANT APPLICATION TO DEPARTMENT OF HOMELAND SECURITY / FEMA FOR NEW LADDER TRUCK – Tim Gothard explained the Department of Homeland Security recently announced the applications for 2007-2008 grants had to be submitted by May 8. He said the Fire Department wished to buy a ladder truck with a pump and tank and that could also be used for an engine. He stated the estimated cost would be \$700,000 - \$800,000 with the City's match being 5%, or

\$37,500, for a \$750,000 truck. Mr. Gothard said the volunteer department was requesting the City pledge 5.4% and the volunteers would pledge \$12,000 out of the parking lot money which would bring the match to 7%, giving the Fire Department an edge in obtaining the grant. Chief Gothard said Engine #1 was in good shape but Engine #2 was starting to have maintenance issues. Councilmember Sanford said it would be foolish not to try to obtain the grant money. Chief Gothard said it would help the City's ISO rating and he pointed out both Mabank and Van had recently had downtown fires. Mayor Anderson added all of the City's hotels were two-story structures.

17. CONSIDER ADOPTION OF ORDINANCE NO. 2007-14 AMENDING ORDINANCE 2004-31 ESTABLISHING RATES CHARGED FOR THE COLLECTION OF SOLID WASTE AT THE CANTON TRANSFER STATION – Julie Seymore said the ordinance set a rate of \$1.00 to \$1.50 per bag rate at the transfer station with a six-bag limit for household trash only. Rick Malone explained it was mostly for senior citizens who brought a few bags to the transfer station.
18. CONSIDER ADOPTION OF ORDINANCE 2007-10 ESTABLISHING THE CITY MANAGER'S POSITION AND REPEALING PREVIOUS CITY MANAGER ORDINANCES – Julie Seymore reported the mayor and city attorney had worked on the ordinance. Mayor Anderson said they basically went back to the 2004 city manager resolution and it would allow the duties of the city manager to be set out in the contract rather than in the ordinance.

REPORTS

19. MAYOR'S REPORT
20. STAFF REPORTS – Jim Stephens reported the sidewalk construction had begun that week. Gary Burton said he would be ready to advertise for bids on the media and air scour system for the water plant and on the reconstruction of Etheridge Road by the end of the next week. Tim Gothard reported the Fire Department was running smoothly, the banquet was recently held which honored Cecil Tawater, and the Police Department had handled some major cases in the last couple of weeks. Judge Durham reported she hired a part-time municipal clerk who was working out well, and she purchased a new computer for her office. Lonny Cluck said the First Monday department had used all the money allocated for restoration of the old restrooms on the grounds. Rick Malone said the City was still doing spring cleanup, the line relocation on Hwys 243 and 198 was going well, the 10-inch pipe had been relocated and the sewer line on the south side had been relocated, the sidewalk project had started and water lines and taps would be replaced as needed, the Water Plant had been combating a mineral problem but the situation had improved, repairs were being made to the Hwy 19 well, and the City's water supply was in good shape but the City was still in Stage 1 water rationing. Mr. Malone said he was in the process of redoing the Zoning Ordinance. Julie Seymore reported the codification of city ordinances had begun, the Antique Show would start that week, an employee safety committee had been formed, and the City was advertising for bids for the bank depository. Lonny Cluck pointed out the time for the Hwy 859 parking lot drawing was near and a committee needed to be appointed to approve the list of applicants. Mayor Anderson requested the First Monday Committee perform that task.

EXECUTIVE SESSION

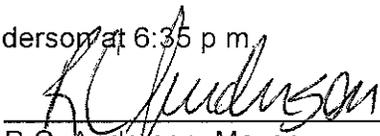
A closed or executive session will follow pursuant to the provision of the Open

Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071, 551.072 and 551.074.

21. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (SECTION 551.074) – None during work session. Julie Seymore said the Waters Consulting Group would present an update on the city manager search
22. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)
23. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)

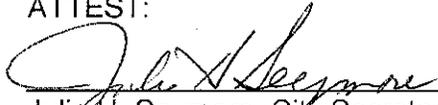
RETURN TO OPEN SESSION

24. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
25. CONSIDER APPROVAL OF SHARED SETTLEMENT AGREEMENT WITH TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL IN THE CASE OF HAMMONDS ET AL VS CITY OF CANTON AND CHARLES FENNER
26. ITEMS FOR FUTURE AGENDAS – None during work session
27. ADJOURN - Adjourned by Mayor Anderson at 6:35 p m.



 R.C. Anderson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, APRIL 17, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert, Elaine Gothard, William Hilliard, and Ron Sanford. City Secretary, Julie Seymore, and Directors Lonny Cluck, Tim Gothard, and Jim Stephens were also in attendance. City Attorney, Richard Davis, and City Engineer, Gary Burton, were present.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Anderson called the meeting to order at 6:35 p m and declared a quorum present.
2. INVOCATION was given by Jim Stephens.

3. PLEDGE OF ALLEGIANCE was led by Lonny Cluck
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS
CONSIDER ADOPTION OF PROCLAMATION ENDORSING THE NOMINATION OF TIM GOTHARD AS TEXAS FIREFIGHTER OF THE YEAR – Mayor Anderson read the Proclamation supporting the nomination of Tim Gothard as Texas Firefighter of the Year

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM MARCH 20 AND 29, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF MARCH 2007 FINANCIAL STATEMENTS

Items 7 and 8 on the Consent Agenda were unanimously approved upon motion by Robert Brockman and second by Ron Sanford.

INDIVIDUAL CONSIDERATION

9. CONSIDER REQUEST FROM JAMES CANNADA FOR AUDIENCE WITH CITY COUNCIL REGARDING FLOOD DAMAGE TO 1805 OAK CIRCLE – James Cannada, 1805 Oak Circle, questioned what the City's plans were with regard to Etheridge Road. Mayor Anderson explained the City was going to work one section at a time, beginning from the bottom of Etheridge Road up to Malinda. Mr. Cannada said water was coming onto his property from the apartment complex and was going uphill and turning and coming at him from two different directions. He said he was knee deep in water last weekend. Mr. Cannada said he had spoken with Mr. Scott from GAB Robbins who is the risk manager from the City's insurance company on April 6, 2007. He said Mr. Scott indicated he would give Mr. Cannada a response in two to three weeks. He stated every time the City had a medium rain, the water turned in two places by the apartment complex and ran directly onto his property. His neighbor's yard also showed evidence of where the water crossed over into his yard. Mr. Cannada said damage to his property was a minimum of \$40,000 and would affect his ability to sell the property because he would have to disclose the flooding. Several other neighbors indicated they also had seen water coming across the road, through their property, and onto Mr. Cannada's property. Gary Burton said if all of Etheridge Road were redone it would still not stop water from coming into the yards. Mr. Cannada disagreed saying it was coming from Etheridge Road. He said Mr. Campbell and Mallory visited their home and an underground drain was put in that helped Maxie and Oak Drive for a while, but it hadn't alleviated the problem. Mr. Burton said he and Mr. Malone went to Mr. Cannada's property earlier that week. They found a neighbor on the lower end who also had problems with the water. Mr. Cannada said all the neighbors to Etheridge Road had some lawn damage. The water comes down the ditch, turns at the apartment

complex and goes from both sides of the complex through eight different yards and into his yard. Mayor Anderson instructed Mr. Malone and Mr. Burton to meet with Mr. Cannada and the neighbors to see if the City could do anything to help the problem. Mayor Anderson said the City was not responsible for the natural contour of the land, but if the water came from the ditches it could have some responsibility. Mr. Cannada said if the matter was not resolved in a reasonable amount of time, he would take the matter to court. Councilmember Hilliard said money had been set aside to fix Etheridge Road prior to the houses being constructed. When the City reached Hwy. 198, the project was set aside. Mayor Anderson pointed out some neighbors at that time did not cooperate with the City and it could not follow through on the project as planned. Mayor Anderson said the City was told by engineers what was done on Etheridge Road would take care of the problem. Gary Burton reiterated that rebuilding Etheridge Road with an underground storm sewer would not keep water off the yards because everything on that side of the road was below the road. Mayor Anderson said Mr. Cannada's property was in a position downhill where he would get a lot of water. Mr. Cannada said he had put ditches all over his property but they could not possibly help with all the water he had flowing onto his property. Rick Malone said when it rained the City made sure no trash bags or brush were accumulated that could stop up the ditches. The City had also put more volume into the ditch on the west side of the road to help alleviate the problem.

10. UPDATE FROM CANTON PARKS COMMITTEE – Andy Reese announced the Texas Parks and Wildlife Grant was received February 25, 2007. Mr. Reese presented copies of the master plan for the park outlining the different components envisioned. He said the City's grant match would be the dedication of the land as park land. He also asked the City name the 80 acres "Cherry Creek Park" to distinguish it from the new city lake and the other park areas. Mr. Reese stated he wanted to ensure the property lines were adequately marked to avoid future problems during the park's development. Mayor Anderson expressed his appreciation to Mr. Reese and the committee members for the work they have done for the benefit of the citizens.
11. CONSIDER ADOPTION OF ORDINANCE NO. 2007-12 DEDICATING 79.69-ACRE TRACT ON CHERRY CREEK AS PUBLIC PARK LAND
12. CONSIDER ADOPTION OF RESOLUTION NO. 2007-04 NAMING 79.69-ACRE TRACT ON CHERRY CREEK "CHERRY CREEK PARK" – Councilmember Brockman made a motion to adopt Resolution No. 2007-04 dedicating the 79.69-acre tract on Cherry Creek as public park land in perpetuity and naming the park "Cherry Creek Park." Councilmember Deibert seconded and all voted in favor.
13. CONSIDER ALLOCATION OF FUNDING FOR SURVEYING AND MARKING PROPERTY BOUNDARIES OF 79.69-ACRES ON CHERRY CREEK – Councilmember Hilliard made a motion to allocate up to \$3,500.00 funding for the surveying and marking of the property boundaries of the 79.69-acres on Cherry Creek. Councilmember Sanford seconded, and all voted in favor.
14. REVIEW AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-09 ADOPTING EMERGENCY ACTION PLAN FOR MILL CREEK RESERVOIR DAM PREPARED BY GARY BURTON ENGINEERING, INC. – Mayor Anderson mentioned the plan had been reviewed and approved by the City staff. Councilmember Gothard made a motion to adopt Ordinance No. 2007-09 adopting the emergency action plan for Mill Creek.

Reservoir Dam prepared by Gary Burton Engineering, Inc. Councilmember Deibert seconded, and all voted in favor.

15. PUBLIC HEARING AND CONSIDER ORDINANCE NO. 2007-13 AMENDING THE 1985 CITY OF CANTON ZONING ORDINANCE REGARDING REGULATIONS FOR PARKING, OUTDOOR DISPLAYS, AND RECREATIONAL VEHICLES - A public hearing was opened at 7:02 p.m. Mary Lynn Baugh of Hilliard Furniture questioned why the city wanted to legislate sidewalk use rather than let the business owners use their own judgment. Mayor Anderson explained the City wanted to make sure a minimum passageway was maintained. Rick Malone said the sidewalks would be seventy-two inches and a thirty-two inch clearance would leave ample room for the display of merchandise. Mr. Malone said the sidewalk project would hopefully complete one section per month. Mayor Anderson explained the contractor was instructed to limit work to weekdays and to leave all business entrances open. Mr. Malone said water and sewer taps would be replaced as needed. Hearing no further comments, the public hearing was closed at 7:08 p.m. Councilmember Sanford made a motion to adopt Ordinance No. 2007-13 amending the 1985 City of Canton Zoning Ordinance regarding regulations for parking, outdoor displays, and recreational vehicles. Councilmember Brockman seconded and all voted in favor.
16. CONSIDER AUTHORIZATION FOR GRANT APPLICATION TO DEPARTMENT OF HOMELAND SECURITY / FEMA FOR NEW LADDER TRUCK – Mayor Anderson explained the Volunteer Fire Department would commit up to \$12,000 if the City would match up to 5.4% of the matching funds for a grant to purchase a new ladder truck for the department. Councilmember Sanford made a motion to authorize the grant application to the Department of Homeland Security/FEMA for a new ladder truck. Councilmember Deibert seconded, and all voted in favor.
17. CONSIDER ADOPTION OF ORDINANCE NO. 2007-14 AMENDING ORDINANCE 2004-31 ESTABLISHING RATES CHARGED FOR THE COLLECTION OF SOLID WASTE AT THE CANTON TRANSFER STATION – Mayor Anderson said the ordinance would allow a reduced cost for small amounts of household garbage taken to the transfer station. Councilmember Gothard made a motion to adopt Ordinance No. 2007-14 amending Ordinance 2004-31 establishing \$1.00 - \$1.50 per bag rates (maximum 6 bags) charged for the collection of solid waste at the Canton transfer station. Councilmember Brockman seconded, and all voted in favor.
18. CONSIDER ADOPTION OF ORDINANCE 2007-10 ESTABLISHING THE CITY MANAGER'S POSITION AND REPEALING PREVIOUS CITY MANAGER ORDINANCES – Mayor Anderson explained he and Mr. Davis made an attempt to draft a simpler ordinance and to set out more detailed duties of the city manager in the contract. Councilmember Brockman made a motion to adopt Ordinance 2007-10 establishing the City Manager's position and repealing previous City Manager ordinances. Councilmember Gothard seconded and all voted in favor.

REPORTS

19. MAYOR'S REPORT – Mayor Anderson reported he received a resolution from the Senate about Van Zandt County Day. He mentioned the bids for the sound system at the Civic Center were for approximately \$33,000. Mayor Anderson also mentioned he received a request from Brazoria for the Council to pass a proclamation urging prayer.

be put back into the schools

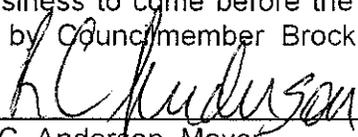
- 20 STAFF REPORTS – Tim Gothard reported they were conducting background searches on the police officer candidates and would offer someone the position the next day

EXECUTIVE SESSION

21. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (SECTION 551.074) – CITY MANAGER RECRUITMENT BRIEFING BY SEARCH CONSULTANT – Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071, 551.072, and 551.074, the Council convened in closed session at 7:14 p.m. for deliberations regarding city manager applicants, consultation with attorney, and deliberations regarding real property.
22. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)
23. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)

RETURN TO OPEN SESSION

- 24 RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 8:12 p.m. with no action taken.
25. CONSIDER APPROVAL OF SHARED SETTLEMENT AGREEMENT WITH TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL IN THE CASE OF HAMMONDS ET AL VS CITY OF CANTON AND CHARLES FENNER
- Julie Seymore explained the City's portion of the settlement would be \$300,000. Councilmember Brockman made a motion to approve the Shared Settlement in the case of Hammonds et al vs. City of Canton and Charles Fenner. Councilmember Sanford seconded and all voted in favor.
26. ITEMS FOR FUTURE AGENDAS – Mayor Anderson felt Canton should consider a resolution regarding school prayer which some other cities were implementing. He also instructed the staff to meet with Mr. Cannada about his flooding problem. Councilmember Brockman requested an item on the next agenda regarding code enforcement. Mayor Anderson explained the election would be canvassed at the next council meeting and there would need to be a meeting the following week for Mr. Hartung from Waters Consulting to address the new council about the city manager applicants and to set a date for interviews.
27. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 8:16 p.m. upon motion by Councilmember Brockman and second by Councilmember Gothard.



R C. Anderson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

**CALLED MEETING OF THE CANTON CITY COUNCIL
 6:30 P.M., MONDAY, APRIL 23, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103**

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Robert Brockman, Ron Sanford and Elaine Gothard. Also present were Directors Lonny Cluck and Jim Stephens and City Attorney Richard Davis Mayor R. C. Anderson was absent as were Councilmembers Hilliard and Deibert

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Pro Tem Robert Brockman called the meeting to order at 6:30 p m and declared a quorum present

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

2. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551 072) - The Council convened in closed session at 6:30 p m for deliberations regarding potential purchase, lease or sale of real property

RETURN TO OPEN SESSION

3. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 7:08 p.m. with no action taken.
4. ADJOURN – Mayor Pro Tem Brockman recessed the meeting at 7:08 p m until Tuesday, April 24, 2007, at 7:00 p m upon motion by Councilmember Sanford and second by Councilmember Gothard

The Canton City Council reconvened in the City Hall Council Chambers on Tuesday, April 24, 2007, at 7:00 p.m. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert and Ron Sanford. Also present were Directors Lonny Cluck and Jim Stephens and City Attorney Richard Davis. Councilmembers Hilliard and Gothard were absent

Discussion and action were as follows:

1. CALL TO ORDER – Mayor R.C. Anderson called the meeting to order at 7:10 p m and declared a quorum present

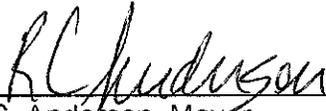
EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

2. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) - The Council convened in closed session at 7:11 p.m. for deliberations regarding potential purchase, lease or sale of real property

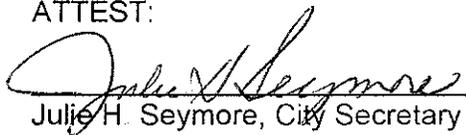
RETURN TO OPEN SESSION

3. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:04 p.m. with no action taken. Mayor Anderson instructed Richard Davis to prepare a letter to H&T Parking regarding the City's position.
4. ADJOURN – There being no further business to discuss, Mayor R. C. Anderson adjourned the meeting upon motion by Councilmember Brockman and second by Councilmember Sanford



R.C. Anderson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

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REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, MAY 15, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R.C. Anderson, Robert Brockman, Kevin Deibert, and Ron Sanford. Councilmembers Elaine Gothard and William F. Hilliard were absent. Also present were City Secretary/Finance Officer Julie Seymore, Directors Jim Stephens, Lonny Luck and Rick Malone, City Attorney Richard Davis, and City Engineer Gary Burton.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Anderson called the meeting to order at 5:30 p.m. and announced a quorum present.
2. INVOCATION – None during work session.
3. PLEDGE OF ALLEGIANCE – None during work session
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None during work session.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM APRIL 17 AND 23, 2007 CITY COUNCIL MEETINGS – No corrections were requested.
8. CONSIDER APPROVAL OF APRIL 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-05 URGING THAT PRAYER BE RETURNED TO PUBLIC SCHOOLS - Julie Seymore noted the Mayor was asking the Council join in an effort urging that prayer be returned to public schools.
10. CONSIDER ADOPTION OF ORDINANCE NO. 2007-15 AMENDING SUBDIVISION ORDINANCE NO. 94-04 BY SUPPLEMENTING WITH REGULATIONS FOR MINOR REPLATS – Julie Seymore explained the city was operating in accordance with Chapter 212 regarding the approval of minor replats, but the official adoption in ordinance form would make it easier to communicate and enforce the requirements. Rick Malone stated as long as the property being divided complied with the zoning regulations, it would not need to go to the Planning & Zoning Commission (P&Z). Councilmember Deibert asked about lot sizes meeting the subdivision's rules under which the property owners first purchased their lots. Mr. Malone explained it was a civil matter and the City did not regulate deed restrictions, but they would look at it. Ms.

Seymore explained the subdivider would have to sign an affidavit stating it did not conflict with existing deed or property restrictions. Councilmember Deibert then asked about notification to property owners. The Council discussed possible notification criteria and Rick Malone noted he had only done three minor replats in thirteen years.

11. CONSIDER ADOPTION OF ORDINANCE NO. 2007-16 AMENDING ORDINANCE NO. 88-11 REGARDING TIME AND PLACEMENT OF GARBAGE FOR PICKUP – Julie Seymore advised the amendment was proposed in an effort to clean up properties and would require property owners to place their trash at the curb no sooner than twenty-four hours prior to pickup and no later than 24 hours after pickup. She said it also allowed for a \$400 fine, versus \$200, after the second offense. Councilmember Brockman noted twenty-four hours was a long time for trash to be set out. Mr. Malone explained the City had received complaints about trash bags being set out too early and getting torn up. He also received complaints from the post office that the mail boxes were blocked. Councilmember Brockman said he'd like to see it cut to a shorter time.
12. CONSIDER ADOPTION OF ORDINANCE NO. 2007-17 ESTABLISHING HOURS OF OPERATION FOR CITY OF CANTON PARKS – Julie Seymore said the staff, for police enforcement efforts, recommended establishing park hours from 10:00 p.m. to dawn for Cherry Creek Park and the New City Lake, except for lake fishing; and from 12:00 a.m. to dawn for the Old City Lake Park, including fishing.
13. CONSIDER INTERLOCAL AGREEMENT FOR THE PURPOSE OF PROVIDING CERTAIN BENEFITS FOR EMPLOYEES, OFFICIALS, RETIREES AND DEPENDENTS – Julie Seymore explained the Interlocal Agreement allowed several East Texas municipalities, counties and ETCOG to seek group health insurance. She noted the agreement did not obligate the City to participate at this point and that individual health insurance packets would also be sought for comparison.
14. CONSIDER APPROVAL OF LEASE AGREEMENT WITH J. PATRICK SPRUIELL FOR PORTION OF CITY HALL OFFICES – Julie Seymore noted the City had been operating on a month-to-month lease for a portion of the City Hall offices with Patrick Spruiell, and he was requesting a one-year lease beginning June 1, 2007 with one, one-year renewal if the City notified him at least 60 days prior to expiration. She noted the \$1,600 rent was \$300 more than what the City was currently paying, and Mr. Spruiell based the lease on the same cost per square footage and terms as the City's lease for the police station. She pointed out it did require the City be responsible for maintenance of the interior, plumbing, a/c-heat, and electrical. Councilmember Deibert asked how it compared to the current lease. Mr. Stephens said Mr. Spruiell was currently paying half for major a/c-heating repairs. Mr. Davis noted he still would if it was replaced, but the repairs would be the city's. He then recommended requesting an additional one-year extension unless the Council thought they would be in a new building within two years. The Council discussed asking for three one-year extensions.

INDIVIDUAL CONSIDERATION

15. CONSIDER DRAINAGE IMPROVEMENT PROJECT IN OAKS ADDITION – Rick Malone presented a plan for drain inlets and pipes, some on private property would require easements. He said the base cost would be \$99,100. Gary Burton explained the contours and water routes. He said the project would include drain inlets south of Oak Circle, installing a pipe down the middle of Oak Circle, and having inlets and pipe behind the homes on Oak Circle. He thought the more recent rain probably exceeded a ten-year storm, and the rain prior to that was closer to a fifty-year storm. He said if that was so, capacity of the proposed project would be

exceeded. He said the City would have to run hydraulic studies to see if it could get the water coming out at an inlet and in the street instead of houses. Councilmember Brockman asked if the proposal would solve the drainage problem. Mr. Burton said it would help, but it was only designed for a ten-year storm. He added water was still coming down the back of the lots and if Etheridge Road was rebuilt, the City would probably still have to do it because the water was not coming off Etheridge. It was coming from Mill Creek down the back of Oaks Addition lots and through the properties. He noted if Oak Circle had been built two foot lower, it would have solved the problem, but now the water was being taken below street and to a storm sewer already at capacity. He added another option would be to continue all the way to Hwy 198 with a parallel storm sewer at probably three times that cost. Mayor Anderson asked if it was the only place with problems of house flooding. Mr. Malone replied there were a few other spots, but it would have to be greater than a fifty-year flood. He explained a home flooded on Clay street, but it was due to a lot of circumstances out of the people's control. He said the City dipped the ditches and he pointed out some things to the homeowner, who made corrective measures to keep it from happening again. Mayor Anderson asked to have the city's responsibilities quantified by law. Richard Davis said there were rulings on it and basically, if the City did not change the course of water, there was no responsibility for it. If it did, there was liability. He noted the same applied to adjoining landowners. Mayor Anderson asked if any such change had occurred. Mr. Malone said a homeowner built a concrete wall that points water to them. Mr. Burton agreed it acerbated the problem. Mr. Malone recommended putting the money toward completing Etheridge Road. Mayor Anderson recommended doing some surface work before spending \$100,000 on the project with no guarantee it would work. Mr. Burton said there was some surface work that could be done—building walls, etc. but it would be on private property. He suggested a swell, but it would require taking up and rebuilding a fence. Mayor Anderson said that was not really the city's responsibility. Julie Seymore warned it could become the City's liability if it changed private property. Mayor Anderson asked if there was a way to lower the street. Mr. Burton said he would look at that option. Mr. Burton said he thought getting the water into Oak Circle would solve most of the problem. Mayor Anderson said the City needed to continue looking into this to see what could be done.

16. CONSIDER REQUEST FROM JAMES CANNADA FOR AUDIENCE WITH CITY COUNCIL REGARDING FLOOD DAMAGE TO 1805 OAK CIRCLE – Ms. Seymore advised that Mr. Cannada requested an audience with the Council regarding flood damage to 1805 Oak Circle. She stated he had filed a claim with the City's insurance company, but no response had been received.
17. CONSIDER AWARDING CITY OF CANTON BANK DEPOSITORY BID – Julie Seymore reported the City advertised for bids for a bank depository and received two which were opened at 10:00 a.m. May 10th. One from American National Bank and the other from Franklin Bank. She said the City auditor reviewed the bids, reported they were very similar in services and costs but Franklin Bank offered a more favorable interest rate on deposits, and recommended Franklin Bank for its favorable interest rates. Ms. Seymore said the bank offered the on-line banking services required and would collateralize City deposits at 102%.
18. CONSIDER CITY OF CANTON CODE ENFORCEMENT –Rick Malone reported he had reviewed ordinances, including tall grass, substandard housing, and building codes. He said he and Coy Prather were satisfied with their tools. He asked the Council if they wished them to be proactive or reactive. Councilmember Brockman indicated proactive and that he thought the City needed to be cleaned up. He noted a citizen called him about a property owner who also runs a First Monday business, and said it was not fair for people with nice homes to have junk next to them. He also noted a torn down house next to a church that needed to be removed. Councilmember Sanford stated two houses on Live Oak needed to be condemned.

Councilmember Brockman added the city would be derelict in its duties if it didn't do it.

19. CONSIDER UPDATING CITY LOGO – Julie Seymore said Rick Malone recommended updating the City logo and would have several proposals. She cautioned a new logo would need to be phased in to reduce the cost of replacing letterhead, calendars, brochures, promotional materials, web design, flags, billboards, trademarks, etc. She also passed along a staff suggestion to conduct a design contest as had been done with the current logo. Rick Malone stated he felt the logo needed modernizing and presented a logo design. He said it would go on city vehicles, golf carts, letterhead, and equipment. He noted the current logo was hard to see. Jim Stephens added that most marketing companies advised making minor changes to the logo every seven years. Councilmember Deibert asked if leaving off “Trade Days” affected it. It was agreed it should be included, as well as spelling out “First”.
20. CONSIDER APPOINTMENTS TO THE CANTON ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS – Julie Seymore noted it was time to make appointments to the City's Boards and Commissions and referred them to the length of service records provided in the council packets. She said the EDC Board members with terms expiring included Jack Etheridge, Kris Ingram and Ron Sanford. She also noted the Board typically contained one to two councilmembers in order to keep the lines of communication and approval open. Mayor Anderson advised Jack Etheridge, Kris Ingram and Ron Sanford still wanted to serve on the CEDC Board, but Walter Clements' health was failing so he recommended moving Josh Smetak from alternate to his place on the Board of Adjustment. He noted he would leave the Planning & Zoning Commission appointments to the new Council. He added it was good to try to find new people and percolate them up the system, through the boards up to running for council.
21. CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – No further discussion.
22. CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENTS – No further discussion.
23. OFFICIAL CANVASS OF MAY 12, 2007 GENERAL ELECTION RETURNS – Mayor Anderson suggested moving the canvass and swearing in to the front of the agenda.
24. CONSIDER ADOPTION OF RESOLUTION NO. 2007-06 DECLARING RESULTS OF MAY 12, 2007 GENERAL ELECTION
25. ISSUE CERTIFICATES OF ELECTION, ADMINISTER STATEMENTS OF ELECTED OFFICER AND OATH OF OFFICE TO NEWLY ELECTED COUNCILMEMBERS
26. PRESENTATION TO OUTGOING COUNCILMEMBERS RECOGNIZING THEIR DEDICATED SERVICE TO THE CITY OF CANTON AND ITS CITIZENS

REPORTS

27. MAYOR'S REPORT - None
28. STAFF REPORTS – Rick Malone reported the Water Plant had received great results from its recent, rigorous inspection by TCEQ. He said they only received one write up for not having a liquid level (versus pressure level), which had already been fixed. He noted Charles Stone had created a new record keeping system that the inspector said was second to none in the entire region. He added Charles Stone and Al Campbell were doing a fine job, being innovative and

keeping at the forefront with water treatment. Jim Stephens reported there had been a lot of sickness and deaths in the employees' families, but that employees had rallied and done a great job. Linda Hatfield reported on the first annual Antique show. She said it went well, and although it wouldn't turn a profit the first year, it brought a lot of visibility to First Monday. Judge Durham reported the filing of citations and revenue was increasing due to the hiring of a new officer. On behalf of the Fire Department, Steve Risner thanked the Council for supporting their grant application for a new ladder truck. Lonny Cluck reported a new gun show was trying to get off the ground in the Civic Center. It was booked once a month, struggling right now, but would be good if it could keep going. He advised the administrative supervisor was leaving her position. He asked how the Council felt about protecting the trademarked "First Monday." He said he was concerned about two strong websites using it and about the Canton Marketplace sign which reads "First Monday starts here". Gary Burton reported two projects were out for bid: the water treatment plant improvements and the lower part of Etheridge Road.

EXECUTIVE SESSION

- 29 EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071) – None during work session.
- 30 EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)

RETURN TO OPEN SESSION

- 31 RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
- 32 ITEMS FOR FUTURE AGENDAS
- 33 ADJOURN – There being no further business to discuss, the meeting adjourned by the Mayor at 6:27 p.m.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, MAY 15, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor R. C. Anderson, Robert Brockman, Kevin Deibert, and Ron Sanford. Councilmembers Elaine Gothard and William F. Hilliard were absent. Also present were City Secretary/Finance Officer, Julie Seymore, Directors Jim Stephens, Lonny Cluck and Rick Malone, City Attorney, Richard Davis, and City Engineer, Gary Burton.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Anderson called the meeting to order at 6:40 p.m. and announced a quorum present.
2. INVOCATION given by Jim Stephens.
3. PLEDGE OF ALLEGIANCE led by Rick Malone.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS - Mayor Anderson noted the receipt of a Texas House of Representatives Proclamation regarding Van Zandt County Day.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None

Mayor Anderson addressed items 23, 24, 25, and 26 prior to the Consent Agenda. Please refer to minutes under the stated item.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM APRIL 17 AND 23, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF APRIL 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-05 URGING THAT PRAYER BE RETURNED TO PUBLIC SCHOOLS
10. CONSIDER ADOPTION OF ORDINANCE NO. 2007-15 AMENDING SUBDIVISION ORDINANCE NO. 94-04 BY SUPPLEMENTING WITH REGULATIONS FOR MINOR REPLATS
11. CONSIDER ADOPTION OF ORDINANCE NO. 2007-16 AMENDING ORDINANCE NO. 88-11 REGARDING TIME AND PLACEMENT OF GARBAGE FOR PICKUP
12. CONSIDER ADOPTION OF ORDINANCE NO. 2007-17 ESTABLISHING HOURS OF OPERATION FOR CITY OF CANTON PARKS
13. CONSIDER INTERLOCAL AGREEMENT FOR THE PURPOSE OF PROVIDING CERTAIN BENEFITS FOR EMPLOYEES, OFFICIALS, RETIREES AND DEPENDENTS

14. CONSIDER APPROVAL OF LEASE AGREEMENT WITH J. PATRICK SPRUIELL FOR PORTION OF CITY HALL OFFICES

Items 7, 8, 9, 12 and 13 were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Deibert. Councilmember Deibert made a motion to adopt Ordinance No 2007-15 amending Subdivision Ordinance No 94-04 by supplementing with regulations for minor replats with an amendment that all property owners within 200 feet should be notified prior to replatting. Councilmember Sanford seconded, and all voted in favor. Councilmember Brockman made a motion to adopt Ordinance 2007-16 amending Ordinance No. 88-11 regarding time and placement of garbage for pickup with the amendment that the trash should be set on the curb no more than 12 hours prior to and removed no later than 12 hours after the date of pickup. Councilmember Sanford seconded, and all voted in favor. Mayor Anderson suggested the lease agreement with J. Patrick Spruiell be renewed with three one-year renewal options. Councilmember Sanford made a motion to approve the lease agreement with J. Patrick Spruiell for a portion of the City Hall offices subject to the negotiation of three one-year renewal options. Councilmember Deibert seconded, and all voted in favor.

INDIVIDUAL CONSIDERATION

15. CONSIDER DRAINAGE IMPROVEMENT PROJECT IN OAKS ADDITION – Mayor Anderson instructed Rick Malone to check with the City's counsel regarding its liability. The item was tabled to allow the Council to obtain more information.
16. CONSIDER REQUEST FROM JAMES CANNADA FOR AUDIENCE WITH CITY COUNCIL REGARDING FLOOD DAMAGE TO 1805 OAK CIRCLE – Mr. Cannada expressed concern that the matter regarding flood damage to his house was still not resolved. He had concerns regarding his family's safety regarding electricity coming into contact with water in the house. Rick Malone reported the engineers sent reports to GAB Robbins regarding the insurance claim and the insurance company should make a recommendation within two weeks. Mayor Anderson stated the City would like to cooperate but a determination first had to be made by the insurance company regarding the claim.
17. CONSIDER AWARDED CITY OF CANTON BANK DEPOSITORY BID – Julie Seymore reported the bid with the most favorable interest rate was from Franklin Bank. Councilmember Brockman made a motion to award the City of Canton Bank Depository Bid to Franklin Bank. Councilmember Deibert seconded, and all voted in favor.
18. CONSIDER CITY OF CANTON CODE ENFORCEMENT – Mayor Anderson stated the City had the responsibility for public safety, public health and to protect property values of the citizens. He added Coy Prather had been given the responsibility of code enforcement for the City. Councilmember Brockman said it was imperative the City do a good job cleaning up the town. Mayor Anderson reported he had sent a letter to The Texas Department of Transportation requesting large trucks be routed down I-20 and Hwy. 19 so no large trucks were coming through the town square. He also asked them to lower the speed limit to 60 on Hwy. 19 coming from the south. Mayor Anderson cautioned that code enforcement should be dealt with in a fair and reasonable manner.
19. CONSIDER UPDATING CITY LOGO – The council reviewed the proposed logo and recommended adding a second line in the box with "First Monday Trade Days". They also discussed the local use of the trademarked "First Monday" and "First Monday Trade

Days". Councilmember Deibert stated there was a difference between a sign benefiting all, and an individual sign as recently erected at Canton Marketplace. He added the City had spent thousands of dollars promoting. They also mentioned website use and its affects on physical shoppers. They discussed establishing guidelines on allowable uses, but Mayor Anderson cautioned the Council to be reasonable so it is sustainable and defensible. It was suggested the City seek professional advice on the subject. Chamber President Rona Watson cautioned against alienating people that shop in Canton, noting getting information on being a vendor was difficult enough since they had to go to several different property owners. The Council agreed the visitors should be embraced and they should not be aware of any issues.

20. CONSIDER APPOINTMENTS TO THE CANTON ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS – Mayor Anderson recommended reappointing the incumbents to the positions. Councilmember Brockman made a motion to reappoint Jack Etheridge, Kris Ingram and Ron Sanford on the Canton Economic Development Corporation Board of Directors. Councilmember Deibert seconded. Councilmember Sanford abstained and all others voted in favor
21. CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – Item tabled by Mayor Anderson
22. CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENTS – Mayor Anderson recommended the appointment of Josh Smetak to the board to serve in place of Walter Clemments. Mayor Anderson said he would speak to Walter Clemments about serving as alternate. Councilmember Sanford made a motion to appoint Josh Smetak as a regular board member to the Board of Adjustments. Councilmember Deibert seconded and all voted in favor.
23. OFFICIAL CANVASS OF MAY 12, 2007 GENERAL ELECTION RETURNS – Items 23, 24, 25, and 26 were addressed prior to the consent agenda. Mayor Anderson announced 449 voters cast ballots in the May 12, 2007 General Election. He canvassed the election results as follows:

	<u>Total Votes</u>	<u>Early Voting</u>	<u>Election Day</u>
For Mayor			
William F. Hilliard	195	64	131
Rusty Wilson	247	96	151
For Two Council Positions			
Jim Fuller	276	112	164
Ron Sanford	187	76	111

24. CONSIDER ADOPTION OF RESOLUTION NO 2007-06 DECLARING RESULTS OF MAY 12, 2007 GENERAL ELECTION – Resolution No. 2007-06 declaring the results of the May 12, 2007 General Election as canvassed duly electing Rusty Wilson as Mayor and Jim Fuller and Ron Sanford as Councilmembers, was unanimously approved upon motion by Councilmember Brockman and second by Councilmember Sanford.
25. ISSUE CERTIFICATES OF ELECTION, ADMINISTER STATEMENTS OF ELECTED

OFFICER AND OATH OF OFFICE TO NEWLY ELECTED COUNCILMEMBERS – Mayor Anderson issued certificates of election to newly-elected Mayor Rusty Wilson and councilmembers Jim Fuller and Ron Sanford. The new officers signed the statements of elected officer and took the oath of office administered by Judge Lilia Durham.

26. PRESENTATION TO OUTGOING COUNCILMEMBERS RECOGNIZING THEIR DEDICATED SERVICE TO THE CITY OF CANTON AND ITS CITIZENS – Newly-elected Mayor Rusty Wilson presented Mayor R.C. Anderson and Councilmember Robert Brockman with plaques commemorating their service to the City of Canton.

Mayor Anderson said he appreciated the opportunity to serve the City as Mayor. He hoped the new mayor would continue to search for a good city manager. Mayor Anderson expressed his appreciation to Councilmember Brockman for contributing his tremendous expertise and experience and for voting in the best interest of the City. Councilmember Brockman stated he felt the Mayor had done a great job and thanked the citizens and employees for a great job.

REPORTS

27. MAYOR'S REPORT – Mayor Anderson reported he received calls regarding the City cleaning out stopped-up sewers on private property. There was a general discussion regarding whether or not the City should be going onto private property to do repairs and what the liability would be for the City. Councilmember Brockman felt the City was not responsible for the sewer line from the house to the street and the City should not be on someone's property doing work.
28. STAFF REPORTS – None during regular session.

EXECUTIVE SESSION

29. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071) – Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072, the Council convened in closed session at 7:22 p.m. to consult with the city attorney and deliberate regarding real property.
30. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)

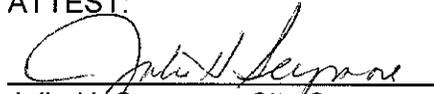
RETURN TO OPEN SESSION

31. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 8:10 p.m. with no action taken.
32. ITEMS FOR FUTURE AGENDAS – None during regular session.
33. ADJOURN – There being no further business to discuss, the meeting adjourned at 8:14 p.m. upon motion by Councilmember Brockman and second by Councilmember Sanford.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, JUNE 5, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. Also present were City Attorney, Richard Davis, and Chris Hartung from Waters Consulting

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:00 p.m. and announced a quorum present.

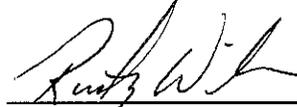
EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.074.

2. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (SECTION 551.074) – CITY MANAGER RECRUITMENT BRIEFING BY SEARCH CONSULTANT – The Council convened in closed session at 6:01 p.m. for deliberations regarding the recruitment of a City Manager.

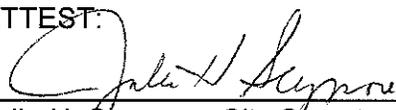
RETURN TO OPEN SESSION

3. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 6:47 p.m. with no action taken.
4. ITEMS FOR FUTURE AGENDAS - None
5. ADJOURN – There being no further business to discussion, the meeting was adjourned at 6:47 p.m. upon motion by Councilmember Deibert and second by Councilmember Hilliard.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING WORK SESSION OF THE CANTON CITY COUNCIL

5:30 P.M., TUESDAY, JUNE 19, 2007

City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. City Secretary, Julie Seymore, and Directors Lonny Cluck, Tim Gothard, Rick Malone and Jim Stephens were also in attendance. City Attorney, Richard Davis, and Gary Burton of Burton Engineering were present.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Wilson called the meeting to order at 5:30 p.m. and declared a quorum present.
2. INVOCATION – None during work session.
3. PLEDGE OF ALLEGIANCE – None during work session.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None during work session.
5. PROCLAMATIONS AND ANNOUNCEMENTS – Julie Seymore reported the 2007 scholarships would be awarded during the regular session to Justin Duke and Travis Termin.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM MAY 15, 2007 CITY COUNCIL MEETING – No changes noted.
8. CONSIDER APPROVAL OF MAY 2007 FINANCIAL STATEMENTS – No changes noted.
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-07 AUTHORIZING SIGNERS ON ALL CITY ACCOUNTS WITH FRANKLIN BANK – Julie Seymore explained the resolution authorized the setup of new accounts with Franklin Bank in accordance with the new depository contract. She said the checks would go through the same review process and require two signatures. Those being authorized to sign included the Mayor, Julie Seymore,

Jim Stephens and Lonny Cluck, with a new city manager to be added at later date.

10. CONSIDER ADOPTION OF ORDINANCE NO. 2007-18 AUTHORIZING ENFORCEMENT OF CITY ORDINANCES OF THE CITY OF CANTON, TEXAS – Julie Seymore explained the ordinance gave authority to city officials to issue citations. In particular, a code enforcement officer and a parking enforcement officer at First Monday. She noted the fines had already been established in the appropriate ordinances. Tim Gothard pointed out the ordinance had been requested by the municipal judge.

INDIVIDUAL CONSIDERATION

11. CONSIDER APPOINTMENT OF MAYOR PRO TEM – Julie Seymore explained a mayor pro tem was to be nominated and a vote taken.
12. MAYORAL APPOINTMENTS TO COUNCIL COMMITTEES – Item tabled by Mayor Wilson.
13. CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – Julie Seymore reported the members with expired terms were Elisa Heard, Charles Huddle and Chris Howard, who could be reappointed or new appointments made.
14. CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENTS – Julie Seymore reminded the Council Josh Smetak had been appointed to the Board during the last regular meeting, while appointments still need to be made to the positions currently held by Tina Ingram and Dan McLemore. She advised that R.C. Anderson discussed the alternate's position with Walter Clemments who had been replaced for health reasons by Josh Smetak.
15. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-19 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) ON THAT CERTAIN NEWLY-ANNEXED 20.48-ACRE LOT LOCATED ON NORTH I-20 SERVICE ROAD AT FM 1255, CURRENTLY OWNED BY HENRY LEWIS – Julie Seymore explained the property came in as Rural Agricultural upon annexation per the zoning ordinance, and the owner wished to rezone the property to B-2. She noted the Future Land Use Plan designated the area as Retail, which falls within the commercial zoning. The change was recommended by the Planning & Zoning Commission. She advised the owner had signed a waiver of water and sewer services until the City determined it would be economically feasible. Rick Malone stated the owner had no plans for the property at the current time. Richard Davis said if the master plan called for the area to be business, then that is what should direct their decision.
16. CONSIDER ETHERIDGE ROAD IMPROVEMENTS AND AREA DRAINAGE PROJECTS – Julie Seymore explained the Council, at the last meeting, requested estimates to lower Oak Circle. Rick Malone said to lower Oak Circle one foot would cost an estimated \$131,687.50, which would help carry the water to Oak and divert it from Mr. Cannada's property. Gary Burton confirmed that work would still be required on private property. Rick Malone said he was on Etheridge Road Saturday morning and none of the city's ditches had overflowed on the east end, but water was in Mr. Cannada's house. Mr. Malone said the water came from Mill Creek. He stated the city previously fixed a flooding problem on Oak Square by putting in a curb. It was noted the water goes through driveways. Alton Smith said rain came across Etheridge Road on Saturday. Mr. Smith said the big rain came from Malinda from the top of the hill and over Etheridge in five places. Mayor Wilson commented there was an issue on Etheridge Road and it should be fixed within the next one or two years. Gary Burton said the City could revisit the drainage design on that road and review the 100-year rain and see if all the water on the street could be contained. Rick Malone said the most

difficult area was by the duplexes. Elaine Gothard expressed concern that doing this work would cause problems elsewhere. Rick Malone said Oak was not designed to handle anything over a 20 to 25-year flood. The work would redirect the water going downhill. Councilmember Hilliard suggested contacting the highway department to request they share the cost. Gary Burton said the design the City did two or three years ago was what the highway department had directed which included enlarging the culvert under the highway. Mayor Wilson instructed Mr. Malone and Mr. Burton to speak with the highway department and see what could be done below Etheridge to take water under Highway 198 and split it in two directions. Mr. Burton said the Highway Department had already approved the design. He said the water had to be taken across Etheridge and down to the creek on the other side. Mr. Malone said the estimate for the entire street was now \$1,293,287 for asphalt or \$1,389,637 for concrete. Mr. Burton added that the numbers included doing the whole road and replacing the water and sewer. The bid would be good for sixty days from May 31. Two bids were received but Mr. Burton said he recommended going with the lower bidder who received the addendums over the phone but did not mark the acknowledgement. The other bid had several irregularities. Mr. Burton added they should have a response from the state by the next council meeting. Mayor Wilson suggested delaying the award of the bid until the next meeting unless it became necessary to have a called meeting.

17. CONSIDER AWARDDING BID FOR ETHERIDGE ROAD IMPROVEMENTS FROM HIGHWAY 198 TO MALINDA
18. CONSIDER ADOPTION OF ORDINANCE NO. 2007-20 AMENDING THE CITY'S 2006-2007 FISCAL YEAR BUDGET FOR WATER PLANT IMPROVEMENTS – Julie Seymore explained the cost for improvements to keep the City in compliance was estimated to be \$235,300. The budget amendment moved \$92,000 from other projects by postponing projects or reallocating and taking the remainder from the fund balance. Mayor Wilson questioned why the original amount budgeted for this item was \$109,000. Mr. Malone explained the underground drain system had not been included in that amount. The City had originally intended to the filters and the air scour system itself. Mayor Wilson said a better job needed to be done budgeting items such as this if the City were to operate under a good solid budget. The budget should be done taking the worst case scenario into consideration. Gary Burton said the underdrains would take two months to receive and their cost would be approximately \$60,000. Mr. Malone said the City was not out of compliance at this time. He said the air scour system would double or triple the life of the filter. Mr. Burton said the filter media should be done at an estimated cost of \$70,000. Rick Malone said Item 4 could be postponed to the next fiscal year.
19. CONSIDER AWARDDING BID FOR 2007 WATER PLANT IMPROVEMENTS – Gary Burton explained the award would be \$298,800 and the change order for Item 4 would make the project \$235,000 net.
20. CONSIDER APPROVAL OF FORREST DRIVE STORM SEWER IMPROVEMENTS AND TASK ORDER NO. 014070301 WITH GARY BURTON ENGINEERING FOR ENGINEERING SERVICES – Julie Seymore explained, per the contract, the cost would not exceed \$4500 without prior authorization. Mr. Malone explained at drain system at Valerie Peace's house had rotted. The bid was to make a larger drain box and install a 20-inch culvert and extend it to the end of the line. That would cover two-thirds of Sides Circle and from Forrest all the way to Debbie to the curb at Mill Creek. Gary Burton explained a new pipe could not be installed at this time because it would have to have a lower invert. The box had to be completed first. He added the bid was based on RCP not plastic and was for engineering only.

21. CONSIDER APPROVAL OF NORTH WYNNE ROAD SANITARY SEWER IMPROVEMENTS AND TASK ORDER NO. 014070201 WITH GARY BURTON ENGINEERING FOR ENGINEERING SERVICES – Rick Malone explained the work entailed extending the sewer from the back of Juanitas to the last four houses. The residents had been promised the line would be extended but it had not yet been done due to the cost. Julie Seymore pointed out one of the property owners was already in the city limits and the other two were willing to annex. Rick Malone said the project would extend into the next fiscal year but the engineering needed to be done to make sure the project was feasible. He added the project would open up all the property behind the Best Western for sewer and further development.
22. CONSIDER ALL MATTERS PERTAINING TO ANIMAL CONTROL – In the essence of time, the Council skipped to Staff Reports.
23. CONSIDER PLANNING FOR FUTURE WATER SOURCES
24. CONSIDER FEES FOR RVs IN VENDOR AREAS OF THE FIRST MONDAY PARK
25. CONSIDER LONG-TERM LEASES FOR INDIVIDUAL STRUCTURES AT FIRST MONDAY PARK

REPORTS

26. REPORT FROM CHAMBER OF COMMERCE ON IMPACT AND VALUE OF AN EXPO CENTER
27. MAYOR'S REPORT – None during work session.
28. STAFF REPORTS – Tim Gothard reported the Fire Department picked up two new volunteers that week and all the trucks were up and running. Rick Malone reported the sewer plant was running smoothly and they were trying to finalize a permit for increased capacity. He said the water plant was strictly on well water and there were some issues with organics in the water. He added the utility department took a cross country water line out of service, the parks had some vandalism, the new animal shelter was done well, and the highway department should finish with the Hwy. 198 and Hwy. 243 intersection within sixty days. Lonny Cluck mentioned the lampposts in front of First Monday made the sidewalk ADA noncompliant. He suggested making Row 3 an exit lane and Row 1 two lanes for entry, one lane for vendors with passes and the other for people with pickup passes. Mr. Cluck said there were some places the lampposts could be used elsewhere on the grounds or they could be used for replacement parts. Councilmember Hilliard said the Hillcrest Cemetery Association bought half of the lights by the cemetery. He would like them put behind or into the wall. Jim Stephens suggested they see how the lights looked after the first sidewalk was completed. Mr. Stephens said personnel was running well, two or three positions had been advertised on TML and in the paper, and one of the men at the sewer plant was working on licensing to enable him to move to the supervisor position. Julie Seymore reported the audit had begun.

EXECUTIVE SESSION

None during work session.

29. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTION 551.087)

30. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING FLOOD DAMAGE AT 1805 OAK CIRCLE (SECTION 551.071)
31. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)
32. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)
33. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – CITY MANAGER CANDIDATES (SECTION 551.074.)

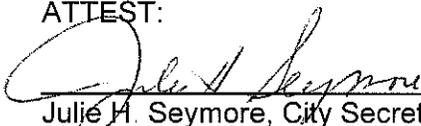
RETURN TO OPEN SESSION

34. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
35. ITEMS FOR FUTURE AGENDAS
36. ADJOURN – There being no further business to come before the Council, the meeting adjourned at 6:31 p.m. upon motion by Councilmember Deibert and second by Councilmember Gothard.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, JUNE 19, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. Also present were City Secretary/Finance Officer, Julie Seymore, Directors Jim Stephens, Lonny Cluck and Rick Malone, City Attorney, Richard Davis, and City Engineer, Gary Burton.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:38 p.m. and announced a quorum present.
2. INVOCATION was given by Jim Stephens
3. PLEDGE OF ALLEGIANCE was led by Eagle Scout Nathaniel Lyon

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – Julie Seymore announced a conflict of interest had been declared by Councilmember Sanford regarding Item 16. Mayor Wilson questioned whether Councilmember Hilliard might have a conflict regarding the First Monday discussions but was assured by Councilmember Hilliard he had no conflict.
5. PROCLAMATIONS AND ANNOUNCEMENTS – Mayor Wilson presented the first \$1000 installment of \$4000 scholarships awarded in 2007 to Justin Duke and Travis Termin.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None

CONSENT AGENDA

Items on the Consent Agenda were unanimously approved upon motion by Councilmember Gothard and second by Councilmember Sanford.

7. CONSIDER APPROVAL OF MINUTES FROM MAY 15, 2007 CITY COUNCIL MEETING
8. CONSIDER APPROVAL OF MAY 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-07 AUTHORIZING SIGNERS ON ALL CITY ACCOUNTS WITH FRANKLIN BANK
10. CONSIDER ADOPTION OF ORDINANCE NO. 2007-18 AUTHORIZING ENFORCEMENT OF CITY ORDINANCES OF THE CITY OF CANTON, TEXAS

INDIVIDUAL CONSIDERATION

11. CONSIDER APPOINTMENT OF MAYOR PRO TEM – Mayor Wilson reminded the Council the position was for a one-year term. Councilmember Hilliard nominated Councilmember Deibert. Councilmember Gothard seconded and all voted in favor.
12. MAYORAL APPOINTMENTS TO COUNCIL COMMITTEES – Mayor Wilson tabled the item until the next regular meeting.
13. CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – Councilmember Deibert made a motion to reappoint Elisa Heard, Charles Huddle and Chris Howard to the Planning and Zoning Commission for an additional two-year term. Councilmember Sanford seconded and all voted in favor.
14. CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENTS – Julie Seymore explained two regular positions and an alternate's position were open on the Board. Josh Smetak had previously been appointed to replace Walter Clemments. Walter Clemments was suggested as a possible alternate. Councilmember Deibert made a motion to reappoint Tina Ingram and Dan McLemore to the Board and to appoint Walter Clemments as alternate. Jim Fuller seconded and all voted in favor. There was a general discussion regarding recruitment for board positions in the future. Mayor Wilson suggested starting the process ninety days in advance in order to generate interest in all board positions.
15. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-19

EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) ON THAT CERTAIN NEWLY-ANNEXED 20.48-ACRE LOT LOCATED ON NORTH I-20 SERVICE ROAD AT FM 1255, CURRENTLY OWNED BY HENRY LEWIS – Mayor Wilson opened a public hearing at 7:18 p.m. Hearing no comments, it was closed at 7:18 p.m. Councilmember Gothard made a motion to adopt Ordinance No. 2007-19 effecting a zoning change from Rural Agricultural (RA) to General Business District (B-2) on the newly-annexed 20.48-acre lot located on North I-20 Service Road at FM 1255, currently owned by Henry Lewis. Councilmember Sanford seconded and all voted in favor.

16. CONSIDER ETHERIDGE ROAD IMPROVEMENTS AND AREA DRAINAGE PROJECTS – Pursuant to discussion in the work session, items 16 and 17 were tabled to the next regular meeting to give the City an opportunity to talk to the highway department about the project
17. CONSIDER AWARDDING BID FOR ETHERIDGE ROAD IMPROVEMENTS FROM HIGHWAY 198 TO MALINDA
18. CONSIDER ADOPTION OF ORDINANCE NO. 2007-20 AMENDING THE CITY'S 2006-2007 FISCAL YEAR BUDGET FOR WATER PLANT IMPROVEMENTS – Julie Seymore explained the proposed amendment would increase the water plant capital expenditure account by \$159,000 taking \$20,000 from the Wastewater Treatment plant expenditure account and \$12,000 from its chemical supplies budget, \$30,000 from streets and alleys capital expenditure account and \$67,000 from the fund balance. Gary Burton recommended at the very least the media be changed out. Julie Seymore advised there were no extra monies in the salary position at the water plant because more overtime was needed with the position vacant. She said the money for the utility relocation at Highways 243 and 198 had been pulled from the streets budget as approved by Council. Gary Burton said he believed the work that would require the \$67,000 would not be necessary until the next fiscal year. Rick Malone said the plant would not have to be shut down in order for the work to be completed. One filter at a time would be changed out. Councilmember Fuller made a motion that Ordinance No. 2007-20 amending the City's 2006-2007 fiscal year budget for water plant improvements be adopted as amended to exclude the \$67,000 from the fund balance. Councilmember Sanford seconded and all voted in favor.
19. CONSIDER AWARDDING BID FOR 2007 WATER PLANT IMPROVEMENTS – Upon the recommendation of Burton Engineering, Councilmember Gothard made a motion to award the bid for the 2007 water plant improvement project to low bidder, McKinney, Newman and McMilland, in the amount of \$298,800 and to approve a charge order reducing the bid to \$235,300. Councilmember Deibert seconded and all voted in favor.
20. CONSIDER APPROVAL OF FORREST DRIVE STORM SEWER IMPROVEMENTS AND TASK ORDER NO. 014070301 WITH GARY BURTON ENGINEERING FOR ENGINEERING SERVICES – Councilmember Deibert made a motion to approve the Forrest Drive Storm Sewer Improvements Task Order No. 014070301 with Gary Burton Engineering for engineering services only. Councilmember Sanford seconded and all voted in favor.
21. CONSIDER APPROVAL OF NORTH WYNNE ROAD SANITARY SEWER IMPROVEMENTS AND TASK ORDER NO. 014070201 WITH GARY BURTON ENGINEERING FOR ENGINEERING SERVICES – Rick Malone explained one of the pieces of property for which sewer was requested was already annexed and the other two property owners were willing to be annexed. Julie Seymore advised the task order for

engineering could be approved that night, while the project could be approved once the property had been annexed. Councilmember Hilliard made a motion to approve the North Wynne Road Sanitary Sewer Improvements and Task Order No. 014070201 with Gary Burton Engineering for Engineering Services subject to the finalization of all the property being annexed into the City. Councilmember Deibert seconded and all voted in favor.

22. CONSIDER ALL MATTERS PERTAINING TO ANIMAL CONTROL – Jim Fuller stated it had been brought to his attention that Van Zandt County, as well as other counties, had problems with animal control. He suggested development of more stringent ordinances in cooperation with the County regarding animal control. Judge Rhita Koches said the County could not enact ordinances and had no money at the time or near future to develop any type of program. She said the County was following what Henderson County was doing regarding animal control. Judge Koches agreed with Councilmember Fuller that the matter needed to be addressed and they would work with the City. She said the County had hired a new animal control officer. Mayor Wilson appointed Councilmember Fuller as the liaison with the county regarding animal control.
23. CONSIDER PLANNING FOR FUTURE WATER SOURCES – Mayor Wilson stated he would be appointing a committee to represent the City on the water planning board. He requested Judge Koches appoint someone from the County as well. Mayor Wilson suggested contacting other cities about contributing to the cost of a water study.
24. CONSIDER FEES FOR RVs IN VENDOR AREAS OF THE FIRST MONDAY PARK – Lonny Cluck suggested charging a \$10 per day fee for parking an RV on an outdoor lot in addition to the \$50 lot rent. He said one of the main problems on the grounds was illegal parking. Mr. Cluck felt this contributed to a declining market. He suggested starting the new policy at the beginning of the fiscal year to give him ample time to notify vendors of the change. He advised the City currently charged \$20 for a full hookup and he would like to raise that to \$25. Mayor Wilson recommended adopting the changes as suggested by Mr. Cluck. Councilmember Hilliard made a motion to adopt an RV fee of \$10 per day for the outdoor lots beginning October 1, 2007. Councilmember Sanford seconded and all voted in favor.
25. CONSIDER LONG-TERM LEASES FOR INDIVIDUAL STRUCTURES AT FIRST MONDAY PARK – Mayor Wilson cautioned the Council to give careful consideration to any proposed changes. Councilmember Deibert stated he was against any leases. He suggested the development of a master plan so the City would have a guideline for future decisions. Councilmember Sanford was concerned about possible litigation from vendors who have paid transfer fees for lots in the building zone but were unable to erect a building.

REPORTS

26. REPORT FROM CHAMBER OF COMMERCE ON IMPACT AND VALUE OF AN EXPO CENTER – Rona Watson from the Chamber of Commerce gave a presentation on a possible expo center for Canton which would be ideal for major APHA, AQHA and national cutting horse events as well as a multitude of other events. Mayor Wilson said Lufkin had a good arena and Andrews had just built a new expo center which was already booked through 2008.
27. MAYOR'S REPORT
28. STAFF REPORTS

EXECUTIVE SESSION

Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071, 551.072, 551.074 AND 551.087, the Council convened in closed session at 7:50 p.m. to deliberate regarding economic development negotiations, City Manager candidates, real property matters and for consultation with attorney

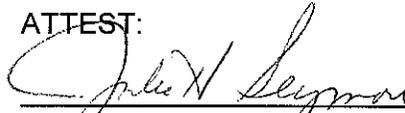
29. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS (SECTION 551.087)
30. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING FLOOD DAMAGE AT 1805 OAK CIRCLE (SECTION 551.071)
31. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)
32. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)
33. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – CITY MANAGER CANDIDATES (SECTION 551.074.)

RETURN TO OPEN SESSION

34. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 9:25 p.m. Mayor Wilson appointed Jim Fuller and Kevin Deibert to the First Monday Committee. He stated he was in favor of long-term leases to get more buildings on the grounds and to collect ad valorem taxes and additional sales tax money. Councilmember Deibert explained they only received one bid to develop a master plan and none had been awarded. Mayor Wilson suggested the City ensure any future leases, if any, were to the benefit of the City. Councilmember Hilliard stated he felt a long-term lease was comparable to a sale of the property and put vendors in competition with the City. Mayor Wilson questioned the City financing additional buildings on the grounds. Councilmember Sanford recommended the First Monday committee come up with a reasonable plan. He said he would like to see the City get away from buildings and focus on outdoor lots. In talking about dedicating more time to First Monday issues, Julie Seymore advised the Council once held a second meeting each month for First Monday business. Mayor Wilson suggested the City do an infomercial on Canton, Texas, and First Monday. Richard Davis advised the surest way to exert authority over the leases would be to have the Council approve each lease.
35. ITEMS FOR FUTURE AGENDAS – Councilmember Deibert proposed having a separate meeting for First Monday issues. The First Monday meetings were scheduled for the second Thursday each month at 5:30 p.m. A budget workshop was scheduled for July 28, 2007. Julie Seymore advised an announcement of the proposed tax rate would need to be made around August 6.
36. ADJOURN - There being no further business to discuss, the meeting was adjourned at 10:13 p.m. upon motion by Councilmember Sanford and second by Councilmember Deibert.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
9:00 A.M., MONDAY, JULY 5, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Kevin Deibert, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Rusty Wilson called the meeting to order at 9:01 a.m. and declared a quorum present.

EXECUTIVE SESSION

2. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (SECTION 551.074) – CITY MANAGER POSITION – Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.074, the Council convened in closed session at 9:01 a.m. for deliberations regarding personnel matters. The Council interviewed and discussed four candidates for city manager.

RETURN TO OPEN SESSION

3. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 3:33 p.m.
4. CONSIDER ALL MATTERS RELATING TO THE APPOINTMENT OF A CITY MANAGER - Councilmember Deibert made a motion to offer the position of City Manager to Andy McCuiston, contingent upon the verification of his references, at a salary of \$80,000 per year, a car allowance of \$500 per month, and moving expenses not to exceed \$2,500. Councilmember Hilliard seconded, and all voted in favor.
5. ADJOURN – There being no further business to come before the Council, the meeting adjourned at 3:37 p.m. upon motion by Councilmember Hilliard and second by Councilmember Fuller.


 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., THURSDAY, JULY 12, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Jim Fuller, Elaine Gothard, William Hilliard and, Ron Sanford. Councilmember Kevin Deibert was absent. Also present were City Secretary/Finance Officer Julie Seymore, Directors Lonny Cluck, Tim Gothard, Rick Malone, and Jim Stephens and City Attorney Richard Davis. Candidate for City Manager, Andy McCuiston, was also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Rusty Wilson called the meeting to order at 5:33 p.m. and declared a quorum present.
2. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

CITIZEN'S FORUM

3. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None

INDIVIDUAL CONSIDERATION

4. MAYORAL APPOINTMENTS TO FIRST MONDAY COMMITTEE – Mayor Wilson deferred appointments to the next regular meeting.
5. CONSIDER FIRST MONDAY PARKING FEES IN CITY LOTS – Lonny Cluck recommended raising parking rates to \$4 per car to match the rates of privately-held lots. He noted one consideration was whether or not to maintain the one-third split with the organizations that assisted on the FM 859 parking lot. Mr. Cluck assured the Council if a group was unable to park cars on a specific day, another group on the list was asked to substitute or the City handled the parking. Julie Seymore explained the City was able to answer the many requests for donations from local organizations by offering the parking lot program. Councilmember Hilliard suggested looking into the economics of the City handling the parking exclusively. Mr. Cluck explained the newly implemented procedures by which each group was assigned two months, a strong month and a weak month, during which they parked Thursday through Sunday. Ms. Seymore reported \$8500 had been paid to organizations working the parking lot as of May 31, 2007. She added that revenue from the parking lot had been down the last two years. Councilmember Gothard suggested a trolley

be used to transport shoppers from the parking lot to the entrance. Mr. Cluck agreed that would help but the trolley was not in good working order. Councilmember Sanford made a motion to increase the rate on all city parking lots to \$4 per car, effective October 1, 2007. Councilmember Fuller seconded, and all voted in favor.

6. CONSIDER ALL MATTERS PERTAINING TO FIRST MONDAY PARKING AREA BEHIND GROVES PARKING LOT – Lonny Cluck proposed two options for the Groves Parking lot. One was to open the lot to assigned vendor parking for \$25 per month. The other was to park shoppers and have them enter through the east side of the Senior Citizens Building lot. This option would require two employees to man the lot and someone to monitor and issue tickets. He said the agreement with Mr. Groves had been a 50/50 split. Council discussed the possibility of Trade Center vendors moving from \$50 parking behind their booths to the nearby \$25 parking. Mr. Cluck estimated the parking lot could accommodate more than 50 cars. An issue for consideration was that all vendors were offered free parking by the log cabin and a problem might arise if the City charged vendors on the east side of the creek. Mayor Wilson instructed Mr. Cluck to obtain more information on the revenue that might be generated from operating the lot before approaching Mr. Groves. Ms. Seymore reported as of May 31, 2007, the City's income from the Groves parking lot was \$2900 for the year. Mayor Wilson pointed out 60 cars at \$25 per car would be \$1500 per month. He also suggested conducting a survey of the vendors to determine interest in a new vendor parking lot. Mr. Cluck said Henry Lewis rented a 12x12 space in the 6000 pavilion for \$40 with a parking space outside included, while the City charged \$150 for an inside space, \$50 for an attached parking space, and required the vendor to rent a backdrop for approximately \$20.
7. CONSIDER FIRST MONDAY RV PARKING FEES IN CITY LOTS – Mr. Cluck reported current Civic Center vendors could park RVs at the Civic Center for \$10 for the entire First Monday weekend. He suggested increasing the rate to \$10 per night because the City furnished water and electricity. He noted Mr. Lewis and H&T currently charged \$30 a night for a full hook-up and Canton Marketplace charged \$35. He said none of them took reservations. In comparison, the City charged \$20 per night, but did take reservations with a three-night minimum. Cable also was available for each space. Mr. Cluck's recommendation was to increase the rate for a full RV hookup to \$25 per night. Councilmember Gothard recommended allowing internet access for a fee. Mr. Cluck advised internet access was available to anyone who contacted VZINet. Councilmember Fuller felt the City facilities were as good as any others available in the City and did not want to discount the City's price. Julie Seymore advised the increase would not take affect until October 1, 2007, and vendors would be notified in the upcoming brochure of policies and procedures. Councilmember Gothard suggested making the increase to \$30 per night and not go up in \$5 increments. Councilmember Hilliard questioned if the City was covering the cost of the electricity used by RV's each day. Lonny Cluck said the only privately-held RV park who charged the same rate as the City was Billy Jack Deen who charged \$20 per night. Councilmember Gothard made a motion to increase the rates for Civic Center RV spaces to \$10 per day, the rates for full hook-ups to \$30 per night, and the rates for water and electric hook-ups to \$25 per night, effective October 1, 2007. Councilmember Sanford seconded and all voted in favor. Mayor Wilson suggested contacting TXU for a meter to do an analysis on the amount of energy used by the RV's. Mr. Cluck said the RV's had a separate meter and the bill could be divided by the number of spaces to determine usage.
8. CONSIDER FIRST MONDAY DEBT REDUCTION PLAN – Lonny Cluck reported the First Monday restroom loan had a balance of \$94,000 and an interest rate of 4%. He added the Trade Center IV loan interest rate was 3.95%. He suggested taking money out of the capital budget to pay off the restroom loan, then applying that payment to the Trade Center

IV loan to become debt free ten months earlier. He said First Monday would then be in a position to save money before starting another building. Julie Seymore suggested paying out the \$94,000 across two years to spread it across two budget years. Mayor Wilson instructed Mr. Cluck to see how the early payoffs would impact the budget before a decision was made. The Council felt the interest rates were favorable and early pay-off did not offer an advantage.

9. CONSIDER ADOPTION OF UPDATED FIRST MONDAY LOGO – After a brief discussion regarding the proposed logo, Mayor Wilson said he would present several options for consideration at the next meeting, but if none were favored, the Council could consider conducting a contest to find a new logo for First Monday.

WORK SESSION

10. WORK SESSION REGARDING ALL MATTERS RELATING TO FIRST MONDAY TRADE DAYS – Lonny Cluck said Russ Marson of the ATF in Tyler spoke to him of his concerns about the handling and selling of firearms at First Monday. Mr. Cluck suggested having a policy regarding firearms in place to help with enforcement. Mayor Wilson instructed Mr. Davis to contact Mr. Marson and advise the council. Mr. Cluck said the First Monday department upgraded the PA system, paid off a restroom and made a budget adjustment to purchase two used garbage trucks. He also said the road leading to the new bridge would be widened to line up with the bridge. Mr. Cluck requested replacing the hotel listing with the Chamber's number on the policy brochure to allow more space for city information. Julie Seymore advised the policies needed to be approved by the Council and should be presented during the next month in order to have them printed by October. Mr. Cluck reported the City paid \$60,000 annually for the lease of the Deen property from the cage to the RV park. Councilmember Hilliard recommended the city erect an aesthetically-pleasing building on its own property to house equipment rather than have all the equipment on someone else's property. Mr. Cluck advised there were two years left on the Deen lease which had an option to renew. He estimated it would cost \$15,000 per row to upgrade the electrical system in the Civic Center RV Park.
11. CONSIDER ANY ACTION PURSUANT TO WORK SESSION ON MATTERS RELATING TO FIRST MONDAY TRADE DAYS - None

EXECUTIVE SESSION

12. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071) - Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072, the Council convened in closed session at 6:54 p.m. for deliberations regarding real property and for consultation with attorney.
13. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)

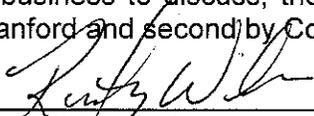
RETURN TO OPEN SESSION

14. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:17 p.m. No action was taken.

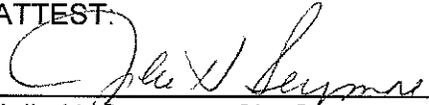
15 STAFF REPORTS - None

16. ITEMS FOR FUTURE AGENDAS - Mayor Wilson requested the City Manager ordinance and contract be placed on the agenda for the next regular meeting. Councilmember Fuller asked to report on the Bluegrass Festival

17. ADJOURN - There being no further business to discuss, the meeting adjourned at 8:18 p.m. upon motion by Councilmember Sanford and second by Councilmember Hilliard



Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
8:30 A.M., SATURDAY, JULY 14, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

1. CALL TO ORDER – Meeting cancelled prior to meeting time.

EXECUTIVE SESSION

2. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (SECTION 551.074) – CITY MANAGER POSITION

RETURN TO OPEN SESSION

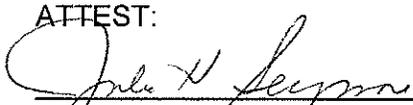
3. RECONVENE TO OPEN SESSION

4. CONSIDER APPROVAL OF CITY MANAGER CONTRACT AND ALL MATTERS RELATING TO THE APPOINTMENT OF A CITY MANAGER

5. ADJOURN



Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

WORK SESSION FOR REGULAR MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, JULY 17, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. Councilmember Kevin Deibert was absent. City Manager, Andy McCuiston, City Secretary/Finance Officer, Julie Seymore, and Directors Lonny Cluck, Tim Gothard, Rick Malone and Jim Stephens were also in attendance. City Attorney, Richard Davis, Ray Brumley and Gary Burton of Burton Engineering were present.

Discussion and action were as follows:

- 1 CALL TO ORDER - Mayor Wilson called the meeting to order at 5:30 p.m. and declared a quorum present.
- 2 INVOCATION - None during work session.
- 3 PLEDGE OF ALLEGIANCE – None during work session
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None during work session.
- 5 PROCLAMATIONS AND ANNOUNCEMENTS - None during work session.

SPECIAL CONSIDERATION

6. CONSIDER ADOPTION OF ORDINANCE 2007-21 ESTABLISHING THE CITY MANAGER'S POSITION AND REPEALING PREVIOUS CITY MANAGER ORDINANCES
7. CONSIDER APPROVAL OF EMPLOYMENT AGREEMENT BETWEEN THE CITY OF CANTON AND ANDY MCCUISTION FOR THE POSITION OF CITY MANAGER

CITIZEN'S FORUM

- 8 CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA

CONSENT AGENDA

9. CONSIDER APPROVAL OF MINUTES FROM JUNE 5 AND JUNE 19, 2007 CITY COUNCIL MEETINGS – No changes were noted.
10. CONSIDER APPROVAL OF JUNE 2007 FINANCIAL STATEMENTS – Julie Seymore reported the conversion of the accounting software was complete but the staff was working on ascertaining correct cash values to report. She also said the 2007 principal and interest bond payments were made on July 1, 2007, reducing the debt to \$6.02 million.

11. CONSIDER ADOPTION OF RESOLUTION NO 2007-08 DESIGNATING AUTHORIZED REPRESENTATIVES ON ALL CITY ACCOUNTS WITH FRANKLIN BANK – Julie Seymore advised the Resolution named Mayor Wilson, Andy McCuiston, Julie Seymore, and Jim Stephens as authorized representatives on the accounts, while the existing purchase order and review processes would still be followed
12. CONSIDER ADOPTION OF RESOLUTION NO. 2007-09 AMENDING AUTHORIZED REPRESENTATIVES ON CITY'S TEXPOOL ACCOUNTS – Julie Seymore said the resolution affected the accounts holding revenues from certificates of obligation. She noted Debbie Phillips was listed as an authorized represented because she performed the banking transactions.
13. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF THREE TRACTS (3 27-ACRES, 0.28-ACRE AND 0.39-ACRE) SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M J. BURNETT LIVING TRUST, AND SCHEDULE PUBLIC HEARINGS – Julie Seymore explained the petition involved three small tracts off the southeast end of Amy Street owned by the Burnett Trust. She noted the property connected the sixty acres owned by CEDC where the expo center would be located to the existing city limits, making it eligible for annexation also. The two annexation hearings were scheduled for August 21 and August 30, 2007.
14. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF A 60-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED OFF HIGHWAY 19 SOUTH, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION, AND SCHEDULE PUBLIC HEARINGS – Julie Seymore reported CEDC would pay for the extension of the water and sewer services to the property.

INDIVIDUAL CONSIDERATION

15. UPDATE ON PHASE II PARK GRANT PROJECT – Julie Seymore said Andy Reese was present and would provide an update on Phase II of the park grant project during regular session.
16. CONSIDER AWARDING BID FOR ETHERIDGE ROAD IMPROVEMENTS FROM HIGHWAY 198 TO MALINDA – Julie Seymore stated the bid under consideration was for improvements to the first section of Etheridge Road from Highway 198 to Malinda. Gary Burton explained they had spoken to the local TxDOT engineer but had not yet received a response from the Mineola engineers. He recommended awarding the bid and amending the contract later, if necessary. Mr. Burton clarified that the proposed improvement would be replacement of the two existing culverts with one box culvert. It was designed to take the runoff in an underground storm sewer down and across Etheridge to a bigger box culvert. Another option would be to take the pipes across on one side, turn and put in a junction box and dump water into the creek and not replace the box culvert. Ray Brumley stated Mr. McClanahan from TxDOT had previously instructed them to go to the box culvert but had since agreed going across the road was a more desirable design. Councilmember Hilliard expressed concern about whether the design would work after a five-year period. Mr. Burton said the project would be more expensive to carry the water underground. Mr. Burton advised that the bid was only good for a couple more weeks. And to re-bid would cost approximately \$2500. Alton Smith said the main water problem was below the lumberyard where it went under Hwy. 198 because the culverts were too

small, but the water definitely needed to get across the road somewhere Julie Seymore said if the bid was not awarded at that time, funds would need to be allocated in the next year's budget.

17. CONSIDER ETHERIDGE ROAD DRAINAGE – Julie Seymore said Catherine Yancey had requested an audience with the Council to discuss the Etheridge Road drainage.
18. CONSIDER RENEWAL OF PROFESSIONAL ENGINEERING SERVICES RETAINER AGREEMENT WITH GARY BURTON ENGINEERING, INC. – Mr. Burton explained the previous year's agreement was for 10 hours a month or 120 hours per year for \$9,000. He said his firm exceeded the number of hours by almost half and he would like to work out something similar but allow for compensation of the additional hours.
19. CONSIDER APPROVAL OF BURTON ENGINEERING AGREEMENT TASK ORDER / PROJECT NO. 014070501 FOR INDUSTRIAL PARK NO. 4 – Julie Seymore explained the task order was for the design of the infrastructure of the CEDC Industrial Park IV. She said CEDC would fund the project but the lines would belong to the City and the contracts would be with the City. She also noted CEDC was requesting the proposed six-inch line be increased to eight inches.
20. CONSIDER APPROVAL OF BURTON ENGINEERING AGREEMENT TASK ORDER / PROJECT NO. 014070101 FOR FIRST MONDAY CREEK REALIGNMENT – Rick Malone explained the task order involved Mr. Burton doing the engineering from Row 94 all the way to the creek by the log cabin. He said it would entail removal of two bridges. Mayor Wilson questioned why this work was ordered prior to council approval. Mr. Malone stated the Council had discussed the matter two months prior and he had asked Mr. Burton about the feasibility of the project. Mr. Burton stated he had been asked to see what impact building a dam structure and realigning the creek would have on the downstream water and the only way he could make that determination was to survey the creek to see what volume would be backed up and do some hydrology. Lonny Cluck said three bridges needed to be replaced desperately and a couple more should be inspected. They do not want to do anything that would cause a problem downstream. Mr. Burton said he could incorporate the work already done into the task order if it was approved in next year's budget. Councilmember Hilliard said too many buildings had been built before the flooding was under control.
21. DISCUSS OPEN MEETINGS / OPEN RECORDS TRAINING REQUIREMENTS FOR COUNCIL AND COMMITTEE MEMBERS – Julie Seymore advised that new members to the Council had ninety days to complete the open records / open meetings training. Mayor Hilliard noted he and Councilmembers Hilliard and Fuller needed to complete the training.
22. MAYORAL APPOINTMENTS TO COUNCIL COMMITTEES - Mayor Wilson distributed a list of committee appointments, noting two citizens—Connie Odic and Ken Perkins—had been added to the First Monday Committee. He said he felt it was important the Council research all the options to bring a hospital to Canton.

REPORTS

23. MAYOR'S REPORT
24. STAFF REPORTS – Lonny Cluck reported Rickey Daniels had been working on the First Monday Roads and the staff had been shoveling sand and cleaning up since the creek

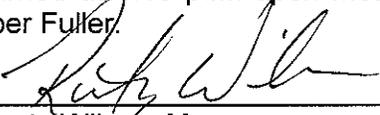
overflowed. Judge Durham said everything was going well at the Municipal Court. Tim Gothard reported the Fire Department had been testing fire hydrants, with 99 tested and 35 maintenance requests turned in. He said they conducted one home fire inspection and one business inspection which was determined to be an electrical short inside the building. Gothard also noted they had 401 calls for assistance that year and the recent four-alarm fire had a total of 34 firefighters, Red Cross, Canton Police, Canton Public Works and Fuller's HazMat Response Team involved. Tim Gothard requested speed limit signs on Old Kaufman Road from Hwy. 64 to the Church. Rick Malone reported there had been a lot of cleanup done since the storms and there had been a lot of road damage and damage to water and sewer lines. He also reported the Animal Control Officer for Canton responded to a call in the county the previous night during which he took possession of 19 dogs and 5 cats from a residence. He said the animals were tranquilized and taken to the shelter and the owner of the property paid the normal intake fees. Julie Seymore reported work was being done to prepare the budget and the first workshop was scheduled for July 28, 2007, at 8:30 a.m. She also noted the audit fieldwork was complete and the audit would be presented at the next month's meeting. Richard Davis announced he would be on vacation August 21.

EXECUTIVE SESSION

- 25 EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072) - None during work session.
- 26. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (SECTION 551.074) – CITY MANAGER
- 27 EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)

RETURN TO OPEN SESSION

- 28 RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
- 29. ITEMS FOR FUTURE AGENDAS
- 30. ADJOURN - The meeting was adjourned at 6:10 p.m. upon motion by Councilmember Gothard and second by Councilmember Fuller.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, JULY 17, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. Councilmember Kevin Deibert was absent. Also present were City Manager, Andy McCuiston, City Secretary/Finance Officer, Julie Seymore, Directors Tim Gothard, Jim Stephens, Lonny Cluck and Rick Malone, Municipal Court Judge Lilia Durham, City Attorney, Richard Davis, and Gary Burton and Ray Brumley of Gary Burton Engineering

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Wilson called the meeting to order at 6:30 p.m. and announced a quorum present
2. INVOCATION was given by Jim Stephens.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS - None

SPECIAL CONSIDERATION

6. CONSIDER ADOPTION OF ORDINANCE 2007-21 ESTABLISHING THE CITY MANAGER'S POSITION AND REPEALING PREVIOUS CITY MANAGER ORDINANCES – Mayor Wilson explained the Council felt it best to move the job definition for city manager back to the ordinance rather than defining it in the contract. Councilmember Gothard made a motion to adopt Ordinance 2007-21 establishing the City Manager's Position and repealing the previous City Manager ordinances. Councilmember Sanford seconded and all voted in favor
7. CONSIDER APPROVAL OF EMPLOYMENT AGREEMENT BETWEEN THE CITY OF CANTON AND ANDY MCCUISTION FOR THE POSITION OF CITY MANAGER – Richard Davis reported the requested changes had been made to the contract. The number of days under the termination section was changed from 90 to 120. Councilmember Sanford made a motion to approve the employment agreement between the City of Canton and Andy McCuiston for the position of city manager, effective immediately. Councilmember Gothard seconded and all voted in favor. Mayor Wilson expressed a welcome to Mr. McCuiston on behalf of the Council.

CITIZEN'S FORUM

8. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Randy Etheridge brought a flooding problem to the Council's attention. He said his aunt was having trouble keeping water out of her home at 251 Mill

Creek. Mayor Wilson assured him he would have someone look into the matter.

CONSENT AGENDA

9. CONSIDER APPROVAL OF MINUTES FROM JUNE 5 AND JUNE 19, 2007 CITY COUNCIL MEETINGS
10. CONSIDER APPROVAL OF JUNE 2007 FINANCIAL STATEMENTS
11. CONSIDER ADOPTION OF RESOLUTION NO. 2007-08 DESIGNATING AUTHORIZED REPRESENTATIVES ON ALL CITY ACCOUNTS WITH FRANKLIN BANK
12. CONSIDER ADOPTION OF RESOLUTION NO. 2007-09 AMENDING AUTHORIZED REPRESENTATIVES ON CITY'S TEXPOOL ACCOUNTS
13. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF THREE TRACTS (3.27-ACRES, 0.28-ACRE AND 0.39-ACRE) SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M.J. BURNETT LIVING TRUST, AND SCHEDULE PUBLIC HEARINGS -
14. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF A 60-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED OFF HIGHWAY 19 SOUTH, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION, AND SCHEDULE PUBLIC HEARINGS -

Mayor Wilson recognized Tim Gothard for his outstanding achievements as firefighter of the year. Mayor Wilson also mentioned the outstanding work Jim Fuller did on the recent Bluegrass Festival. Items 9 through 14 were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Fuller.

INDIVIDUAL CONSIDERATION

15. UPDATE ON PHASE II PARK GRANT PROJECT – Andy Reese reported the grant had been awarded in January and several major items were scheduled to be worked on in the next fiscal year, including two pavilions by the playscape, soccer field renovations at the old city lake, volleyball courts by the playscape, an amphitheater, new picnic tables and signage around the trail. He said the projects would cost \$227,500 and would be covered by the grant. He added the park board would like to have a cinderblock restroom facility and an aerobic septic system. Mr. Reese said most of the maintenance on the playscape was done by volunteers with probationers helping with tree trimming. He noted Land Design Partners quoted \$18,000 for items 1-4 on the proposed list. This amount was not included in the grant. Also not included in the grant was Mark Bryant's quote of \$8000 for a ground survey around the playscape and through the trails. Mr. Reese said the splashpad and boardwalks would be in the next year's budget, and the park board would also like the City to obtain a tractor at some point to maintain the Frisbee golf course. He noted the board had 30 pear and cypress trees to be planted around the front and down the trails, the old VFW building had been designated as a staging area for work throughout the next year, and they planned on painting a logo and map of the park on its side. Rick Malone said he was looking into the cost of lighting for the trails.
16. CONSIDER AWARDDING BID FOR ETHERIDGE ROAD IMPROVEMENTS FROM HIGHWAY 198 TO MALINDA – Mayor Wilson pointed out the project would have to be re-bid in less than thirty days if a decision was not made. Gary Burton said the storm sewer to

the creek then to the box would be \$114,000 and approximately \$100,000 could be saved. He advised if the cost of the project changed by 25% or more, there would be a mandatory re-bid. Mr. Burton explained the city had a permit to replace the culvert, which was what TxDOT said to do initially. Since then, he had spoken with the area maintenance engineer who thought going straight under Hwy. 198 was a better approach, but the change had to be approved by the engineer in Mineola. Councilmember Sanford made a motion to award the bid for the Etheridge Road improvement from Hwy. 198 to Malinda to the low bidder. Councilmember Fuller seconded. Motion passed with Councilmember Hilliard voting against and all others voting in favor

17. CONSIDER ETHERIDGE ROAD DRAINAGE – Catherine Yancey agreed that the lower part of Etheridge Road had severe problems. She said her house was located in the middle of the hill, and during heavy rains she had a creek on the right side of her house and across her back yard onto Oak Circle. She noted water had not yet gotten into her house. She said flooding on Oak Street had caused the road to deteriorate. She said an engineer's study done before the Grace Homes went in indicated the ditches would work if the road was widened and the sewer work completed, but the project was shelved. She felt the water was primarily coming from Etheridge Circle and it went over the culverts. Mayor Wilson assured everyone the City was doing what it could to redo the whole street in the next fiscal budget. He noted the project had been estimated to cost \$1.2 million.
18. CONSIDER RENEWAL OF PROFESSIONAL ENGINEERING SERVICES RETAINER AGREEMENT WITH GARY BURTON ENGINEERING, INC. – Gary Burton explained their \$750 fee was based on 10 hours of engineering per month. He said the last year they had a total of \$9000 for 120 hours and if it exceeded 120 hours, he lost money. Mr. Burton suggested changing the monthly average to 15 hours and billing any additional hours at his standard rate. Mr. Burton said on Page 2, No 5, the number of hours should change from 10 to 15. Councilmember Gothard made a motion to renew the professional engineering services retainer agreement with Gary Burton Engineering, Inc. with the proposed change. Councilmember Sanford seconded and all voted in favor.
19. CONSIDER APPROVAL OF BURTON ENGINEERING AGREEMENT TASK ORDER / PROJECT NO. 014070501 FOR INDUSTRIAL PARK NO. 4 – INFRASTRUCTURE DESIGN. Rick Malone explained the engineering task order was for the infrastructure, including an 8-inch water line and a sewer line, to the property on Hwy. 19. He said the project would not exceed \$37,500 without prior authorization and would be paid by CEDC. Councilmember Fuller made a motion to approve Burton Engineering Agreement Task Order / Project No. 14070501 for Industrial Park No. 4 – Infrastructure Design. Councilmember Sanford seconded and all voted in favor.
20. CONSIDER APPROVAL OF BURTON ENGINEERING AGREEMENT TASK ORDER / PROJECT NO. 014070101 FOR FIRST MONDAY CREEK REALIGNMENT – Mayor Wilson stated Mr. Burton had agreed this work would be utilized in another project. Councilmember Sanford made a motion to approve Burton Engineering Agreement Task Order / Project No. 014070101 for First Monday creek realignment. Councilmember Gothard seconded. Councilmember Hilliard voted against and all others voted in favor.
21. DISCUSS OPEN MEETINGS / OPEN RECORDS TRAINING REQUIREMENTS FOR COUNCIL AND COMMITTEE MEMBERS – Mayor Wilson instructed all council members who had not yet taken the open meetings / open records training to complete the course.
22. MAYORAL APPOINTMENTS TO COUNCIL COMMITTEES – Mayor Wilson passed out the committee assignments as follows:

First Monday:

To recommend an overall strategy for First Monday

Jim Fuller, Kevin Deibert,
Connie Odic, and Ken Perkins
Elaine Gothard and Jim Fuller

Streets:

To recommend an overall strategy for street improvement

William Hilliard and Ron Sanford

Public Safety/Emergency Management:

To recommend overall improvements for both police and fire departments working hand-in-hand with both departments and to research all options in bringing a hospital to Canton

Water Planning & Water/Wastewater:

To research future needs with recommendations and oversee current water and wastewater needs with recommendations

Elaine Gothard and William Hilliard

REPORTS

23. MAYOR'S REPORT

24. STAFF REPORTS – Jim Fuller reported they had \$19,844.30 worth of sales receipts from people who attended the Bluegrass Festival, which did not include hotel or motel receipts. He said seven hundred ninety people were fed at the catfish dinner, mostly by volunteers, and the concession stand brought in a little over \$7000. He also reported the visitors averaged 1200 per day over the entire show, mystery shoppers found that local people were not informed about the festival meaning more advertising needed to be done locally, and the bands had already been booked for the next year.

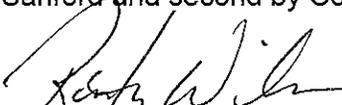
EXECUTIVE SESSION

25. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072) – The Council recessed at 7:21 p.m. Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.072, 551.074 and 551.071, the Council convened in closed session at 7:25 p.m. to discuss property matters and consult with the city attorney.
26. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (SECTION 551.074) – CITY MANAGER
27. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)

RETURN TO OPEN SESSION

28. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:18 p.m. Councilmember Sanford made a motion to rescind the motion awarding the bid for the Etheridge Road Construction Project from Item 16. Jim Fuller seconded and all voted in favor of rescinding the motion on Item 16. Councilmember Hilliard made a motion to pay H&T the dollar value they requested to compensate them under the lease contract. Councilmember Sanford seconded and all voted in favor. Mayor Wilson instructed Richard Davis to prepare the transmittal letter.
29. ITEMS FOR FUTURE AGENDAS – Councilmember Sanford requested an agenda item regarding the organization of the police and fire departments.

- 30 ADJOURN - There being no further business to discuss, the meeting was adjourned at 8:24 p.m. upon motion by Councilmember Sanford and second by Councilmember Hilliard.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
8:30 A.M, TUESDAY, JULY 28, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard, and Ron Sanford. Councilmember William Hilliard was absent. Also present were City Manager, Andy McCuistion, City Secretary/Finance Officer, Julie Seymore, Directors Tim Gothard, Jim Stephens, Lonny Cluck and Rick Malone, Municipal Court Judge Lilia Durham, and Gary Burton of Gary Burton Engineering.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Wilson called the meeting to order at 8:32 a.m. and announced a quorum present.
2. CONSIDER APPROVAL OF BURTON ENGINEERING AGREEMENT TASK ORDER FOR ETHERIDGE ROAD PROJECT – Gary Burton explained he changed the first paragraph of the task order to cover the redesign and construction of all of Etheridge Road with a minimum roadway width of 32 feet, face to face. He said the storm sewer should be redesigned to a 25-year storm and then the roadway would carry the 100-year storm water. He added TxDOT had given preliminary approval for the redesign. Mr. Burton informed the Council \$20,000 was left from the previous engineering budget and the task order included that amount and an additional \$20,000. He said it would be six to eight weeks before they would be ready to advertise for bids. Councilmember Fuller made a motion to approve the Burton Engineering Agreement Task Order for the Etheridge Road Project. Councilmember Deibert seconded and all voted in favor.
3. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2007-2008 PROPOSED BUDGET – Mayor Wilson noted that, if not for the Etheridge Road project of \$1.4 million, the budget would not be in bad shape. Andy McCuistion said the budget was currently \$127,000 short and adding the city manager's salary back into the budget had an effect on all three funds.

Mayor Wilson reminded Mr. Cluck that the H&T Parking situation would change in the

next year or so and he should keep those changes in mind when making personnel decisions. Mayor Wilson instructed water meters be set out in the T-section to determine water usage and an analysis of trash pickup done. Rick Malone suggested doing any necessary infrastructure work in the west outfall project before any building was put on that property. Mayor Wilson said he requested H&T give the City first option to purchase the property should they ever decide to sell.

The Council reviewed the proposed requests in personnel and capital expenditures. Mayor Wilson suggested taking back the fire department parking lot at First Monday and using the money raised there to pay for an additional firefighter. Judge Durham volunteered the amount paid for her medical insurance for her employee and requested that the employee be employed full-time.

Councilmember Fuller suggested the First Monday department use a Kubota mowing machine rather than a tractor and a mower. Airport repairs were discussed. Mayor Wilson requested information regarding airport use. Councilmember Fuller said he did not believe the Civic Center needed a new sound system as much as a loudspeaker system because musical events would provide their own sound system. Mr. McCuiston said more research would be done to determine the available options for an adequate sound system. Mr. Cluck said he would like to upgrade the electrical on one row in the reserved RV park and have 50, 30 or 20 plugs available at each location. He said the concession stand needed to be stronger in order to bring in more events. There was a brief discussion about water and sewer for the proposed expo center. Julie Seymore mentioned the grant administrators projected \$275,000 for this year on the sidewalk project. That amount would not cover the whole project and needed to be checked. Julie Seymore advised that the fund balance was down. There was a general discussion about the best way to finance the Etheridge Road project. Mayor Wilson pointed out Shady Lane was in desperate need of repair and asked if it could be seal-coated to improve it until a major repair could be done.

A brief recess was taken at 10:55 a.m. The Council reconvened at 11:09 a.m.

Andy McCuiston said the effective tax rate was .42523 which was needed to generate the same amount of revenue as the previous year. He suggested it might be a good time to raise the tax rate to \$.45 and for every cent the property tax rate increased, it would generate approximately \$24,000. Mr. McCuiston said there was room to increase sewer rates. He suggested reorganizing the accounting system to separate the transfer station to better evaluate its financial position. He also suggested an increase in sewer rates based on usage to \$1.72 and an increased cap of \$25.00. An average user of 5000 gallons would only be increased \$2.00 per month. Julie Seymore reported water and sewer operated at a \$323,000 loss, not including debt service.

There was a general discussion about the possibility of taking on additional debt at the same time as CEDC in order to save agent and issuance fees. Mayor Wilson instructed Mr. McCuiston to gather more information on combining the two debt issuances and whether or not the portion covering the road could be paid off early. Jim Stephens said he had a meeting on August 14 regarding the expo center with Mr. Warren for the EDC and invited the mayor and Mr. McCuiston to attend. Mr. Stephens also said the Texas leverage plan could not be used for infrastructure.

Ms. Seymore indicated there was a need to research the solid waste service. Mr. McCuiston said the animal shelter was operating at a loss of \$126,000. Ms. Seymore

explained more money was put into sewer mains and manholes in the proposed budget to continue the west outfall project and for the Wynne Road project. Mr. McCuiston said the debt service fund budget was \$1.15 million, which was about \$20,000 less than the last year; the current bonds expired in 2012, 2013 and 2018; and at the end of the year, the city's debt would be \$5.3 million. He said, due to the effective rate, the property tax would have to be at least \$.42. He felt the city needed to focus on generating additional sales tax through development.

Mayor Wilson said the city needed to find a way to partially or completely fund the water study which was estimated at \$126,000. Mayor Wilson agreed with Councilmember Deibert that the city should not take on more debt at the same time as it raised the tax rate. The city needed to increase its tax base and attract more businesses to Canton which could increase the number of local jobs. Rick Malone reminded the Council that more industry would take additional water. Mayor Wilson indicated a project such as the expo center would be an ideal way to increase the city's revenue. Mr. McCuiston said he would oversee the development of a ten-year plan for the roads and water and sewer. Mayor Wilson suggested the development of a fund which could accrue for the purchase of vehicles or equipment. Mr. McCuiston said those type funds had to be seeded when they were started and the City was not in a position to do that at this time.

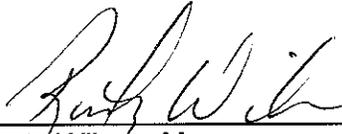
After a review of the proposed budget, the Council requested the following changes be made in the next draft:

- (a) pull the firemen's parking lot back into city operations and use that revenue to hire an additional paid firefighter;
- (b) leave in the 5% pool raise in the budget and allocate 3% for the cost of living in October and 2% for merit raises in January;
- (c) add \$5,000 back to the park maintenance budget;
- (d) include a full-time clerk at the Municipal Court;
- (e) raise the property tax to a minimum of \$.42523;
- (f) leave the finishing mower and mowing tractor for First Monday in the budget and have the First Monday department lend a used tractor to the sewer department;
- (g) continue payments instead of paying off the police and fire vehicle loans;
- (h) remove digital cameras from the police department budget, and transfer the camera into the new vehicle;
- (i) research whether or not a good loudspeaker could be purchased at the Civic Center for less than the proposed amount and whether or not a used walk-in freezer would be feasible;
- (j) remove \$3500 for record storage from the administration budget; and
- (k) consider including the cost of seal coating Shady Lane and the \$126,000 for the water study in the issuance of certificates of obligation.

Councilmember Sanford mentioned he would like to address the organization of the fire and police departments at the next council meeting. Julie Seymore said the council would meet August 14 with the CEDC, on August 16 for a budget workshop and First Monday meeting, on August 21 for the next regular meeting, and on August 30th for a called meeting.

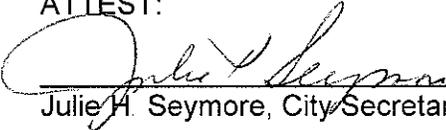
4. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 1:25 p.m. upon motion by Councilmember Sanford and second by

Councilmember Fuller.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
1:00 P.M., TUESDAY, AUGUST 14, 2007
City Hall Council Chambers, 290 East Tyler Street
Canton, Texas 75103

CALLED MEETING OF BOARD OF DIRECTORS OF
CANTON ECONOMIC DEVELOPMENT CORPORATION
1:00 P.M., TUESDAY, AUGUST 14, 2007
City Hall Council Chambers, 290 East Tyler Street
Canton, Texas 75103

MINUTES

The Canton City Council and the Canton Economic Development Corporation Board of Directors met at the above-named date and time in the City Hall Council Chambers. Councilmembers present were Ron Sanford, Elaine Gothard, Jim Fuller and William F. Hilliard. Absent were Mayor Rusty Wilson and Mayor Pro Tem Kevin Deibert. CEDC Board Members present were President Jack Etheridge, Ross Maris, Ernie Barbee, Joe Groves, Ron Sanford, Beth Whitaker, and Kris Ingram. City Manager Andy McCuiston, CEDC Director Jim Stephens, City Secretary Julie Seymore, and CEDC Board Treasurer Debbie Phillips were also present.

Discussion and action were as follows:

1. CALL TO ORDER AND ANNOUNCE QUORUM – William Hilliard called the Council meeting to order at 1:00 p.m. and announced a quorum present. Jack Etheridge called the CEDC meeting to order and announced a quorum present.
2. PRESENTATION ON PROPOSED EXPO CENTER – Jim Stephens explained the need for a plan. He said an expo center had been discussed for two years and recently as a City project. He noted during his research Corky Warren's name kept surfacing as an expo center design expert. He built the Andrew Expo Center which has been very successful. Mr. Stephens also recognized the Chamber's assistance with planning and research.

Corky Warren with Arena Design Consultants, Inc. said he specialized in and had built many event centers--mainly equine-related, but still designed for multi-purpose such as motorcross, concerts, livestock shows, etc. He said good access for the public and exhibitor was an important consideration and that the ease of use made the building successful. Mr. Warren stated they built to and designed around the budget. He felt the City could build a nice facility for \$3,500,000. He noted a lot of money was spent after a certain size on polish, using seating as an example which could cost from \$110 per seat to \$500 or \$600 per seat. He explained the 150,000 square foot Andrew Center cost \$3,000,000 and had aluminum

elevated bleachers for 1,800 people and 200 stalls. He added that most in the horse business wanted an arena that was 150 feet by 300 feet. He said a smaller arena was harder to rent. Mr. Warren advised the stalls and commercial exhibit space generated the most income. He noted the City was limited on the number of stalls by its budget.

Mr. Warren stated his expertise came from a professional rodeo background, followed by showing horses. He said most facilities he'd been in were ill-designed and not very user friendly. He noted that he tries to eliminate those problems and to make it work and be comfortable for everyone. He offered references and noted that he brought drawings from the Andrew Center.

When asked about the Andrew Center, Mr. Warren stated it was finished April 3, they started booking three months prior to finish, and were booked for two years solid. He suggested the City begin looking for a manager as soon as it started the project and require that a website be built and that he start booking. He said event planners would knock on the door, but the manager should be wary of booking smaller events too soon. He added that the best money-makers were breed horse shows because they filled stalls. He said it cost \$3,500 to \$4,000 total to build a stall and they rented for \$15 to \$25 per night during a breed horse show. He said another big income producer was selling seats and most facilities shared the gate with the promoter. He added that concession sales also generated a lot of revenue.

Rona Watson thanked Mr. Warren for his hard work and noted her favorite facility he designed was the privately-owned Legacy Ranch. She stated the key was making money on stalls and that 250 stalls were not enough, noting that even the equestrian drill team needed 600 stalls. She also advised she was not a proponent of the Andrew Center because it was a rodeo arena when Canton needed a multi-purpose center. She said it needed to be more convenient. She stated the footprint would work, but cutters used one-third of the area, they needed to warm up and cows had to have access. She disagreed on the size of the arena. She said reiners would use the entire arena and also needed a separate warm up arena. She suggested the City slow down and build it right. She said the cutters and reiners would not return if it wasn't easy for them to use. She also suggested booking the big shows first, then filling in with smaller events. Ms. Watson said Ms. Wheeler, who puts on cutting events, reviewed the plans from a different perspective and drew what she thought might work from her perspective of the cutting discipline. She said they needed a practice pen and a major pen, the stalls didn't need to be heated or cooled, two wash racks were not enough, they needed ten, and drive-throughs into the stall area were needed so they could offload horses and cattle and drive out. She added that spectator seats on both sides of the arena was a must. Ms. Watson stated she thought an expo center was absolutely the right thing to do, noting Canton was the right spot, it was the right time, and the best people in the country were in Canton to help. She cautioned it needed to be built right and that the City needed to talk to people who knew and understood the different industries.

Mr. Warren agreed, but advised the City was limited on the number of stalls by its budget and on the seating by the 240 clear-span width limitation of a pre-engineered building. He said most horse shows needed a minimum of 400 stalls and more could be added in a second phase. Ms. Wheeler said they use 350 to 500 stalls in their shows. He said he would sit down with her and review how the arena could be adapted for cutting and reining. One other suggestion was that meeting space was not needed in the facility since other accommodations were available in town. When talking about arenas and warm-up spaces, Mr. Warren said the warm up area needed to be near the arena, but a free-standing, open-sided practice arena could be built which could house 200-300 stalls. Ms. Watson noted a lot of facilities had an outside arena for stalls.

Mr. Stephens stated he had no doubt Mr. Warren could do the job. Mr. Fuller said he visited the Andrew Center and talked to Mike Dooley at Glenrose who spoke highly of Mr. Warren.

He said the City shouldn't build anything less than the very best and that Mr. Warren was capable of building anything the City could pay for. He noted he liked the way Glenrose was laid out and that Mr. Dooley made a lot of sense on the ease of unloading stock and the number of pens. He added that Mr. Dooley offered to share his advice with the City. He pointed out Mr. Dooley's company managed seven or eight facilities, including the \$13-\$14 million center in Midland. He said the Glenrose facility was booked 49 out of 52 weekends per year, it had a concession stand and a large kitchen, and they could feed 400 people at a banquet. He said the main thing was it couldn't be done very well in stages, that the City had to commit to it.

Mr. Warren pointed out the City should budget an additional 5% for furnishings—tables, chairs, machinery, curtains, etc. It was noted that tractor companies furnished tractors for free for the advertising at some facilities. Gary Burton asked about parking. Mr. Warren said Andrew did asphalt. He suggested about 30 of the 60 acres would be paved, depending on the size of the facility and number of stalls. Andy McCuiston asked about changing out dirt in the arena. Mr. Warren suggested trying to use sandy loam and not change it out. He added that if concrete was put in, the dirt would have to be moved in and out at a cost of \$7,000-\$10,000, plus having the building, filters, ceiling, etc. cleaned. He showed samples of strong plastic tile that snapped together, costing less than concrete, requiring 4 to 5 boys to put it down in one day. He added another type could be rolled out with a bobcat which cost \$4 to \$4.50 per square foot. He said it would cost \$200,000-\$250,000 to buy flooring for the arena, but it would make it a true multi-event facility. He noted he was not sure he was interested in building it if the City wanted concrete.

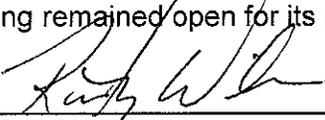
Mr. Fuller reported that Mr. Dooley had thirteen full-time and twenty-five part-time employees, with three full-time office staff working on ticket sales and promotion. Mr. Hilliard said the building needed to be multi-faceted and built for the community's needs, including graduation. Mr. Warren suggested talking to Bob Parker, owner-manager of Majestic Valley. He said the use was only limited by the imagination, but the money maker would be equine-related events. He said for every horse in town, three people came with it, they stayed five days, and \$350 per day was spent. He added that the horse business was the seventh largest industry in the United States.

Mr. Warren said he first needed to know the City's budget and he could design for that. He pointed out he had architects working for him for adaptations. When asked about stall construction, Mr. Warren said they were typical exhibit stalls with asphalt floors and hard plastic strong, washable bars. He said the seating was aluminum bleachers with no backs and post and beam so that exhibit space was available under the grandstand. He said seating on both sides would take some redesign which would increase the costs. He said if he used drawings similar to some he already had, it would save 10%. He said the building would seat 7000 people for a concert using the arena space. They discussed seating on both sides and the problems inherent in that. Ms. Watson stated that seating on one side was not a deal breaker.

Mr. Maris suggested a design committee be formed to work with Mr. Warren on his plans. It was noted that the \$3.5 million did not include site preparation, parking and lot lighting. Mr. Stephens estimated the cost would be \$400,000. They discussed RV sites and noted they were a good return on the investment. Mr. Fuller said Mr. Dooley's advice was not to put in less than 100 full hook-ups and to add as many as the City could afford. Mr. Stephens suggested selecting two people from the Economic Development Board, two from the Council, the City Manager, the EDC Director and two from the Chamber. Mr. Warren said the City first needed to determine the maximum amount they were willing to spend. He said if started then with existing drawings, it would take 90 days to have a building on site. He said if started fresh, they could begin building in February. Mr. Maris suggested tweaking

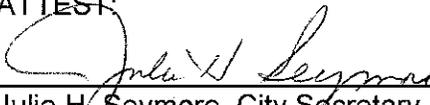
the existing plan to address the needs of the community. Mr. Warren stated changing the number of stalls was easy, but changing the seating would be more difficult.

3. CONSIDER ALL MATTERS PERTAINING TO PROPOSED EXPO CENTER PROJECT – Mr. Hilliard said the Council needed to give direction to the EDC and needed to talk to people in the community. He suggested putting the item on the next City Council agenda.
4. ADJOURN – The Council meeting was adjourned at p.m. upon motion by Elaine Gothard and second by Jim Fuller. The CEDC meeting remained open for its regular session.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., THURSDAY, AUGUST 16, 2007
 City Hall Council Chambers, 290 East Tyler Street
 Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Kevin Deibert, Jim Fuller, Elaine Gothard and Ron Sanford. Councilmember William Hilliard was absent. Also present were City Manager Andy McCuiston, City Secretary Julie Seymore, and Directors Lonny Cluck, Tim Gothard, Rick Malone and Jim Stephens. City Attorney Richard Davis was also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Rusty Wilson called the meeting to order at 5:30 p.m. and declared a quorum present
2. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

CITIZEN'S FORUM

3. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None

WORK SESSION

4. WORK SESSION REGARDING ALL MATTERS RELATING TO FIRST MONDAY TRADE DAYS – Lonny Cluck reported the August First Monday was better than expected historically. He advised they had analyzed RV electrical costs and estimated each RV used about \$6 a day in electricity. He said the information about RV rate increases was being distributed to customers and two people would be assigned to deal with parking

issues and monitor RVs parked on outside vendor spaces. Mr. Cluck asked for direction on the City's parking lot with access through the Groves parking lot. He estimated about one hundred cars could be parked in that area. He said the vendors would be notified during the upcoming First Monday about the new vendor parking lot. Mayor Wilson instructed Mr. McCuiston to have the new rates put on the First Monday website. Mr. Cluck indicated Mr. Groves had been contacted and agreed to turn the parking lot back over to the City beginning October 1. The firemen's parking lot would also be taken back by the City on October 1. Rick Malone reported the estimated cost to pave the firemen's parking lot with coated rock was \$19,000 and over \$14,000 for pea gravel. Tim Gothard estimated a new pump would cost approximately \$8,000, which he had budgeted to come from the parking lot fund. Mr. McCuiston suggested leaving the amount necessary to pay for the pump in the parking lot fund and the City use the rest of the money to pave the parking lot.

INDIVIDUAL CONSIDERATION

5. FIRST MONDAY REPORT – Julie Seymore said she would work with the First Monday staff to develop financial reports to present at the next meeting.
6. CONSIDER VENDOR SET UP DATES AND TIMES – Mayor Wilson said he received a vendor request to allow early setup on the grounds. Lonny Cluck reported a survey conducted the previous month suggested vendors were split 50/50 on an earlier setup day. Mr. Perkins requested vendors be allowed to come on the grounds on Monday. Mayor Wilson explained that gave the City no time to turn around the facilities if an event were held the previous weekend. Councilmember Deibert said the earlier people came to town, the more local businesses would benefit. Councilmember Gothard expressed concern that the vendors would leave on Saturday. Lonny Cluck said from an operational aspect, there were no positives to the vendors coming onto the grounds early. He noted it would require two more days of security, electrical usage, and manpower, and turnaround time would be less. He pointed out Henry Lewis's grounds were mostly concrete, he had only a small area of outside vendors, and he did not provide security during First Monday. He added that a lot of vendors took time off work to be there and would rather not come earlier. He said H&T followed the same schedule as the City. Mayor Wilson suggested allowing vendors to come in on Tuesday to see how it worked. Councilmember Deibert proposed an electrical surcharge for being allowed to enter the grounds early. He added the City should make vendors aware there was no security until Wednesday. Mr. Cluck said part of security was ensuring unauthorized people were not allowed on the grounds. The west gate was locked at 11:00 p.m. and the main gate was manned around the clock. He pointed out the table and tent people would also need to be on the grounds earlier. Mr. Cluck explained he started the Log Cabin Reserved procedures and allowed unreserved vendors to come in the holding area on Monday to alleviate the line on FM 859. Mayor Wilson said all sides of the issue needed to be considered prior to making a decision. Mr. Cluck said there were currently five or six events scheduled each year outside the Civic Center the weekend before First Monday. Mayor Wilson instructed Mr. Cluck to consult with Mr. McCuiston regarding the issues and come back to the Council with a recommendation.
7. CONSIDER ADOPTION OF ORDINANCE NO. 2007-22 PROVIDING FOR POLICIES AND PROCEDURES REGARDING OPERATION OF FIRST MONDAY TRADE DAYS – Lonny Cluck suggested charging \$200 for all food lots and eliminating the \$160 level, beginning when an existing vendor switched or transferred lots. Mr. Cluck said he removed language that vendors were allowed to camp on their lots because he felt it

encouraged them to do so. He advised some information was taken off the brochure to allow room for the Log Cabin Reserved rules. Tim Gothard suggested food vendors be required to have fire extinguishers on their lots. Lonny Cluck requested Mr. Gothard type up the requirements so they could be included in the brochure. Rick Malone pointed out the building code required fire extinguishers for all mobile concessions. Julie Seymore suggested replacing the word "may" for health departments with "must" be required. Richard Davis requested the word "laws" not be capitalized when referring to local, state and federal laws. Mr. McCuiston suggested having brochures which targeted particular customers and not have all the information in one brochure. Mayor Wilson said he received a complaint that the thirty minutes allotted to pick up merchandise was not sufficient. Mr. Cluck said he had explained to the woman she would not be ticketed as long as she was loading merchandise into her vehicle. Councilmember Deibert advised the fee for insufficient checks had increased to \$30. Julie Seymore reminded staff a sign had to be posted regarding the fee. Councilmember Fuller made a motion to adopt Ordinance No. 2007-22 providing for policies and procedures regarding the operation of First Monday Trade Days with the changes noted. Councilmember Deibert seconded and all voted in favor.

8. CONSIDER APPROVAL OF PURCHASE OF SOUND SYSTEM FOR CANTON CIVIC CENTER – Councilmember Fuller made a motion to approve the purchase of the sound system for the Canton Civic Center at a cost of \$5,800. Councilmember Sanford seconded and all voted in favor.
9. CONSIDER ADOPTION OF UPDATED FIRST MONDAY LOGO – After a brief discussion, Mayor Wilson instructed Mr. McCuiston to develop guidelines for a contest for a new First Monday logo.
10. CONSIDER ALL MATTERS PERTAINING TO A FIRST MONDAY MASTER PLAN – Mayor Wilson said Andy McCuiston had offered to develop a master plan for First Monday. Mr. McCuiston said the plan would take a few months to develop and he would need to allocate some funds in the new budget for the project. Mr. McCuiston said he would contact Burton Engineering and Land Design to defer any work they might be doing on the project. Lonny Cluck advised there were about five individuals who had paid transfer fees in the building area and wished to construct buildings on their lots. He described the normal procedure was for a vendor to submit drawings for a proposed building for approval by the First Monday committee. Once the plans were reviewed and approved, a lease was negotiated and signed and then a building permit issued. Mayor Wilson suggested Mr. Cluck allow the First Monday committee to review any drawings by these individuals and then Council would discuss leases. Councilmember Deibert suggested having a provision in the lease that the vendor might have to conform his building to comply with the proposed Master Plan.
11. STAFF REPORTS – Rick Malone reported the water plant had passed both monitoring tests this quarter and was doing a lot of maintenance. He said the oxygen level at the Old City Lake was at 2.0 and a series of tests would be performed the next day to check the oxygen level at each foot. He also noted they would shock the lake on August 20 to determine if any fish survived, then they would check to see if there was funding available for restocking. Tim Gothard reported the Fire Department was running well. He said they made a proposal to the CEDC for funding for all terrain firefighting vehicles at First Monday and was denied, but he planned to make a rebuttal. Andy McCuiston reported a meeting was held to discuss the Expo Center and an Expo committee would be formed. He also noted he and Julie Seymore had been working on the 2007-2008 budget.

12. ITEMS FOR FUTURE AGENDAS – Julie Seymore suggested placing the Deen lease on the next agenda. Andy McCuiston added the First Monday leases. Richard Davis mentioned he received a letter from an individual who had received injuries on the First Monday grounds but he was able to determine it was not on the City's property and advised the individual of such. Mr. Davis requested his contract be placed on a future agenda.

Richard Davis left the meeting at 7:23 p.m.

WORK SESSION

13. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2007-2008 PROPOSED BUDGET – Andy McCuiston presented the proposed budget in its new format. He said some of the beginning balance numbers had not been available until that week because the audit was not completed. He said the budget showed the City spent \$74,000 more than was budgeted the previous year. Mr. McCuiston noted the Sewer Fund was losing a great deal of money--\$386,000 in 2005-2006. He said it was budgeted with a \$325,000 loss in 2006-2007, but would probably only be \$165,000, and the 2007-2008 budget projected a loss of \$529,000. He advised the garbage service basically broke even with a net gain of \$7300, while the First Monday Fund had budgeted a net gain of \$549,000 but in reality would be lower because of additional transfers. He stated the ending cash balance for 2006-2007 should be \$1,107,999. Mr. McCuiston said previously the Special Revenue Fund had been included in the General Fund and needed to be evaluated by itself. He stated the 2007-2008 budget also included \$1.4 million for Etheridge Road improvements. Mr. McCuiston explained there had been an error in the calculation of the tax rate the previous year and he always recommended adopting at least the effective tax rate. He said every time the effective rate was not used, revenue was lost. Julie Seymore explained the effective tax rate was calculated based on the year's tax revenue. Mr. McCuiston said appraisals were flat because the over-65 freeze meant there was more exempt property.

Mr. McCuiston advised a water rate increase of 20 cents per 1,000 gallons would generate an additional \$43,000. He noted the wastewater rates were seriously low, with a base rate of \$9 and a \$20 cap on residential service. He explained the removal of the cap in the 25,000-50,000 gallon range would raise the fee to \$40.73. He also pointed out some commercial water customers outside the City were being charged the residential rate. He said to increase the sewer rate 20 cents per 1,000 gallons and to lift the cap would generate about \$23,000 on the residential side and \$25,000 on the commercial side. Mr. McCuiston said he would like to have the water plant and wastewater treatment plant support themselves so that First Monday money could be used to pay down debt and pay for capital expenditures. He said each fund had not paid its own debt service cost in the past, but should. Mr. McCuiston suggested increasing water rates to 20 cents per 1,000 gallons across the board effective October 1. He said that rate was comparable with other cities. Mr. McCuiston also suggested increasing the outside city limits water rates. The current rate for residential water was set at \$9.50 and \$4.00 higher for commercial. The Council instructed Mr. McCuiston to remove the cap on the sewer rate and proceed with the other rate increases. They also instructed him to prepare the budget using a tax rate of \$42523. Mayor Wilson proposed a press release to explain the water and sewer rate increases.

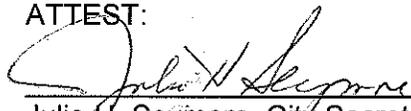
Julie Seymore explained contractual services went up \$141,000 because it included

\$126,000 for a water study and \$15,000 for fire hydrant maintenance. She said this draft of the budget included one additional firefighter, revenue from the firemen's parking lot, change from a part-time to a full-time employee at the Municipal Court, and the tractor with mower attachment for First Monday. She noted they had also switched the police and fire cars back from paying them off to continuing payments and had dropped the estimate for the records storage project.

- 14 ADJOURN - There being no further business to discuss, the meeting was adjourned at 8:25 p.m. upon motion by Councilmember Sanford and second by Councilmember Gothard.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, AUGUST 21, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Kevin Deibert, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. Also present were City Manager Andy McCuiston, City Secretary Julie Seymore, and Directors Lonny Cluck, Tim Gothard and Rick Malone.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:30 p.m. and announced a quorum present.
2. INVOCATION - None during work session.
3. PLEDGE OF ALLEGIANCE - None during work session.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during work session.
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during work session.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM JULY 5, 12, 14, 17, AND 28, 2007 CITY COUNCIL MEETINGS – No changes noted
8. CONSIDER APPROVAL OF JULY 2007 FINANCIAL STATEMENTS – Andy McCuiston mentioned he was in the process of evaluating the financial procedures and would be making some changes. He said he had allocated money in the budget and would evaluate whether or not new financial software would be needed.
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-10 AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS AND EXECUTE DOCUMENTS, AGREEMENTS, AND CONTRACTS NOT EXCEEDING \$25,000 ON BEHALF OF THE CITY OF CANTON – Andy McCuiston explained some contracts needed to be signed during the ordinary course of business and he thought it would be more expedient for him to have the authority to sign such contracts up to the amount of \$25,000. Julie Seymore noted previous city managers signed contracts on behalf of the city. Mr. McCuiston noted the resolution also allowed him to negotiate business contracts for routine business operations. He agreed to communicate the existence of such contracts to the Council.
10. CONSIDER ADOPTION OF ORDINANCE 2007-23 ESTABLISHING A NEW CITY OF CANTON FEE SCHEDULE – Julie Seymore said the only change on the fee schedule was raising the return check fee from \$25 to \$30.

INDIVIDUAL CONSIDERATION

11. PRESENTATION BY CONWAY COMPANY, CPAS REGARDING 2005-2006 FISCAL YEAR AUDIT – Andy McCuiston advised the results of the audit would be presented during the regular meeting.
12. CONSIDER ACCEPTANCE OF 2005-2006 FISCAL YEAR AUDIT
13. FIRST PUBLIC HEARING ON VOLUNTARY ANNEXATION OF THREE TRACTS (3 27-ACRES, 0.28-ACRE AND 0.39-ACRE) SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M.J. BURNETT LIVING TRUST – Julie Seymore described the property as that adjoining the CEDC property at the southeast end of Amy Street as well as the easement from Hwy. 19 to CEDC's 60-acre tract. Councilmember Hilliard expressed concern that this location was too far from the First Monday grounds and the north side of town would be a better location for the Expo Center. He felt the 60-acre tract was more conducive to residences. Both Councilmembers Fuller and Sanford said they felt the First Monday and Expo Center locations should be kept separate. Julie Seymore pointed out it was still a good idea to bring the property into the city limits. Mayor Wilson agreed both locations for the Expo Center should be researched thoroughly.
14. FIRST PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 60-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED OFF HIGHWAY 19 SOUTH, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION – Mayor Wilson said this would be the first public hearing on the annexation of the 60-acre tract.
15. CONSIDER ADOPTION OF ORDINANCE NO. 2007-24 AMENDING ORDINANCE 2004-30 REGULATING MINIMUM EXTERIOR STANDARDS FOR STRUCTURES INSIDE THE CITY LIMITS TO ALLOW SPECIFIED FRONT YARD FENCING – Andy McCuiston

requested the item be removed from the agenda.

16. CONSIDER APPOINTMENTS TO AN EXPO CENTER AD HOC COMMITTEE – Mayor Wilson asked for recommendations for appointees to the committee. He expressed concern with Mr. Barbee being a member of the committee due to the location of his property in conjunction with the proposed Expo Center
17. CONSIDER ALL MATTERS RELATING TO TEXAS 1033 SURPLUS PROPERTY PROGRAM (ARMY SURPLUS HELICOPTER EQUIPMENT) – Tim Gothard reported the helicopter was currently stored by Darryl Reynolds' but Mr Reynolds had not been keeping up with the records as promised. Mr. Gothard said he was having the helicopter moved to Van for the time being. He noted the helicopter had been used three times in the last six months and some years it was not used at all. David Miller would make his helicopter available to the city when necessary.
18. CONSIDER COMMUNITY-WIDE DESIGN CONTEST FOR AN UPDATED FIRST MONDAY LOGO – There was a general discussion regarding the trademark of First Monday, First Monday Trade Days and the logo. Mr. McCuiston proposed running the information about the contest in the paper for two months which would allow the schools to get settled before they gave the students an opportunity to participate. He said a panel would be assigned to narrow down the entries and present the top twenty to the Council. He added the logo should be representative of Texas, First Monday and Canton and the entrants should think outside the box. The winner would receive council recognition and perhaps donations from local merchants. The City would retain ownership of the final design and would have the right to make changes, as desired.
19. CONSIDER ASSUMING OPERATION OF SENIOR CITIZENS BUILDING PARKING LOT DURING FIRST MONDAY FROM VOLUNTEER FIRE DEPARTMENT – Andy McCuiston reported the balance in the parking lot fund was approximately \$19,000. The idea was to split the fund with the Fire Department to give them \$9000 to purchase a new pump and the rest of the money would be used to pave the parking lot. Lonny Cluck was instructed to contact the individuals currently working at the parking lot to determine if they would like to continue.

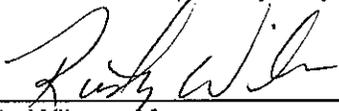
REPORTS

20. MAYOR'S REPORT – None during work session.
21. STAFF REPORTS - Tim Gothard reported the Fire Department ran eleven calls the previous week; the booster truck had a hose break but was to be back in service the following day; a pump test was scheduled on another truck; and the school contacted him about Fire Prevention week. Mike Echois stated the Police Department was short on dispatchers and a lot of overtime had been necessary. He requested anyone who knew someone interested in the position to have them apply by Friday. Rick Malone reported the Streets Department was busy patching and doing repair work; the oxygen level of the lake had improved but no results had been received from the shock tests; some of the work at the water plant was to begin shortly; the sewer plant had been experiencing equipment trouble; the Planned Development Committee had met the previous night regarding the Mill Creek RV Park and Resort and should be submitting their plan to the Planning & Zoning Committee soon; and the final easement on the FM 859 project was expected to be secured the next day. Mr. Malone said he would like to replace as many of the stolen items from the sewer plant as was possible with the \$11,000 reimbursement from the insurance company. Tim Gothard

requested that the two air pack bottles which were stolen be replaced. Mayor Wilson instructed Mr. Malone to get guidance from Mr. McCuiston regarding what to purchase. Lonny Cluck reported that Charles of Be Creative Group started on the audio improvements for the Civic Center. Mr. Cluck had not yet been able to contact Mr. Groves, but would contact him by mail confirming when the city planned to take over the parking lot. Julie Seymore announced a blood drive September 7, 2007 from 9:00 a.m. to 5:00 p.m. Councilmember Hilliard suggested the city start a blood pool. Mr. McCuiston said Jim Stephens was absent due to his father-in-law's grave condition and asked everyone for their prayers. Councilmember Gothard said Judge Koches had asked her to invite everyone to the site of the Veterans Memorial on Hwy. 19 on September 3 at 9:00 a.m. for the balloon lift. Mr. McCuiston said he was trying to develop a policy regarding use of the Civic Center for non-profit events. Julie Seymore suggested representatives from the city attend a briefing on September 28 regarding applying for public assistance. Councilmember Gothard reported she and Councilmember Fuller had driven the city streets and made a list of their concerns which they would review with Mr. McCuiston and Rick Malone. Councilmember Gothard mentioned they saw several residents who were not complying with the new ordinance regarding chaining animals. Rick Malone reported Coy Prather was working on code enforcement of junked vehicles.

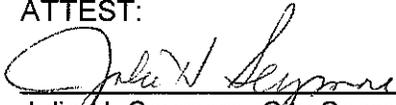
22. ITEMS FOR FUTURE AGENDAS

23. ADJOURN - The work session was adjourned at 5:20 p.m. by Mayor Wilson.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, AUGUST 21, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. Also present were City Manager Andy McCuiston, City Secretary Julie Seymore, and Directors Lonny Cluck, Tim Gothard and Rick Malone.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:30 p.m. and announced a quorum present.
2. INVOCATION was given by Rick Malone.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM JULY 5, 12, 14, 17, AND 28, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF JULY 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-10 AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS AND EXECUTE DOCUMENTS, AGREEMENTS, AND CONTRACTS NOT EXCEEDING \$25,000 ON BEHALF OF THE CITY OF CANTON
10. CONSIDER ADOPTION OF ORDINANCE 2007-23 ESTABLISHING A NEW CITY OF CANTON FEE SCHEDULE

Upon motion by Councilmember Sanford and second by Councilmember Gothard, Consent Agenda Items 7, 8, 9 and 10 were unanimously approved.

INDIVIDUAL CONSIDERATION

11. PRESENTATION BY CONWAY COMPANY, CPAS REGARDING 2005-2006 FISCAL YEAR AUDIT – Mike Conway of Conway & Company CPA's presented a review of the audit for the 2005-2006 fiscal year. He said the City was continuing to grow and add assets, and the quality of the assets appeared to be strong. He said this was the first year the City had city property taxes in many years and it would have a positive impact on the city's debt service situation in future years. Mr. Conway noted a positive change in the transfers from First Monday because the transfers were not going into the General Fund and the Water and Sewer Fund. He reported the City had a nice looking balance sheet. The City appears to be in very good financial shape and was one of the best funded cities of all the cities for which they perform audits. Mr. McCuiston stated the conversion created challenges for everyone but those problems had largely been solved. Mr. Conway said the water and sewer fund was within a couple hundred thousand of breakeven, which he really liked to see. His only area of concern was the revenues for First Monday had gone from \$900,000 to \$700,000. He noted the trend had become very flat.
12. CONSIDER ACCEPTANCE OF 2005-2006 FISCAL YEAR AUDIT – Andy McCuiston recommended the audit be accepted as presented. Councilmember Hilliard made a motion to accept the 2005-2006 fiscal year audit. Councilmember Deibert seconded, and all voted in favor
13. FIRST PUBLIC HEARING ON VOLUNTARY ANNEXATION OF THREE TRACTS (3.27-

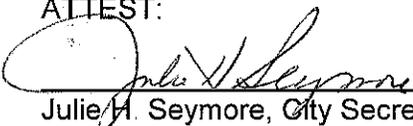
- ACRES, 0.28-ACRE AND 0.39-ACRE) SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M.J. BURNETT LIVING TRUST – A public hearing was opened at 6:48 p.m. on the voluntary annexation of three tracts situated in the J. Douthit Survey located southeast of Amy Street and owned by J.W. and M.J. Burnett Living Trust. Mayor Wilson mentioned the next public hearing was scheduled for August 30, 2007, at 6:00 p.m. and the matter would be given final consideration on September 18, 2007. Hearing no further comments, the public hearing was closed at 6:50 p.m.
14. FIRST PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 60-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED OFF HIGHWAY 19 SOUTH, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION – A public hearing was opened at 6:50 p.m. on the voluntary annexation of a 60-acre tract situated in the J. Douthit Survey located off Highway 19 South and owned by the Canton Economic Development Corporation. Mayor Wilson announced the second public hearing was scheduled for August 30, 2007, at 6:00 p.m. and the matter would be given final consideration on September 18, 2007. Hearing no further comments, the public hearing was closed at 6:51 p.m.
 15. CONSIDER ADOPTION OF ORDINANCE NO. 2007-24 AMENDING ORDINANCE 2004-30 REGULATING MINIMUM EXTERIOR STANDARDS FOR STRUCTURES INSIDE THE CITY LIMITS TO ALLOW SPECIFIED FRONT YARD FENCING – Mayor Wilson removed Item 15 from the agenda.
 16. CONSIDER APPOINTMENTS TO AN EXPO CENTER AD HOC COMMITTEE – Mayor Wilson requested recommendations for the committee. He appointed Councilmembers Jim Fuller and Elaine Gothard on the committee as representatives of the Council. He then requested Andy McCuiston speak to the Canton Economic Development Corporation about the issues with the member they proposed.
 17. CONSIDER ALL MATTERS RELATING TO TEXAS 1033 SURPLUS PROPERTY PROGRAM (ARMY SURPLUS HELICOPTER EQUIPMENT) – Mayor Wilson instructed Mr. McCuiston to write a letter to the Army stating the City would return the helicopter. Councilmember Hilliard made a motion to return the helicopter to the Army. Councilmember Deibert seconded, and all voted in favor.
 18. CONSIDER COMMUNITY-WIDE DESIGN CONTEST FOR AN UPDATED FIRST MONDAY LOGO – Councilmember Gothard requested both public and private schools be included in the contest. Councilmember Sanford made a motion to approve the community-wide design contest for an updated First Monday logo. Councilmember Gothard seconded, and all voted in favor.
 19. CONSIDER ASSUMING OPERATION OF SENIOR CITIZENS BUILDING PARKING LOT DURING FIRST MONDAY FROM VOLUNTEER FIRE DEPARTMENT – There was a brief discussion regarding the type of surface to be used for resurfacing the parking lot. Councilmember Fuller made a motion for the City to take over the operation of the Senior Citizens Building parking lot during First Monday from the Volunteer Fire Department beginning October 1, 2007, and to leave \$9,000 plus the September revenue in the fund for the purchase of a pump by the fire department and to utilize the remaining funds to repave the parking lot. Councilmember Hilliard seconded and all voted in favor.

REPORTS

20. MAYOR'S REPORT
21. STAFF REPORTS
22. ITEMS FOR FUTURE AGENDAS – Councilmember Hilliard requested that the use of the existing lift station near the Cherry Creek Park be considered before a new septic tank system was installed at the park. They discussed sewer options and Mayor Wilson instructed Rick Malone to determine whether or not it was feasible. Tim Gothard reported the Fire Department was denied the grant for the purchase of a ladder truck but they planned to try again the next year. He said Steve Risner would be attending a grant writing class to assist the Fire Department in applying for available grants. Andy McCuistion said \$40,000-\$50,000 in matching funds for the lost grant and supporting equipment was being pulled out of the proposed budget.
23. ADJOURN - There being no further business to discuss, the meeting was adjourned at 7:07 p.m. upon motion by Councilmember Deibert and second by Councilmember Fuller.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., THURSDAY, AUGUST 30, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Elaine Gothard, William Hilliard and Ron Sanford. Councilmember Jim Fuller was absent. Also present were City Manager Andy McCuistion, City Secretary Julie Seymore, Municipal Judge Lilia Durham, and Directors Tim Gothard and Jim Stephens. Director Lonny Cluck joined the meeting in progress.

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:00 p.m. and announced a quorum present.
2. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF THREE TRACTS (3.27-ACRES, 0.28-ACRE AND 0.39-ACRE) SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M.J. BURNETT LIVING TRUST – A public hearing was opened at 6:02 p.m. on the voluntary annexation of three tracts situated in the J. Douthit Survey, A-198, located southeast of Amy Street and owned by J.W. and M.J. Burnett Living Trust. Mayor Wilson announced the final consideration of the matter was scheduled for September 18, 2007. Hearing no comments, the public hearing was closed at 6:02 p.m.
3. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF A 60-ACRE TRACT

SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED OFF HIGHWAY 19 SOUTH, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION – A public hearing was opened at 6:03 p.m. on the voluntary annexation of a 60-acre tract situated in the J. Douthit Survey, A-198, located off Highway 19 South and owned by Canton Economic Development Corporation. Mayor Wilson announced the final consideration of the matter was scheduled for September 18, 2007. Hearing no comments, the public hearing was closed at 6:03 p.m.

4. **CONSIDER REORGANIZATION OF PUBLIC SAFETY DEPARTMENT** – Councilmember Sanford requested the police and fire departments be separated and that there be a police chief and a fire chief over the respective departments. Councilmember Sanford said he did not feel the City was large enough to have a public safety department. Andy McCuiston said he had discussed the matter with Tim Gothard and stated he felt there would be a stronger organization if the departments were separated. Mr. McCuiston suggested Mike Echols be named as interim chief until interviews could be conducted. Councilmember Deibert expressed a concern that Mr. Echols did not reside in the city. Mike Echols said he had family who lived in the area and there had been many times he stayed with them if there was a need for him to be closer in times of an emergency. Mr. Echols said his current home was paid for and he would retire in about four years and hesitated to move. Mr. Echols said he was never out of touch and had always had the best interest of the city at heart. Mr. McCuiston said the Fire Department was hiring one more full-time person and Tim Gothard would oversee that department and he would have no loss in salary. Tim Gothard requested something in writing that the reorganization was not a result of any dissatisfaction with his performance. Councilmember Sanford made a motion that as of October 1, 2007, the Public Safety Department be reorganized and separated into a Police Department and a Fire Department, that the position of Public Safety Director be dissolved and a police chief and fire chief would answer directly to the city manager. Councilmember Hilliard seconded. Motion passed with Councilmember Gothard abstaining, Councilmember Deibert voting nay, and all others voting in favor.

5. **EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE, OR SALE OF REAL PROPERTY (SECTION 551.072)** – Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072, the Council convened in closed session at 6:13 p.m. for deliberations regarding potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

6. **RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION** - The Council reconvened in open session at 6:37 p.m. with no action taken.

7. **COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2007-2008 PROPOSED BUDGET** – *Lonny Cluck joined the meeting at 6:37 p.m.*

Andy McCuiston presented the proposed budget with all changes incorporated. Mr. McCuiston felt some of the money in the General Fund could be transferred out to pay toward debt. The effective tax rate shown under receipts in the General Fund was .42523. He said the additional sales tax would no longer be transferred into the debt service fund. The effective tax rate went up because of the taxes frozen for those over

65 Councilmember Deibert wondered if the additional money from the General Fund could be used to pay down the debt on the First Monday bathroom, Trade Center IV or some of the vehicles. Julie Seymore pointed out the debt was at a really good interest rate, most of the interest had already been paid, and the Council had previously decided not to pay the debt off this year. Mr. McCuiston said the revenue in the General Fund was significantly higher because all of the sales tax was included there. Expenditures would increase by \$105,000. Personnel was shown at 19.5% higher because of the addition of a city manager's salary, new firefighter, and conversion to a full-time municipal court clerk, plus a 5% cost-of-living raise and the recording of full salaries in the fund rather than splitting them among funds. Mr. McCuiston changed the policy of capitalizing any purchase over \$500 to capitalizing only what cost over \$1000. Mr. McCuiston said the City had not written off any old balances for utilities in a decade and he wanted to pull some of those responsibilities back in-house. Mr. McCuiston announced that at some point the capital expenditures for projects would be taken out and the capital outlay would be left in the General Fund. Julie Seymore pointed out the capital expenditures were cut back in the proposed budget, and some included were \$10,000 for accounting software, one police department vehicle, a one-ton truck for streets, \$54,000 for a restroom and septic system at Cherry Creek Park and \$18,000 for a park project oversight.

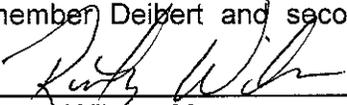
Mr. McCuiston said the Transfer Station was pulled from the General Fund. He noted the Water Fund would generate a \$232,000 profit that would be transferred to the Wastewater Fund to cover its loss along with an additional \$217,000 transferred from the First Monday Fund. He explained the \$20 cap on residential sewer rates had been removed to generate revenue yet it would still lose \$450,000. Mr. McCuiston would like to raise the sewer rates incrementally so the funds could begin to support themselves. He said he spoke to Doyle St. John at the transfer station about how the City might be losing money and found some of the loss came from the city-wide cleanup and allowing city employees to dump for free. He noted that policy should be re-evaluated. He also noted First Monday had not been charged for dumping at the transfer station. Mr. McCuiston hoped the funds could one day support themselves and the funds from First Monday could be used to pay down debt and capital projects.

Mr. McCuiston said in 2005-2006, the city had sixty full-time and 41 part-time employees. In 2006-2007, they had 68 full-time and 39 part-time. He said he and the Mayor would discuss whether or not the city was adequately staffed. Mr. McCuiston said the auditor had reported the City was in good shape financially and he concurred. There was a general discussion over what work should be done on the sidewalk project and whether or not another block could be completed instead of in front of the furniture store.

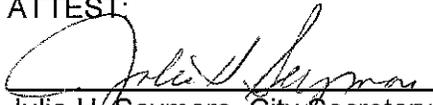
Julie Seymore said the budget would be submitted for adoption on September 13, 2007. Rick Malone reported all FM 859 easements had been completed. He asked for direction on the allowance of the restoration of off-premise signs on Henry Lewis' property on Hwy. 64 that were damaged in a storm. Mr. Lewis wanted permission to fix the signs. Councilmember Gothard felt the City should follow the ordinance already in place and what Mr. Lewis was requesting was not covered in the ordinance. Councilmember Deibert asked that Mr. Lewis submit a design for approval prior to repairing the signs. Mr. Malone also asked if a new restaurant on Terrell Street would need to comply with the parking regulations. Because the restaurant is in the Central Business District, the Council felt the parking standards would not apply. There was a brief discussion regarding parking issues in the downtown area. Mr. Malone said he

hoped to have something by the next council meeting on the bids for the Etheridge Road improvements. Julie Seymore reminded the Council that the borrowing process also needed to be started. Mr. Malone said all but one of the easements had been recorded. Mr. McCuistion was directed to make the determination of how much of the 5% raise allocated in the budget would go for cost of living and how much for merit. Richard Davis was instructed to bring a copy of his new contract for consideration at the next regular meeting.

- 8 ADJOURN – There being no further business to discuss, the meeting was adjourned at 7:46 p.m. upon motion by Councilmember Deibert and second by Councilmember Hilliard.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., THURSDAY, SEPTEMBER 13, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller and Elaine Gothard. Councilmembers William Hilliard and Ron Sanford were absent. Also present were City Manager Andy McCuistion, City Secretary Julie Seymore, City Attorney Richard Davis, Municipal Judge Lilia Durham, and Directors Tim Gothard, Lonny Cluck and Jim Stephens.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:32 p.m. and announced a quorum present.
2. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

CITIZEN'S FORUM

3. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Ruth Dearing, a Civic Center vendor, spoke on behalf of the vendors who lived out of town. She said the rate raise from \$10 a weekend for RV parking along the fence in the Civic Center parking lot to \$10 a night was too large an increase and felt many vendors would not be able to afford the increase and would stop attending First Monday. She added the market had not been good that year, the gas prices had increased, and the rate increase only made it more difficult for the vendors to afford to come. The Civic Center spaces rented for \$120 to \$175 and she felt an additional \$50 for five nights was too much. Mrs. Dearing felt the Internet and estate sales had hurt the Civic Center market as well as the competition.

built on Highway 19. Mayor Wilson said the matter was on the agenda and would be addressed.

INDIVIDUAL CONSIDERATION

4. PRESENTATION ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008 – Andy McCuiston explained the budget and tax rate were being considered at a called meeting rather than a regular council meeting in order to meet the deadline for the appraisal district which would start sending out bills the next day. He reported purchases over \$300 required a purchase order approved by management. Purchases over \$500 required three estimates prior to approval. Purchases over \$25,000 required the sealed bid process. He explained the organizational chart was changed to move the accounting employees under the supervision of the finance officer; some of the special revenue projects were adjusted to reflect expenditures; \$232,955 was transferred to the wastewater fund from the First Monday and the Water Funds to cover its expenses; the new budget included the water and sewer increases of \$0.20 per 1,000 gallons of water used; the Sanitation Fund was broken out and separated from the Water and Wastewater Funds; and First Monday would be billed for the trash they sent to the transfer station in the new budget. Mr. McCuiston said each of the funds would start to cover its own debt service and each of the Special Revenue Funds (or Grants) would be separated in the next budget. He stated the City planned to borrow \$1.4 million for the renovation of Etheridge Road. He noted the debt service fund balance was \$819,000 and recommended some of that balance be applied to debt service for an end-of-year fund balance of \$451,000. There was a brief discussion on the changes in staffing over the last couple years. Julie Seymore explained some of the money allocated in the current year's budget for Etheridge Road was repurposed for other capital projects and storm sewer improvements. Mayor Wilson requested that money allocated for street projects be used to do as many street projects as possible. Mr. McCuiston said if any funds were left over from the Etheridge Road project, they would be re-appropriated to other streets.
5. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008 – Mayor Wilson opened a public hearing at 6:12 p.m. on the proposed budget for fiscal year beginning October 1, 2007, and ending September 30, 2008. Hearing no additional comments, the hearing was closed at 6:12 p.m.
6. PUBLIC HEARING ON PROPOSED TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008 – Mayor Wilson opened a public hearing on the proposed tax rate for fiscal year beginning October 1, 2007 and ending September 30, 2008. Hearing no comments, the public hearing was closed at 6:13 p.m.
7. CONSIDER ADOPTION OF ORDINANCE NO. 2007-25 APPROVING PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008 - Ordinance No. 2007-25 adopting the proposed budget for fiscal year beginning October 1, 2007 and ending September 30, 2008, was unanimously approved upon motion by Councilmember Fuller and second by Councilmember Deibert
8. CONSIDER RATIFICATION OF PROPERTY TAX INCREASE REFLECTED IN

BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008 – Andy McCuiston explained the effective tax rate was the rate on property which was taxed last year. Julie Seymore said taxes were frozen last year for those over 65 which required an additional burden on other property owners to generate the same revenue. The effective tax rate increased to \$0.42523. Councilmember Fuller made a motion to ratify the \$68,336 property tax increase as reflected in the budget for the fiscal year beginning October 1, 2007 and ending September 30, 2008. Councilmember Gothard seconded and all voted in favor

9. CONSIDER ADOPTION OF ORDINANCE NO. 2007-26 LEVYING TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008 – Mayor Wilson announced the effective tax rate was \$0.42523 per \$100 valuation. Councilmember Deibert made a motion to adopt Ordinance No. 2007-26 levying the tax rate for the fiscal year beginning October 1, 2007, and ending September 30, 2008, at \$0.42523 cents per each \$100 valuation which shall be apportioned and distributed at \$0.20 for interest and sinking fund requirements of the municipal government and \$0.22523 for maintenance and operations of the municipal government of the City. Councilmember Fuller seconded and all voted in favor
10. CONSIDER ADOPTION OF ORDINANCE NO. 2007-27 AMENDING WATER AND WASTEWATER RATES – Councilmember Fuller made the motion to adopt Ordinance No. 2007-27 amending the water and wastewater rates by increasing the rate \$0.20 cents per 100 gallons of water used and removing the \$20 cap from residential sewer customers. Councilmember Gothard seconded and all voted in favor.
11. CONSIDER APPOINTMENTS TO EXPO CENTER COMMITTEE – Mayor Wilson appointed the following to the Expo Center Committee: Joe Groves and Ross Maris on behalf of the CEDC, Andy McCuiston, Jim Stephens, Elaine Gothard and Jim Fuller on behalf of the City and Chamber of Commerce President Rona Watson. The first meeting was scheduled for September 14, 2007, at 9:00 a.m.
12. CONSIDER ACTION REGARDING DOWNTOWN SIDEWALK PROJECT – Tracy Hicks, project engineer, presented for consideration changes to the depth of the sidewalk and the steps going to the sidewalk. Mr. Hicks explained the ramp was adjusted to give a seven foot width at the sidewalk level and he proposed four sets of steps from the street to the sidewalk in order to accommodate the varying elevations of the sidewalk. Mr. Hicks reminded the Council the original walking path of the sidewalk was designed to be 4'10". He confirmed the building with the posts would still have the posts after the sidewalk was completed. Mr. Hicks proposed deleting the sidewalk on Buffalo between Peace and Tyler Streets and substituting the north side of the square on Dallas between Capital and Buffalo. He reminded the Council TxDOT was still holding some funds which could be used on the project when released. Jim Stephens assured Councilmember Gothard no one had purchased lampposts in the area to be deleted from the project. Councilmember Gothard made a motion to delete the portion of the sidewalk project on Buffalo between Peace and Tyler Streets and add the section on Dallas between Capital and Buffalo and to construct the steps in the manner proposed. Councilmember Fuller seconded and all voted in favor.

FIRST MONDAY CONSIDERATION

13. FIRST MONDAY STAFF REPORT – Lonny Cluck reported First Monday gross

revenue for the last five years had been consistently around \$3 million, but the net income had decreased due to increased expenses. Mr. Cluck asked for guidance on how to handle vendors' requests to build on the east side of Row 1 where a six-inch water line was located and setbacks would be required from the cemetery. Mr. Cluck reported he received three sketches from vendors who wished to build on the grounds; he was investigating options to replace the windows at the Main Gate and Log Cabin to enhance communication with the customers; he hired employees to work the Senior Citizens Building parking lot for October; and the gas line in the concession stand of concern to Councilmember Fuller had been corrected. Mr. Cluck noted changes to the vendor brochure included: a requirement for all concessions to be equipped with ten-pound fire extinguishers; the increased \$30 fee for insufficient checks; and a 6:00 p.m. Sunday deadline for reserving RV's for the following month. Mr. Cluck said the main area down in revenues was outdoor lots. Mr. McCuiston informed the Council they had done a skeleton outline for the First Monday Plan setting forth four different areas of interest – vendor issues, customer issues, and facility and administration issues. He said they would develop a master plan priority list for items such as building zones, lot transfer fees, leases, advertising and marketing. Mr. McCuiston said when the City advertised and got more vendors, it would generate additional revenue for First Monday and for the City's businesses. He said improving Trade Center IV was also a consideration. Mr. Cluck felt radio communication was very important as well as cleaning out the creek upstream and downstream. Parking for merchandise pickup was also an issue that needed to be discussed accordingly to Mr. Cluck. Mr. Cluck said a vendor newsletter in the Canton Guide would be initiated to ensure better communication with the vendors. Mr. McCuiston said volunteer staffing of the FM 859 parking lot was also an issue to be discussed. Mr. Cluck said the City would be operating the Groves and Senior Citizens Building parking lot this month at \$4 per car. The website was also something that needed to be upgraded. Mr. Cluck said he sent letters to all vendors who had paid transfer fees in the building zone who wished to construct buildings on the grounds and had only received three responses. Mr. McCuiston said he had begun a review of the First Monday leases. He suggested a food court be established on the City's side of the grounds. He reported a draft of the master plan should be ready by the first of the year and some issues could be decided before that time. He said more information needed to be developed regarding the costs entailed when H&T takes control of the T-section and Arbors.

14. FIRST MONDAY COMMITTEE REPORT – Included in previous item
15. WORK SESSION REGARDING ALL MATTERS RELATING TO FIRST MONDAY TRADE DAYS – Jim Stephens reported a meeting was scheduled with Lance regarding cooperative advertising for September 14, 2007, at 11:00 a m
16. CONSIDER APPROVAL OF PROPERTY LEASE AGREEMENT WITH BILLY JACK AND LUCIA DEEN – Richard Davis advised the wording contained on the bottom of the posted agenda allowed the Council to convene in executive session for the item. It was then postponed to after Item 17 so as not to disrupt the meeting. The minutes are herein reflected:

Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072, the Council convened in closed session at 7:29 p.m. for deliberations regarding potential purchase, lease or sale of real property

The Council reconvened in open session at 7:55 p.m. with no action taken

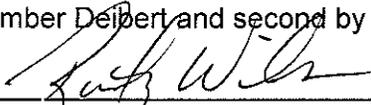
17. **CONSIDER FIRST MONDAY RV RATES AND ELECTRICAL FEES** – Mayor Wilson reviewed the rate increases which go into effect October 1. He said the City received many complaints about the rate increases. Mayor Wilson said, even with the rate increases, the City was not charging any more than the least expensive RV park in the city. He also pointed out that if a vendor paid \$50 for an outside lot and \$40 for electrical usage, it would still be less than four nights at an RV park. Lonny Cluck reminded the Council the average electrical charge ran \$6-7 per day. Councilmember Fuller mentioned he received several complaints from Bluegrass people but said the City could not allow it to continue to lose money. Lonny Cluck said it would be difficult to govern or regulate the amount of usage for a vendor on the grounds. Councilmember Deibert said other RV parks did not base their rates on how large the rig was, they set a rate and charged everyone the same amount. Ruth Dearing said she felt the vendors were not being treated right. She felt \$5 per day would be a fair charge for camping in the spaces on the concrete outside the Civic Center. Julie Seymore commented that in the area the Dearings stayed, the rigs were limited by size because they had to fit into standard parking spaces. Lonny Cluck said the only outside vendors being charged an electrical fee were those using climate control. Mr. Cluck felt there should not be different rates for different types of people on the grounds. Councilmember Deibert said no one in business liked to increase prices and it had to be looked at from each angle. Mr. Cluck reminded the Council the last rate change for RV's was about ten years ago. He said First Monday grossed what it used to but the net profit was cut in half due to increased expenses. The electricity had tripled. Mr. Cluck said an alternative would be to increase lot rents to make up the difference. Mr. Cluck reminded everyone the Civic Center vendors might pay \$150 per space but they also sat in an air-conditioned building on concrete. Ruth Dearing stated the City was not thinking about the vendors who were bringing them the money. Mayor Wilson said the only area he would be willing to reconsider the rate increase on would be the area outside the Civic Center by the fence. Councilmember Deibert cautioned that rescinding that increase would open the floodgate for others. Mayor Wilson felt a flat fee would be the only way to handle the rate. Councilmember Gothard felt a flat rate of \$30 for the spots along the fence would be fair. Lonny Cluck felt it would be easier to have a flat fee at \$40 because that's what the other outside vendors were paying for electrical. Mr. Cluck felt the Civic Center vendors had the best situation of all the vendors because they were in a climate-controlled building and got free parking with their space. Trade Center vendors paid \$150 per space and \$50 additional for parking. Mr. Cluck felt an RV would have to pay an additional charge even if they did not plug anything in because it would be impossible to monitor. Councilmember Deibert made a motion that all rates remain the same with the exception of the spaces outside the Civic Center along the fence which would go to a flat rate of \$40 per event. Councilmember Fuller seconded and all voted in favor.

REPORTS

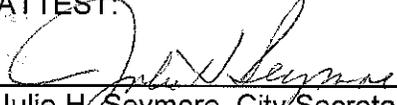
18. **STAFF REPORTS** – Mike Echols reported the police department would be watching traffic closely during the next three months of First Monday. He added the construction on the interstate also contributed to the traffic problem. Mayor Wilson suggested radio advertisements recommending people come in on Highways 243 or 64. Mr. Echols said the City was still assisting with traffic at the schools. Councilmember Gothard requested the Council receive copies of any handouts given

to the vendors to keep them informed of the current issues. Tim Gothard said Engine 1 had been repaired and was back in service. Rick Malone reported the bid documents for Etheridge Road improvements should be received by the end of the month and they finalized the route for the extension to go across Hwy. 198 and Hilliard. Julie Seymore said the City could borrow the \$1.4 million for Etheridge Road through a public or private issue. The Southwest Securities representative wished to have a meeting with the Council to authorize him to start the issuance. Mayor Wilson requested the regular meeting on September 18 be moved to September 20. Tim Gothard said he had some employees inquire about direct deposit for payroll.

19. ITEMS FOR FUTURE AGENDAS - None
20. ADJOURN - There being no further business to discuss, the meeting was adjourned at 8:10 p.m. upon motion by Councilmember Deibert and second by Councilmember Fuller.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., THURSDAY, SEPTEMBER 20, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, William Hilliard and Elaine Gothard. Councilmember Ron Sanford was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, and Directors Lonny Cluck, Tim Gothard, Rick Malone and Jim Stephens were also in attendance. City Attorney, Richard Davis, and John Martin of Southwest Securities were also present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:30 p.m. and declared a quorum present.
2. INVOCATION - None during workshop.
3. PLEDGE OF ALLEGIANCE - None during workshop.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during workshop.
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during workshop.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None during workshop.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM AUGUST 14, 16, 21 AND 30, 2007 CITY COUNCIL MEETINGS – No comments or changes to minutes were noted.
8. CONSIDER APPROVAL OF AUGUST 2007 FINANCIAL STATEMENTS - No comments or changes to financial statements were noted.
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-11 AUTHORIZING AND APPROVING RENEWAL OF A \$133,000 CONSTRUCTION LOAN FROM AMERICAN NATIONAL BANK - Julie Seymore explained the original loan was for the construction of the new First Monday restroom.
10. CONSIDER ADOPTION OF RESOLUTION NO. 2007-12 AUTHORIZING AND APPROVING RENEWAL OF A \$528,000 CONSTRUCTION LOAN FROM AMERICAN NATIONAL BANK – Mayor Wilson explained the loan was for Trade Center IV and the current balance was \$248,000.
11. CONSIDER ADOPTION OF RESOLUTION NO. 2007-13 AUTHORIZING AND APPROVING RENEWAL OF A \$30,611 VEHICLE LOAN FROM AMERICAN NATIONAL BANK – Julie Seymore said the original loan was for three-years for a vehicle for Tim Gothard. She noted the current balance \$16,000.
12. CONSIDER ADOPTION OF RESOLUTION NO. 2007-14 AUTHORIZING AND APPROVING RENEWAL OF A \$20,882 VEHICLE LOAN FROM AMERICAN NATIONAL BANK – Mayor Wilson reported the loan had a balance of \$10,960 and the financed car was purchased for Mike Echols' use. He explained the Council had decided during the budget workshops to pay the note out rather than pay it off.
13. CONSIDER APPROVAL OF SERVICE AGREEMENT WITH LAND DESIGN PARTNERS FOR PREPARATION OF CHERRY CREEK PARK CONSTRUCTION DOCUMENTS – Rick Malone explained the agreement was for the administration of the work on the Park project funded by the grant, which included soccer field renovations, a water feature and Frisbee golf course. He noted the amount budgeted for the project in the coming year was \$227,500.
14. CONSIDER APPROVAL OF INTERLOCAL AGREEMENT FOR DATABASE MAINTENANCE WITH EAST TEXAS COUNCIL OF GOVERNMENTS – Rick Malone said there was a need to redo the City's addressing system and the East Texas Council of Governments would develop the addressing system and do the notification of address changes to the post office. He said the initial cost was based on the population and would go down annually because the workload would decrease. He said they would also periodically do mapping.
15. CONSIDER AWARDDING BID FOR IMPROVEMENTS TO SHADY LANE AND PORTION OF TOWER STREET – Andy McCuistion reported there was only one response to the bid and that was from Ricky Daniels' Asphalt for \$63,000. Councilmember Hilliard said he did not feel the overlays had lasted as long as they

should. Rick Malone said two years ago when a lot of the streets were redone a different emulsion was used and the results were not long lasting. Mr. Malone said on Shady Lane and Tower Street, they would mill to a grade of one to two inches, mix TxDOT product with rock and lay that down as a base. He said a smaller aggregate would be used than on Hwy 64. Mr. Malone said the problem with the bad emulsion was experienced in a 100-mile radius of Canton. Councilmember Hilliard also said the curbs should be masked so asphalt does not come up on the curbs. Mr. Malone said they would be putting in new drives with asphalt. They would start next week and give the City a one-year warranty.

16. CONSIDER ADOPTION OF ORDINANCE NO. 2007-28 AMENDING THE FISCAL YEAR 2006-2007 ANNUAL BUDGET – Andy McCuiston said amending the budget was an annual process. The budget was a guideline for the departments during the year. Adjustments were made because some departments, for various reasons, were not able to stay within the budget as adopted.

INDIVIDUAL CONSIDERATION

17. CONSIDER ADOPTION OF RESOLUTION NO. 2007-15 AUTHORIZING PUBLICATION OF NOTICE OF INTENT TO ISSUE \$1,400,000 CERTIFICATES OF OBLIGATION TO FUND STREET PROJECTS - John Martin of Southwest Securities explained he was at the Council meeting to get a determination from the Council on whether they would like to proceed on the \$1.4 million offering they were seeking. He said the resolution giving the City Secretary authorization to place a Notice of Intent for the certificates of obligation in the paper was the first step. No action could be taken until thirty days after the first publication. On October 30, the Council would be asked to take action to award the sale of the certificate of obligation and to pass the ordinance authorizing the issuance thereof. Mr. Martin explained, due to the recent drop in interest rates, the private placement option was not as attractive as it once was. He said it made most sense to do a public offering. Private placement allowed more flexibility and local participation of banks. Mr. Martin explained they would prepare an offering document and offer the bonds publicly. The bid on those bonds would be awarded October 30. Mr. Martin requested the Council decide on the maturity structure of the certificate of obligation. The cost of issuance would be between \$50,000-60,000. The money for the project would be available the week after Thanksgiving. Mr. Martin said in a publicly-offered deal, it typically required ten years of call protection. With private placement, there was no such requirement. Councilmember Hilliard requested the bid be offered to local individuals. Andy McCuiston expressed his preference for the 14-year structured payout. Councilmember Deibert said the City needed to pay off debt and quit borrowing money. Mr. Martin suggested they look at the type of project they were financing and its useful life. Mayor Wilson said he preferred the 11-year structure. He said that would save the City \$100,000. Councilmember Deibert asked how many other road projects the City would have to finance over the next three years if it didn't have the money to pay for them. Mr. McCuiston stated the City was trying to overlay some other streets to delay major renovations. None of the other streets had the drainage problem of Etheridge Road. Mayor Wilson, based on a consensus of the Council, requested Mr. Martin to structure the offering based on an 11-year payout. Mr. Martin explained a publicly-offered deal could be set up as a negotiated sale where they chose the underwriter and controlled the way the bonds were sold and a local option period could be requested. The offer could be advertised in that way and made available to Canton residents. The local people would have a right of first refusal. This would make the underwriter work harder to accomplish the deal. Mayor Wilson agreed.

the bid needed to be offered to the citizenry of Canton. Mayor Wilson instructed Mr. Martin to look at a negotiated sale and help the City select an underwriter and to go with the 11-year structure. Mr. Martin said he would try to get as short a term as possible for the call.

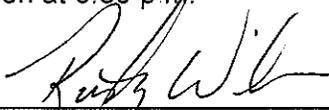
18. CONSIDER ADOPTION OF ORDINANCE NO. 2007-29 ON VOLUNTARY ANNEXATION OF THREE TRACTS (3.27-ACRES, 0.28-ACRE AND 0.39-ACRE) SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M.J. BURNETT LIVING TRUST – No discussion during work session.
19. CONSIDER ADOPTION OF ORDINANCE NO. 2007-30 ON VOLUNTARY ANNEXATION OF A 60-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED OFF HIGHWAY 19 SOUTH, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION – No discussion during work session.
20. CONSIDER RENEWAL OF CHAMBER OF COMMERCE SERVICE AGREEMENT – Rona Watson, Chamber President, said 60% of the Chamber business was dedicated to tourism and they functioned as a Chamber of Commerce and a visitors' center. She noted their website received 14,800 visits per month and there was an average of 704,053 hits on the website for the past eight months. She added the Chamber planned on redoing the website during the coming year and wanted to hire a webmaster not involved with First Monday. The cost of updating the website was estimated at \$11,000 for the design, startup and licensing fee. She noted the proposed Expo Center should increase tourism to Canton and they planned to attend trade shows in the coming year outside the normal circle to see if they could make new contacts and bring more tourists to the area. Ms. Watson reported the Chamber received \$40,000 of the hotel/motel tax received by the City and approximately \$51,000 was spent by the Chamber on tourism.
21. CONSIDER RENEWAL OF CITY ATTORNEY AGREEMENT WITH RICHARD DAVIS – No discussion during work session.
22. CONSIDER APPOINTMENT OF POLICE CHIEF – No discussion during work session.

REPORTS

23. MAYOR'S REPORT – None
24. STAFF REPORTS - Andy McCuiston reported the Expo Center committee visited the Fort Worth, Glen Rose and Waco centers. He said Glen Rose had a facility more comparable to what Canton proposed. He noted two hotels were under construction there. Mr. McCuiston said Canton needed to diversify its revenue stream and not totally rely on First Monday for additional revenue. He said the City would be responsible for the operations side of the Expo Center and the CEDC would handle the debt service. Mr. McCuiston said the Glen Rose facility housed many other types of events. He suggested events held during First Monday be one-day events. There could be multi-purpose rooms and kitchens so more than one event could be held simultaneously. Councilmember Hilliard said a lot of citizens did not like the proposed location for the center. They felt it was too close to a residential area. Councilmember Hilliard felt a location closer to I-20 would be more accessible to utilities and an easier designation to reach. He said hotels were already in that area. Mr. McCuiston said the

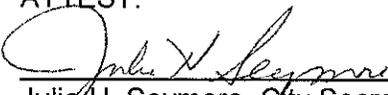
site location, size and layout were all items the committee would consider.

- 25 ITEMS FOR FUTURE AGENDAS – None during workshop.
26. ADJOURN - Adjourned by Mayor Wilson at 6:30 p.m.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., THURSDAY, SEPTEMBER 20, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard, William Hilliard and Ron Sanford. Also present were City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, and Directors Lonny Cluck, Tim Gothard and Rick Malone and Jim Stephens.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:38 p.m. and announced a quorum present.
2. INVOCATION was given by Jim Stephens.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS – None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Jim Wise from Dairy Palace explained a problem he was having with trash pickup at his business. He has had difficulty obtaining satisfaction from Allied and requested assistance from the Council. Jim Stephens said he had spoken to the supervisor at Allied and was assured the problem would be resolved.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM AUGUST 14, 16, 21 AND 30, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF AUGUST 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF RESOLUTION NO. 2007-11 AUTHORIZING AND APPROVING RENEWAL OF A \$133,000 CONSTRUCTION LOAN FROM AMERICAN NATIONAL BANK
10. CONSIDER ADOPTION OF RESOLUTION NO. 2007-12 AUTHORIZING AND APPROVING RENEWAL OF A \$528,000 CONSTRUCTION LOAN FROM AMERICAN NATIONAL BANK
11. CONSIDER ADOPTION OF RESOLUTION NO. 2007-13 AUTHORIZING AND APPROVING RENEWAL OF A \$30,611 VEHICLE LOAN FROM AMERICAN NATIONAL BANK
12. CONSIDER ADOPTION OF RESOLUTION NO. 2007-14 AUTHORIZING AND APPROVING RENEWAL OF A \$20,882 VEHICLE LOAN FROM AMERICAN NATIONAL BANK
13. CONSIDER APPROVAL OF SERVICE AGREEMENT WITH LAND DESIGN PARTNERS FOR PREPARATION OF CHERRY CREEK PARK CONSTRUCTION DOCUMENTS
14. CONSIDER APPROVAL OF INTERLOCAL AGREEMENT FOR DATABASE MAINTENANCE WITH EAST TEXAS COUNCIL OF GOVERNMENTS
15. CONSIDER AWARDED BID FOR IMPROVEMENTS TO SHADY LANE AND PORTION OF TOWER STREET
16. CONSIDER ADOPTION OF ORDINANCE NO. 2007-28 AMENDING THE FISCAL YEAR 2006-2007 ANNUAL BUDGET

Upon motion by Councilmember Sanford and second by Councilmember Gothard, items 7 through 16 on the Consent Agenda were unanimously approved. Councilmember Hilliard noted he felt the City could do a better job on street improvements.

INDIVIDUAL CONSIDERATION

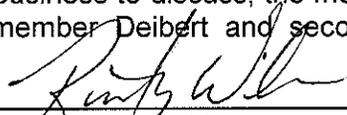
17. CONSIDER ADOPTION OF RESOLUTION NO. 2007-15 AUTHORIZING PUBLICATION OF NOTICE OF INTENT TO ISSUE \$1,400,000 CERTIFICATES OF OBLIGATION TO FUND STREET PROJECTS – Julie Seymore read the Resolution. Councilmember Fuller made a motion to adopt Resolution No. 2007-15 authorizing the publication of the Notice of Intent to issue \$1,400,000 Certificates of Obligation to fund street projects. Councilmember Sanford seconded and all voted in favor. Councilmember Hilliard mentioned street projects should be dealt with more handily and in a quicker fashion than they were.
18. CONSIDER ADOPTION OF ORDINANCE NO. 2007-29 ON VOLUNTARY ANNEXATION OF THREE TRACTS (3.27-ACRES, 0.28-ACRE AND 0.39-ACRE)

SITUATED IN THE J DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M J BURNETT LIVING TRUST – Councilmember Deibert made a motion to adopt Ordinance No. 2007-29 on the voluntary annexation of three tracts situated in the J. Douthit Survey, A-198, located southeast of Amy Street and currently owned by the J.W. and M J Burnett Living Trust. Councilmember Gothard seconded and all voted in favor.

19. CONSIDER ADOPTION OF ORDINANCE NO. 2007-30 ON VOLUNTARY ANNEXATION OF A 60-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED OFF HIGHWAY 19 SOUTH, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION – Councilmember Hilliard questioned whether the property should be annexed before it was definitely chosen as a site for the Expo Center. Mayor Wilson pointed out that utilities would need to be run to that location even if it became a residential area. Councilmember Deibert made a motion to adopt Ordinance No. 2007-30 on the voluntary annexation of a 60-acre tract situated in the J. Douthit Survey, A-198, located off Highway 19 South and currently owned by the Canton Economic Development Corporation. Councilmember Gothard seconded. Councilmember Hilliard voted against and all others voted in favor.
20. CONSIDER RENEWAL OF CHAMBER OF COMMERCE SERVICE AGREEMENT – Councilmember Fuller made a motion to renew the Chamber of Commerce Service Agreement at \$40,000 per year paid from the hotel/motel tax. Councilmember Sanford seconded and all voted in favor.
21. CONSIDER RENEWAL OF CITY ATTORNEY AGREEMENT WITH RICHARD DAVIS – Mayor Wilson informed the Council the new contract would be \$1000 per month to be used at \$130 per hour, with each additional hour over \$1,000 billed at \$130 per hour. It would also include reimbursement to Mr. Davis of expenses for TML seminars. Mr. Davis explained he had to spend more time each month on city-related business. Mayor Wilson suggested entering into a six-month contract and then review whether or not the agreement was still beneficial to both parties at the end of that period. Councilmember Fuller made a motion to renew the City Attorney agreement with Richard Davis for a six-month term at \$1000 per month at an hourly rate of \$130. Councilmember Deibert seconded and all voted in favor.
22. CONSIDER APPOINTMENT OF POLICE CHIEF – Andy McCuiston reported he reviewed Mike Echols' resume and evaluations and discussed the police chief position with him. Mr. McCuiston recommended Mike Echols be appointed to the position of police chief at an annual salary of \$45,000 effective October 1, 2007. There was a general discussion regarding whether or not the City was obligated to post the position before making this award. Councilmember Gothard cautioned that the City must be consistent in its hiring practices. Mr. Davis remarked that if no resolution had been passed requiring the posting of jobs, the City was not bound to do so, although it was always safer to advertise and interview job prospects. Mr. McCuiston said he would review all personnel policies and employee manuals. Mayor Wilson instructed Mr. McCuiston to research whether or not a cap could be placed on the number of comp time hours accumulated. Councilmember Sanford made a motion to hire Mike Echols as police chief at an annual salary of \$45,000 and to pay Mr. Echols one-half of his accumulated comp time at his current rate in two stages, with one payment to be made October 2007 and another in October 2008. Councilmember Fuller seconded and all voted in favor.

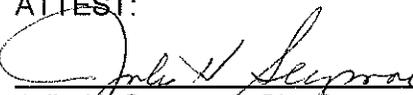
REPORTS

23. MAYOR'S REPORT
24. STAFF REPORTS – Jim Stephens reported he attended the East Texas Council of Governments Board of Directors meeting in Athens where he received a ceremonial check for the \$374,900 Texas Capital Fund Grant to fund the FM 859 water line project. Mr. McCuiston offered the Council tickets for the October 13, 2007 Autumn Stroll at the City's two tables. Mr. Malone said Coy Prather had been addressing the code violations on the property by Henry Lewis that sold outside junk and had weeds on the property. Councilmember Hilliard complimented the way the downtown sidewalk project was progressing. He recommended the City look into having utility boxes installed around the square to use at downtown events. There was a discussion regarding installation of the utility boxes. Mayor Wilson requested Rick Malone and Councilmember Hilliard research the feasibility of installing such boxes in the downtown area. Mayor Wilson also instructed Mr. Malone to speak with the electric company regarding removal or replacement of the light pole in front of the Tea Room.
25. ITEMS FOR FUTURE AGENDAS - None
26. ADJOURN - There being no further business to discuss, the meeting was adjourned at 8:35 p.m. upon motion by Councilmember Deibert and second by Councilmember Hilliard



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., THURSDAY, OCTOBER 11, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, William Hilliard and Ron Sanford. Councilmember Elaine Gothard was absent. Also present were City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, Directors Lonny Cluck, Rick Malone, and Jim Stephens, Police Chief Echols and Municipal Judge Lilia Durham

1. CALL TO ORDER - Mayor Wilson called the meeting to order at 6:31 p.m. and announced a quorum present.
2. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

CITIZEN'S FORUM

3. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Representing the vendors, Ruth Dearing objected to the \$40 per weekend charge for electricity, noting it was excessive and the Council was not considering vendors that had RVs. She said vendors were unhappy and suggested arranging a time for the Council to meet with them during First Monday at 7:30 p.m. on a Thursday at the Texas Best location. Mayor Wilson explained a meeting notice would have to be posted if three or more councilmembers attended. Mrs. Dearing said one or two councilmembers would be fine, but the vendors' questions needed to be answered. She noted special rates were offered during the Bluegrass Festival and RV Rallies and she didn't know why dealers were not also offered a break on the regular shows. Mayor Wilson thanked Mrs. Dearing for bringing the issue to the Council's attention. He suggested if the Council met with vendors on the grounds, he preferred it be the First Monday Committee.

FIRST MONDAY CONSIDERATION

4. FIRST MONDAY STAFF REPORT – Andy McCuiston reported following a meeting of the City engineer and Paul Michael's engineer, Mr. Michael's engineer was drawing a design for Paul Michael's building and retaining wall based on what the city communicated would be acceptable. He said the engineer recommended a core test which was estimated to cost \$4,000, but Mr. Michael requested they indemnify the city instead. Mr. McCuiston reported he was tweaking the indemnity agreement that would be sent to Mr. Michael and that Mr. Michael's engineer was designing the wall to go in front of the existing one. He added the engineer would also design the wall on the other side of the creek for the City because we wanted to improve the walkway along the creek. He said he would meet with the contractor to discuss the cost of what the City would like to do on its side.

Mr. McCuiston further reported the City had begun installing water meters on H&T property. He said a letter had been sent from the City attorney to the owner of the vacant building inside the First Monday Old Main Gate and that after a specified amount of time,

he felt the City could take it over. He noted the owner owed \$4,700 to the City.

Mr. McCuiston stated the City had been working with the State and was in the process of developing a program to maximize sales tax collections. He added they would be matching the vendor list with the state report and begin the process of educating vendors that sales tax revenue would help hold down the costs. Councilmember Hilliard suggested an ordinance requiring a legitimate sales tax permit and warned that unless the program were implemented consistently among all properties, it wouldn't be successful and the City would lose vendors. Mr. McCuiston said he was expecting the State to take the initiative and that first they would try to pursue vendors to identify Canton as the point of sales. Councilmember Deibert said companies used the same tax identification, but there were separate places on the form for different points of sale.

Mr. McCuiston further reported the First Monday Committee recommended turning twenty lots in Trade Center IV to lock-and-leave, and to first survey the vendors to determine who wanted to participate. He noted they might have to move some vendors around. He also reported the Committee was asked to consider having a defibrillator on the grounds, but he was concerned it might be a liability if used improperly. Richard David was asked to look into that and advise the City. Mr. McCuiston also stated after evaluating the skill sets of different employees and what was included in their jobs, he was leaving First Monday advertising responsibilities with Jim and Pat Stephens. He added there was a process in place whereby Linda Hatfield and Lonny Cluck would sign off on it, followed by his approval. Linda Hatfield was to be an event recruiter to bring more events to the Civic Center and First Monday grounds, generating more revenue. He said she indicated a better website would be a tremendous help, so he formed a website committee to develop a timeline and a request for proposals, then review and make a recommendation to the Council.

5. FIRST MONDAY COMMITTEE REPORT – Lonny Cluck reported they were creating a map of the First Monday grounds indicating all water shutoffs to help reduce repair time during the show. He said from a safety perspective, the map would also include numbered gates rated by what could pass through them, along with the times the gates would be closed. He was having them keyed alike and would provide the key and map to the ambulance, fire and police. He noted they usually called ahead and his staff directed them to the best access and assisted with entry. Mayor Wilson suggested rating and mapping the bridges as well.

Mr. Cluck further reported the Civic Center was booked every weekend from September through Thanksgiving. He stated the First Monday Committee was reviewing and would make a recommendation on the locations and projects proposed by five vendors who had been waiting a couple of years to build six buildings. He noted one of the five, Kenny Parks, had backed out of the project. He advised there was a six-inch water line down the middle of the lots on Row 1 which were in the building zone. He asked if they were going to allow people to build there and if so, they needed to establish setbacks and determine who would pay for moving the line. He indicated it would enhance foot traffic in the area, but the City Manager was also interested in leaving it open to allow easier access through the area and to keep the view of the cemetery open. He said he was concerned they needed to let anyone who paid transfer fees build, or to remove it from the building zone.

Mr. Cluck discussed developing a new RV park. He said two bridges on Rows 93 and 55 needed to be widened, but they would use the same facilities as the current RV park. He

stated after researching other local parks, the City offered basically the same thing except it wasn't as modern and they didn't have as much electricity and space. He said he was trying to design 40'x80' sites with wide streets in front and behind. He noted they would be able to back up to the creek and fence and offer pull-through sites in the middle.

Mr. Cluck said they had received many complaints about the use of handicap scooters on the grounds. He suggested they be marketed for handicap use and not for riding and shopping. He also offered that they limit the number each vendor could rent and develop an ordinance, like a taxicab ordinance, whereby they were charged a fee by the City. The City Manager was going to talk to the city attorney about the feasibility of limiting and regulating scooter use. He noted the City currently required users to be either handicapped or a licensed driver.

Mr. Cluck stated the First Monday Committee also discussed the need for First Aid training for First Monday employees, researching better customer service windows, and improving the website. He reported the Committee denied a request from a vendor to sell his rights to a food lot without selling the lot, deciding the status stayed with the lot. He also advised two letters about the changes being made had been sent to H&T Parking to keep them informed.

Mayor Wilson stated the scooters could be a nuisance, but it was also difficult to get around the large grounds without a lot of walking. He was afraid limiting the scooters or hindering their use would limit the mobility of the customers. Mr. McCuiston noted they would be using two trams to move people during the next First Monday weekend. Mr. Cluck suggested limiting the number of scooter vendors and requiring \$1,000,000 insurance policies. In discussing liability it was suggested all vendors might need to indemnify the city. Mayor Wilson cautioned the City would lose vendors to other properties if it made it too difficult for them. Councilmember Hilliard cautioned the City needed reasonable regulations and warned against hurting First Monday.

6. WORK SESSION REGARDING ALL MATTERS RELATING TO FIRST MONDAY TRADE DAYS – Mr. Fuller said he had two people him he didn't like the customer windows, but he didn't realize it would involve expensive microphones, etc. He said he didn't care if the item were disregarded. He also reported hearing concern in the civic center about people setting up booths that contained garage sale items rather than antiques, that they weren't all tending their booths, and that the linen vendors didn't meet the requirements for a booth. Mr. Cluck said the linen lady met the criteria as well as any vendor, but the criteria could be changed if the Council so desired. He also noted vendors were supposed to be there during business hours. Vendor Ruth Dearing objected to the half price signs, saying it was bad for business, and to the cost for RV parking for the dealers. Mr. Fuller said with the rising cost of electricity, he didn't see that anything could be done about the cost for RV sites. He added there was no better place than the civic center with indoor lots, a/c, trash pick-up, and clean restrooms. Mayor Wilson said he was turning that issue over to the committee and see if they'd like to visit the grounds.

Councilmember Hilliard suggested the committee consider closed-circuit cameras anywhere money was handled for security and protection. Mr. Cluck indicated there were four digital cameras at the log cabin, but not on all collection windows. Mayor Wilson instructed the city manager to see if it would be feasible

Richard Davis advised representatives from ATF wanted to meet with a group to discuss arms controls on the grounds and make recommendations. Mayor Wilson suggested he

start with Lonny Cluck and Andy McCuiston Councilmember Hilliard advised the City not spend any money on the creek unless it considered re-routing it and controlling the water problems.

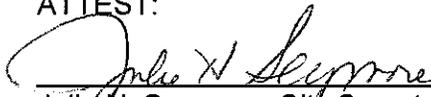
REPORTS

7. CITY MANAGER'S REPORT – None
8. ITEMS FOR FUTURE AGENDAS – Lease Agreements
9. ADJOURN – There being no further business to come before the Council, the meeting was adjourned at 7:20 p.m. upon motion by Ron Sanford and second by Jim Fuller.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, OCTOBER 16, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard and Ron Sanford. Councilmember William Hilliard was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, and Directors Rick Malone and Jim Stephens were also in attendance, as well as Fire Chief Tim Gothard and Police Chief Mike Echols.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:32 p.m. and declared a quorum present.
2. INVOCATION - None during work session
3. PLEDGE OF ALLEGIANCE - None during work session
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during work session
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during work session

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None during work session

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM SEPTEMBER 13 AND 20, 2007 CITY COUNCIL MEETINGS – No comments or changes were made.
8. CONSIDER APPROVAL OF SEPTEMBER 2007 FINANCIAL STATEMENTS – Andy McCuiston reported the City ended the 2006-2007 fiscal year better than expected because a lot of the budgeted expenses were pushed into the 2007-2008 fiscal year.

INDIVIDUAL CONSIDERATION

9. CONSIDER ALL MATTERS RELATING TO TEXAS 1033 SURPLUS PROPERTY PROGRAM (ARMY SURPLUS HELICOPTER EQUIPMENT) INCLUDING PROPOSAL BY DAVID MILLER FOR MAINTENANCE AND OPERATION OF SAID EQUIPMENT – Chief Echols requested the Council reconsider its previous decision to give back the helicopter to the Army. He said the helicopter had been useful in spotting marijuana fields, in viewing murder scenes, as well as surveying potential areas for search warrants. He informed the Council David Miller had offered his time to pilot the helicopter and would provide insurance, maintenance, fuel and storage at no cost to the City. David Miller said the approximate value of the helicopter was \$200,000-\$500,000 and he would like to see the City keep the helicopter. He said he flew in the military and enjoyed flying

Richard Davis joined the meeting at 5:43 p.m.

10. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-31 AMENDING CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE AT 2102 N. TRADE DAYS BOULEVARD IN CANTON, TEXAS – Rick Malone explained the Future Land Use Plan was a guide for zoning and the area for the Mill Creek RV Park had to be changed in order to accommodate zoning for a planned development.
11. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-32 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO PLANNED DEVELOPMENT (PD) FOR PHASE I ON THAT CERTAIN 58.832-ACRE TRACT AND 22.82-ACRE TRACT LOCATED AT 2102 NORTH TRADE DAYS BOULEVARD, CANTON, TEXAS, CURRENTLY OWNED BY COTTAGE INVESTORS OF CANTON, L.L.C. – Rick Malone reported the Planned Development Ordinance was recommended by both the Planned Development Committee and the Planning & Zoning Commission.
12. CONSIDER ADOPTION OF REQUIREMENTS FOR ACCEPTANCE OF STREETS IN LAKE MEADOWS SUBDIVISION – Rick Malone said the Lake Meadows Homeowners Association previously committed to sealing the cracks in the streets but it had not yet been done. He said they were asking for confirmation of requirements for acceptance, but since so much time had elapsed he now needed them to seal the cracks, fix the pothole and mow the ditch to take care of a drainage problem before he would make a recommendation to accept the streets. Councilmember Deibert suggested a letter be

prepared to the homeowners association setting out the improvements the City wanted done and giving a deadline for completion.

13. **CONSIDER SEWER OPTIONS FOR CHERRY CREEK PARK** – Mayor Wilson said Mr. Burton gave an estimate of \$2000 to do a feasibility study on the sewer by gravity flow rather than an aerobic septic system at Cherry Creek Park. Mr. Malone said an aerobic septic system would cost approximately \$12,000 and it would cost a lot more to do the sewer line as suggested by Councilmember Hilliard. Mayor Wilson felt it was more economically reasonable to install the septic system at this time since the only intended use was the park restroom. Councilmember Fuller suggested the possibility of a pressurized underground system.
14. **CONSIDER ADOPTION OF ORDINANCE NO. 2007-33 ESTABLISHING A NEW CITY OF CANTON FEE SCHEDULE WITH AMENDED WATER AND SEWER TAP FEES** – Mayor Wilson inquired about the cost of citizens having second water meters installed for sprinkler systems. He felt the City could make money from the water usage and should offer installation of a second meter for the cost of labor and materials only. Rick Malone said a typical sprinkler system would have a 1-1/2 inch meter. He also advised the meter deposits should be raised to cover costs. Mayor Wilson said a lot of people had a dramatic increase in their sewer rate when the cap was removed. The decision to remove the cap was based on a period of time when water usage was low. Mayor Wilson requested the matter of the cap on the sewer rate be placed on a future agenda for reconsideration. Councilmember Gothard said they should remember the reason the cap was removed was to help the City bring in more revenue and to promote conservation. Jim Stephens said most of the people who complained to him had sprinkler systems. Mayor Wilson was concerned that the decision to raise the rates was made two days after the meters had been read and citizens were not given an opportunity to prepare for the rate increase. There was a general discussion on whether or not a rebate or some type of credit should be considered. The possibility of giving sprinkler system meters at cost for a certain time period was also discussed.
15. **CONSIDER ADOPTION OF ORDINANCE NO. 2007-34 AMENDING WATER AND WASTEWATER RATES**

REPORTS

16. **MAYOR'S REPORT**
17. **CITY MANAGER'S REPORT**

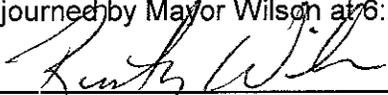
EXECUTIVE SESSION

A closed session was not held during the regular work session.

18. **EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)**
19. **EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (SECTION 551.072)**

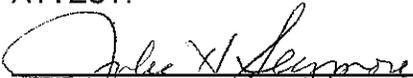
RETURN TO OPEN SESSION

20. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
21. ITEMS FOR FUTURE AGENDAS
22. ADJOURN - The work session was adjourned by Mayor Wilson at 6:29 p.m.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, OCTOBER 16, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard and Ron Sanford. Councilmember William Hilliard was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore and Directors Rick Malone and Jim Stephens were also in attendance, as well as Fire Chief Tim Gothard and Police Chief Mike Echols. City Attorney Richard Davis was also present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:34 p.m. and declared a quorum present.
2. INVOCATION was given by Jim Stephens.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – Julie Seymore reported Elaine Gothard declared a potential conflict on Item 9 regarding David Miller's proposal.
5. PROCLAMATIONS AND ANNOUNCEMENTS – Mayor Wilson said he received a great response to the ceremonies welcoming back soldiers.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM SEPTEMBER 13 AND 20, 2007 CITY

COUNCIL MEETINGS

8. CONSIDER APPROVAL OF SEPTEMBER 2007 FINANCIAL STATEMENTS

Upon motion by Councilmember Gothard and second by Councilmember Sanford, Items 7 and 8 were unanimously approved

INDIVIDUAL CONSIDERATION

9. CONSIDER ALL MATTERS RELATING TO TEXAS 1033 SURPLUS PROPERTY PROGRAM (ARMY SURPLUS HELICOPTER EQUIPMENT) INCLUDING PROPOSAL BY DAVID MILLER FOR MAINTENANCE AND OPERATION OF SAID EQUIPMENT – There was a brief discussion regarding insurance coverage on the helicopter. Mr. Miller's proposal included an offer to carry the insurance, but the staff was instructed to check into liability coverage. Councilmember Fuller made a motion to rescind the previous decision to return the helicopter to the Army and to approve the proposed agreement with David Miller for maintenance, housing and operation of said equipment. Councilmember Sanford seconded, Elaine Gothard abstained, and all others voted in favor.
10. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-31 AMENDING CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE AT 2102 N. TRADE DAYS BOULEVARD IN CANTON, TEXAS – Mayor Wilson opened a public hearing on the adoption of Ordinance No. 2007-31 amending the City of Canton 2004 Comprehensive Plan's future land use to mixed-use non-residential at 2102 N. Trade Days Boulevard in Canton, Texas at 6:43 p.m. Hearing no comments, the public hearing was closed at 6:43 p.m. Councilmember Deibert made the motion to adopt Ordinance No. 2007-31. Councilmember Sanford seconded and all voted in favor.
11. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-32 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO PLANNED DEVELOPMENT (PD) FOR PHASE I ON THAT CERTAIN 58.832-ACRE TRACT AND 22.82-ACRE TRACT LOCATED AT 2102 NORTH TRADE DAYS BOULEVARD, CANTON, TEXAS, CURRENTLY OWNED BY COTTAGE INVESTORS OF CANTON, L.L.C. – Mayor Wilson opened a public hearing at 6:44 p.m. on the adoption of Ordinance No. 2007-32 effecting a zoning change from Rural Agricultural (RA) to Planned Development (PD) for Phase I on that certain 58.832-acre tract and 22.82-acre tract located at 2102 North Trade Days Boulevard, Canton, Texas, currently owned by Cottage Investors of Canton, L.L.C. Hearing no comments, the public hearing was closed at 6:44 p.m. Councilmember Gothard made a motion to adopt the Planned Development Ordinance No. 2007-32. Councilmember Deibert seconded and all voted in favor.
12. CONSIDER ADOPTION OF REQUIREMENTS FOR ACCEPTANCE OF STREETS IN LAKE MEADOWS SUBDIVISION – Mayor Wilson instructed Rick Malone to prepare a letter to the Homeowners Association stating the streets would be accepted if the following is completed within ninety days: (1) all cracks shall be properly sealed; (2) The area (approximately 12'x16') where base failure is evident near the concrete flume shall be removed and repaired; (3) The drainage channel at the north end shall be excavated to provide for adequate drainage off of the street; and (4) A representative of the city shall be notified once these three items are complete to verify they have been properly executed.
13. CONSIDER SEWER OPTIONS FOR CHERRY CREEK PARK – Mayor Wilson stated Councilmember Hilliard previously asked the Council to consider using gravity flow to run the sewer instead of installing an aerobic septic system at the park. Councilmember

Deibert suggested an aerobic system be installed at this time and, when development warranted, the Council could consider other options. Councilmember Sanford made a motion to install the aerobic septic system. Councilmember Deibert seconded and all voted in favor.

14. **CONSIDER ADOPTION OF ORDINANCE NO. 2007-33 ESTABLISHING A NEW CITY OF CANTON FEE SCHEDULE WITH AMENDED WATER AND SEWER TAP FEES** – The Council discussed offering citizens a sixty-day signup period to have a second meter for sprinkler systems installed at the cost of materials only. After the sixty days, the City would go back to the regular fee schedule. Jim Stephens said the next newsletter would go out by November 1 and the information about the offer could be included. The cost and fees of regular taps were also reviewed. Councilmember Deibert made a motion to adopt Ordinance No. 2007-33 adopting the fee schedule which included increased rates for 1-1/2 inch residential water taps to \$850, 2-inch residential water taps to \$1250, 1-inch and higher commercial water taps to \$1250, and fire hydrant rates to \$950; and to make the public a one-time offer to have a second meter installed for sprinkler systems at the City's material cost through January 1, 2008. Councilmember Fuller seconded and all voted in favor.
15. **CONSIDER ADOPTION OF ORDINANCE NO. 2007-34 - AMENDING WATER AND WASTEWATER RATES** – The Council deliberated amending rates, reinstating a cap on sewer rates, or offering a rebate or credit to customers affected by the rate changes. Mr. McCuiston suggested, and the Council agreed, holding rates steady an additional month into the 2008-2009 fiscal year, in effect giving a rebate at the end of the year. Ordinance No. 2007-34 was not adopted.

REPORTS

16. **MAYOR'S REPORT**
17. **CITY MANAGER'S REPORT** – Andy McCuiston reported he was in the process of reviewing personnel policies. He also reported the offer of sale of four acres off Hwy. 64 by the Texas Department of Transportation to the City or the school district. The property included a 4,500 square foot building which needed improvement. He said the City spent \$3,300 per month in rent for the police department building and he felt the Council should consider the purchase of the property for a police station, records storage and public works. He confirmed the property was currently outside the city limits and indicated if neither the City nor school district wanted the property, the sale would be offered to the public. The asking price for the property was \$600,000 and it included a tall tower. Mr. McCuiston further reported the Expo Center Committee met with Corky Warren to discuss changes and submittal of another plan. He said the Committee looked at alternate sites, but still favored the Hwy. 19 South location.

EXECUTIVE SESSION

Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072, the Council convened in closed session at 7:18 p.m. for consultation with its attorney and for deliberations regarding potential purchase, lease or sale of real property.

18. **EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)**

- 19. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (SECTION 551 072)

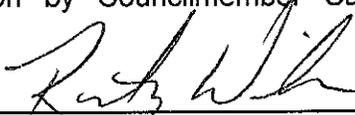
RETURN TO OPEN SESSION

- 20. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:14 p.m. with no action taken.
- 21. ITEMS FOR FUTURE AGENDAS - Mr. McCuiston said the estimated cost for conduits around the downtown sidewalk for future electrical boxes was \$44,000 and there would be additional costs for tearing up concrete. He said the decision had been made not to increase the size of the lights on the large pole but to change from 100 watt bulbs to 200 watts. Mayor Wilson said the island on Buffalo Street had to have one access for parking by law. It could not be lined up with property on the other side of the street. Mr. McCuiston felt the new steps looked good.

Mr. McCuiston said there had been only six to seven entries in the logo contest. Councilmember Gothard suggested having one logo for First Monday and one for the city. Mayor Wilson suggested waiting until all the entrants had been received before a decision was made. Mr. McCuiston said there would be one more item in the newspaper to generate interest. Mayor Wilson expressed a desire to create a slogan for the city.

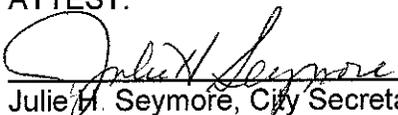
Councilmember Gothard stated she would like the council to look at electricity service, use and unsafe conditions on the First Monday grounds. Julie Seymore said the Freeport Tax issue needed to be addressed at the November 15 meeting as well as the Ordinance Authorizing the Issuance of Certificates of Obligation. Mayor Wilson said there would be no more special First Monday meetings after November. Richard Davis cautioned that, due to the situation in Farmers Branch, all decisions by the Council be made during council meetings.

- 22. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 8:28 p.m. upon motion by Councilmember Sanford and second by Councilmember Gothard.



Rusty Wilson, Mayor

ATTEST:



Julie M. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., THURSDAY, NOVEMBER 15, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine

Gothard, William Hilliard and Ron Sanford Also present were City Manager Andy McCuistion, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, and Directors Lonny Cluck and Jim Stephens.

- 1 CALL TO ORDER – Mayor Wilson called the meeting to order at 5:33 p.m. and announced a quorum present.
- 2 DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

CITIZEN'S FORUM

- 3 CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - Gerald Turner expressed his concern about TxDOT eliminating a sidewalk in front of his business. Mr. Turner said the Highway Department had given him a permit for the driveway in 2001 and to eliminate the driveway would put him out of business. Trucks would not be able to come in and make deliveries and turn around using just one drive. Mr. Turner said he had contacted the property owner, H&T Parking, and Dr. Hackney wanted to leave the drives the way they were. Mr. Turner has contacted Patrick Spruiell regarding a temporary injunction to keep the contractor from pouring the curb. He requested the City contact the Highway Department and let them know it had no objection to the driveways staying the same. Rick Malone explained when the plans for the sidewalk project were submitted to TxDOT they determined the drive needed to be removed because it did not lead anywhere. It is on the TxDOT right-of-way. Mr. Malone said they met with TxDOT that afternoon and TxDOT would like to remove the one drive and enlarge the other a little bit and turn it into a two-way. Mr. Turner said in 1998 Mr. Stegall measured and showed him where the right-of-way was where the highway widened out. He built the building ten feet off the line he was shown. Mr. Malone said the highway did not widen where Mr. Turner indicated but at the north entry to the cemetery. The sidewalk in front of H&T was on the right-of-way. Andy McCuistion said TxDOT surveyed the sidewalk and about one and one-half feet of Mr. Turner's awning was on the right-of-way. TxDOT said the shed needed to be removed but the awning could stay until it interfered with something TxDOT wanted to do in the future. Mr. Turner indicated he did not have a problem removing the shed. Mr. Turner said he did not want his customers to exit the property using Mr. Manning's drive. Mr. Malone stated Mr. Manning told him he had no problem with Mr. Turner's customers using his drive. Mr. Turner said there was no way he could operate without having a place to pull in and out. He planned to operate the business another seventeen months. Mr. Malone said the State had been generous with Canton to date. Generally, they did not allow anyone to use their right-of-way but had worked with Canton because of First Monday. Mayor Wilson questioned whether TxDOT would allow the continued use of the two drives if it impeded someone from doing business if they eliminated one. Dr. Hackney said it was too early for him to say what the future use of the property would be, but no matter who used the property, the attractiveness of that location was the access. Dr. Hackney felt people should not have to back out onto the street. Mr. Malone said TxDOT was looking at the fact that the drive goes nowhere. Councilmember Deibert said Mr. Turner's customers should be steered away from parking on the sidewalk. Mr. Turner responded that there would be parking partly on the sidewalk and partly on his property. Mayor Wilson suggested taking an informal poll on the Council's position. Councilmember Hilliard said the City did not own the property and TxDOT was not going to allow parking on the sidewalk. He said it was important to have access to the property during First Monday and he wanted to support the local

need. Councilmember Hilliard wanted to make sure the curbs looked uniform and the drives were uniform in width. Councilmember Sanford felt the Council should support Mr. Turner. Councilmember Gothard expressed concern about people parking on the sidewalk. Councilmember Fuller said he wanted whatever was decided to be good from now on and that the future use of the property did not mean another change would have to be made. In summation, Mayor Wilson said the Council would support Mr. Turner and Dr. Hackney on keeping the drives as-is and the City staff would address the issue with the State in the morning and also speak to them about consistency in the width of both drives. Mr. Turner indicated he had no problem with the width of the drives being changed. He suggested all property owners be notified well in advance before a change of this type occurred. Mayor Wilson mentioned this project had been ongoing for five years.

Mayor Wilson acknowledged a group of seniors from Canton High School's government class were in attendance. He also reported he had spoken with Edith Elliott the day before about some concerns she had.

INDIVIDUAL CONSIDERATION

4. CONSIDER ADOPTION OF ORDINANCE NO. 2007-34 AUTHORIZING THE ISSUANCE OF CITY OF CANTON, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2007, AND OTHER MATTERS RELATED THERETO – Mr. McCuiston assured the Council any money from the C.O. issuance not spent on Etheridge Road would be utilized on other street projects. Mr. John Martin of Southwest Securities made a presentation regarding the successful sale of the certificates of obligation (CO) for the Etheridge Road project. He said the CO's would be dated December 1 and the money would be in the bank December 18, 2007. The first payment on the CO's would be July 1, 2008. The interest would pay the same as the City's other CO's. They were able to obtain an eight-year call. The real rate was 1.4573, which was better than originally predicted. The average length of the loan was 7.86 years. Assured Guaranty was the middle bidder on the bonds with a 65 basis point bond. The paying agent was US Bank in Dallas. The cost to do the transaction would be \$50,000. It cost the City \$11,700 to get a AAA Rating through the bonding agent. He noted First National Bank of Canton bought some of the bonds. Councilmember Hilliard expressed concern that the bonds were not advertised locally. Mr. Martin indicated they contacted many local citizens directly and it was also noted the sale of the CO's was published in the local paper. Mr. Martin said the City had managed its well because it had very little debt and very short debt. He said some of the bonds issued in 1995 might be able to be refinanced in 2008 and replaced with lower interest bonds. Councilmember Sanford made a motion to adopt Ordinance No. 2007-34 authorizing the issuance of the City of Canton, Texas' combination tax and revenue certificates of obligation, Series 2007. Councilmember Gothard seconded and all voted in favor. Councilmember Hilliard said he was not in opposition but felt we had not given every citizen an opportunity to participate
5. PUBLIC HEARING AND CONSIDER ADOPTION OF MASONRY ORDINANCE NO. 2007-35 ESTABLISHING MINIMUM EXTERIOR STANDARDS FOR STRUCTURES INSIDE CANTON CITY LIMITS – Mayor Wilson tabled the item because the Planning & Zoning Commission's requisite preliminary meeting failed for lack of a quorum.
6. CONSIDER AUTHORIZATION TO RELOCATE GRAVES IF ANY DISCOVERED UNDER ROADWAY DURING SIDEWALK CONSTRUCTION PROJECT AT

HILLCREST CEMETERY – There was a general discussion regarding the northern entrance into the cemetery and whether or not it should be closed. Councilmember Hilliard said he felt the entrance from the First Monday grounds would be more logical because it was level and no graves would be disturbed. Rick Malone said a drive for the north entrance would only have to be brought back about eighteen feet. Jerry Shamlin and Mr. Fisher, representing the families of those buried there, expressed a desire to leave the entrance open. Mr. McCuiston asked for authorization to allow Eubank Funeral Home to handle any graves that might be found. He said the City had done research and some graves in the cemetery could not be identified. Mayor Wilson said his preference would be to improve the west entrance of the cemetery and place steps on the east side. Coy Prather said if the north entrance were eliminated, the contractor would run the retaining wall across and install a gate. He said there was enough money in the budget for steps if that was what the Council requested. Mayor Wilson tabled the item until the regular meeting Tuesday night to allow time for all council members to visit the property.

FIRST MONDAY CONSIDERATION

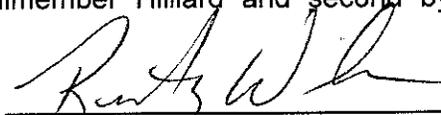
7. **FIRST MONDAY STAFF REPORT** – Lonny Cluck said the last First Monday was one of the biggest he had seen. Mr. Cluck said the First Monday Committee discussed making Row 1 a one-way entry street and making Row 3 a one-way exit to alleviate traffic at the Main Gate. Vendors would have one lane to drive through with their passes, and cars which needed assistance could use a second lane. Mr. Cluck said the committee also discussed allowing buildings up the hill as far as the green bathroom, but if the entrance to the cemetery moved to the First Monday side, some lots needed to be eliminated to allow for a new gate and entry. He added there could be a problem building over the six-inch water line running down the hill on Row 1. He reported the First Monday Committee had begun review of a proposed First Monday lease and the website committee had been compiling information for the new First Monday website. A company was chosen to do the work. Mr. Cluck said six vendors used the Hill parking lot the previous month. He felt the area would improve by word of mouth. He noted a lot of parking on Row 3 would be eliminated if it were made one way. Those vendors would most likely move to the Hill parking. In relation to a request from Mr. Harris to transfer his food concession rights without transferring his lot, the Council confirmed that food concession lots would remain with the lot in its current location. Mr. Cluck said he had not allowed any food concessions to change locations unless the City had done something to harm them where they were, such as building a bathroom or road. Mayor Wilson instructed Mr. McCuiston to seek legal advice regarding the City's position on the prohibition of relocating a food lot.
8. **FIRST MONDAY COMMITTEE REPORT**
9. **WORK SESSION REGARDING ALL MATTERS RELATING TO FIRST MONDAY TRADE DAYS**
10. **CONSIDER ALL MATTERS RELATING TO BUILDING ZONES AT FIRST MONDAY TRADE DAYS PARK** – Mr. McCuiston said the intent of the First Monday Committee was to allow building on Row 1 from the green bathroom to the bottom of the hill. It would help increase traffic to that area. If Row 1 were made one way, the road would not have to be as wide and could accommodate small structures. Councilmember Hilliard cautioned against making the area around the cemetery too commercial. Julie Seymore advised that the building zone currently included Row 1. Mr. Cluck said they

were temporarily not allowing any buildings in that area and any lots which needed to be eliminated for an entrance to the cemetery should be taken out of the system now. The intent of the Committee was to leave the horseshoe area as is. Mr. McCuiston said he had the horseshoe area under consideration for a future city hall building. Mayor Wilson stated the fence around the cemetery needed to be replaced. He also suggested pavilion-type structures be placed more along Row 1 by the cemetery fence, rather than buildings. Councilmember Hilliard said the fence was going to be replaced by the cemetery association on Hwy. 19 and later, as more money became available, all the way around the cemetery. Mr. McCuiston said the City wanted to have control over the appearance of any structures built. Mayor Wilson instructed nothing be done regarding building on the grounds unless it was first brought to the Council. Councilmember Sanford made a motion to have no more lot transfers on Row 1 and the horseshoe until a decision had been made regarding the cemetery. Councilmember Deibert seconded and all voted in favor.

11. CONSIDER ESTABLISHING ONE-WAY STREETS ON ROWS 1 AND 3 AT FIRST MONDAY TRADE DAYS PARK – There was a brief discussion regarding bringing gas lines to the food vendors on the grounds. Mayor Wilson instructed the Committee to come back to the Council with a recommendation on that issue. Mr. Malone said the initial layout for road would be 80' x 12' with a 20' radius on the west side. The City could do the excavation and relocate the lines. The east side of Row 2 had more of a slope than the west side. The City would need to install concrete and make a retaining wall and wrap block around to tie into concrete for some type of uniformity in the slope. The project would cost \$7000-8000. He said Mr. Cluck suggested a ticket booth with an arm. There would be a twenty-foot radius on the west side of the exit and not much on the east side of the drive to accommodate large trucks turning onto Groves Street. Mr. Cluck suggested the item be tabled until a decision about the cemetery had been made. Mayor Wilson was concerned there would be a traffic bottleneck at the bottom of the hill. Mr. Cluck said Row 2 would stay two-way. Mayor Wilson instructed Mr. Cluck to develop a better concept of how the idea would work and the item was tabled until that time.

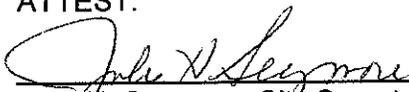
REPORTS

12. ITEMS FOR FUTURE AGENDAS – Councilmember Fuller said he would like to discuss all the unoccupied buildings around town. Mr. Malone said he would prepare a list of all buildings in town considered to be substandard. Mayor Wilson commended Jim Stephens on the City being named a 2008 Main Street city. Mr. Malone said there should be enough money in the budget to do the sidewalk on the south and north sides of the square.
13. ADJOURN - There being no further business to discuss, the meeting was adjourned at 7:25 p.m. upon motion by Councilmember Hilliard and second by Councilmember Sanford.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, NOVEMBER 20, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard and Ron Sanford. Councilmember William Hilliard was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, and Directors Rick Malone and Jim Stephens were also in attendance, as well as Fire Chief Tim Gothard and Police Chief Mike Echols. City Attorney Richard Davis and City Engineer Gary Burton were also present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:32 p.m. and declared a quorum present. In order to accommodate schedules, item number 16 was discussed prior to continuation of this agenda.
2. INVOCATION - None during work session.
3. PLEDGE OF ALLEGIANCE— None during work session.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during work session
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during work session.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None during work session.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM OCTOBER 11 AND 16, 2007 CITY COUNCIL MEETINGS – No questions or comments regarding the minutes
8. CONSIDER APPROVAL OF OCTOBER 2007 FINANCIAL STATEMENTS – Mr. McCuiston said he had questions regarding some of the numbers for the water and sewer. He did not feel the two were totally separated.
9. CONSIDER ADOPTION OF JOINT RESOLUTION NO. 2007-15 ESTABLISHING AN INTERJURISDICTIONAL EMERGENCY MANAGEMENT PROGRAM – Mr. McCuiston explained the resolution between all the cities and the county for an interjurisdictional emergency management program had been previously adopted but never signed. He said the City and County agreed to work together in the event of a disaster, use the same rulebook, and share resources.
10. CONSIDER ADOPTION OF ORDINANCE NO. 2007-36 ESTABLISHING 35 M.P.H.

SPEED LIMIT ON CHERRY CREEK BETWEEN COLLEGE STREET AND OLD KAUFMAN ROAD – Mr. McCuistion requested the item be tabled until the next regular meeting

- 11 CONSIDER ADOPTION OF ORDINANCE NO 2007-37 LIMITING OR PROHIBITING THE PARKING OR STANDING OF VEHICLES AT ANY PLACE WHERE OFFICIAL SIGNS LIMIT OR PROHIBIT PARKING WITHIN THE CITY LIMITS OF CANTON, TEXAS – Coy Prather reported that during the sidewalk project, the City removed some no parking signs for the convenience of the merchants, which had since been reinstalled and the street would be re-striped for parallel parking along Capital Street. Mr. Prather said several of the merchants wanted designated spaces for their employees and for unloading of merchandise. He suggested some of the no parking signs be removed and a loading zone be designated to accommodate the merchants. Mr. McCuistion said the signs on the streets should be changed to No Parking During First Monday – Thursday through Sunday. Specifically, the changes included: deleting four “No Parking” signs on north side of E. Terrell Street, authorizing one “No Parking/Loading Zone” sign on south side of E. Terrell Street between N. Buffalo Street and N. Capital Street, replacing 24 “No Parking” signs with “No Parking During First Monday Thursday – Sunday”, leaving six “No Parking/Authorized Only” signs: one “No Parking” sign on east side of N. Capital Street, five “No Parking/Authorized Only” signs on north and south sides of E. Terrell Street between N. Capital and N. Main.

INDIVIDUAL CONSIDERATION

12. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-35 TO TAX TANGIBLE PERSONAL PROPERTY IN TRANSIT WHICH WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE, SECTION 11.253 – Mr. McCuistion said there was a new law exempting businesses currently being taxed on goods in warehouses unless the City opted out by adopting the proposed ordinance to continue to tax them.
13. CONSIDER AWARDED BID FOR INDUSTRIAL PARK IV WATER AND SEWER LINE PROJECT – Mr. Malone reported the bids ranged from \$157,000 to \$265,000. Gary Burton said the lowest bidder spent a lot of time on his bid and asked a lot of questions, which paid off for him. Precision Management Construction did a lot of utility work for Dallas and Grand Prairie. Mr. Burton said he called four references and was only able to reach two, but they were both very positive. Mr. Malone said the company was located in Forney and wanted to pick up some work further east. Mr. Burton confirmed this company was the one he recommended.
14. CONSIDER AUTHORIZING DEMOLITION OF OLD WATER PLANT AT OLD CITY LAKE – Mr. Malone requested guidance in making a plan to bid out the demolition of the old water plant. He explained the State had started a program to do dam inspections for free and one of the City's deficiencies on the Old City Lake dam had been the old water plant. He said it had to be cleaned out in order to inspect the lower portion of the dam. Mr. Malone has been looking for someone to take out the old tanks in exchange for the metal. The concrete demolition could be done by the City. East Texas Cable has to relocate its items from the premises. The City has to make a plan to submit to TCEQ to show an effort has been made. It could be included in next year's budget. Mr. Burton said he would look at the project the following week and prepare a cost estimate for the Council.

15. CONSIDER RESULTS OF LOGO CONTEST – Mr. McCuiston requested the item be tabled until the next regular meeting because the winners were out of school.
16. CONSIDER ALL MATTERS RELATED TO DOWNTOWN SIDEWALK PROJECT – Item discussed at 5:32 p.m. due to a prior scheduling conflict of Tracy Hicks. Mr. Hicks said an issue had arisen as a part of the design of the project when a curb cut was removed just south of the east gate entrance into First Monday in front of Mr. Turner's business. Mr. Hicks said they were told by TxDOT to remove the curb cut because it did not provide access onto private property. If a car pulled in and stopped, it would be on State right-of-way. Mayor Wilson questioned why TxDOT wanted to remove the drive now when it was previously allowed. Walt Lehmann of TxDOT explained TxDOT's driveway policies had changed significantly. A new driveway policy was enacted about four years prior restricting the amount of driveways per property and the distance between driveways. When the plans were submitted to TxDOT for review, one driveway was removed. He said TxDOT had decided to leave the issue to the City and developing engineer on how they would like to handle the matter. Mr. Lehmann said there was a chart and formula for calculating the number of drives allowed per lot size. For a lot 100 feet or smaller, one driveway was all that was allowed. He said when the use of the property changed, the owner would have to reapply for a driveway permit. A driveway permit was only good for six months. Mr. Lehmann said the reason this matter was reevaluated was because the City had applied for a federal grant for this project and there were requirements which had to be met in order to receive ADA grant money. The money was funneled through TxDOT and they told the recipient the policies. In this case, the drive led to a building and was not really needed. Mr. Lehmann said he knew of no written policy regarding notification to property owners. A public hearing was held and owners were invited. Mr. Lehmann said the City would be responsible for everything beyond the curb as far as maintenance and policy. TxDOT was not shifting the liability to the City. Mr. McCuiston verified that if the City allowed business on the right-of-way or ADA sidewalk, the City would be liable. Richard Davis advised that state law made it a violation to stop on a sidewalk. Mr. Turner said the reason the building was located where it was because a highway department employee measured from the center of the highway to the right-of-way line. Mr. Turner then built his building ten feet off the right-of-way line. He said he had operated in that manner since 1988. In 2001, Mr. Turner contacted the highway department and received permission to cut a driveway in front of the buildings. Customers parallel parked off the sidewalk, which he felt was on his land based on information from the highway department employee. If a propane truck wanted to deliver without the drive, it would have to back off from the highway or pull in from a middle lane. Someone would have to flag traffic on the roadway. Mr. Turner said he had to have two drives in order to stay in business. Bobby Jack English from the highway department told him to move the gas sign and showed him where the right-of-way line was located. If he had been shown the correct line, the building would be built back ten more feet. Councilmember Gothard asked whether or not the entrance from the East Gate could be utilized as another entrance. Councilmember Deibert suggested widening the east gate entrance. Mr. Turner indicated he would not have a problem with widening the east gate entrance because he did not utilize the drive during First Monday. Mr. Hicks said widening the drive was feasible from a construction standpoint. Mr. Lehmann said TxDOT would not have a problem with widening the driveway as long as it was an improvement. Mr. Hicks said they were looking into whether or not the sidewalk had to be re-poured in that area because it was too high on the back side. It was an error on the part of the contractor. Mr. Hicks would recommend the construction be corrected at the expense of the

contractor. Money left over in the project could go toward widening the drive.

17. CONSIDER ALL MATTERS RELATED TO HILLCREST CEMETERY – Mr. Prather said Jim Stephens talked to some people in the community and it was decided the entry on the First Monday grounds would work for them as well as some steps going up from the sidewalk on the east side of the cemetery. Mr. McCuiston said the west entrance had more parking available and the City would make a nice entryway. He noted he would like to approach the Council in the future about the possibility of the City maintaining the cemetery and tying it into the parks department

REPORTS

18. MAYOR'S REPORT - None during work session.
19. CITY MANAGER'S REPORT – Chief Gothard reported the police and EMS worked closely together and Fuller's Towing did a superb job of cleaning up within two hours after a truck overturned on Highway 64. Mr. Malone reported Shady Lane was coming along nicely and would hopefully be ready to prime the next week. He said they were removing trees on the Young property and getting ready to lay pipe for the FM 859 water line. He added they planned to do some patching on Pecan, Elm and Goshen. Mr. Malone further reported they would be tying in the water on Athens Street and making taps and a contractor had been required to dig up a place or two for some work on the sewer. Chief Echols said the helicopter had been moved, but not all the parts had been retrieved. Chief Gothard said everything was running smoothly at the Fire Department. They had acquired the pump from the parking lot money and it was in service.

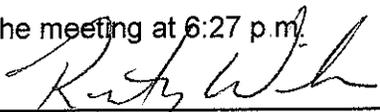
EXECUTIVE SESSION – None during work session.

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072.

20. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)
21. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (SECTION 551.072)

RETURN TO OPEN SESSION

22. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
23. CONSIDER APPROVAL OF SETTLEMENT AGREEMENT WITH STEVE THOMPSON
24. ITEMS FOR FUTURE AGENDAS - None during work session.
25. ADJOURN - Mayor Wilson adjourned the meeting at 6:27 p.m.



 Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, NOVEMBER 20, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard and Ron Sanford. Councilmember William Hilliard was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore and Directors Rick Malone and Jim Stephens were also in attendance, as well as Fire Chief Tim Gothard and Police Chief Mike Echols. City Attorney Richard Davis was also present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:35 p.m. and declared a quorum present.
2. INVOCATION was given by Jim Stephens.
3. PLEDGE OF ALLEGIANCE was led by Mayor Rusty Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Mr. Jerry Teel, 4436 Etheridge Circle, expressed his concern regarding citizens being allowed to add a second water tap for \$150-\$200. He did not understand why the City had removed the caps on the water and sewer fees and felt a discount should be considered. Kristin Woods said she wished to express her gratitude to Mr. and Mrs. Don Bullard for their work on environmental issues, to Amy Huddle for her work on the parks, and to Jim Stephens for his work on the downtown area. Selma Dawson said she did not need another meter and something needed to be done that was equitable to all citizens.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM OCTOBER 11 AND 16, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF OCTOBER 2007 FINANCIAL STATEMENTS

9. CONSIDER ADOPTION OF JOINT RESOLUTION NO. 2007-15 ESTABLISHING AN INTERJURISDICTIONAL EMERGENCY MANAGEMENT PROGRAM
10. CONSIDER ADOPTION OF ORDINANCE NO. 2007-36 ESTABLISHING 35 M.P.H. SPEED LIMIT ON CHERRY CREEK BETWEEN COLLEGE STREET AND OLD KAUFMAN ROAD
11. CONSIDER ADOPTION OF ORDINANCE NO. 2007-37 LIMITING OR PROHIBITING THE PARKING OR STANDING OF VEHICLES AT ANY PLACE WHERE OFFICIAL SIGNS LIMIT OR PROHIBIT PARKING WITHIN THE CITY LIMITS OF CANTON, TEXAS

Item 10 was tabled to a later date to allow for further research. Items 7, 8, 9 and 11 were unanimously approved upon motion by Councilmember Gothard and second by Councilmember Sanford

INDIVIDUAL CONSIDERATION

12. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2007-35 TO TAX TANGIBLE PERSONAL PROPERTY IN TRANSIT WHICH WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE, SECTION 11.253 – A public hearing was opened at 6:43 p.m. Hearing no comments, Mayor Wilson closed the public hearing at 6:43 p.m. A motion was made by Councilmember Sanford to adopt Ordinance No. 2007-35 to tax tangible personal property in transit which would otherwise be exempt pursuant to Texas Tax Code, Section 11.253. Councilmember Deibert seconded and all voted in favor.
13. CONSIDER AWARDED BID FOR INDUSTRIAL PARK IV WATER AND SEWER LINE PROJECT – Councilmember Fuller made a motion to award the bid for the Industrial Park IV water and sewer line to low bidder Precision Management Construction for a bid of \$154,447.80. Councilmember Gothard seconded and all voted in favor
14. CONSIDER AUTHORIZING DEMOLITION OF OLD WATER PLANT AT OLD CITY LAKE – Councilmember Sanford made a motion to authorize the demolition of the old water plant at the Old City Lake. Councilmember Fuller seconded and all voted in favor.
15. CONSIDER RESULTS OF LOGO CONTEST – Mayor Wilson tabled Item 15 to the next regular meeting due to the unavailability of the winners.
16. CONSIDER ALL MATTERS RELATED TO DOWNTOWN SIDEWALK PROJECT – Mr. McCuiston said Mr. Turner requested a drive of a minimum of thirty feet. Mr. Prather said the engineer would have to redraw the plans for the alteration of the drive and he would get with the contractor in the morning regarding the removal of the sidewalk. Mr. Malone assured Mr. Turner the City would do what it needed to do for him to be open during First Monday. Councilmember Deibert made a motion to expand the east gate entrance to a minimum of thirty feet and to have the sidewalk redone correctly where the slope was too high on the back. Councilmember Gothard seconded and all voted in favor.
17. CONSIDER ALL MATTERS RELATED TO HILLCREST CEMETERY – Mayor Wilson said in time the fence surrounding the cemetery would be replaced and the west entrance would be made to look nicer. Councilmember Gothard made a motion to build

steps where the northernmost entrance into the cemetery was currently located and to authorize the City to use Eubank Funeral Home if any graves needed to be relocated Councilmember Sanford seconded and all voted in favor.

REPORTS

- 18. MAYOR'S REPORT
- 19. CITY MANAGER'S REPORT

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072.

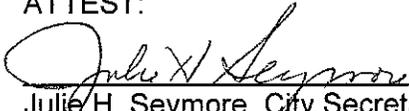
- 20. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)
 –
 Pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072, the Council convened in closed session at 6:52 p.m. for consultation with its attorney.
- 21. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (SECTION 551.072)

RETURN TO OPEN SESSION

- 22. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 7:07 p.m. with no action taken.
- 23. CONSIDER APPROVAL OF SETTLEMENT AGREEMENT WITH STEVE THOMPSON
 – Councilmember Sanford made a motion to approve the settlement agreement with Steve Thompson with the City agreeing to make a \$23,000 payment, to provide a neutral reference for Mr. Thompson in the future, and to take all legal steps necessary to amend the F-5 Form with the State on Mr. Thompson's behalf. Councilmember Deibert seconded and all voted in favor.
- 24. ITEMS FOR FUTURE AGENDAS – Mr. Malone said the entrance to the cemetery from First Monday would need to be dedicated and the gate itself needed to be reworked because it was uneven. Mr. McCuiston said a decision needed to be made regarding the best location for the gate. Two First Monday lots would probably be affected. Mr. McCuiston said he was working on the employee police book. He had issued a directive to the staff that until the new policies were adopted, any hiring or purchasing conflicts of interest would be sent up to the next level of management for a decision. Councilmember Gothard said she felt there were still inconsistencies in the hiring process and the City needed to review its procedures.
- 25. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 7:12 p.m. upon motion by Councilmember Sanford and second by Councilmember Gothard.

 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, DECEMBER 18, 2007
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard, Ron Sanford and William Hilliard. City Manager Andy McCuistion, City Secretary/Finance Officer Julie Seymore, and Directors Lonny Cluck, Rick Malone and Jim Stephens were also in attendance, as well as Fire Chief Tim Gothard and Police Chief Mike Echols. City Attorney Richard Davis and City Engineer Gary Burton were also present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:31 p.m. and declared a quorum present.
2. INVOCATION - None during work session.
3. PLEDGE OF ALLEGIANCE - None during work session.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during work session.
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during work session.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None during work session.

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM OCTOBER 11 AND NOVEMBER 15 AND 20, 2007 CITY COUNCIL MEETINGS – There were no comments or suggested changes.
8. CONSIDER APPROVAL OF NOVEMBER 2007 FINANCIAL STATEMENTS – Andy McCuistion reported cash in the bank was \$2.6 million with a total cash of \$3.744 million, including certificates of obligation. He noted the balance did not include the

\$1.3 million received that day from the sale of certificates of obligation for the Etheridge Road project. He also said sales taxes were coming in as anticipated.

9. CONSIDER ADOPTION OF ORDINANCE NO. 2007-36 ESTABLISHING SPEED LIMITS ON CHERRY CREEK TO 35 M.P.H. BETWEEN COLLEGE STREET AND OLD KAUFMAN ROAD AND 25 M.P.H. BETWEEN COLLEGE STREET AND HIGHWAY 243 – Rick Malone explained the County approached the City regarding a joint resolution reducing the speed limit from 50 miles per hour to 35 miles per hour on Cherry Creek between College and Old Kaufman Road, authorizing both the County and City to issue citations for speeding.
10. CONSIDER FUNDING PROPOSAL FOR MEALS ON WHEELS PROGRAM – Andy McCuiston reported that Meals on Wheels approached the County to receive additional funding per month in order to qualify for matching grants, but the County didn't have the money. Instead, Meals on Wheels proposed they increase the rent it pays to the City for the Senior Citizens building from \$100 to \$300 per month and have the City pass on the additional \$200 to the County for the Meals on Wheels program. Richard Davis advised the law stated a city can only make a contribution if it is determined to be a benefit to the city. Councilmember Hilliard felt it was diversionary to go from one government entity to another. Councilmember Fuller felt it would benefit senior citizens within the city limits. Jim Stephens pointed out the arrangement was to help Meals on Wheels obtain a grant. Richard Davis stated the City would need to make a finding that the arrangement would be of benefit to the City.
11. CONSIDER APPROVAL OF AGREEMENT FOR FINANCIAL SERVICES WITH SOUTHWEST SECURITIES – Julie Seymore explained the agreement continued the relationship with Southwest Securities for financial advice and representation in the issuance of debt. The term was for three years with either party able to cancel with sixty days prior notice. Councilmember Hilliard requested it be noted that Southwest Securities did not follow the instructions to advertise to the local public given in conjunction with the last issuance of certificates of obligation, and that he wanted to make sure it did not happen again.
12. CONSIDER REPLAT CONSOLIDATING BLOCK 1, LOTS 1-5 E.B. JONES ADDN, LOTS 1-9 ROSS ADDN, LOT 27 ROLLING HILL ADDN, AND LOTS 642, 677-1, 679, 679-1, 680 AND 681 IN J. STOCKWELL SURVEY, A-760, CANTON, TEXAS OWNED BY LAKESIDE BAPTIST CHURCH – Rick Malone advised the church wanted to join all its separate pieces of property into one platted lot. He noted everyone within 200 feet of the property had been notified of the request.
13. CONSIDER REPLAT OF 9.282 ACRES IN J. DOUTHIT SURVEY, A-198, LOCATED AT INTERSECTION OF HIGHWAYS 243 AND 64 INTO A 7.972-ACRE-TRACT CALLED BROOKSHIRE ADDN OWNED BY BROOKSHIRE GROCERY CO., AND A 1.130-ACRE TRACT OWNED BY HACKNEY PARTNERS, LTD. – Rick Malone reported Hackney Partners, Ltd. retained approximately one acre of a nine-acre tract and the owners wished to replat into two separate pieces of property. Property owners within 200 feet were notified.
14. CONSIDER ADOPTION OF ORDINANCE NO. 2007-38 AMENDING MINIMUM EXTERIOR BUILDING STANDARDS ORDINANCE NO. 2004-01 AND ALL SUBSEQUENT AMENDMENTS THERETO – Rick Malone explained there were several amendments to the original ordinance which made it more difficult when

referencing the ordinance. He said the proposed ordinance combined all into one document with a few revisions. Mr. Malone reported the Planning & Zoning Commission recommended the following revisions: allowing up to 25% wood accent material for commercial and industrial; changing the requirements for roof screens only if the equipment was 45 square feet or larger; adding General Industrial to the refuse storage screening language; changing the masonry requirement on commercial building to 100% masonry on the front facade and 25% on any side facing a public street; and eliminating the masonry requirement in the back. They also recommended adding language that a see-through fence in front residential yards would be allowed if it was no more than 48" high and did not block the view to the street. Councilmember Gothard questioned reducing the requirement for masonry from 50% to 25% on public roads only. She also asked why the Board of Adjustment granted variances which went against the ordinances in place. She feared that there would be aluminum-sided buildings facing the highways as the city grew. Mr. Malone said the only place wood was allowed now was in areas of town platted before the original ordinance was put into place. Mayor Wilson said a lot of the concern was that the ordinance was too stringent. Andy McCuiston said the original ordinance was developed by someone who worked in the metroplex and this was an effort to relax the requirements just a bit. Councilmember Gothard said she had an issue with reducing the masonry requirement from 50% to 25% on commercial buildings facing a public road. Councilmember Fuller said there were a lot of changes in building materials over the years and things not accepted twenty-five years ago could be accepted now. Councilmember Hilliard agreed there was no conformity or aesthetic intent in the buildings being constructed. Mayor Wilson requested the matter be placed on the agenda for individual consideration.

15. **CONSIDER ADOPTION OF HIRING POLICIES** – Andy McCuiston presented a proposed policy regarding hiring, job evaluations, postings, examinations, nepotism and outside employment. He felt it conformed to federal regulations. Mr. McCuiston requested the word "temporary" be removed from section 401. He said there were five designated posting places for city positions – City Hall, the Utility Barn, the Fire Department, the Police Department and the Log Cabin. He noted if the City already had an employee who could fill the position, they could be hired without advertising externally. Mr. McCuiston said he would investigate whether or not external postings were required.
16. **CONSIDER ACTION ON LOGO** – Linda Hatfield reported nineteen students participated in the logo contest. They were judged in two different categories and a first and second place was awarded to each class. She explained that during the contest, many vendors expressed strong opinions that the logo not be changed and she asked the Council to continue the use of the current logo. Mr. McCuiston expressed his appreciation to the participants and also recommended the existing logo be retained.

INDIVIDUAL CONSIDERATION

17. **CONSIDER REQUEST FROM CANTON INDEPENDENT SCHOOL DISTRICT FOR REDUCTION IN BUILDING PERMIT FEES FOR BOND PROJECTS** – Mr. Malone reported the estimated cost for school building permits for both campuses was \$39,633. He recommended the City charge half that amount. There was a general discussion regarding whether or not to change the fee schedule to charge taxing entities a discounted rate or whether to look at them on a case-by-case basis as

already established. Councilmember Deibert suggested the matter be placed on the next agenda. Mayor Wilson requested Mr. McCuiston research how reducing fees would impact to the City.

18. CONSIDER REQUEST FROM NAKEMA BRYANT FOR WATER AND SEWER TAPS OUTSIDE CITY LIMITS AT 164 VZCR 2151 – Mr. Malone said Ms. Bryant lived in the Wynne Community where water and sewer were accessible, but on a lot not currently eligible for annexation. He stated she would pay for the water and sewer taps. Mr. McCuiston added that Ms. Bryant could be obligated to request annexation into the City when eligible.
19. CONSIDER ALL MATTERS RELATING TO EXPO CENTER PROJECT, INCLUDING BUT NOT LIMITED TO, APPROVAL TO PROCEED, APPROVAL OF SITE, APPROVAL OF FEASIBILITY STUDY, APPROVAL TO DEVELOP REQUEST FOR PROPOSALS, APPROVAL OF INTERGOVERNMENTAL AGREEMENT WITH CANTON ECONOMIC DEVELOPMENT CORPORATION FOR FUNDING OF DEBT SERVICE – Mr. McCuiston requested the Council make a decision regarding the site for the Expo Center so the project could move forward. He said the Council also needed to decide whether or not another feasibility study should be done or if the committee should proceed with the Request for Qualifications. He reported the Canton Economic Development Corporation voted to approve the agreement for payment of the debt service on the project, which had a \$5 million budget. Mayor Wilson recommended approving the agreement with the CEDC for funding and also having an independent feasibility study done to determine the impact on the community. Jim Stephens said the Expo Committee had a feasibility study. Ross Maris added the committee also toured several facilities and talked to managers and users. Mr. Maris said the CEDC's mission was to promote economic development in the City. The Expo Center would be creating a business owned and operated by the City. The debt service would be paid out of CEDC funds. Any surplus would be a revenue stream for the City and, hopefully, hold down any more property tax increases. The tentative projection for additional sales tax was \$500,000. The center would have seating for 2000. He said there was tremendous growth in the horse industry in Texas. Most facilities comparable to the one being considered were booked two years out. Mr. Maris reported the Committee met with two builders experienced with this type facility and had settled on a design that would be state of the art and unique to Canton. He said the City was not required to advertise for bids but did have to put out a Request for Qualifications. Local subcontractors would do most of the work. The Expo Committee recommended the 60-acre site on Highway 19 currently owned by the CEDC. The Committee also recommended that Ranch & Golf Construction be the contractor. He said Canton was an ideal location for this type facility and he felt collateral businesses would develop as a result of the Center.
20. CONSIDER RESOLUTION NO. 2007-16 DETERMINING PUBLIC NECESSITY FOR ACQUIRING FEE SIMPLE TITLE TO CERTAIN PROPERTY FOR THE WIDENING AND IMPROVEMENT OF ETHERIDGE ROAD, AND ASSOCIATED DRAINAGE, WATER, AND SEWER FACILITIES, AND AUTHORIZING SPECIAL COUNSEL FOR THE CITY OF CANTON TO INITIATE EMINENT DOMAIN PROCEEDINGS TO ACQUIRE NEEDED PROPERTY, SUCH PROPERTY BEING DESCRIBED AS A TRACT OR PARCEL OF LAND CONTAINING 0.022 ACRES (APPROXIMATELY 960 SQUARE FEET) SITUATED IN THE JESSE STOCKWELL SURVEY, ABSTRACT NO 760, IN VAN ZANDT COUNTY, TEXAS, CURRENTLY OWNED BY RONALD AND SELMA DAWSON

21. CONSIDER AWARDING BID FOR ETHERIDGE ROAD CONSTRUCTION PROJECT
22. CONSIDER ALL MATTERS RELATED TO SUBSTANDARD BUILDINGS
23. CONSIDER AGREEMENT WITH CANTON YOUTH RECREATION ASSOCIATION (CYRA) BOARD FOR ACQUISITION OF 16-ACRE TRACT LOCATED IN D. TOWNS SURVEY, A-845, KNOWN AS CYRA BALLPARK
24. CONSIDER ALL MATTERS RELATING TO REORGANIZATION OF CANTON PARKS AND RECREATION DEPARTMENT
25. CONSIDER ADOPTION OF ORDINANCE NO. 2007-39 AMENDING THE 2007-2008 FISCAL YEAR BUDGET FOR THE PARKS AND RECREATION DEPARTMENT
26. CONSIDER APPOINTMENT TO FILL A VACANCY ON THE PLANNING & ZONING COMMISSION

REPORTS

27. MAYOR'S REPORT
28. CITY MANAGER'S REPORT

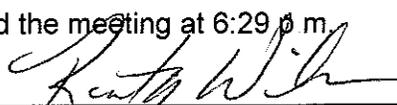
EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072.

29. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)
30. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (SECTION 551.072)

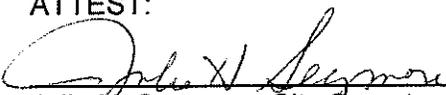
RETURN TO OPEN SESSION

31. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
32. ITEMS FOR FUTURE AGENDAS
33. ADJOURN - Mayor Wilson adjourned the meeting at 6:29 p.m.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., TUESDAY, DECEMBER 18, 2007
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Elaine Gothard and Ron Sanford. Councilmember William Hilliard was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore and Directors Rick Malone and Jim Stephens were also in attendance, as well as Fire Chief Tim Gothard and Police Chief Mike Echols. City Attorney Richard Davis was also present

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:37 p.m. and declared a quorum present.
2. INVOCATION was given by Jim Stephens
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM OCTOBER 11 AND NOVEMBER 15 AND 20, 2007 CITY COUNCIL MEETINGS
8. CONSIDER APPROVAL OF NOVEMBER 2007 FINANCIAL STATEMENTS
9. CONSIDER ADOPTION OF ORDINANCE NO. 2007-36 ESTABLISHING SPEED LIMITS ON CHERRY CREEK TO 35 M.P.H. BETWEEN COLLEGE STREET AND OLD KAUFMAN ROAD AND 25 M.P.H BETWEEN COLLEGE STREET AND HIGHWAY 243
10. CONSIDER FUNDING PROPOSAL FOR MEALS ON WHEELS PROGRAM
11. CONSIDER APPROVAL OF AGREEMENT FOR FINANCIAL SERVICES WITH SOUTHWEST SECURITIES

12. CONSIDER REPLAT CONSOLIDATING BLOCK 1, LOTS 1-5 E.B. JONES ADDN, LOTS 1-9 ROSS ADDN, LOT 27 ROLLING HILL ADDN, AND LOTS 642, 677-1, 679, 679-1, 680 AND 681 IN J. STOCKWELL SURVEY, A-760, CANTON, TEXAS OWNED BY LAKESIDE BAPTIST CHURCH
13. CONSIDER REPLAT OF 9.282 ACRES IN J. DOUTHIT SURVEY, A-198, LOCATED AT INTERSECTION OF HIGHWAYS 243 AND 64 INTO A 7.972-ACRE-TRACT CALLED BROOKSHIRE ADDN OWNED BY BROOKSHIRE GROCERY CO., AND A 1 130-ACRE TRACT OWNED BY HACKNEY PARTNERS, LTD.
14. CONSIDER ADOPTION OF ORDINANCE NO. 2007-38 AMENDING MINIMUM EXTERIOR BUILDING STANDARDS ORDINANCE NO. 2004-01 AND ALL SUBSEQUENT AMENDMENTS THERETO – Item removed from consent agenda for individual consideration.
15. CONSIDER ADOPTION OF HIRING POLICIES
16. CONSIDER ACTION ON LOGO

A motion was made by Councilmember Hilliard to approve the following consent agenda items: Item 11 with the notation that Southwest Securities be required to advertise locally for participation in bonds or securities in any future agreement; Item 10 with the finding that the City felt it was a benefit to the citizens of Canton to help the Meals on Wheels program; Item 16 with the decision to retain the current logo and Items 7, 8, 9, 12, 13, and 15 as written. Upon a second by Councilmember Deibert the items were unanimously approved. Item 14 was moved from the consent agenda for individual consideration.

INDIVIDUAL CONSIDERATION

14. CONSIDER ADOPTION OF ORDINANCE NO. 2007-38 AMENDING MINIMUM EXTERIOR BUILDING STANDARDS ORDINANCE NO. 2004-01 AND ALL SUBSEQUENT AMENDMENTS THERETO – Councilmember Gothard expressed concern about lowering the minimum masonry requirements on any side of a building facing a public road. Councilmember Hilliard agreed. Councilmember Fuller made a motion to adopt Ordinance No. 2007-38 amending the minimum exterior building standards Ordinance No. 2004-01 and all subsequent amendments thereto. Councilmember Sanford seconded. Councilmember Fuller and Sanford voted in favor. Councilmembers Deibert, Gothard and Hilliard voted in opposition. The motion did not carry. Councilmember Gothard made a motion to adopt Ordinance 2007-38 with the change on the masonry requirements to 50% on any side facing a public street. Councilmember Hilliard seconded and all voted in favor.
17. CONSIDER REQUEST FROM CANTON INDEPENDENT SCHOOL DISTRICT FOR REDUCTION IN BUILDING PERMIT FEES FOR BOND PROJECTS – Councilmember Sanford made a motion to reduce by one-half the building permit fees for current bond projects of the Canton Independent School District, currently estimated to be \$39,633. Councilmember Gothard seconded and all voted in favor
18. CONSIDER REQUEST FROM NAKEMA BRYANT FOR WATER AND SEWER TAPS

OUTSIDE CITY LIMITS AT 164 VZCR 2151 – Councilmember Gothard made a motion to grant the request by Nakema Bryant for a water and sewer tap on her property at 164 VZCR 2151 with the stipulation that Ms. Bryant pay for the taps and that the property owner be obligated to annex the property into the city as soon as it became possible. Councilmember Fuller seconded and all voted in favor.

19. CONSIDER ALL MATTERS RELATING TO EXPO CENTER PROJECT, INCLUDING BUT NOT LIMITED TO, APPROVAL TO PROCEED, APPROVAL OF SITE, APPROVAL OF FEASIBILITY STUDY, APPROVAL TO DEVELOP REQUEST FOR PROPOSALS, APPROVAL OF INTERGOVERNMENTAL AGREEMENT WITH CANTON ECONOMIC DEVELOPMENT CORPORATION FOR FUNDING OF DEBT SERVICE – Mayor Wilson stated he would prefer an independent feasibility study be done on the impact to the City before the Request for Qualifications was sent out. He had no problem with the location of the site or entering into the agreement with CEDC. Councilmember Sanford said he had no problem with a new study being done, but he did not want the project slowed down as a result. Mr. Burton said it would take approximately one month to publish notice for the request for qualification statements from design firms for the design-build. He felt it would be fine to proceed with that step. Councilmember Deibert said he was in favor of obtaining a feasibility study. Councilmember Hilliard agreed. Mr. McCuiston estimated a study would cost \$20,000. Councilmember Hilliard felt the community should have a say in whether or not there would be an Expo Center. Councilmember Fuller said he had not received one negative comment about the center. Mayor Wilson felt the Council had an obligation to have all the necessary information before voting on proceeding. He said he had heard both negative and positive comments. Mayor Wilson was concerned the revenue from the center would not cover the cost of operations and would need to be subsidized by the City. Councilmember Gothard said the revenue would probably not pay the operation costs but the City would benefit from revenue in other areas. She said a study could be done but it should not slow down the progress of the project. Councilmember Fuller said he felt it was a waste of money to do a study. He said the Graham Chamber of Commerce said their expo center had been a shot in the arm for their city. Rona Watson said it would take six months to do a feasibility study. Mr. McCuiston said it would need to be determined who would pay for the study, CEDC or the City. Councilmember Deibert suggested a time limit on preparation of the feasibility study. Gary Burton said it would take approximate two to three months to prepare the design plans and get them approved. Rona Watson said it was estimated the design plans would cost between \$100,000 and \$150,000. Steel prices were rising and she feared that would escalate the project costs. Mayor Wilson said it should not be a problem to put off a project costing approximately \$5 million for an additional ninety-day period. Mr. Burton felt he could have something back on the Request for Qualifications by the end of January to be approved in February. Mr. McCuiston said he would investigate whether or not a feasibility study could be done in sixty or ninety days. Councilmember Hilliard made a motion to approve a feasibility study to be done within a sixty-day period and to cost no more than \$20,000 to be paid by the City. Councilmember Deibert seconded, Councilmember Fuller opposed, and all others voted in favor. Councilmember Fuller made a motion to approve the site on Highway 19 (currently owned by CEDC) for the Expo Center, to approve the development of the Request for Qualifications and to approve the intergovernmental agreement with the Canton Economic Development Corporation for funding of the debt service. Councilmember Sanford seconded, Councilmember Hilliard opposed, and all others voted in favor.

20. CONSIDER RESOLUTION NO. 2007-16 DETERMINING PUBLIC NECESSITY FOR ACQUIRING FEE SIMPLE TITLE TO CERTAIN PROPERTY FOR THE WIDENING AND IMPROVEMENT OF ETHERIDGE ROAD, AND ASSOCIATED DRAINAGE, WATER, AND SEWER FACILITIES, AND AUTHORIZING SPECIAL COUNSEL FOR THE CITY OF CANTON TO INITIATE EMINENT DOMAIN PROCEEDINGS TO ACQUIRE NEEDED PROPERTY, SUCH PROPERTY BEING DESCRIBED AS A TRACT OR PARCEL OF LAND CONTAINING 0.022 ACRES (APPROXIMATELY 960 SQUARE FEET) SITUATED IN THE JESSE STOCKWELL SURVEY, ABSTRACT NO. 760, IN VAN ZANDT COUNTY, TEXAS, CURRENTLY OWNED BY RONALD AND SELMA DAWSON – Mayor Wilson postponed the item to be discussed in executive session

21. CONSIDER AWARDING BID FOR ETHERIDGE ROAD CONSTRUCTION PROJECT
—
Mayor Wilson stated bids had been received, with \$932,746 from Wilkins of Tyler as the lowest bid for concrete streets on Etheridge Road. Gary Burton said this was the contractor who did the work at Industrial Park IV and he was pleased with their work. Mayor Wilson pointed out that would leave a surplus of approximately \$400,000 to use on other street projects but Mr. Burton warned about using all those funds in case additional was required for Etheridge Road. The contract called for 120 calendar days for completion, but that might have to be extended to six months to keep part of the road open during construction and for weather considerations. Councilmember Hilliard made a motion to accept the low bid of \$932,746 from Wilkins for the Etheridge Road Construction project. Councilmember Deibert seconded and all voted in favor.

22. CONSIDER ALL MATTERS RELATED TO SUBSTANDARD BUILDINGS – Coy Prather prepared a list of substandard structures within the city and the action taken. He said the house by the Methodist Church was to be remodeled beginning in January. Councilmember Hilliard said he recently retained full ownership of his lot and would have it cleaned up. Rick Malone said most of the structures on the Mountain were accepted when it came into the city limits. Mr. Prather said there had not been a lot of new construction there and, as they came to the city for new services, the buildings had been upgraded. Mr. Prather said he attempted to work with each property owner to clean up their property. He said the home owner on Highway 19 said she did not have the money to do the repairs. Regarding an additional property, Councilmember Deibert requested Mr. Prather estimate the repair cost so churches could be contacted about helping with repairs. Mr. Prather said the house at 527 Big Rock was a rental that was currently up for sale.

23. CONSIDER AGREEMENT WITH CANTON YOUTH RECREATION ASSOCIATION (CYRA) BOARD FOR ACQUISITION OF 16-ACRE TRACT LOCATED IN D. TOWNS SURVEY, A-845, KNOWN AS CYRA BALLPARK - This and the next two items were addressed earlier in the meeting at 7:38 p.m. in order to accommodate the schedules of the CYRA board. Mayor Wilson said the CYRA Board approached the City about taking over the maintenance of the ballpark. He said the property would have to come into the city before that could begin. Mayor Wilson said the city could work in conjunction with CYRA at the beginning of the year and perhaps do some improvements to the park. Mr. McCuiston said an agreement had been drawn up which detailed the duties of each party. The City would maintain and fund the lighting, the grounds, fields and roadways, and pay the utilities. Billy Montgomery said the insurance had been paid from funds received through dues, signs, concessions and sponsorships, as well as the \$5000 received from the City each year. Councilmember

Gothard questioned the benefits to the City. Mr. McCuiston informed the Council the acceptance would necessitate more staff and more equipment to maintain the fields and he recommended a reorganization of the current Parks Department (Discussion and motion on acquisition agreement continues under next item.)

24. CONSIDER ALL MATTERS RELATING TO REORGANIZATION OF CANTON PARKS AND RECREATION DEPARTMENT – Mr. McCuiston said the City would need to consider First Monday as a park and transfer some of the First Monday outside crew to the Parks Department. The Parks crew would also work during First Monday. A lead person would be hired to coordinate efforts with the parks and First Monday. There would be a total increase of \$184,000 to Parks, \$120,000 of which would come from First Monday. That would leave a net increase of \$63,000. The funding for hiring the grounds supervisor would come from the fund balance. Mr. McCuiston advised the Old City Lake had about 139 acres, Mill Creek Lake park approximately 684 acres, and CYRA ballpark 16 acres. The First Monday grounds contained about 135.86 acres. Tim Gothard expressed that he was denied a third full-time fireman and had to turn the parking lot back over to the City in order to hire one new full-time fireman. He felt the Council should look more at public safety rather than using the money to maintain a ballpark. Councilmember Gothard suggested organizing a Park Department and waiting a while before taking on the ballpark in order to work out any problems first. Mayor Wilson felt Mr. McCuiston could handle the reorganization as well as take on the new responsibilities. Mayor Wilson said he thought taking on the ballpark fit perfectly in allowing the City to give back to the community. Councilmember Hilliard asked if there were any stipulations for the property being transferred to the City. Mr. Davis suggested a title search be done on the property to check for existing stipulations or covenants. Beverly Arthur, CYRA board member, said they would give the City the land if the City maintained it. Councilmember Fuller felt the City owed it to the citizens to have a good place for the kids to play. Mr. McCuiston said the City would take over the operations and the CYRA would handle programming and work with the children. They would also keep the revenue from any sponsorships, signage and concessions to go toward the programs. He noted the CEDC could not give funding for park improvements if the City took over the property.

Councilmember Sanford made a motion to approve the proposed agreement in Item 23 with CYRA for the acquisition of the 16-acre ballpark, subject to a title search ensuring there were no stipulations or covenants preventing its transfer. Councilmember Deibert seconded, Councilmember Gothard opposed, and all others voted in favor. Councilmember Hilliard made a motion to reorganize the Parks Department, to transfer the necessary First Monday employees to the Parks Department, and to hire a grounds supervisor. Councilmember Sanford seconded and all voted in favor.

25. CONSIDER ADOPTION OF ORDINANCE NO. 2007-39 AMENDING THE 2007-2008 FISCAL YEAR BUDGET FOR THE PARKS AND RECREATION DEPARTMENT – Julie Seymore said \$63,440 was the net increase in the proposed budget adjustment to develop the Parks and Recreation Department. Councilmember Hilliard made a motion to adopt Ordinance No. 2007-39 amending the 2007-2008 fiscal year budget. Councilmember Sanford seconded and all voted in favor.
26. CONSIDER APPOINTMENT TO FILL A VACANCY ON THE PLANNING & ZONING COMMISSION – Mayor Wilson explained Chris Howard moved outside the city limits and resigned from the Planning & Zoning Commission. Councilmember Hilliard made a motion to accept the resignation of Chris Howard. Councilmember Deibert seconded

and all voted in favor. Mayor Wilson tabled the appointment of a successor until the next regular meeting.

REPORTS

27. **MAYOR'S REPORT**
28. **CITY MANAGER'S REPORT** – Mr. McCuiston announced Tim Gothard had submitted his resignation to accept another position. His last working day would be December 31, 2007. He said ads would be placed in the newspaper and on various websites. A five-member committee would be established to select a new fire chief. Mr. McCuiston announced he named Coy Prather interim fire chief and that he was given an additional \$1000 per month during the time he was in that position. He said Mr. Prather worked for the Oklahoma City fire department for twenty-three years during the Oklahoma bombings and was assistant fire marshal. He also worked with the Llano, Texas, volunteer fire department and held national credentials.

EXECUTIVE SESSION

The Council convened in closed session at 8:07 p.m. for consultation with its attorney and for deliberations regarding the potential purchase, lease or sales of real property pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.072.

29. **EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (SECTION 551.071)**
30. **EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (SECTION 551.072)**

RETURN TO OPEN SESSION

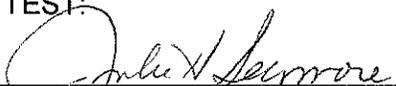
31. **RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION** - The Council reconvened in open session at 8:43 p.m. and addressed Item 20 postponed earlier in the meeting.
20. **CONSIDER RESOLUTION NO. 2007-16 DETERMINING PUBLIC NECESSITY FOR ACQUIRING FEE SIMPLE TITLE TO CERTAIN PROPERTY FOR THE WIDENING AND IMPROVEMENT OF ETHERIDGE ROAD, AND ASSOCIATED DRAINAGE, WATER, AND SEWER FACILITIES, AND AUTHORIZING SPECIAL COUNSEL FOR THE CITY OF CANTON TO INITIATE EMINENT DOMAIN PROCEEDINGS TO ACQUIRE NEEDED PROPERTY, SUCH PROPERTY BEING DESCRIBED AS A TRACT OR PARCEL OF LAND CONTAINING 0.022 ACRES (APPROXIMATELY 960 SQUARE FEET) SITUATED IN THE JESSE STOCKWELL SURVEY, ABSTRACT NO. 760, IN VAN ZANDT COUNTY, TEXAS, CURRENTLY OWNED BY RONALD AND SELMA DAWSON** – A motion was made by Councilmember Deibert to adopt Resolution No 2007-16 determining the public necessity for an easement from Ronald & Selma Dawson for the Etheridge Road project and appointing Roger Gordon of Bovey & Bojorquez to negotiate and start condemnation proceedings, if necessary. Councilmember Gothard seconded and all voted in favor.

32. ITEMS FOR FUTURE AGENDAS – Julie Seymore said she would add on the next agenda an item regarding discounts on building permit fees for taxing entities.
33. ADJOURN - There being no further business to come before the Council, the meeting adjourned at 8:48 p.m. upon motion by Councilmember Hilliard and second by Councilmember Deibert.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR WORK SESSION OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, JANUARY 15, 2008
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Kevin Deibert, Jim Fuller, Ron Sanford and William Hilliard. Councilmember Elaine Gothard was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, and Directors Rick Malone and Jim Stephens were also in attendance, as well as Interim Fire Chief Coy Prather and Police Chief Mike Echols. City Attorney Richard Davis was also present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:31 p.m. and declared a quorum present
2. INVOCATION - None during work session.
3. PLEDGE OF ALLEGIANCE - None during work session.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None during work session.
5. PROCLAMATIONS AND ANNOUNCEMENTS - None during work session.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA

CONSENT AGENDA

7. CONSIDER APPROVAL OF MINUTES FROM DECEMBER 18, 2007 CITY COUNCIL MEETING – There were no comments or suggested changes

8. CONSIDER APPROVAL OF DECEMBER 2007 FINANCIAL STATEMENTS - Andy McCuiston stated the \$1.3 million from the Etheridge Road Certificates of Obligation had been deposited since the last financial statement. He said the ad valorem taxes were lower than predicted but the sales taxes were a little higher, and First Monday was slow for December.
9. CONSIDER AUTHORIZATION TO PROCEED WITH ANNEXATION OF 16-ACRE TRACT LOCATED IN D. TOWNS SURVEY, A-845, KNOWN AS CYRA BALLPARK, OWNED BY THE CITY OF CANTON – Mr. McCuiston reported the title to the CYRA ballpark property had been transferred to the City. Two public hearings were necessary in order to annex the property. Mayor Wilson set the first hearing on February 14, 2008, and the second on February 19, 2008. He noted the annexation would be voted on at the regular monthly meeting in March.
10. CONSIDER ADOPTION OF ORDINANCE NO. 2008-01 REPEALING AND REPLACING ORDINANCE NO. 2007-29 REDUCING FROM VOLUNTARY ANNEXATION OF THREE TRACTS TO VOLUNTARY ANNEXATION OF ONE 3.27-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED SOUTHEAST OF AMY STREET, OWNED BY J.W. AND M.J. BURNETT LIVING TRUST – Julie Seymore explained the ordinance would make an administrative correction by dropping two of the three tracts which were improperly described in the original ordinance.
11. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF 1.299-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED ON HIGHWAY 19 SOUTH OWNED BY J.W. AND M.J. BURNETT LIVING TRUST – Ms. Seymore explained that in conjunction with Item 10, the annexation for the improperly described tracts, which involved the easement to CEDC's sixty acres off Highway 19, would be redone. She suggested the same public hearing dates of February 14 and 19, 2008.

INDIVIDUAL CONSIDERATION

12. CONSIDER BUILDING PERMIT FEES FOR TAXING ENTITIES – Rick Malone said he had informally surveyed several cities and most did not discount permit fees. He suggested charging an hourly rate. Mr. McCuiston said the easiest way administratively would be to cut the fees in half. Councilmember Sanford agreed with that method. Councilmember Hilliard said he would like to charge no more than it cost the City for the project. Mayor Wilson instructed Mr. Malone to log the hours and expenses spent on the current project so an hourly rate could be determined for future consideration.
13. CONSIDER APPROVAL OF CONTRACT WITH ATLAS ENTERPRISES, INC. FOR JULY 4TH FIREWORKS DISPLAY – Julie Seymore explained the cost of the fireworks show was increasing from \$12,500 to \$14,750 for a choreographed show as produced in the past. She said the cost would remain the same if it were electronically fired, rather than choreographed. She noted the special events budget could accommodate the increase. Mayor Wilson suggested trying the electronically-fired show one year to see if it made a difference in the quality of the show. The suggested rain-out date was July 5 since that would be First Monday weekend.
14. CONSIDER APPOINTMENT TO FILL A VACANCY ON THE PLANNING & ZONING