

CALLED MEETING
CANTON CITY COUNCIL
8:00 A.M., SATURDAY, JANUARY 6, 2001
CITY HALL, 290 E. TYLER STREET, CANTON, TEXAS

MINUTES

Attending: Mayor Don Hackney, Council Members Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson

1. CALL TO ORDER AND ANNOUNCE QUORUM – Mayor Don Hackney called the meeting to order at 8:06 a.m. with all council members present.
2. DISCUSS AND CONSIDER AUTHORIZATION OF EXPENDITURE TO REMOVE WATER STORAGE TANK AT MILL CREEK ROAD – Johnny Mallory explained that the City had once had a water well and pump station on private property on Mill Creek Road next to the H.B. Etheridge property. The agreement with the property owners, including Mr. Etheridge, provided for free water service from the City. The well was plugged approximately seven years ago and everything has been removed except one 30,000 gallon ground storage tank. Mr. Mallory asked the council to approve the low bid of \$6,750.00 from Pittsburg Tank & Tower Co., Inc. for removal of the tank, thus ending the agreement for free water. Mr. Mallory said funds were available in the current budget for its removal. Ron Sanford made the motion to award the bid for the removal of the ground storage tank to Pittsburg Tank & Tower Co., Inc. Rusty Wilson seconded and all were in favor.
3. DISCUSS AND CONSIDER RE-NEGOTIATION AND EXTENSION OF LEASE AGREEMENT WITH BILLY JACK AND LUCIA DEEN FOR CITY'S LEASE OF 9.14 ACRE TRACT AND 7.02 ACRE TRACT WITH INGRESS AND EGRESS – Acting on concerns from several councilmen, Mr. Mallory reported that he had discussed the lease agreement with Billy Jack and Lucia Deen for the First Monday property including the Civic Center RV Park, the maintenance buildings and the Highway 64 entrance and parking lot. The current lease expires 2007 with current payments of \$4,250.00 which will increase to \$4,600.00 after next year. The Deen's agreed to extend the current lease beginning January 1, 2001, for ten years with a monthly payment of \$5,000.00. The lease would be renewable for another 10 years at which time the rent would be re-negotiated. The City would also have first right of refusal if the property should be put up for sale. Raymond Pruitt said there was another party interested in this property and councilmen were concerned about maintaining the lease should the ownership change through inheritance or sale. Mr. Mallory estimated the income from the RV park and the parking lot to average \$8,000.00 per month. Raymond Pruitt made the motion to accept the new lease for 10 years with monthly payments of \$5,000.00, and an option to renew the lease for another ten years. It included authorization for Johnny Mallory to try to negotiate a cap on the rent increase after the first ten years not to exceed twenty to twenty-five percent. Ron Sanford seconded and all were in favor.
4. DISCUSS AND CONSIDER CONFIRMATION OF BID AWARD FOR HIGHWAY 19 UTILITY RE-LOCATION AND REQUEST FOR FUNDING FROM CANTON

ECONOMIC DEVELOPMENT CORPORATION – Mr. Mallory presented three bids for the re-location of utilities on the Highway 19 project. They were McKinney & Moore at \$586,181.00; Sperling Co. at \$405,401.50; and Ace Contracting at \$441,544.00. The Canton Economic Development Corporation approved the low bid from Sperling Co. and Mr. Mallory asked the same of the Council. Mr. Mallory said he had checked with the City of Terrell and found they performed well and in a timely manner. Ron Sanford made the motion to accept the \$405,401.50 bid from Sperling Co. of Terrell to re-locate utilities on Highway 19. Rusty Wilson seconded and all were in favor.

5. DISCUSS AND CONSIDER FRANCHISE AGREEMENT FOR TELEVISION CABLE SERVICES – Mr. Mallory presented the council with the proposed ordinance for the franchise agreement for television cable services. He asked the council to review the ordinance and reply in the next few days with any suggested modifications before he presents it to East Texas Cable. The agreement allows the City to govern the bottom tier pricing for basic service but not additional services, in accordance with the law. It also stipulates the City receive three percent of the gross receipts on all cable services. It does not include a provision for the City to collect the cable fees on the First Monday property.

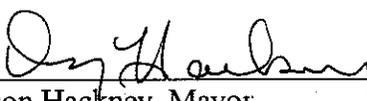
Mr. Mallory also reported that the lease agreement with East Texas Cable Co. on a .25 acre tract at the Old City Lake used for a building and two antennae had expired. The Council directed Mr. Mallory to draft a new lease increasing it from \$1,000.00 to \$2,000.00 a year.

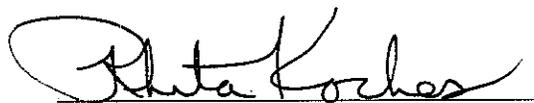
6. DISCUSS AND CONSIDER PROPOSED IMPROVEMENTS AND REGULATIONS AT WATER PLANT AND WASTEWATER TREATMENT PLANT – Mr. Mallory informed the council that improvements to the water plant would be required within the next three years in order to meet future regulations set by TNRCC. The plant is currently in compliance, but will be unable to meet the .3 maximum turbidity level required by TNRCC in 2002. Mr. Mallory suggested upgrading the current facility with a membrane filter system at a total cost of 1.9 million dollars--\$1.6 million for the membrane system and modifications to the plant, and \$300,000 for a new ground storage tank, already needed to replace the existing tank. This system is expected to meet the needs for another 20 years, lowering the turbidity levels to meet regulations, filtering out more harmful organisms, eliminating the use of chlorine treatments and aluminum sulfate, and increasing the capacity from 2 million to 3 million gallons per day. Mr. Mallory provided an alternative Trident system which was less expensive, but it had not performed well and did not filter harmful organisms. Johnny Mallory established the new tank as a priority to be started in October. All plans have to be engineered and submitted to the state. Funding options discussed included borrowing at low interest rates from the Water Development Board, selling combination tax and revenue bonds, and raising water rates at the upper end.

Mr. Mallory also informed the council that the capacity for solids at the wastewater treatment plant would need to be increased either by installing a belt press at the cost of \$250,000, or an additional wedge wire filter at a cost of \$110,000. He said Pete Lucas recommended the belt press. Mr. Mallory also indicated that the City needed to budget a minimum of \$100,000.00 a year to rehabilitate existing lines—testing and lining, patching or replacing. The City has a significant problem with infiltration, increasing the average sewer capacity from 300,000 gallons a day to 3,000,000 gallons a day during a heavy rain.

7. ADJOURN – The meeting was adjourned by Mayor Don Hackney at 9:15 a.m.

ATTEST:


Don Hackney, Mayor


Rhita Koches, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M , TUESDAY, JANUARY 16, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Don Hackney, Beverly Hutcherson, Tommy Roberts, and Ron Sanford. Councilmembers Raymond Pruitt and Rusty Wilson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hackney called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by Mayor Don Hackney.

INVOCATION was given by City Manager Johnny Mallory.

PLEDGE OF ALLEGIANCE was led by Mayor Don Hackney.

GUEST ITEMS – There were no guest items.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE DECEMBER 12, 2000 AND JANUARY 6, 2001 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the Minutes of the December 12, 2000 and January 6, 2001 meetings of the Canton City Council be approved. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE DECEMBER 2000 FINANCIAL STATEMENTS - City Manager Johnny Mallory presented the Financial Statements for December 2000. Councilmember Roberts moved that the Financial Statements for December 2000 be approved. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER STATUS OF WYNNE COMMUNITY SEWER PROJECT – Mr. Mallory reminded the Council of the \$250,000 grant obtained by Van Zandt County and the \$52,000 grant from the Canton Economic Development Corporation for the installation of sewer

services to the Wynne Community. He explained that the funding did not include any monies for attorney's fees or acquiring easements, and there are problems in acquiring an easement to reach the Wynne Community. Mr. Mallory said the project is ready to go out for bids, but he has not been able to acquire an easement across property owned by Chick Chaney and Emma Fowler. Mr. Mallory explained the problems with other routes for the sewer line which would increase the cost of the project due to 25 -30 feet deep cuts along the roadway or the necessity of a \$60,000 lift station. Another route would be across property owned by Henry Lewis and under a bridge. Mr. Mallory said he has not been able to obtain an easement there. It was also noted that the City's administrative penalties for two recent enforcement orders are to be designated for a supplemental environmental project, and those funds may be directed to the Wynne Community sewer project. Mr. Mallory said it was his understanding that Mr. Lewis was attempting to purchase the tract owned by Mr. Chaney and Mrs. Fowler but had indicated he would not buy the property if the sewer line was installed. Mr. Mallory told the Council he did not know which way to go since condemnation would require funding which was not available. Councilmember Sanford suggested approaching the Canton Economic Development Corporation for additional funding. Councilmember Roberts inquired about the problems with condemnation. Mr. Mallory expressed concerns about the cost of condemnation and the determination of the value of the property condemned.

Mayor Hackney asked County Commissioner John Durgin for his input. Commissioner Durgin said he understood the problems with condemnation but wanted to see the project go forward. He suggested taking the sewer line down the county road. Mr. Mallory explained that the construction would essentially destroy the road. Commissioner Durgin said the road could be re-built. The Council noted that the deadline for the grant is August 26, 2001. Mayor Hackney noted that the project was running out of time. He then asked Mr. Mallory about the downside of installing a lift station. Mr. Mallory said the \$60,000 cost and subsequent maintenance would be prohibitive. Commissioner Durgin said if the City wanted to consider installing the line down the county road, he would arrange to have that on the next Commissioners' Court agenda. Mr. Mallory said that would be the quickest way to proceed but noted that construction would destroy the road. Public Works Director Pete Lucas said the line would have to come almost down the center of the roadway. Councilmember Roberts asked if that would result in future problems with maintenance and upkeep of the sewer line. Mr. Mallory said the class of six inch pipe to be used for this project should last about one hundred years.

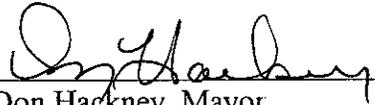
Mayor Hackney asked Commissioner Durgin if he thought the Commissioners would agree to the construction of the sewer line down the roadway. Commissioner Durgin said he did not know if Commissioner Wilson would agree, and the road is in his precinct. He once again noted the urgency of the project. Mayor Hackney said he would like to see the Council recommend this action to the Commissioners' Court. Mr. Mallory said the project could be re-engineered and prepared for the bid process. Commissioner Durgin stated that the road could be re-built. Mr. Mallory asked whether the project would have to include refurbishing the road and if that would have to be included in the bid specifications. It was noted that could substantially increase the cost of the project. Mayor Hackney said the matter could be discussed with the Commissioners' Court at their meeting Monday, January 22, 2001, at 10:00 a m.

Councilmember Roberts moved that the Council pursue obtaining consent for the installation of the sewer line down Van Zandt County Road 3106 Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER ALLOCATION OF DONATIONS TO CITY'S ANIMAL SHELTER – Mr Mallory noted that this agenda item had been requested by Councilmember Pruitt. Councilmember Sanford said he thought the concern was that donations to the Animal Shelter be maintained separately for things needed at the facility. Mr Mallory explained that donations are maintained as a separate line item and noted that it appears the Animal Shelter will go over budget this year. He said that, rather than opening a separate account, City staff can show donations separately and would be able to show donors that the funds are going to the Animal Shelter. Councilmember Sanford said he thought the concern was to be able to assure people that donations were going to improvements at the Animal Shelter. Councilmember Roberts agreed that it would not be necessary to have another account. Mayor Hackney noted that there is already a line item for donations to the Shelter which could be used for capital repairs. Staff member Cathy Cummins told the Council that there are currently ongoing repairs and upgrades such as new tile at the Shelter. She suggested that the funds be made available at the end of the year if the Shelter is not over budget. Councilmember Sanford said, as long as everyone was on the same page, he did not care how the accounting was handled.

DISCUSS AND CONSIDER ACCEPTANCE OF 0.122 ACRE TRACT ON INTERSTATE 20 OWNED BY DR. TRAVIS DEEN – Councilmember Sanford moved that the Council accept the petition for annexation. Councilmember Hutcherson seconded, and all voted in favor.

ADJOURN – There being no further business to come before the Council, Councilmember Hutcherson moved that the meeting be adjourned. Councilmember Roberts seconded, and all voted in favor. The meeting was adjourned at 7:00 p.m.


 Don Hackney, Mayor

ATTEST:


 Rhita Koches, City Secretary

SPECIAL CALLED MEETING
 CANTON CITY COUNCIL
 6:30 P M, TUESDAY, JANUARY 23, 2001
 CANTON CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hackney called the meeting to order at 6:38 p.m. and declared that a quorum was present

A joint meeting of the Canton Economic Development Corporation Board of Directors and the Canton City Council was held on Tuesday, January 23, 2001, beginning at 6:38 p.m. in the Canton City Hall Council Chambers.

Mayor Hackney called the City Council meeting to order and announced that a quorum was present. Councilmembers Tommy Roberts, Don Hackney, Ron Sanford, and Beverly Hutcherson were present. Councilmembers Rusty Wilson and Raymond Pruitt were absent.

CEDC Board President Johnny Mallory called the CEDC Board meeting to order and announced that a quorum was present. Board Members Johnny Mallory, Al Campbell, Henry Lewis, Wade Whitaker, Ron Sanford, and Joe Groves were present. Board Member Kenneth Pruitt arrived during the meeting. Board Secretary Rhita Koches and Board Treasurer Cathy Cummins were present.

Shelly Jock, the attorney of record for the City of Canton and the CEDC in *W & W Land Company vs. City of Canton and Canton Economic Development Corporation*, was present. Richard D. Davis, City Attorney for the City of Canton, was present.

Executive session for consultation with attorney regarding W & W Land Company vs. City of Canton and Canton Economic Development Corporation (Section 551.071)

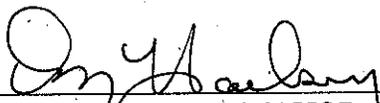
In accordance with Section 551.071 of the Texas Open Meetings Law, Mayor Hackney and Board President Johnny Mallory closed the meeting to executive session at 6:38 p.m. to consult with legal counsel.

Reconvene to Open Session to Take Action Required

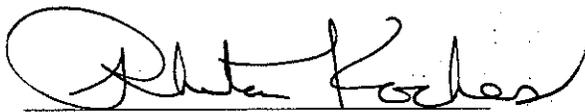
The meeting reconvened to open session on January 23, 2001, at 7:07 p.m. with no action taken.

Adjourn

There being no further business to come before the Council or the CEDC Board of Directors, the meeting was adjourned.


DON HACKNEY, MAYOR

ATTEST:


RHITA KOCHES, CITY SECRETARY

SPECIAL CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:00 P M , TUESDAY, FEBRUARY 6, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Mayor Don Hackney and Councilmembers Ron Sanford, Raymond Pruitt, and Beverly Hutcherson were present. Councilmembers Tommy Roberts and Rusty Wilson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hackney called the meeting to order at 6:00 p m. and declared that a quorum was present

CALL OF GENERAL ELECTION FOR MAY 5, 2001 TO ELECT MAYOR AND TWO COUNCILMEMBERS - Councilmember Hutcherson moved that the Council adopt the following Order:

Order of Election

An election is hereby ordered to be held on Saturday, May 5, 2001, for the purpose of:

Electing a Mayor and two (2) City Councilmembers

Early voting by personal appearance will be conducted each weekday at City Hall at 290 East Tyler Street, Canton, Texas, between the hours of 8:00 a m and 5:00 p m beginning on Wednesday, April 18, 2001, and ending on Tuesday, May 1, 2001

Applications for ballot by mail shall be mailed to:

Rhita Koches, City Secretary
P.O. Box 245
Canton, Texas 75103

Applications by mail for ballot by mail must be received no later than the close of business on April 27, 2001.

Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF AGREEMENT WITH VIRGINIA BREWER FOR ACQUISITION OF THE BREWER BELL COLLECTION - Mayor Hackney told the Council that Main Street Manager Jim Stephens was in Austin for Main Street training but had asked the Council to proceed with considering acceptance of Ms. Brewer's bell collection. He said Mr. Stephens had visited with Ms. Brewer several times and was concerned about her poor health. Mayor Hackney said the bell collection has been valued at \$300,000 to \$500,000 and that Mr. Stephens has made arrangements for a location to display the collection. He said the proposed agreement with Ms. Brewer would provide that the bells not be sold, that the collection be put on display and in the event the City wants to dispose of the collection, it will be turned

over to the State of Texas. It was noted that the City of Edgewood has also expressed an interest in the bell collection. Ms. Brewer is requesting that the City maintain her home and yard until her death. Councilmember Sanford asked if there could be a limit placed on the upkeep on the home. Mary Pitts addressed the Council and said she is Ms. Brewer's neighbor. She said Ms. Brewer wanted to be sure everyone was in agreement about the maintenance on her home. Mrs. Pitts asked how much maintenance the City was willing to provide. She said Ms. Brewer is physically and financially unable to do any of the maintenance. She said Ms. Brewer would also like to be assured that the bells will be displayed. Mayor Hackney said the theatre building has been rented for an art gallery, and Mr. Stephens has made arrangements to display the bell collection in that facility. Mrs. Pitts asked if there would be any cost to Ms. Brewer, and Mayor Hackney said there would not. Mr. Mallory asked Mrs. Pitts if she knew what kind of repairs or maintenance Ms. Brewer was considering, and Mrs. Pitts said she did not. Mrs. Pitts said perhaps that could be addressed with Ms. Brewer. She said she knew there had been problems with the kitchen cabinets. Mr. Mallory and Councilmember Sanford agreed that the mowing would not be a problem. Mayor Hackney suggested that the Council approve the proposed agreement in principal and work out the details on the maintenance of the house. Mrs. Pitts said something probably needs to be done quickly before the roof collapses on the building where the bells are located. Councilmember Hutcherson moved that the Council approve the proposed agreement in principal and work out details on the maintenance of Ms. Brewer's house. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF INTERLOCAL AGREEMENT WITH VAN ZANDT COUNTY FOR INSTALLATION OF WYNNE COMMUNITY SEWER PROJECT – Mayor Hackney told the Council that he and Mr. Mallory had met with the Commissioners' Court regarding the construction of the Wynne Community sewer line down Van Zandt County Road 3106. It had been proposed that the City provide the materials to re-construct the road and the County would provide the labor and equipment necessary. Mr. Mallory said he estimated the cost of the materials would not exceed \$15,000. The Council then discussed the necessity of obtaining an extension on the grant proceeds. Councilmember Pruitt moved that the following Interlocal Agreement be approved:

INTERLOCAL AGREEMENT

| | | |
|---------------------|---|---------------------------------|
| STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF VAN ZANDT | § | |

This Agreement is entered into by and between the City of Canton, a Texas municipal corporation, hereinafter referred to as "CITY" and the County of Van Zandt, a political subdivision of the State of Texas, hereinafter referred to as "COUNTY "

WITNESSETH

WHEREAS, CITY and COUNTY are authorized to enter into this Interlocal Agreement pursuant to Tex. Gov't Code Ann , Section 791.001, et seq. known as the Interlocal Cooperation Act; and,

WHEREAS, CITY and COUNTY have identified a need for sanitary sewer service by residents of the Wynne Community, a predominantly low-and-moderate income community within the COUNTY'S unincorporated area that adjoins CITY's corporate limits; and,

WHEREAS, COUNTY, on behalf of its residents has applied for and received a Texas Community Development Program (ICDP) grant from the Texas Department of Housing and Community Affairs for the construction of a sanitary sewage collection system, including individual connections and yard lines to serve 48 households in the Wynne Community, related project engineering services, and the general administration of the Project; and,

WHEREAS, upon completion of construction, CITY has agreed to accept ownership to the sanitary sewer mains constructed in the Wynne Community and to operate the improvements in order to accomplish the stated purpose of the Project to provide first-time sanitary sewer service to the beneficiaries identified in COUNTY'S grant application; and,

WHEREAS, construction of said project will include the installation of sanitary sewer lines in and along Van Zandt County Road 3106, also known as Wynne Road; and,

WHEREAS, CITY and COUNTY desire to enter into this Interlocal Agreement to establish responsibility for the repair and replacement of said Van Zandt County Road;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained herein, the parties mutually agree, as follows:

PURPOSE

It is the purpose of the parties to this Interlocal Agreement to set forth the terms, rights and duties of the parties hereto for the repair of a county road following construction of sanitary sewer service lines

PART I - SERVICES AND CONDITIONS

1.1 CITY agrees to provide any and all materials (i.e., base, rock, asphalt) necessary for the repair and replacement of VZCR 3106 to its condition prior to construction.

1.2 COUNTY agrees to provide any and all equipment necessary and to perform any and all labor necessary for the repair and replacement of VZCR 3106 to its condition prior to construction. To minimize unnecessary project costs, COUNTY has agreed to permit construction of sanitary sewer improvements within existing rights-of-way of county roads at no additional cost to the project.

PART II - SEVERABILITY

In case any one or more of the provisions contained in this Interlocal Agreement shall for any reason be invalid, illegal or unenforceable in any respect, such invalidation, illegality or unenforceability shall not affect any other provision hereof and this Interlocal Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

PART III - ENTIRETY

3.1 This Interlocal Agreement contains the entire Agreement of the parties regarding the repair and reconstruction of Van Zandt County Road 3106 following construction of the sanitary sewer service heretofore described.

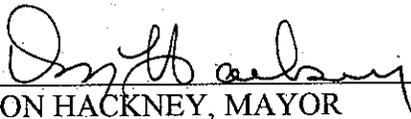
3.2 The parties further acknowledge and reaffirm the prior agreements, promises, negotiations or representations contained in the "Interlocal Agreement For Texas Community Development Program Contract #719849" entered into February 27, 1999.

Councilmember Hutcherson seconded, and all voted in favor

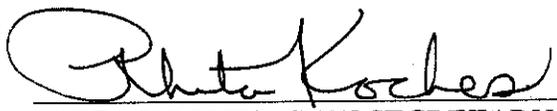
DISCUSS AND CONSIDER PROCEEDING WITH CONDEMNATION PROCEEDINGS AGAINST OWNER(S) OF 13.33 ACRE TRACT LOCATED AT THE CORNER OF STATE HIGHWAY 19 AND VZCR 3106 FOR WYNNE COMMUNITY SEWER PROJECT - Mr. Mallory showed the Council a diagram of the sewer line that would come down VZCR 3106 and cut across the corner of the Chaney/Fowler tract to an existing manhole. Mr. Mallory said he had spoken with both Mr. Chaney and Mrs. Fowler. He said Mrs. Fowler told him she could not agree to an easement because she was not the only owner of the property. Mr. Mallory said Mr. Chaney told him he thinks he has an agreement to sell the property to Henry Lewis. Councilmember Pruitt moved that the City send letters to Mr. Chaney and Mrs. Fowler requesting that they donate the easement valued at \$932 for tax purposes and if no response is received within ten days from their receipt of the letter, that the City proceed with condemnation. Councilmember Sanford seconded, and all voted in favor.

Mayor Hackney advised the Council that he had authorized Mr. Mallory to proceed with advertising for bids for the Wynne Community sewer project to get the project started. He noted that the bids could be rejected should the easement situation not be resolved.

ADJOURN - There being no further business to come before the Council, the meeting was adjourned at 6:20 p.m.


DON HACKNEY, MAYOR

ATTEST:


RHITA KOCHES, CITY SECRETARY

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, FEBRUARY 20, 2001
CITY HALL, 290 E TYLER STREET
CANTON, TEXAS

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Discussion and action were as follows:

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MAYOR'S WELCOME was given by Mayor Don Hackney

INVOCATION was given by City Manager Johnny Mallory

PLEDGE OF ALLEGIANCE was lead by Mayor Don Hackney

GUEST ITEMS – There were no guest items

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE JANUARY 16, JANUARY 23, AND FEBRUARY 6, 2001 MEETINGS OF THE CANTON CITY COUNCIL – Councilmember Sanford moved that the Minutes of the January 16, January 23, and February 6, 2001 meetings of the Canton City Council be approved. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE JANUARY 2001 FINANCIAL STATEMENTS - City Manager Johnny Mallory presented the Financial Statements for January 2001. Councilmember Hutcherson moved that the Financial Statements for January 2001 be approved. Councilmember Wilson seconded, and all voted in favor.

FIRST PUBLIC HEARING ON ANNEXATION OF 0.122 ACRE TRACT ON INTERSTATE 20 OWNED BY DR. TRAVIS DEEN – Mayor Hackney opened the first public hearing on the annexation of a 0.122 acre tract located on I-20 at 6:34 p.m. and asked for comments. Hearing none, the public hearing was closed.

PRESENTATION BY MAIN STREET MANAGER JIM STEPHENS – Main Street Manager Jim Stephens told the Council he was impressed by cooperation and assistance of City of Canton employees. He said he had come into contact with 135 cities during Main Street training, and they were all envious of Canton. He also commended the Council on its appointments to the Main Street Advisory Board. Mr. Stephens presented a list of Advisory Board members, Committee Chairs, and volunteers who are participating in various Main Street activities. He also circulated copies of correspondence and Main Street literature which have been distributed to property and business owners. Mr. Stephens told the Council about the engineering, architectural, landscaping, and marketing services which are available to Canton free of charge during the three year program. He said that Howard Langer, an architect with the Texas Historical Commission, has visited Canton and will be available to assist property owners. Mr. Stephens announced that Anita Perry, First Lady of Texas, will visit Canton on April 26, 2001 for her official Main Street Tour. Kay Mosley of the Texas Historical Commission will be in Canton March 5th for a planning session and to meet with merchants. Mr. Stephens told the Council about a survey he has been taking regarding shopping in Canton and specifically in the downtown area. Julie Jackson has been coordinating the results of the survey and almost 100 responses have been received. A Main Street Resource Team will be in Canton May 21st for in-depth research of the Main Street area. Mr. Stephens told the Council that the Team will want to meet with the Council as well as City department heads and merchants. They will conclude with a Town Hall meeting and will later provide a written report. Mr. Stephens reported that tourism has become a leading industry, and all towns are trying to get their share of the market.

Councilmember Pruitt asked why the Promotions and Publicity Chair position had not been filled. Mr. Stephens reported that the position would be filled soon and would take a very special person. In the meantime, the various committees have members who are handling the publicity for their respective activities.

Mr. Stephens told the Council that he had already had a meeting with a grant writer to gather information for grants from a TxDOT fund of \$130 million. He said the recommended project size is \$1 million.

Mr. Stephens told the Council that he had been on the job 50 days and that he had never enjoyed coming to work so much

DISCUSS AND CONSIDER APPROVAL OF AGREEMENT WITH VIRGINIA BREWER FOR ACQUISITION OF THE BREWER BELL COLLECTION – Jim Stephens thanked the Council for its decision to accept the bell collection. He said he had visited with Miss Brewer about the upkeep on her home and had added provisions to the proposed agreement for the removal of a tree and the waiver of payment of her water bill. He said two other cities have been in contact with Miss Brewer about the collection, and he was certain many other museums would be happy to have the collection. Mr. Stephens said that Miss Brewer has signed the agreement. He expressed concern about moving the bells from their present location as soon as possible due to deterioration of the building.

Upon questioning by the Council, Mr. Stephens said there had been no discussion about tearing down the current museum building located next door to Miss Brewer's home. Mayor Hackney told the Council that he would recommend approval of the agreement. Councilmember Roberts said he was concerned about the first agreement presented because he felt it could leave the City in a bad position. He said he wanted to be sure what Miss Brewer's expectations were. Mr. Stephens said that was the reason he had her sign the agreement. Mr. Stephens said the bell collection will be displayed at the old theater and stressed the urgency in moving the bells from their present location.

Councilmember Roberts said he was in agreement that the bells needed to be moved and that they needed to stay in Canton. Mr. Stephens noted that Miss Brewer's bells are believed to be the third largest collection.

Councilmember Roberts said he wanted to be sure Miss Brewer was only expecting minor repairs. Mr. Stephens said the chimney on the museum building is about to fall and will destroy a number of bells.

Councilmember Sanford moved that the following agreement be approved:

AGREEMENT

THIS AGREEMENT entered into on this ____ day of _____, 2001 by and between VIRGINIA BREWER, hereinafter referred to as "Brewer") and the CITY OF CANTON, TEXAS, hereinafter referred to as "Canton", and

WHEREAS, Brewer is the owner of a collection of historical bells which she desires to be donated to the future Museum to be constructed by Canton wherein the bells will be prominently displayed, and Canton agrees to house said bells in its Museum and, further, Brewer's donation of the bells is conditioned as follows

1. The bells will never be sold;
2. The bells are to stay intact as a collection known as "Brewer's Bells";
3. Should the City of Canton decide to close the Museum, the bells will be given to the State of Texas for placement in a Museum of the State's choosing.

IT IS the further desire of Brewer that she receive no money from Canton, however, in return for the donation of the bells to the Canton Museum, the CITY OF CANTON agrees to the following:

1. Brewer's lawn and yard will be kept mowed and groomed;
2. Minor repairs will be timely made on the house in which Brewer resides;
3. The tree in front of the present Museum will be cut down;
4. Brewer will be excused from paying her base water bill;
5. Clean the mold and mildew from Brewer's kitchen.

IT IS FURTHER AGREED that, at the time of Brewer's death, the Terms of this Agreement which pertain to the repair of Brewer's residence shall cease.

Councilmember Hutcherson seconded, and all voted in favor

DISCUSS AND CONSIDER ANY ACTION NECESSARY PURSUANT TO MAIN STREET PRESENTATION – Rhita Koches, Co-Chair for the Main Street First Lady's Tour, told the Council that Phase II of the Town Square Beautification project which began last year would include planters, initial plants and planting materials, spring flags, and Texas flags. The estimated cost was slightly less than \$5,200. Mrs. Koches said local civic and church groups will be solicited to maintain the plantings on a monthly basis. Councilmember Pruitt moved that the Council authorize expenditure from the Special Projects fund for planters, initial plants and materials, spring flags and Texas flags for use on the downtown square. Councilmember Hutcherson seconded, and all voted in favor

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – Mr. Mallory told the Council that the terms of three CEDC Directors will be expiring. He said that Al Campbell and Ron Sanford have agreed to be re-appointed and that Henry Lewis has indicated that he will not be returning to the Board. Councilmember Pruitt said Mr. Lewis had stated he would serve if elected. The Council discussed the possible appointment of another citizen to the Board. Councilmember Pruitt moved that Al Campbell, Ron Sanford, and Henry Lewis be re-appointed to the CEDC Board of Directors. Councilmember Hutcherson seconded. All members voted in favor of the motion with Councilmember Sanford abstaining.

DISCUSS AND CONSIDER SEWER PROBLEMS ON OAK DRIVE – Councilmember Roberts expressed concerns about sewer line problems after new streets are constructed. Public Works Director Pete Lucas said that the majority of the problems are related to the contractor. Councilmember Wilson asked if the problems were related to the contractor or to the engineer. Mr. Mallory said the contractor is the problem. He explained that there are further complications when more than one contractor is involved and they blame each other. Councilmember Hutcherson agreed with Councilmember Roberts and expressed concern about tearing up streets a year after construction. Mr. Mallory explained that a \$2000 patch easily offset \$100,000 to \$150,000 to re-construct sewer lines on a job. He said he has tried to make the street bond monies go as far as possible. He also noted that the bond proceeds have generated an additional \$1 million in interest.

Councilmember Roberts asked about recurring problems and whether the engineers have inspectors. Mr. Mallory confirmed that the engineers have inspectors on the jobs. He said the tests may come back positive, such as on Oak, but there may still be problems.

Councilmember Hutcherson asked if there had been any problems on Big Rock. Mr. Mallory responded that there had not but there had been no choice but to re-do the utility lines. He said in some instances the line is good but the connections may be bad. Mr. Mallory said it is a call that he has to make based on past experience.

Councilmember Roberts said he knew Oak Drive had been re-done three times. Mr. Mallory said, in going back that far, you have to look at the soil that came out. There may have been seal coat over a bad base. Mr. Mallory said he wanted to make sure the Council understood and that they needed to make the funds go as far as possible.

Mr. Mallory said he is almost ready to start on Meadow. It will be curbed and guttered based on the recommendation of the Council's Street Committee, and the project may take three months. He anticipated that construction would begin in 30 to 60 days. Councilmember Pruitt said he would prefer to wait 30 to 60 days to begin due to coming spring weather.

DISCUSS AND CONSIDER STAFF REPORTS TO COUNCIL – Councilmember Roberts said he had spoken with City Secretary Rhita Koches and the Staff Meeting notes were again being distributed to the Council. Mr. Mallory explained that the Staff had been a little behind but would send out the notes after each Monday's meeting.

DISCUSS AND CONSIDER ENGINEERING FOR CITY PROJECTS AND PREPARATION OF SPECIFICATIONS AND CONTRACTS - Councilmember Roberts suggested that the City look at hiring new engineers approximately every five years. He said he understood that the engineers write the construction contracts, and there have been problems with things missed. He said he would like to see the Council form a committee to contact potential engineering firms. Mr. Mallory said he talks to three or four engineers per month who are out looking for jobs. Mr. Mallory said in doing this kind of work for over 28 years, he has dealt with five or six different sets of engineers. He said you don't have an engineer that you don't have some problem with. Mr. Mallory explained that there are engineers who specialize in water, sewer, road, or dams. He said they all charge about the same. Mr. Mallory listed four engineering firms that have done work for the City of Canton during his tenure. Councilmember Roberts said the contracts should include a clause for the length of a job with a penalty clause. Mr. Mallory said it might be hard to find a contractor to go along with that but it would depend on the job. Councilmember Roberts said there was also a problem with contractors starting a project and leaving the site for some period of time prior to completion. Mr. Mallory said that will probably continue because contractors who get ahead of schedule will pull off crews to work where they may be behind schedule. Mr. Mallory said he would monitor future contracts to address the Council's concerns. In response to Councilmember Roberts' question, Mr. Mallory said the City of Canton has been using Velvin & Weeks for as long as he has been in Canton. Councilmember Roberts said the Council may want to look at this matter at a later date.

DISCUSS AND CONSIDER TRAILERS AND MERCHANDISE REMAINING AT ANIMAL GROUNDS AFTER FIRST MONDAY – Councilmember Roberts said he had received several inquiries about removing the trailers and items left after First Monday. Mr. Mallory noted that the property is located in the floodplain. Mayor Hackney said there had been attempts to do something in the past without success. Councilmember Pruitt suggested that someone could visit with the property owner and he might be willing to do something about the problem.

DISCUSS AND CONSIDER ESTABLISHING MINIMUM BUILDING SIZE FOR CONSTRUCTION OF PERMANENT STRUCTURES AT FIRST MONDAY PARK –

Councilmember Sanford reminded the Council that several months ago the Council had discussed establishing minimum building sizes. Councilmember Sanford said he had asked First Monday Manager Al Campbell to look into the matter. Mr. Campbell said he had taken into consideration the buildings already constructed and the average size of the lots. He suggested that a minimum lot size of 480 sq. ft. with setbacks of five feet on the front and back and two feet on the sides would allow for a 15 x 32 ft. building. Mr. Campbell said he would also recommend that buildings which do not have gutters be required to have drainage to the front or back and not to the side. Councilmember Wilson suggested adding a requirement for roller doors. Mr. Campbell said any construction has to first be presented to the City for approval, and the vendor is responsible for any engineering fees. Councilmember Pruitt said he thought Councilmember Wilson was talking more about appearance. Mr. Campbell said most buildings would have to leave the doors up. Councilmember Roberts asked if there would be a problem constructing a building for someone who had only two lots. Mr. Campbell said they might have to wait until an adjacent lot came open. Councilmember Sanford said the request to build on a smaller lot could be brought to the Council for a variance. Mr. Campbell explained that he was trying to come up with a standard. Councilmember Sanford said he thought Mr. Campbell had come up with a good plan. Councilmember Sanford moved that the following guidelines be adopted for the construction of permanent structures at First Monday: minimum lot size 480 sq. ft., front and back setbacks of five feet and side setbacks of two feet. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ESTABLISHING CHARGES FOR HAULED-IN HOUSEHOLD SEWAGE AND PROVIDING FEE AND EFFECTIVE DATE – Mr. Mallory reviewed the provisions of the proposed ordinance. He explained that haulers are presently paying \$15 per load which is not sufficient. He said the ordinance proposes certain fees plus a charge per truck. Mayor Hackney asked how many haulers would be involved, and Mr. Mallory said there were six. Councilmember Wilson asked if other cities had been contacted, and Mr. Mallory confirmed that they had and the figures in the proposed ordinance were in line with charges by other cities. Councilmember Pruitt moved that the following ordinance be adopted:

ORDINANCE NO. 2001-01

AN ORDINANCE ESTABLISHING CHARGES FOR HAULED-IN HOUSEHOLD SEWAGE AND PROVIDING FOR A PERMIT FEE AND EFFECTIVE DATE.

WHEREAS, there is a necessity for the City of Canton, Texas to charge for hauled-in household sewage to pay for proper treatment, support, maintenance and operations;

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Canton, Texas:

That from and after the 1st day of March 2001 the following rates and regulations shall apply:

ARTICLE I

RATES AND CHARGES

- (1) Annual permit Upon application, an annual permit for the disposal of hauled-in waste shall be issued by the City Secretary. A permit fee of Thirty Dollars (\$30.00) per year shall be charged for each vehicle transporting household septage to the City's Wastewater Treatment Plant for disposal

- (A) A permit issued under authority of this Ordinance may not be sold, assigned or otherwise transferred nor inure to the benefit of any transporter other than the original permittee.
- (B) Each applicant shall provide the following information on the application:
- (1) Name (Owner and Business)
 - (2) Address (Residence and Business)
 - (3) Owner's Social Security Number
 - (4) Telephone Number (Residence, Business, Emergency)
 - (5) Texas Natural Resources Conservation Commission (TNRCC) Registration Number
 - (6) The vehicle identification number (VIN) of each vehicle to be permitted
 - (7) The license number of each vehicle to be permitted
 - (8) Year, make and model of each vehicle to be permitted
 - (9) Gallon capacity of each vehicle to be permitted
 - (10) Such other information or data that the operator may deem necessary

(2) Charges per load The following charges shall be made for each load of hauled-in waste in addition to the annual permit fee

- (A) Treatment choice of:
- (1) \$3.00 per 100 gallons of tank capacity of household septage; or
 - (2) \$3.00 per 100 gallons of a mutually agreed to metering system provided and maintained by the septage hauler.
 - (3) Trip tickets for each load of septage disposed at the City's Wastewater Treatment Plant will be forwarded to the Water Utility Department for billing. A statement will be rendered within the first two (2) weeks of the month.

ARTICLE II

NOW THEREFORE, Be it resolved by the City Council of the City of Canton, Texas;

That the City Secretary of the City of Canton is hereby authorized and directed to cause a true and correct copy of the caption, penalties, and effective date of this ordinance to be published in a newspaper having general circulation in the City of Canton, Texas prior to its effective date.

That, following publication, this ordinance shall be in full force and effect. All ordinances or parts of ordinances conflicting with any of the provisions of this ordinance are hereby repealed to the extent that the ordinances are inconsistent with this ordinance.

That if any provision or any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM CANTON VOLUNTEER FIRE FIGHTERS ASSOCIATION FOR AUTHORIZATION TO CONDUCT ON-STREET SOLICITATION AT THE INTERSECTIONS OF HIGHWAY 64 AND SOUTH BUFFALO AND HIGHWAY 64 AND HIGHWAY 19 ON MARCH 3 AND 4, 2001 – Craig Brown, President of the Canton Fire Volunteer Fighters Association, told the Council that the Department was requesting authorization to solicit funds at the intersections of Highway 64 and South Buffalo and at Highway 64 and Highway 19. He said the Department had several goals and need additional

gear. Mayor Hackney said he had no problem with the request to solicit at Highway 64 and South Buffalo but the intersection at Highway 64 and Highway 19 could be extremely dangerous. Mr. Brown said they would leave the site when everyone started to leave town and traffic was heavy. Councilmember Roberts moved that the request be granted. Councilmember Hutcherson seconded, and all voted in favor.

Mayor Hackney told the Council that the Insurance Services Office had recently reduced the City from a Class 6 to a Class 5 which should result in a premium decrease of approximately 5%. The Council congratulated Chief McNevin and the Department on their good work.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS –
FIRE DEPARTMENT (Section 551.074)

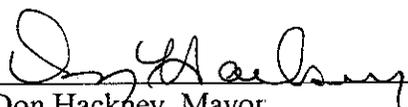
EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS –
POLICE DEPARTMENT (Section 551.074)

The Council adjourned into Executive Session at 7:35 p.m. to discuss personnel matters in the City's Fire Department and Police Department.

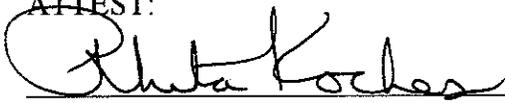
RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – At 7:50 p.m., the Council returned to Open Session with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Councilmember Pruitt asked that the Council consider streets at its next meeting. He also asked that the City review the possibility of charging for false burglar alarm calls. Councilmember Pruitt suggested that Mr. Mallory obtain additional information from Police Chief David Hammond regarding the number of false alarms received and attempt to determine what is excessive.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned.


Don Hackney, Mayor

ATTEST:


Rhita Koches, City Secretary

SPECIAL CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
8:00 A.M., FRIDAY, MARCH 2, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above named date and time in the City Hall Council Chambers. Members present were Mayor Don Hackney, Raymond Pruitt, Tommy Roberts, and Ron Sanford. Councilmembers Beverly Hutcherson and Rusty Wilson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM – Mayor Don Hackney called the meeting to order at 8:00 a.m

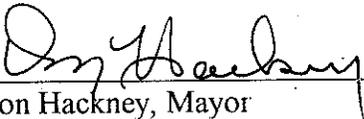
DISCUSS AND CONSIDER AWARDED BID FOR CONSTRUCTION OF SEWER IMPROVEMENTS FOR WYNNE COMMUNITY SEWER PROJECT – City Manager Johnny Mallory presented the bids received for construction of sewer improvements for the Wynne Community sewer project:

| | |
|--|--------------|
| Cross Construction, Inc , Mabank, Texas | \$289,847.90 |
| Cullum Pipe Systems, Inc , Garland, Texas | \$324,080.05 |
| McKinney & Moore, Inc , Jacksonville, Texas | \$219,654.24 |
| Bella Vista Contractors, Tyler, Texas | \$239,608.75 |
| Dual Construction, Texarkana, Texas | \$224,377.69 |
| Wilkins Contracting, Inc., Tyler, Texas | \$189,720.00 |
| Ace Contracting Enterprises, Inc , Gun Barrel City, TX | \$213,937.50 |

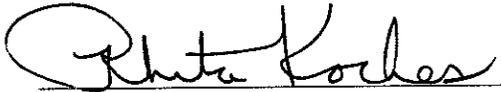
Mr. Mallory said the engineer has checked out the low bidder, Wilkins Contracting, Inc , and is satisfied. Councilmember Roberts moved that the bid be awarded to Wilkins Contracting, Inc. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPOINTMENT TO CANTON ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS – The Council tabled this item for action at the Council's next regular meeting.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned.


Don Hackney, Mayor

ATTEST:


Rhita Koches, City Secretary

REGULAR MEETING
CANTON CITY COUNCIL
6:30 P M , TUESDAY, MARCH 20, 2001
CITY HALL, 290 E. TYLER STREET, CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Don Hackney, Beverly Hutcherson, Raymond Pruitt, Tommy Roberts, and Ron Sanford. Councilmember Rusty Wilson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hackney called the meeting to order at 6:00 p m and declared that a quorum was present.

MAYOR'S WELCOME was given by Mayor Don Hackney.

INVOCATION was given by City Manager Johnny Mallory

PLEDGE OF ALLEGIANCE –The Pledge of Allegiance was led by Mayor Hackney

GUEST ITEMS – Police Chief David Hammonds presented Mayor Hackney with a certificate of appreciation for his participation in and assistance with the Shattered Dreams program at Canton High School on March 6, 2001. At the request of Mayor Hackney, Chief Hammonds presented a brief overview of the program.

DISCUSS AND CONSIDER APPROVING MINUTES OF FEBRUARY 20 AND MARCH 2, 2001 MEETINGS – Councilmember Sanford moved that the Minutes be approved as presented. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVING FEBRUARY 2001 FINANCIAL STATEMENTS – City Manager Johnny Mallory read the totals from the February 2001 Financial Statements. Councilmember Hutcherson moved that the Financial Statements be approved. Councilmember Roberts seconded, and all voted in favor.

SECOND PUBLIC HEARING ON ANNEXATION OF 0.122 ACRE TRACT ON INTERSTATE 20 OWNED BY DR. TRAVIS DEEN – Mayor Hackney opened the public hearing on the proposed annexation at 6:39 p.m and called for comments from the public. Hearing none, the public hearing was closed. Mayor Hackney announced that this item would be finally submitted to the Council for approval at the Council's next regular meeting.

PRESENTATION BY TXU GAS DISTRIBUTION REPRESENTATIVE REGARDING REQUEST FOR RATE ADJUSTMENT – Mayor Hackney recognized Darwin Winfield of TXU Gas Distribution. Mr. Winfield referred the Council to written materials previously provided which summarized the TXU Gas rate case filed March 2, 2001, affecting the East Region Distribution System. He told the Council that TXU was attempting to bring base rates equal across specific regions. As an example of the current rate system, he explained that Canton pays the same electric rates as cities across the state while gas rates vary. He said TXU is looking for an average of 8.1% which will represent a 1.29% increase for the City of Canton. Mr. Winfield said the last rate increase was 4.4% which was granted in May of 1996. He said the new rate structure would result in a residential decrease of \$17,426 and a commercial increase of \$7,903. He said the new rates would mean a \$4.43 decrease in the average residential gas bill. Mr. Winfield told the Council that the majority of the increases were pass-through charges from the Texas Railroad Commission for the cost of fuel.

Councilmember Roberts asked Mr. Winfield to explain the proposed Ordinance being presented for Council approval. Mr. Winfield said the Council had several options. He said the first option would be a vote to deny the rate request, and the rates would go into effect April 6, 2001. The

second option would be a vote to suspend the request which would give the City ninety days to evaluate and possibly join a coalition to evaluate the request. At the end of the ninety-day period, TXU would come back before the Council to again make the request. Mr. Winfield explained that the third option would be for the Council to approve the rate at proposed and receive a "favored nations" letter. That letter would assure the City that should a lower rate be given to another city which is evaluating the request, the prorata lower rate would also be extended to the City of Canton. As an example, Mr. Winfield said if the City of Athens' 16% were lowered to 8%, then the City of Canton's proposed rate increase would be lowered by 50%. Mr. Winfield noted that action must be taken within ninety days from the March 2nd filing date.

DISCUSS AND CONSIDER ANY ACTION NECESSARY PURSUANT TO TXU GAS DISTRIBUTION REQUEST; DISCUSS AND CONSIDER ADOPTION OF ORDINANCE APPROVING THE GENERAL SERVICE RATES INCLUDING RATE ADJUSTMENT PROVISIONS AND MISCELLANEOUS SERVICE CHARGES FOR SALE AND TRANSPORTATION OF NATURAL GAS TO RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS – Mayor Hackney told the Council that it would be his recommendation that the request be granted and the proposed ordinance be adopted. He cited the reduction in residential rates and stated that joining a coalition would probably be more costly. Councilmember Roberts noted that if the Council should vote to deny the request, the new rate would go into effect April 2nd anyway. Councilmember Sanford said the third option appeared to be best for the City of Canton. Councilmember Roberts said that a 129% increase is not enough to fight over and to warrant joining the other cities opposing the rates.

Councilmember Roberts moved that the following ordinance be adopted:

AN ORDINANCE APPROVING THE GENERAL SERVICE RATES INCLUDING RATE ADJUSTMENT PROVISIONS AND MISCELLANEOUS SERVICE CHARGES TO BE CHARGED FOR SALES AND TRANSPORTATION OF NATURAL GAS TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CONSUMERS IN THE CITY OF CANTON, VAN ZANOT COUNTY, TEXAS, PROVIDING AN EFFECTIVE DATE THEREFOR, AND PROVIDING FOR THE MANNER IN WHICH SUCH RATES MAY BE CHANGED, ADJUSTED, AND AMENDED

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS:

SECTION 1 On March 2, 2001, TXU Gas Distribution, a division of TXU Gas Company ("Company") filed with the Governing Body of this municipality a Statement of Intent to Change Residential, Commercial and Industrial Rates charged to consumers within this municipality. Also filed was the Tariff for Gas Service in the East Region Distribution System ("Tariff for Gas Service") and the supporting Cost of Service Schedules ("Schedules"). The Tariff for Gas Service includes Rate Schedules 4200 - East Region Distribution System Cities, 4201 - Residential Service, 4202 - Commercial Service, 4203 - Industrial Sales, 4204 - Industrial Transportation, 4208-1 through 4208-3 - Rate Adjustment Provisions, 9001 through 9007 - Miscellaneous Service Charges and Rider 4206 - Surcharges.

SECTION 2 The maximum general service rates for sales and transportation of natural gas rendered to residential, commercial and industrial consumers within the city limits of Canton, Texas by TXU Gas Distribution, a division of TXU Gas Company, a Texas corporation, its successors and assigns, are hereby fixed and approved as set forth in Rate Schedules 4201 -

Residential Service, 4202 - Commercial Service, 4203 - Industrial Sales, and 4204 - Industrial Transportation included in the Tariff for Gas Service in the East Region Distribution System.

SECTION 3. The Rate Adjustment Provisions set forth in the Tariff for Gas Service as Rate Schedules 4208-1 Gas Cost Adjustment, 4208-2 Tax Adjustment, and 4208-3 Weather Normalization Adjustment are approved.

SECTION 4. The Company shall have the right to collect such reasonable charges as are necessary to conduct its business and to carry out its reasonable rules and regulations. Such miscellaneous service charges are identified in Rate Schedules 9001 through 9007 of the Tariff for Gas Service and are approved. Services for which no charge is set out may be performed and charged for by the Company at a level established by the normal forces of competition.

SECTION 5. The aforesaid rate schedules herein approved shall be effective from and after the effective date set forth in the Statement of Intent, if this ordinance is passed and approved on or before that effective date.

SECTION 6. The rates set forth in this ordinance may be changed and amended by either the City or Company in the manner provided by law. Service hereunder is subject to the orders of regulatory bodies having jurisdiction, and to the Company's Rules and Regulations currently on file with the City.

SECTION 7. Unless otherwise noted herein, other than TXU Gas Distribution (a named party), no person or entity has been admitted as a party to this rate proceeding.

SECTION 8. It is hereby found and determined that said meeting at which this ordinance was passed was open to the public, as required by Texas law, and that advance public notice of the time, place and purpose of said meeting was given.

Councilmember Sanford seconded, and all voted in favor.

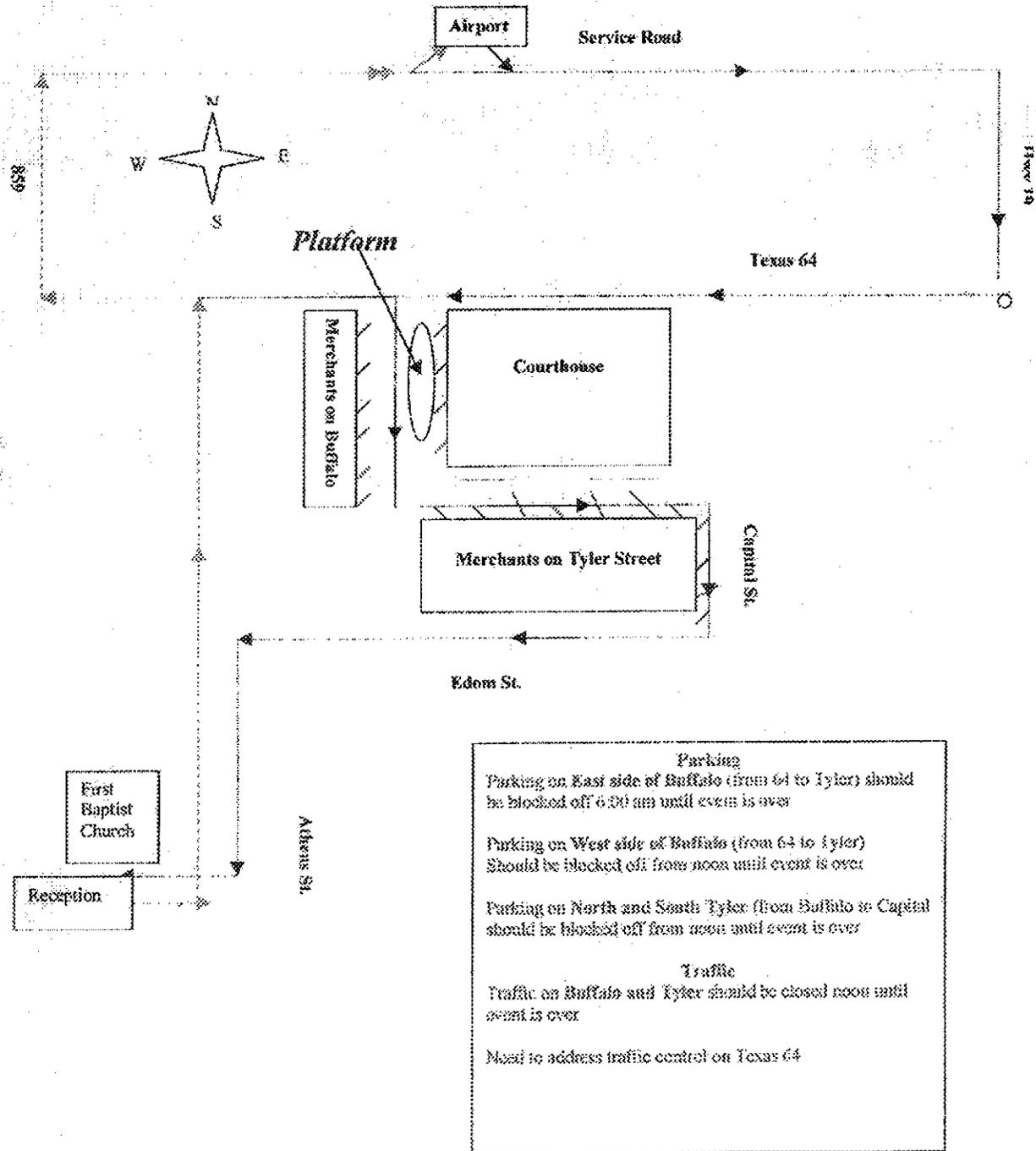
DISCUSS AND CONSIDER AUTHORIZATION OF EXPENDITURE FOR MATERIALS AND LABOR TO CONSTRUCT DISPLAY CASES FOR BREWER'S BELL COLLECTION – Mr. Mallory presented the request of Main Street Manager Jim Stephens for 10 foot display cases at a cost of \$1680 per case. Councilmember Pruitt moved that the cases be constructed at a price not to exceed \$1680 per case and that Al Campbell be authorized to attempt to obtain better prices on the labor and materials. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER PARTICIPATION IN TEXAS DEPARTMENT OF TRANSPORTATION MATCHING FUNDS MOBILITY GRANT – Mayor Hackney told the Council that he had met with Main Street Manager Jim Stephens, representatives of the Tyler engineering firm of Wisenbaker & Fix, and Gary Traylor of Traylor & Associates regarding an application for funding from the Texas Department of Transportation's \$130 million mobility grant. He explained that the grants are 80-20 matching grants. Mayor Hackney said the engineers feel that, because of its designation as a Main Street City, Canton would be looked upon favorably for a grant. He said a \$200,000 contribution from the City would be well worth the \$800,000 grant. He explained that TxDOT would take \$200,000, or 20% for overseeing the projects. Mayor Hackney said it would be his recommendation that the funding be taken from the existing proceeds in the street fund. If the grant is not awarded, the money could go back to the street fund. Mayor Hackney explained that the project would include walkways downtown along both sides of Highway 19 to First Monday, including along the front of Hillcrest Cemetery.

Mayor Hackney noted that the grant actually had nothing to do with Main Street, but Main Street designation would help in being awarded the grant. Councilmember Hutcherson asked whether Main Street included any paving. Mayor Hackney explained that Main Street does not include grants but is for the restoration of a specified area to revitalize and prevent deterioration. He said the project could have a lot of sidewalks fixed and pedestrian walkways installed. Mayor Hackney stated that he felt trading \$200,000 for \$800,000 was a good deal for Canton. He explained that TxDOT would oversee the project and that the City of Canton has a good relationship with TxDOT. Mr. Mallory asked whether the engineer has reviewed the project and if the matching portion would change in the event the grant request was lowered. Mayor Hackney explained that TxDOT has suggested \$1 million so they can impact more cities. Councilmember Hutcherson asked whether the Council wanted to take the matching funds from the street fund. Mayor Hackney said that was his recommendation. Councilmember Roberts asked whether the City would still be able to use the funds for whatever the City wanted. Mayor Hackney explained that the funds would go to the grant for the specified downtown project. Main Street Board member Zacki Gutzke explained to the Council the present area designated as Main Street. Councilmember Hutcherson said the City could not use the funds for whatever the City wanted. Mr. Mallory noted that the City still owes the contractor a retainage for work on Forrest and Stacey, and the engineer is drawing the plans for improvements on Meadow. He said he did not yet have an estimate on that cost. Councilmember Hutcherson questioned how the Council could commit to this project if they did not know how much money would be available. Mr. Mallory said he should know in the next two weeks. Councilmember Roberts asked whether the funds could be left in an interest-bearing account. Mr. Mallory said the funds would probably go for administration of the grant and would be left in an interest-bearing account until requested by TxDOT. Councilmember Hutcherson said she was not opposed to the project, but there were some streets that were in need of repair. She asked what \$200,000 could do on a street such as Shady Lane. Councilmember Pruitt said he agreed that the City needed to take care of streets, but he really liked putting up \$200,000 to get \$800,000. Councilmember Roberts noted that the funds would have to be used for the downtown area instead of streets which may have been planned for repair. Councilmember Hutcherson asked Mayor Hackney whether he had discussed the project with Councilmember Wilson, and Mayor Hackney said Councilmember Wilson had not been available. Councilmember Hutcherson said she had been available.

Councilmember Hutcherson moved that consideration of this item be tabled for further discussion at a special called meeting. Councilmember Pruitt seconded. Councilmember Sanford said he was in favor of the project even if the City had to borrow the funds. A meeting to further discuss the item was scheduled for Saturday, March 31, 2001, at 8:00 a.m. All voted in favor of the motion to table.

DISCUSS AND CONSIDER CLOSING THE 100 BLOCK OF TYLER STREET AND BUFFALO STREET BETWEEN TYLER STREET AND HIGHWAY 64 ON THURSDAY, APRIL 26, 2001, FOR MAIN STREET FIRST LADY'S TOUR – Main Street Advisory Board Member Zacki Gutzke presented to the Council the following route for the First Lady's Tour of Canton:



Mrs. Gutzke requested that streets be closed according to the route and planned outlined. Councilmember Pruitt moved that the request be granted. Councilmember Hutcherson seconded, and all voted in favor

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – Mr. Mallory told the Council that Henry Lewis had declined the Council’s re-appointment to the CEDC Board. He said that CEDC Board Vice President Kenneth Pruitt had contacted T. A. Hale who had agreed to serve

on the Board Councilmember Pruitt moved that T. A. Hale be appointed to a two year term on the Canton Economic Development Corporation's Board of Directors. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPOINTMENT OF ELECTION JUDGE AND ALTERNATE ELECTION JUDGE AND DESIGNATION OF POLLING PLACE FOR GENERAL ELECTION ON MAY 5, 2001 – Mayor Hackney advised the Council that Mary Wages had agreed to serve as Election Judge and that she had recommended the appointment of Mary Robertson as Alternate Election Judge, with three additional election clerks. Mayor Hackney noted that the polling place would be at City Hall. Councilmember Hutcherson moved that Mary Wages be appointed to serve as Election Judge, that Mary Robertson be appointed as Alternate Election Judge, that three additional clerks be appointed by the Election Judge, and that City Hall be designated as the polling place for the May 5, 2001, General Election. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE TO PROVIDE FOR THE COLLECTION OF FEES AND COST RECOVERY FOR FIRE PREVENTION AND PROTECTION SERVICES AND PUBLIC SAFETY AND EMERGENCY SERVICES RENDERED INVOLVING NON-RESIDENTS – Mr. Mallory told the Council that he had discussed with Fire Chief Brian McNevin the possibility of retaining a company to file claims against insurance companies to recover costs associated with fire prevention and protection. He noted that the Fire Department would not be filing lawsuits against anyone, and if the insurance company does not pay, the Department would not collect. Mr. Mallory referred the Council to a listing of the collection company's itemized recommended billing amounts. Mr. Mallory said the proceeds collected would go to the City to be accounted for and applied to the Fire Department's budget each year. Fire Chief Brian McNevin said approximately 80% of the Department's calls involve non-residents. He said it is his understanding that most insurance policies contain a fire department clause for charges by the responding department. He noted that the company may not necessarily pay what is billed but may pay according to policy limits. He said this would just be a way to recover some of the Department's costs associated with wrecks involving non-residents and fires outside the city limits. Chief McNevin cited a recent motor vehicle accident where Fullers' Towing included the Department's costs in a claim and subsequently delivered a \$2000 check to the Department. Councilmember Pruitt said it was his understanding that the City of Plano had been doing this for some time. It was noted that San Antonio, Denton, and Austin are all using this process to cover some of their costs. Councilmember Roberts said he thought this was mentioned when Chief McNevin was hired. He then asked if only non-residents would be billed. Chief McNevin confirmed that only non-residents would be billed. Councilmember Roberts inquired about the process when an elderly person with no insurance was involved. Chief McNevin said the Department will maintain control in that they will send the information to the company that will be billing the insurance companies. He said if there is no insurance, there will be no bill. He noted that the Department would probably not bill when fatalities were involved. Councilmember Sanford inquired about billing to businesses. Chief McNevin said they would be billed only if they have insurance. Mr. Mallory told the Council that many people make a donation to the Fire Department following a call. Councilmember Roberts said he had no problem except possibly picking and choosing insurance companies only. Chief McNevin said several insurance agents have asked him why the Department is not making claims for these costs.

The Council then discussed the application of any proceeds collected to the Fire Department's budget.

Councilmember Pruitt moved that the following ordinance be adopted and that any proceeds collected be applied as additional funds to the Fire Department's budget.

AN ORDINANCE OF THE CITY OF CANTON, TEXAS, TO PROVIDE FOR THE COLLECTION OF FEES AND COST RECOVERY FOR FIRE PREVENTION AND PROTECTION SERVICES AND OTHER PUBLIC SAFETY AND EMERGENCY SERVICES RENDERED BY THE CITY OF CANTON FOR MOTOR VEHICLE ACCIDENTS INVOLVING NON-RESIDENTS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Canton contributes monies to the Canton Volunteer Fire Department to provide fire protection and emergency services; and

WHEREAS, the City Council finds that there are increasing costs associated with providing adequate fire prevention and protection services and other public safety and emergency services, including services resulting from extraordinary and dangerous occurrences and hazardous material incidents that may impair the City of Canton's ability to provide all necessary emergency services; and

WHEREAS, the City Council of the City of Canton has determined that it is in the best interest of the health, safety and general welfare of the citizens of the City of Canton and the Canton Volunteer Fire Department to recoup costs associated with providing fire protection and other emergency services to non-residents; and

WHEREAS, the City Council has determined that in order to protect the public health, safety, and welfare, and to protect and preserve public funds and tax dollars, the City of Canton should adopt a policy to seek reimbursement of expenses and costs incurred while providing such fire prevention and emergency services from non-residents of the City of Canton;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CANTON HEREBY ORDAINS:

SECTION 1. That all of the above preambles are hereby found to be true and correct and are hereby approved and incorporated into the body of this ordinance as if copied in their entirety.

SECTION 2. The City of Canton hereby adopts

Recovering cost for fire protection and emergency services

A Collection of Fees:

1. The City of Canton Fire Chief, or his designee, shall collect all fees and costs for fire prevention services and for other public safety and emergency services rendered by the Department. Such fees include but are not limited to the use of equipment, materials, maintenance and overhead expenses and costs of whatever nature which constitute full reimbursement to the Canton Fire Department for services actually rendered and as hereinafter authorized.

2. Within thirty (30) days of the date of providing fire prevention and protection services or other public safety and emergency services, the Chief of the Canton Volunteer Fire Department, or his designee, shall submit an invoice for all costs, fees, charges and expenses related to providing such services, to include but not limited to all actual expenses including costs of equipment operations, cost of materials utilized; costs of specialists, experts or other contract labor not in the full time employment of the city; overtime costs; and other incidental costs incurred by the City as a result of the incident, to the customer, client, owner, designated agent, representative and/or insurance company who received, covered and/or otherwise benefited from these services. The provisions of this section shall apply only to those persons who were not residing within the City of Canton at the time of the incident, which led to the benefits of services.
3. Any bills, fines or penalties, including but not limited to clean up costs, fees or expenses that are imposed upon the City of Canton or the Canton Fire Volunteer Department by any local, state or federal agency, related to the rendering of fire protection or prevention services or of other public safety and emergency services, may be included in the billing or billed separately within thirty (30) days of receipt.
4. Any fees or expenses billed by the Chief, or his designee, shall be payable in full within sixty (60) days of the date of the invoice. Failure to timely make payment may result in the accumulation of interest on any unpaid balances at the rate of 10 percent per annum for any unpaid balances.

B Enforcement

The City may enforce the provisions of this Ordinance by any action allowed by law for the collection of any amounts due hereunder, including reasonable and necessary attorney's fees, costs, and expenses, in a court of competent jurisdiction.

SECTION 3: If any section, article, paragraph, sentence, clause, phrases or word in this ordinance or application thereto any person or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance; and the City Council hereby declares it would have passed such remaining portions of this ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4: That this ordinance shall become effective immediately upon its passage and publication.

Chief McNevin said that, since there was no way of knowing how much would be collected, he would like to have the funds accumulated and available to the Department as needed. He said he would like to see the funds remain allocated for the Department and any unused funds carried over to the next year. He suggested that the proceeds could be accumulated like a savings account for the Fire Department. Councilmember Roberts said the proceeds could be carried as a line item in the budget and carried over from year to year. Councilmember Roberts seconded the motion, and all voted in favor.

DISCUSS AND CONSIDER REQUEST BY CATALINO HERNANDEZ FOR WATER TAP OUTSIDE CITY LIMITS AT 480 VZCR 2201 – Mr. Mallory told the Council that there was water available to the requested area, and the City Staff had no objection to the request.

Councilmember Hutcherson moved that the request be granted Councilmember Sanford seconded, and all voted in favor

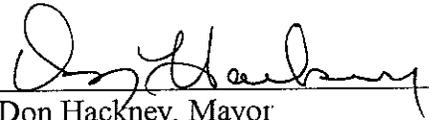
DISCUSS AND CONSIDER ASSESSMENT OF CHARGES FOR EXCESSIVE BURGLAR ALARM CALLS – Mr. Mallory reminded the Council that the issue of false burglar alarm calls had previously been mentioned to the Council. Mr. Mallory said that Lt. Ron York had provided information on the number of false alarms, and there were 327 calls last year. Mr. Mallory said he was looking at ordinances from several cities which provide a specified number of calls per month before a set fee is assessed. Mr. Mallory noted that these calls may take as long as an hour since, when the Police Department is unable to get someone to come out to the premises, they have to walk through the building. He said there seems to be a lot of false alarms for a town the size of Canton. Mr. Mallory said the ordinance could also provide for an application for the installation of an alarm so the City will know where the alarms are located. Lt. York explained that the Department is currently trying to obtain suite numbers on shopping centers for the purpose of responding to alarm and 9-1-1 calls. He said there is a need to get addressing corrected so officers are better able to respond to calls. Lt. York told the Council there were 45 false alarms in January and February. Councilmember Pruitt questioned whether it would be feasible to charge for excess costs such as two officers for an hour each to search a building. Mr. Mallory said he had talked with Chief Hammonds and Lt. York, and they have all spent some time reviewing this matter. He said they were looking for guidance from the Council as to where to go. He asked if it would be the Council's recommendation to charge after five false alarms per year. Mayor Hackney said he would recommend that the Council direct the City Staff to proceed with this matter. Lt. York said most cities seem to allow four to six false alarms. Councilmember Hutcherson asked how many alarms there were in the City of Canton. Lt. York responded that the Police Department does not know. He said part of the problem is that the Department has no records when someone installs an alarm. Councilmember Pruitt suggested that any ordinance require the registration of alarms. Lt. York told the Council that everything in Traders Square shopping center is listed as 301 East Highway 243, and the Department's computer cannot distinguish between the different businesses. Chief Hammonds said the most frequent calls are from schools and churches. He said the air conditioner will come on and set off the alarm on a motion detector. Lt. York noted that motion detectors can be adjusted, and alarm owners need to help the Department alleviate some of these problems. Mr. Mallory and Chief Hammonds told the Council that they would probably be looking at presenting something to the Council in approximately sixty days. Councilmember Roberts suggested that this matter could be coordinated with the Police Department, the Fire Department, and the 9-1-1 system.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – CITY MANAGER REVIEW – The Council convened in Executive Session at 7:50 p.m. to discuss personnel matters with City Manager Johnny Mallory.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in Open Session at 7:59 p.m. with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Councilmember Pruitt requested that the Council look into the feasibility of a City museum for the placement of the Brewer's Bell Collection as well as any other items which may be available.

ADJOURN - There being no further business to come before the Council, Councilmember Pruitt moved that the meeting be adjourned Councilman Hutcherson seconded, and the meeting was adjourned at 8:00 p.m.


Don Hackney, Mayor

ATTEST:


Rhita Koches, City Secretary

SPECIAL CALLED MEETING
CANTON CITY COUNCIL
8:00 A.M., SATURDAY, MARCH 31, 2001
CITY HALL, 290 E TYLER STREET, CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Don Hackney, Beverly Hutcherson, Raymond Pruitt, Tommy Roberts, Ron Sanford, and Rusty Wilson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hackney called the meeting to order at 8:00 a.m. and declared that a quorum was present

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AUTHORIZING AND APPROVING LOAN FROM THE AMERICAN NATIONAL BANK TO THE CANTON ECONOMIC DEVELOPMENT CORPORATION - Councilmember Sanford moved that the following Resolution be adopted:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANTON, VAN ZANDT COUNTY, TEXAS, AUTHORIZING AND APPROVING A LOAN FROM THE AMERICAN NATIONAL OF TEXAS TO THE CANTON ECONOMIC DEVELOPMENT CORPORATION, AND DELIVERY OF ALL NECESSARY LOAN DOCUMENTS AND OTHER RELATED INSTRUMENTS; APPROVING CERTAIN RESOLUTIONS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, the Canton Economic Development Corporation was established by ordinance of the Canton City Council subsequent to an election to impose and assess a one-half cent sales tax for economic development within the City of Canton;

WHEREAS, one of the purposes for which the Canton Economic Development Corporation was established is to provide for the creation of jobs and increase the tax base of the City of Canton;

WHEREAS, the Board of Directors of the Canton Economic Development Corporation intends to

recruit companies which will provide jobs and increase the tax base by implementing qualified projects;

WHEREAS, the Board of Directors of the Canton Economic Development Corporation has duly reviewed and approved a Five Hundred Thousand Dollar (\$500,000.00) line of credit from The American National Bank of Texas to assist financing to qualified projects approved by the Board of Directors of the Canton Economic Development Corporation;

WHEREAS, The American National Bank of Texas has committed to assist in funding of qualified projects by offering the Canton Economic Development Corporation a Five Hundred Thousand Dollar (\$500,000.00) line of credit; and

WHEREAS, Section 25(f) of the Economic Development Corporation Act of 1979, Article 5190 6, Texas Revised Civil Statutes, as amended, ("the Act") requires that the governing body of the City of Canton approve the resolutions of the Canton Economic Development Corporation providing for the approval of the indebtedness no more than sixty (60) days prior to the execution and delivery of the documents evidencing such debt

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANTON, CANTON COUNTY, TEXAS, THAT:

Section 1 There is hereby authorized and approved a loan in an amount not to exceed Five Hundred Thousand Dollars (\$500,000.00) from The American National Bank of Texas (the "Bank") to the Canton Economic Development Corporation for the financing of qualified projects under the Act.

Section 2. The resolution of the Board of Directors of the Canton Economic Development Corporation authorizing a Five Hundred Thousand Dollar (\$500,000.00) line of credit from the Bank and pledging sales tax money to the repayment of that loan from the Bank, adopted by the Canton Economic Development Corporation on _____, 2001

Section 3. The Mayor and the City Secretary of the City of Canton and the officers of the City of Canton are hereby authorized, jointly and severally, to execute and deliver to the Bank the necessary loan documents and any and all other such instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purpose of this resolution

Section 4 This resolution was approved by the Canton City Council at a council meeting duly posted in accordance with the Texas Open Meeting Act and at which a quorum was present and voting

Councilmember Hutcherson seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AMENDING AUTHORIZED REPRESENTATIVES FOR TEXAS LOCAL GOVERNMENT INVESTMENT POOL ("TexPool") – City Manager Johnny Mallory told the Council that TexPool has required Council authorization to add the new bookkeeper and assign her a password and to remove the former bookkeeper. Councilmember Pruitt moved that the following Resolution be adopted:

RESOLUTION AMENDING AUTHORIZED REPRESENTATIVES

WHEREAS, the City of Canton, Texas ("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool"), a public funds investment pool, was created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act

NOW THEREFORE, be it resolved as follows:

A That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds

B That an Authorized Representative of the Participant may be deleted by a written instrument signed by all remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool account or (2) is no longer employed by the Participant; and

C That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representatives of the Participant These individuals will be issued P.I.N numbers.

- | | |
|----------------------------|------------------------------------|
| 1. Name: Johnny M. Mallory | Title City Manager |
| Signature _____ | Direct Phone Number (903) 567-6778 |
| 2 Name: Rhita Koches | Title City Secretary |
| Signature _____ | Direct Phone Number (903) 567-6778 |
| 3. Name Gina Gaston | Title Accountant |
| Signature _____ | Direct Phone Number (903) 567-2826 |

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement

Name Gina Gaston

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

4 Name Title

D That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the ____ day _____, 2001.

Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF SITE LEASE AGREEMENT WITH CINGULAR INTERACTIVE, L.P., FOR INSTALLATION OF ANTENNA ON OLD WATER TOWER – Mr. Mallory told the Council that Cingular had requested authorization to place a cellular antenna on the City's old water tower. He said the Lease Agreement originally presented by Cingular provided for a monthly rental fee of \$500; however, in subsequent negotiations, Cingular had agreed to pay \$700 per month. The three year lease agreement provides for a 3% rent increase annually on the anniversary date of the agreement. Councilmember Pruitt moved that the Site Lease Agreement be approved. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER PARTICIPATION IN TEXAS DEPARTMENT OF TRANSPORTATION MATCHING FUNDS MOBILITY GRANT – Mayor Hackney presented a draft of the engineer's plat of the proposed improvements to be included in the grant project. Mayor Hackney noted that this was an initial plan and that the sidewalk improvements could be expanded if costs allow. Councilmember Wilson asked if there was a reason the sidewalk improvements did not go completely around the Downtown Square, and the Council reviewed the proposed plat. Councilmember Roberts asked if there was a specific amount of time to spend the funds. Mayor Hackney said there probably would be a time limit, but the City will not even know if its grant application would be accepted until this Fall. He said the engineers have indicated that contracts would be negotiated in 2002, and it would probably be 2003 before construction would begin. Mayor Hackney said Gary Traylor of Traylor & Associates has indicated that the City would not have to supply its matching grants up front which will allow a little more leeway. Mayor Hackney said the City would be trading \$200,000 for \$800,000 to do some beautification and help First Monday. Councilmember Hutcherson asked if the funding could be put in the next year's budget, and Mr. Mallory that would probably be the way to allocate the funds. He said the City's \$200,000 matching funds would probably be allocated for administrative fees. Mayor Hackney noted that there will be a 20% administrative fee to TxDOT. Councilmember Wilson asked whether the City would be able to utilize any of the engineering opportunities available from the Texas Historical Commission through Main Street. Mayor Hackney explained that Gary Traylor is working on this grant application with Wisenbaker & Fix in anticipation of eventually obtaining the engineering contract for the project. Mr. Mallory noted that if the grant is not awarded to the City of Canton, the City does not owe anything to Mr. Traylor or Wisenbaker & Fix. Councilmember Roberts asked if the City did not have to put up funds until the grant is awarded, and the Mayor confirmed that was correct. Councilmember Roberts said it looked like it might be almost a year before the City would have to fund the matching portion of the grant. He said he thought it was something the Council needed to proceed with. Councilmember Hutcherson moved that the City proceed with the grant application. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER ALL MATTERS RELATING TO ESTABLISHMENT, LOCATION, FUNDING, AND ACQUISITIONS FOR A CITY MUSEUM – Councilmember Pruitt said there were currently some First Monday artifacts at the Library. He said he would like to talk with the gentlemen who has leased the old Plaza Movie Theater about placing some additional items across the aisle from the Brewer's Bell Collection. Councilmember Pruitt said he

thought that might be a good place to get a museum started. He suggested that the Council look at the matter and consider it for next year's budget. He said he would like to go ahead and get Main Street Manager Jim Stephens to start investigating the feasibility of this project. Mayor Hackney stated that, due to his involvement with the Plaza Theater property, he would turn over any discussion and action to Mayor Pro Tem Pruitt.

Councilmember Pruitt said he would like for the Council to meet at the First Monday Main Gate at 1:15 p.m. to look at proposed First Monday improvements for next year's budget.

Councilmember Sanford told the Council that several weeks ago the Fire Department sent the 1938 fire truck down to Huntsville for an estimate on restoration. He said the estimate is approximately \$7,000 to completely restore the truck. He noted that there are only five of these trucks left in the United States. He said if restoration is started now, it would probably not be completed until Fall. He said the Fire Department has said they will keep the truck inside.

Mr. Mallory told the Council that he had received the plans for Meadow Street, and the estimated cost is \$250,000. That estimate includes re-location of the water and sewer lines, inspection, engineering and other fees. He said the next step would be to obtain bids. He said he did not plan to start the project until after the Spring rains. He estimated the project would take about six months.

Mr. Mallory told the Council that the Boy Scouts, Girl Scouts, and Cub Scouts had requested use of the old VFW building for meetings. He said they would be responsible for any expenses, utilities, or repairs they wanted to make. He said they will be using the material removed from Highway 64 by TxDOT for a parking lot. Mr. Mallory said he had told them there could be no long term commitment for their use of the building. Councilmember Wilson asked about the condition of the building. Mr. Mallory said it was not in good condition, and the roof leaks. City Secretary Rhita Koches noted that Mr. Earl Post of Road to Hope Ministries had recently inquired about using the building and had been advised that it was not available. Councilmember Roberts asked if the building was hazardous, and Mr. Mallory said as far as the Scouts group had told him, it was not. Mr. Mallory said he had advised them to proceed, and the Council had no objections to allowing the Scouts to use the facility.

Main Street Manager Jim Stephens invited the Council to the April 19th Grand Opening of the Brewer's Bell Collection and reminded them of the April 26th First Lady's Tour.

The Council recessed at 8:20 a.m. to proceed to the Brewer's Bell Collection located in the old Plaza Theater building on North Buffalo. Members present were Beverly Hutcherson, Raymond Pruitt, Tommy Roberts, Ron Sanford, and Rusty Wilson. Mayor Don Hackney was not present.

The Council heard a tape of a radio program featuring a visit with Mrs. Virginia Brewer. Councilmember Pruitt said he would like to have Jim Stephens and Al Campbell look at the cost of moving the City's items from the Library and report back to the Council. Mr. Stephens noted that the TxDOT grant might also provide funding for a museum if it featured two means of transportation. Mr. Stephens told the Council that Mrs. Brewer is practicing with her hand bells to be able to play one more time at the Grand Opening. He said it may be necessary to have an ambulance transport her to the site.

The Council recessed until 1:15 to meet at the First Monday Main Gate

At 1:15 p.m. the Council gathered at the First Monday Main Gate. Members present were Mayor Don Hackney, Beverly Hutcherson, Raymond Pruitt, Tommy Roberts, and Ron Sanford. Councilmember Rusty Wilson was not present.

Councilmember Pruitt told the Council that Kenneth Perkins' building is for sale and suggested that the City may be interested in purchasing the building as a First Monday office. He asked that the Council, Johnny Mallory, Al Campbell, and Rayford Hutcherson come up with a plan about the possible utilization of that building.

Councilmember Sanford suggested the construction of storage buildings down the hill from the Main Gate to allow vendors to store merchandise and sell from the buildings. Councilmember Pruitt said Alton Smith has mentioned building something on his lots.

Rayford Hutcherson suggested extending the parking area over to the mid-hill area that has been roped off to prohibit parking, and the Council was agreeable.

Councilmember Sanford recommended that the signs removed from the Trade Centers be moved to the sides of the building. Al Campbell said the signs will be cleaned up and replaced on the side entrances to Trade Centers I and II. The Council also discussed a covered walkway between Trade Centers I and II.

The Council then viewed the area located at the south end of Trade Center III. Councilmember Pruitt suggested pouring concrete in the area and putting in vendors. Rayford Hutcherson suggested placing a food concession in the area. He noted that a donut vendor had been displaced, and two lots were being held for him for another month. Councilmember Pruitt said nothing could be done until next year's budget. Mr. Hutcherson said plans would have to be made for water and sewer. Councilmember Hutcherson said something needed to be done for Row 11 vendors. Councilmember Pruitt said it may be necessary to displace some dealers and suggested that they be notified now so they could begin looking at other sites. He said he would like to select someone with a concession business large enough to best utilize the area. Mr. Hutcherson noted that it could not be a permanent structure because of the floodplain. Councilmember Pruitt said the size of the area of concrete would depend on the recommendation of Al Campbell and Rayford Hutcherson. Councilmember Hutcherson suggested getting the area started and adding on as necessary.

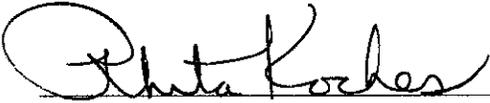
The Council viewed the Row 11 area and discussed possible locations of a future pavilion. The Council discussed obtaining an engineering study to determine the cost of a pavilion in the Row 11 area. Councilmember Pruitt said the walkway would be the first priority. Rayford Hutcherson told the Council he did not want to start putting vendors in the area if the Council was considering constructing a pavilion in the area in the next year. Mr. Mallory said engineering had been obtained on the area from the bathroom to the first walkway. Mr. Hutcherson said he did not disagree with concrete anywhere. He said flooring should attract a quality vendor. Councilmember Pruitt said he did not have a problem with any improvements at First Monday so long as it was not done overnight. He noted that there is cost involved in moving utilities. Mr.

Mallory said he had never thought the Council was planning a pavilion in the area or the utilities would not have been moved there in the first place. The Council then discussed the possibility of placing a picnic area with good concessions on each end or along the creek. Mr. Hutcherson suggested installing posts to keep traffic out of the area. Councilmember Pruitt requested that Mr. Mallory, Mr. Campbell, and Mr. Hutcherson come up with a plan for the area. It was also suggested that Mr. Mallory find out what the engineering costs would be for engineering the area from the bridge to Row 94. Mr. Hutcherson said a picnic area could bring a lot of traffic from the creek area. It was also noted that utilities would not have to be moved if the area was utilized as a picnic area. Councilmember Sanford suggested that Mr. Hutcherson proceed with leveling up the area and putting up posts. Councilmember Pruitt suggested that costs be obtained in the next sixty days for poles and tables. It was discussed that the picnic area would extend to the walkway with food concessions on each end.

ADJOURN - There being no further business to come before the Council, Councilmember Pruitt moved that the meeting be adjourned. Councilman Hutcherson seconded, and the meeting was adjourned.


Don Hackney, Mayor

ATTEST:


Rhita Koches, City Secretary

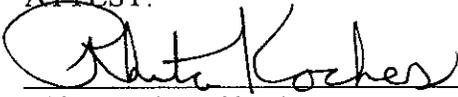
REGULAR MEETING
CANTON CITY COUNCIL
6:30 P.M., TUESDAY, APRIL 17, 2001
CITY HALL, 290 E TYLER STREET, CANTON, TEXAS

The regular meeting of the Canton City Council scheduled for the above-named date and time in the City Hall Council Chambers, was re-scheduled for April 24, 2001, due to the lack of a quorum.

No discussion was had and no business was considered.


Don Hackney, Mayor

ATTEST:


Rhita Koches, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 RE-SCHEDULED FROM APRIL 17, 2001 MEETING
 CITY OF CANTON, TEXAS
 6:30 P M., TUESDAY, APRIL 24, 2001
 CITY HALL, 290 E TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Don Hackney, Beverly Hutcherson, Raymond Pruitt, Ron Sanford, and Rusty Wilson. Councilmember Tommy Roberts was absent.

Discussion and action were as follows:

- CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hackney called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by Mayor Don Hackney.

INVOCATION was given by City Manager Johnny Mallory.

PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was led by Mayor Hackney.

GUEST ITEMS – Mayor Hackney recognized Marsha Holt who called on Florence Bartlett DeRuro. Mrs. DeRuro told the Council that descendants of her family had contributed a lot to Canton and helped to make Canton a better place to live. She said she was before the Council to make a plea for the High School and Church in the High Community. Mrs. DeRuro said her mother taught in the one-room school, and she felt the building was a monument to the people of the community. She told the Council that the historic location was the site of plays, box suppers, pie suppers, and many community events. She said her mother had many dreams for the place which hold particularly happy memories for so many in the community. Mrs. DeRuro said she is a niece of Mr. and Mrs. Henry Blackwell who donated the Chamber of Commerce building. She said she would be glad for the City to find a location for the old High School building and make it available for gatherings such as weddings. Mrs. DeRuro said children today are missing out on these kinds of things and requested the Council's assistance. Mrs. DeRuro concluded her remarks with a poem and a promise to move the building and keep it up.

Nancy Young told the Council that many local people attended this school, and it was a special place for them. She referred to the Edgewood's Heritage Park and told the Council that Canton has lots going but could have a lot more.

Marsha Holt, President of the High Cemetery Association, said Lyndon B. Johnson many years ago wrote a letter to Mrs. DeRuro's mother honoring her as a one-room school teacher.

Mayor Hackney told the audience that the Council would not be able to take action at this meeting but would like to consider the matter. Councilmember Pruitt asked if they were wanting

to move the schoolhouse. Mrs. Young said the building is over 100 years old, and they would like to move and preserve it

Mayor Hackney recognized Kenneth Russell. Mr. Russell said he had lived in Canton for about six years. He wanted to present a petition to the Council requesting improvements to Sleepy Hollow, Dogwood, Wildwood, Maplewood, and Oakwood in the Woodlands Addition. He said those streets are in deplorable condition, and he had 51 signatures on the petition requesting improvements. Mr. Russell invited Councilmembers to visit the area. He said the people on the petition lived there or did walk there. He said they are no longer able to walk there due to the condition of the streets. He said they were not asking for curb and gutter but would request some kind of an upgrade that would make the area a credit to the City. Mr. Russell said that since he had advised the City about the problem, the City would now be liable if someone is hurt on the street. He then presented the petition to Mayor Hackney and said he assumed the matter would be placed on the Council's agenda for May 15th. Mayor Hackney said he did not know that yet.

Councilmember Wilson said he had been down there, and he thought most of the Council had seen it. He asked Mr. Russell whether the residents there would allow the City to go in and take care of the ditches in order to take care of the water problems. Mr. Russell said he thought the residents would agree if the sides of the ditch were sloped to allow mowing and maintenance. Mr. Russell said the culverts under Woodland are 48 inches and the culverts on Sleepy Hollow are only 14 or 16 inches. He said the culverts should be larger to handle the amount of water. He said all of the streets are high in the center so that water crosses into the yards. Mr. Russell said residents would probably not object if the work was done properly. Councilmember Wilson said he had no argument and realized there was a problem. Mr. Russell said the City usually leaves barricades in the Oakwood and Tanglewood areas because it will be underwater. Mr. Russell said he did not know who owned the creek area. City Manager Johnny Mallory said that Henry Lewis owned that property. Mr. Russell said it would help if the creek were straightened out.

Mayor Hackney then recognized Willard Littlejohn who also lives in the Woodlands Addition. Mr. Littlejohn said he had lived in Canton 16 years and had never had a problem except the street. He said he is not able to walk in the area because if he fell, he and his wife would both end up in a nursing home. He said he would appreciate anything that could be done so they could walk in the area again.

Mayor Hackney thanked Mr. Littlejohn for his comments and said the Council would take the request under advisement and see what could be done.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE MARCH 20, AND MARCH 31, 2001 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the Minutes be approved as presented. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE MARCH 2001 FINANCIAL STATEMENTS - City Manager Johnny Mallory read the totals from the March 2001 Financial Statements. Councilmember Wilson moved that the Financial Statements be approved. Councilmember Sanford seconded, and all voted in favor.

PRESENTATION BY DIANNE BONSAI REGARDING REPAVING AND GUTTERS ON TOWER STREET; DISCUSS AND CONSIDER ANY ACTION NECESSARY PURSUANT TO PRESENTATION – Dianne Bonsal told the Council that she lived on Tower Street and was requesting, on behalf of the residents of Tower Street, that the condition of the street be addressed. She noted that previous construction on Woodland and Big Rock resulted in extra traffic on Tower Street. She said she had a petition to the Council requesting that the matter be reviewed. Mrs. Bonsal told the Council she realized there were lots of streets in town. Mayor Hackney asked Street Committee members Wilson and Hutcherson if they had any suggestions. Councilmember Wilson said he had spoken to Mr. Mallory, and they would need to go out and see what needs to be done. Mayor Hackney asked that the Committee review the situation and keep Mrs. Bonsal informed. Mrs. Bonsal presented the petition to Mayor Hackney and thanked the Council.

DISCUSS AND CONSIDER REQUEST OF FIRST UNITED METHODIST CHURCH FOR CLOSURE OF PACIFIC STREET (BEHIND CHURCH) FROM MULBERRY STREET TO GOSHEN STREET ON SATURDAY, APRIL 28, 2001, FROM 3:30 P.M. UNTIL 8:30 P.M. FOR CORNERSTONE DAY CELEBRATION – Mayor Hackney recommended that the Council allow the requested street closure for the Methodist Church's Cornerstone Day Celebration. Councilmember Sanford noted that there was one house on the street whose residents would need to be notified. Councilmember Pruitt moved that the street closure be granted as requested. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF 0.122 ACRE TRACT ON INTERSTATE 20 OWNED BY DR. TRAVIS DEEN – Mayor Hackney announced that two public hearings had been held on the proposed annexation. Councilmember Pruitt moved that the annexation ordinance be adopted. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPLICATION FOR U.S. DEPARTMENT OF JUSTICE THREE-YEAR GRANT FOR SCHOOL RESOURCE OFFICER – Mayor Hackney called on Police Chief David Hammond who recognized Sgt. Ron Carroll. Chief Hammond said Sgt. Carroll had researched this issue and written the grant application. He requested that Sgt. Carroll present the matter to the Council. Sgt. Carroll explained that the application was for a three-year grant through the Department of Justice. He said this grant was unique because it is for 100% funding instead of a split funding as prior grants have been. Sgt. Carroll said he was requesting Council approval for the grant application. The grant will furnish an officer for the Canton Independent School District to assist with issues such as crime prevention and drug and tobacco awareness. Sgt. Carroll said there were 140 calls to the School District last year. Those calls take an officer off of the street where a School District officer would be available to handle those matters. Sgt. Carroll told the Council that the grant application is for \$117,448 which includes salary and benefits for the officer as well as training. Sgt. Carroll said the City would have to pick up the funding for this officer in the fourth year, and he was looking at a state grant for the fourth year to keep an officer on school property. He said he did not see a problem getting that grant in three years. Sgt. Carroll recognized Dr. Davis, President of the Canton ISD School Board, Mr. Larry Davis, Canton ISD Superintendent, and Mr. Adams who is President of the Texas Association of Resource Officers and works in the Longview School District. Councilmember Wilson asked whether an officer had been targeted for the position. Sgt. Carroll responded that

Michel Abio, who has been working with the schools, would be assigned to the District and an additional officer would be hired for the Canton Police Department. Councilmember Pruitt asked how sure the fourth year grant was, and Sgt. Carroll said he was about 90% sure of getting that funding. He said the Department would start working on that grant in two years. Councilmember Pruitt asked when the City would be notified if the grant was awarded. Sgt. Carroll said the application would be submitted to Washington, and they would be looking to hire the officer in July or August to start. Councilmember Pruitt asked if the officer would cover all campuses and would also handle traffic. Sgt. Carroll confirmed that the officer would work traffic at the schools in addition to covering all Canton ISD campuses. Councilmember Pruitt asked if the School Board was in favor of this. Superintendent Larry Davis said, with the things happenings in schools in the last few years, it would be good to have a law enforcement presence. He said he was 100% behind the program, and the School Board has agreed. He said the District would be very pleased if the Council would support this effort. Councilmember Wilson moved that the City proceed with the grant application for a School Resource Officer. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPLICATION FOR GRANT FROM THE U S FIRE ADMINISTRATION FOR EQUIPMENT FOR FIRE DEPARTMENT – Fire Chief Brian McNevin told the Council that 56% of a \$100 million federal fund had been allocated for volunteer fire departments. He said the Canton Department would like to apply for \$45,500 for ten sets of bunker gear, forty PASS alarms, ten new air packs, and ten spare bottles. Chief McNevin said the grant requires 10% in matching funds from the City which would be \$4,550. Chief McNevin requested authorization to make the grant application. Councilmember Wilson asked if the 10% matching funds would be available. Mr. Mallory said he had met with the Chief, and they had identified the funds. Councilmember Sanford moved that the City proceed with the grant application for \$45,500 with 10% in matching funds from the City. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDED BID FOR PURCHASE OF VEHICLE FOR CITY MANAGER – Mayor Hackney read the bids received:

| | | |
|-----------------|-----------------------|-------------|
| Lewis Chevrolet | 2001 Chevrolet Malibu | \$16,445 00 |
| Canton Motors | 2000 Dodge Status ES | \$13,465 00 |

Mayor Hackney asked for the recommendation of the City staff and Mr. Mallory said that he had none. Councilmember Wilson told the Council he thought the bid specifications may have been too tight, and he would move to re-bid or put the matter over to the next fiscal year. Mr. Mallory said his current vehicle was still running but needed four new tires. Councilmember Hutcherson said she would not be in favor of spending any more money on the City Manager's current vehicle. Councilmember Pruitt said he would second Councilmember Wilson's motion to move the matter to the next fiscal year. Councilmembers Wilson and Pruitt voted in favor of the motion. Councilmembers Sanford and Hutcherson voted against the motion. Mayor Hackney broke the tie by voting to move the matter to the next fiscal year.

DISCUSS AND CONSIDER AWARDED BID FOR PURCHASE OF COPIER FOR CITY HALL – Mr. Mallory presented the bids received:

| | | |
|---------------------------|-------------------------------------|-------------|
| Budget Business Systems | 4000D Royal Copystar Digital Copier | \$10,500.00 |
| Complete Business Systems | Aficio 450e | \$ 9,171 68 |

Xerox Business Solutions Xerox Digital Copier 430

\$199 86 per month
on 60 month lease

It was noted that the Xerox bid did not meet the minimum specifications advertised. Mr. Mallory said it would be the recommendation of the City Staff to accept the lowest bid. Councilmember Pruitt said it was his understanding that Budget Business Systems had provided the City with use of a copier when the current copier went down during preparations for a major event. He asked Jerry Eagan, representative of Complete Business Systems, if they could be counted on for that kind of service. Mr. Eagan said if the City needed that service, they could provide it. Mr. Eagan told the Council that he had been present for the bid opening and was present for this meeting to show the kind of company they are. He said Complete Business Systems is the largest copier company in East Texas. Mayor Hackney asked whether Complete Business Systems would be able to loan the City a copier or take care of repairs if the machine went down during a large RV rally or other event. Mr. Eagan said they had a technician on call on weekends and that he was sensitive to the City's First Monday event. Councilmember Pruitt moved that the bid be awarded to Complete Business Systems. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER AUTHORIZATION OF EXPENDITURE FOR AUDIO RECORDING EQUIPMENT FOR CITY COUNCIL CHAMBERS – Mr. Mallory told the Council that the following estimates had been received for audio recording equipment for the Council Chambers:

| | | |
|------------------|---|------------|
| Lanier | Lanier Advocate V four channel recorder, mikes and stand | \$3,215.00 |
| Ford Audio-Video | Tascam cassette deck, Shure mixer and mikes | \$6,336.47 |

Mr. Mallory said there was funding available in the budget for this expenditure, and the Staff would recommend the lower estimate. It was the consensus of the Council that this matter be postponed for consideration in the budget for the next fiscal year.

DISCUSS AND CONSIDER AWARDED BID FOR SALE OF 1969 FORD DUMP TRUCK – Mr. Mallory reported that the following bids had been received for the sale of the 1969 Ford Dump truck:

| | |
|----------------------------|----------|
| Michael L. Thompson | \$416.00 |
| Joey Myers | \$275.00 |
| Loyd Easley | \$685.00 |
| Country Auto Sale & Repair | \$500.00 |

Councilmember Pruitt moved that the truck be sold to the highest bidder, Loyd Easley. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDED BID FOR SALE OF JOHN DEERE 544 FRONT END LOADER - Mr. Mallory reported that the following bids had been received for the sale of the John Deere 544 front end loader:

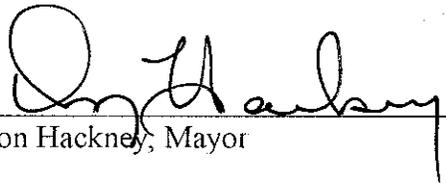
| | |
|----------------------------|------------|
| Joey Myers | \$3,755.00 |
| Country Auto Sale & Repair | \$2,500.00 |

Councilmember Pruitt moved that the truck be sold to the highest bidder, Joey Myers Councilmember Wilson seconded, and all voted in favor.

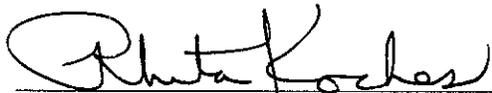
DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Mayor Hackney announced that he was disbanding the various Council Committees as of this meeting to allow the new Mayor to make his appointments.

Councilmember Pruitt said he had received many compliments on the First Monday and City staff during the recent RV rally. He suggested that letters of recognition be presented to the employees involved with the event. Councilmember Hutcherson noted that the administrative employees received no overtime pay for their services during the event.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned at 7:20 p.m.


Don Hackney, Mayor

ATTEST:


Rhita Koches, City Secretary

CALLED CITY COUNCIL MEETING
CITY OF CANTON, TEXAS
8:00 A.M., TUESDAY, MAY 8, 2001
CITY HALL, 290 E TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above named date and time in the City Hall Council Chambers. Members present were Mayor Don Hackney, Ron Sanford, and Raymond Pruitt. Council members Beverly Hutcherson, Tommy Roberts, and Rusty Wilson were absent.

Discussion and action were as follows:

CALL MEETING TO ORDER - Mayor Don Hackney called the meeting to order.

CANVASS MAY 5, 2001 GENERAL ELECTION RETURNS - The Council canvassed the election returns for the May 5, 2001 general election of the Mayor and two Council members. After the Council canvassed the results of the election, Councilmember Sanford made a motion to accept the returns as presented by the Election Judge with the results being as follows:

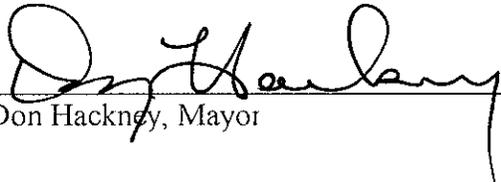
| <u>CANDIDATE</u> | <u>OFFICE</u> | <u># OF VOTES</u> |
|---------------------|---------------|-------------------|
| Wade Whitaker | Mayor | 163 |
| William F. Hilliard | Mayor | 208 |

| | | |
|-----------------|----------------|-----|
| Charles E. Lide | Council member | 142 |
| Ron Sanford | Council member | 255 |
| Rusty Wilson | Council member | 261 |

TOTAL NUMBER OF VOTES CAST: 382

Councilmember Pruitt seconded the motion, and all voted in favor.

ADJOURN - There being no further items for discussion, Councilmember Pruitt moved that the meeting be adjourned Councilmember Sanford seconded, and all were in favor



Don Hackney, Mayor

ATTEST:



Rhita Koches, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P M , TUESDAY, MAY 15, 2001
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers Members present were Mayor Don Hackney, Beverly Hutcherson, Raymond Pruitt, Tommy Roberts, Ron Sanford, and Rusty Wilson

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hackney called the meeting to order at 6:30 p.m. and declared that a quorum was present

MAYOR'S WELCOME was given by Mayor Don Hackney

INVOCATION was given by Councilmember Roberts

PLEDGE OF ALLEGIANCE -The Pledge of Allegiance was led by Mayor Hackney

OATH OF OFFICE ADMINISTERED TO ELECTED COUNCIL MEMBERS AND MAYOR - City Secretary Rhita Koches administered the oath of office to newly elected Mayor William F Hilliard and Councilmembers Ron Sanford and Rusty Wilson

PRESENTATION TO OUTGOING MAYOR DON HACKNEY - Mayor Pro Tem Pruitt presented a plaque to outgoing Mayor Hackney and thanked him for his four years of service to the Council and the City of Canton. Councilmember Pruitt cited Mayor Hackney's accomplishments and particularly thanked him for his efforts on Main Street and with the Texas Department of Transportation.

REMARKS BY OUTGOING MAYOR DON HACKNEY - Outgoing Mayor Hackney told the audience that a lot had been accomplished during his tenure, and he would like to see the Council and the citizens think toward a master plan for the City of Canton. He said a master plan would help in obtaining grants that are now available to Canton as a Main Street City. Mayor Hackney thanked everyone for their support during his two terms as Mayor.

APPOINTMENT OF MAYOR PRO TEM BY CITY COUNCIL - Councilmember Sanford moved that Raymond Pruitt be named as Mayor Pro Tem. Councilmember Wilson seconded, and the motion carried.

GUEST ITEMS - There were no guest items.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE APRIL 17, APRIL 24, AND MAY 8, 2001 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the Minutes of the April 17, April 24, and May 8, 2001 meetings of the Canton City Council be approved. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE APRIL 2001 FINANCIAL STATEMENTS - Mayor Hilliard announced that copies of the Financial Statements were available for audience members. Councilmember Pruitt moved that the Financial Statements for April 2001 be approved. Councilmember Wilson seconded, and all voted in favor.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING AT 1108 SOUTH BUFFALO, CANTON, TEXAS, OWNED BY DAN McLEMORE AND PATRICIA KEY FROM R-1 (RESIDENTIAL) TO RPO (RESTRICTED PROFESSIONAL OFFICE) - Mayor Hilliard announced that the Planning and Zoning Commission had met May 8, 2001, and voted in favor of the zoning change requested. Mayor Hilliard stated that the zoning change had been requested so the property owners could sell the property to Dr. Jimmy Dailey for a medical office.

Mayor Hilliard opened the public hearing and called for comments. Mayor Hilliard recognized Juanita Hackney and requested that comments be limited to three minutes. Mrs. Hackney told the Council that she lived at 110 Eubank Drive which is located directly across the street from the subject property. She said the zoning change would change the scope of Eubank Street where her family's home has been since 1950. She said her husband's mother and father lived there and her husband grew up there. Mrs. Hackney told the Council that any kind of business at the site would change the street and would have a greater affect on her family than on any of the Buffalo Street property affected. She said it was a personal issue, and that she had always been friends with Betty McCann, Dan McLemore, and all of the Councilmembers. She said it would be a change to the neighborhood.

Dr Jimmy Dailey, the proposed purchaser of the property, told the Council that Mrs. Hackney was right, and his building would be a marked change. Dr Dailey said he was board certified in family medicine and had come back to Canton and Van Zandt County to practice. He said the property would be improved. His building will look like a home. He said he thought his building will set a pace for other developments in Canton. In addressing the volume of traffic, Dr Dailey said that his office worked by appointments and tried to see patients in fifteen minutes. He said there would be ingress and egress off of Buffalo and Eubank Streets with low key signs. He said he had planned landscaping that would make everyone proud. Dr Dailey said he thought the location was appropriate for his office and noted that Dan McLemore, the property owner, had been kind enough to work with him. He said he thought his building would be an improvement to the area, and he would make the clinic look like it fit in.

Councilmember Sanford asked Dr Dailey if the construction would be compatible with homes and have a pitched roof. Dr Dailey said he did not know the exact pitch of the roof, but it would be a rectangular building which was long across the front and had three dormer windows across the front. He said he had planned a central entryway. Councilmember Sanford then questioned whether the entrance would be off of Buffalo Street. Dr Dailey said he had not considered not accessing the property from Eubank Drive. He said he anticipated three to six cars per hour, and there may be cars coming to the office from Highway 19.

Councilmember Roberts said it was his understanding that there could not be an entrance from Eubank Drive. City Building Inspector Ricky Malone said the City's Zoning Ordinance provides that where property adjoins a residential area and a major thoroughfare, the property owner had to use the major thoroughfare. Councilmember Roberts asked if Dr Dailey proposed building a fence, and Dr Dailey said he had not planned a fence yet. Councilmember Roberts asked why not construct a fence down Eubank to keep the view from the Hackney property. Dr Dailey said ingress and egress would be in compliance with whatever the City's ordinance required. He said he had not really considered a fence but he was willing to work with the landowners. Dr Dailey said when the construction is completed the landowners may not want a fence.

Councilmember Roberts said, due to the fact that Dr Dailey had planned an entrance off of Eubank Drive, there would be no way to keep people from going out that way. Dr Dailey said there is currently thick heavy brush and a barbed wire fence there now. He said Buffalo Street would provide easy access. Dr Dailey said he would make sure there was an obstruction to prevent access to Eubank Drive.

Councilmember Hutcherson asked Dr Dailey if he was concerned about school traffic in the area. Dr Dailey said he was actually pleased about the 30 mph speed limit. He said drivers in the area would be more careful and cognizant which would help his elderly patients. He said his office would not be an emergency care facility, and the slow speed zone would be safer.

Michelle Blackburn told the Council there are no other businesses on Buffalo Street between Jane's Beauty Shop and Free State Abstract, and she would like to see it remain that way. She said Buffalo Street is one of the few streets like that. She said there were commercial zones all over town that would be available. Mrs Blackburn said as a child she walked up Buffalo Street to Eagle Drug, and with more businesses going in, that would not be possible for children anymore. She said she was concerned about the parking lot and would hate to see the trees taken

out and the lot full of concrete. Mrs. Blackburn suggested that the Council go by Dr. Turner's office or her parents' dental office to view the traffic. She said three to five cars would be a bare minimum since there would be cars for staff as well as patients. Mrs. Blackburn said the fence is also a concern and suggested that an eight foot fence would probably maintain the integrity of the street. She said that would be better than the view of the back of the building and the dumpster that will probably be placed behind the building. Mrs. Blackburn said eventually she or one of her siblings will live there with their parents, Dr. and Mrs. Hackney, just as her parents lived there with her grandparents. She told the Council this matter was difficult because it affects people they know. She said this will be Dr. Dailey's office but it is their home forever.

Donice Corey told the Council that she was employed by Dr. Dailey and lived in Canton. She said the comparison to other doctors' offices is not a comparison to the building Dr. Dailey will have. She said any dumpster would have to be enclosed. She said she wanted Dr. Dailey in Canton. Mrs. Corey said the local doctors are getting older, retiring, or re-marrying and taking extended trips. She said families in Canton desire and need a qualified physician which Dr. Dailey is. Mrs. Corey said if a child is hurt at school, the office would be conveniently located across the street. She said the construction would not be a barn which would be offensive to neighboring property owners when they look out their windows. Mrs. Corey closed by saying she felt the building would not be offensive, and Canton needed Dr. Dailey.

Councilmember Sanford moved that the recommendation of the Planning and Zoning Commission to change the zoning from R-1 to RPO be approved. Councilmember Pruitt seconded. Councilmembers Roberts, Sanford, Pruitt, and Hutcherson voted in favor of the motion. Councilmember Wilson voted against the motion. The motion carried.

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AMENDING AUTHORIZED REPRESENTATIVES FOR TEXAS LOCAL GOVERNMENT INVESTMENT POOL ("TexPool") – Councilmember Sanford moved that the following Resolution be adopted:

RESOLUTION AMENDING AUTHORIZED REPRESENTATIVES

WHEREAS, the City of Canton, Texas ("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool"), a public funds investment pool, was created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act

NOW THEREFORE, be it resolved as follows:

A That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool and are each further authorized to withdraw funds from time to time, to

issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds

B That an Authorized Representative of the Participant may be deleted by a written instrument signed by all remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool account or (2) is no longer employed by the Participant; and

C That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representatives of the Participant. These individuals will be issued P I N numbers

| | |
|---|--|
| 1 Name: Johnny M Mallory Signature _____ | Title City Manager Direct Phone Number (903) 567-2826 |
| 2 Name: Rhita Koches Signature _____ | Title City Secretary Direct Phone Number (903) 567-2826 |
| 3 Name Debbie Phillips Signature _____ | Title Accountant Direct Phone Number (903) 567-2826 |

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement

Name: Debbie Phillips

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry rights only, complete the following information

| | |
|------------|-------|
| 4 Name N/A | Title |
|------------|-------|

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool receives a copy of any such amendment or revocation This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 15th day of May, 2001

Councilmember Roberts seconded, and all voted in favor

DISCUSS AND CONSIDER ACCEPTANCE OF ANNEXATION PETITION FOR APPROXIMATELY 116 ACRES LOCATED IN THE STOCKWELL SURVEY, VAN ZANDI COUNTY, TEXAS, OWNED BY HORACE ETHERIDGE – Mayor Hilliard announced that the petition for annexation filed by Horace Etheridge had been withdrawn

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION ENDORSING AND AUTHORIZING SUBMISSION TO THE TEXAS DEPARTMENT OF TRANSPORTATION STATEWIDE TRANSPORTATION ENHANCEMENT PROGRAM A PROJECT NOMINATION PROVIDED BY THE TRANSPORTATION EQUITY ACT FOR THE 21ST

CENTURY – Mary Kay Thomas of Gary Traylor and Associates of Tyler presented the Council with copies of the budget estimate and map of the proposed project to be submitted for grant approval Ms Thomas told the Council that cities across Texas are accessing the grant funds but that Canton had the advantage of First Monday. She said the total budget would be \$1,052,196 which breaks down to \$210,439 in local matching funds and \$841,757 in grant funds requested She said the applications will be submitted in June with awards announced in August.

Councilmember Roberts said it was his understanding that the City’s matching funds would not have to be made available until the grant is awarded Ms. Thomas said that not more than half of the City’s match would come out of 2001-02 funds when projects are administered locally She said hopefully the City would know whether a grant had been awarded in August.

Councilmember Pruitt moved that the following Resolution be adopted:

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS, ENDORSING AND AUTHORIZING SUBMISSION TO THE TEXAS DEPARTMENT OF TRANSPORTATION STATEWIDE TRANSPORTATION ENHANCEMENT PROGRAM A PROJECT NOMINATION PROVIDED BY THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY

WHEREAS, the City Council of the City of Canton desires to nominate various transportation related activities, collectively referred to as The Canton/First Monday Trade Days Streetscape Project; and

WHEREAS, the Project will enhance bicycle and pedestrian modes of travel by constructing or reconstructing walking and biking trails that join various community facilities, shops, businesses, activities and recreation sites, including the site of **Canton’s First Monday Trade Days**, making them more usable for pedestrians and bicyclists; objectives consistent with the TxDOT Statewide Transportation Enhancement Grant Program, as provided for by the Transportation Equity Act (TEA-21) For The 21st Century; and

WHEREAS, the City desires to establish its commitment to pledge the 20 % match in accordance with the Texas Transportation Enhancement Program guidelines; and

WHEREAS, the City commits to the Project’s development, implementation, construction, maintenance, and financing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS:

That the City’s Mayor is hereby authorized to execute all documents necessary for the submission of the Canton/First Monday Trade Days Streetscape Project to TxDOT

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS, THIS 15TH DAY OF MAY, 2001.

Councilmember Hutcherson seconded, and all voted in favor

DISCUSS AND CONSIDER AMENDMENT TO ORDINANCE NO 97-03, AS PREVIOUSLY AMENDED, (REGULATING THE CONSTRUCTION AND USE OF SIGNS

WITHIN THE CITY LIMITS) TO PROHIBIT BILLBOARDS AND OFF-PREMISE SIGNS INSIDE THE CITY LIMITS EXCEPT IN THE AREA OF 300 FEET OUTSIDE OF THE INTERSTATE 20 RIGHT-OF-WAY – City Manager Johnny Mallory told the Council that the recent construction of a new billboard on Highway 19 had prompted the recommendation that billboards be permitted only in the Interstate 20 corridor. Mr. Mallory said the existing off-premise billboards already located in other areas within the city limits would be considered as “non-conforming use” and could not be re-built in the event they were 60% destroyed.

Councilmember Wilson moved as follows:

That the “Sign Ordinance” (Ordinance 97-03) be amended to prohibit billboards and off-premise signs in all areas inside the City Limits with the exception of that land along Interstate 20 a distance of 300 feet outside the I-20 right-of-way. Signs in the excepted area will conform to Section IV of Ordinance 97-03 and all of its amendments.

That a new definition be added to Ordinance 97-03:

“Billboards” and “Off-premise Signs” means a sign displaying advertising that pertains to a business, organization, activity, person or persons, event, place, service, product, or agency not principally located or primarily manufactured or sold on the premises on which the sign is located.

Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER MAINTENANCE OF CITY PARKS – Councilmember Pruitt said that First Monday Operations Manager Rayford Hutcherson and Public Works Director Pete Lucas had already addressed his concerns about maintenance of the park. Councilmember Pruitt commended Mr. Hutcherson’s and Mr. Lucas’ employees for the great job they have done on the parks this year.

DISCUSS AND CONSIDER APPOINTMENTS TO PLANNING AND ZONING COMMISSION – Mayor Hilliard announced that Jimmy Boroughs and Tommy Eubank have agreed to be re-appointed to the Planning and Zoning Commission. Councilmember Sanford moved that Jimmy Boroughs and Tommy Eubank be re-appointed to the Planning and Zoning Commission. Councilmember Roberts seconded the motion, and all voted in favor.

DISCUSS AND CONSIDER APPOINTMENTS TO BOARD OF ADJUSTMENT – Mayor Hilliard announced that Walter Clemments had agreed to be re-appointed to the Board and that Larry Roe had declined re-appointment. It was also announced that Dr. Tina Ingram had agreed to serve on the Board of Adjustment if appointed. Councilmember Pruitt moved that Larry Roe and Tina Ingram be appointed to the Board of Adjustment. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPOINTMENT TO MAIN STREET ADVISORY BOARD – Councilmember Pruitt said he would like to see Don Hackney appointed to the Main Street Advisory Board and also have Mr. Hackney continue as the front leader on the pending TxDOT grant process. Since the TxDOT assignment had not been included in this agenda, Mayor Hilliard announced that it would be considered at a later date. Councilmember Wilson moved that Don

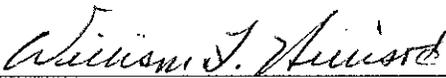
Hackney be appointed to serve on the Main Street Advisory Board Councilmember Hutcherson seconded, and all voted in favor of the motion

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551 072) - The Council convened in Executive Session at 7:17 p m. to discuss the potential purchase of real property

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in Open Session at 7:30 p m. with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS -- There were no matters for future agendas

ADJOURN - There being no further business to come before the Council, Councilmember Pruitt moved that the meeting be adjourned Councilmember Sanford seconded, and all voted in favor



William F Hilliard, Mayor

ATTEST:

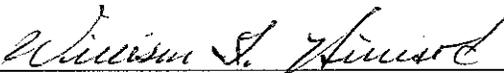


Rhita Koches, City Secretary

CALLED MEETING
CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
8:00 A.M., SATURDAY, JUNE 2, 2001
CITY HALL, 290 E TYLER STREET
CANTON, TEXAS

The called meeting of the Canton City Council scheduled for the above-named date and time in the City Hall Council Chambers, was re-scheduled for June 9, 2001

No discussion was had and no business was considered



William F Hilliard, Mayor

ATTEST:



Rhita Koches, City Secretary

CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
10:00 A M , SATURDAY, JUNE 9, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard and Councilmembers Beverly Hutcherson, Raymond Pruitt, Tommy Roberts, and Ron Sanford. Councilmember Rusty Wilson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 10:00 a.m. and declared that a quorum was present.

DISCUSS AND CONSIDER CHANGES TO LEASE AGREEMENTS FOR VENDORS WITH PERMANENT STRUCTURES AT FIRST MONDAY PARK - Councilmember Sanford said there were vendors who wanted to change the paragraph 1, Term, of the City's Lease Agreement to add a fourth renewal term. He said if a vendor had been there twenty years and had complied with Lease Agreement, the City would renew the lease anyway. Councilmember Sanford said the second requested change was under paragraph 3, Renewal Option, where the sentence says "Tenant may be allowed to continue to lease." He said the vendors highly object to that and would like to see it changed to "shall be allowed." Councilmember Sanford moved to make the changes and to give City Manager Johnny Malloy the authority to make the two changes on the current contracts of any other vendors that already have buildings at First Monday at the request of such vendors.

Councilmember Roberts asked if the proposed change affected only one vendor, and Councilmember Sanford said the changes could be applied to anyone who now had a building at First Monday. He said Mr. Malloy and the vendor could just make the changes to the existing leases and initial and date them. Councilmember Roberts said he did not want to treat any vendor differently from others. Councilmember Hutcherson said it was her understanding that it would cost the City to file new lease agreements with the County Clerk. Councilmember Roberts said he thought it was customary that the person who has the lien or the contract is responsible for filing the document. Mayor Hilliard said the person requesting the change should pay any necessary filing fees. Councilmember said he would like to add to his motion the provisions that the party requesting the change would be responsible for any filing fees.

Councilmember Roberts seconded the motion. Mayor Hilliard asked First Monday Operations Manager Rayford Hutcherson if he had any comments about the proposed change. Mr. Hutcherson said it was fine with him since the vendors were the ones investing their money at the First Monday park. All voted in favor of the motion.

WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2001-2002 FISCAL YEAR

WORKSHOP AND CONFERENCE WITH EMPLOYEES TO RECEIVE INFORMATION AND/OR QUESTION EMPLOYEES

Mayor Hilliard called on the members of the Council for their input in the budget planning. Councilmember Roberts distributed a list of matters he felt pertained to the budget:

To: Canton city council and Mayor
 From: Tommy Roberts
 Subject: Changes that need to be given strong consideration

1. Budget format changes
 - A. Line items set up for revenue and expense accounts for First Monday
 - a. First Monday Parking
 - b. First Monday Vendor Rentals Pavilion
 - c. First Monday Rentals Open Air
 - B. System set up to show where transfers from First Monday are going and to what line item in water and sewer etc
 - C. Line item for other revenue accounts to General Fund
 - D. Line item accounts set up for expenditures – not just a check listing
2. Need to set up evaluations for employees, done by department heads and department head evaluation done by City Manager every 6 months. To be done on an approved form and signed by department head and employee. Evaluation of City Manager to be done every 6 months by City Council and signed by City Manager. An unsatisfactory evaluation 3 times of any employee will be cause for termination.
3. Would like to change city engineer before any more projects are started
4. Would like to consider City Attorney being on a 5-year rotation among local attorneys interested in representing the City of Canton
5. Current Policy Manual needs to be reviewed and revisions made. As the City grows and changes are made we need to keep up to date the policy manual

I would ask each of you to consider these proposals and would welcome your input and suggestions. We need to take action on these changes and I would like to put it on the agenda for the next regular meeting in June

Councilmember Hutcherson asked why the evaluations should be held twice per year, and Councilmember Roberts responded that it may be possible to eventually go to one evaluation per year. Mr. Mallory noted that employees are presently evaluated twice each year. Councilmember Pruitt said it was his understanding that employees are also allowed a chance to respond to the

evaluation. Councilmember Roberts said it would be okay if this process was already in place. He said he felt the matters set out in his memorandum were relative to the budget.

Councilmember Pruitt said he would like the City to consider a museum. He said the bell collection was already in place. He said Don Hackney, the owner of the old theater building, had been contacted, and he was asking \$180,000 for the building and adjoining lot. It was estimated that payments over a five year period would be approximately \$3,400 per month. Councilmember Pruitt said he would propose that the hotel occupancy tax be increased from 5% to 7% to generate revenue to cover payments on the property. He suggested that the Council also consider reducing the amount of the hotel occupancy tax paid each year to the Chamber of Commerce. Councilmember Pruitt suggested that the City also consider having Al Campbell, Julie Jackson, and Jim Stephens handle all advertising in-house in order to save any commission fees currently paid to outside sources. He told the Council that he would like for them to consider reducing the amount allocated to the Chamber and then write the Chamber and discuss the matter with them.

Councilmember Sanford said he was not opposed to a museum, but he thought the Oaks Shopping Center on Highway 198 could be purchased for \$250,000. He said City Hall and everything else could be moved to that building. He said he would like to see the Council take a strong look at that building. Councilmember Hutcherson inquired about the cost of renovating that building. Councilmember Sanford said he would estimate that renovations would cost a half million dollars in addition to the cost of the building. However, he noted that the City would save \$4000 in rent payments. Mayor Hilliard said the Main Street Resource Team had suggested keeping as many municipal facilities as possible in the downtown area. Councilmember Pruitt said a new City Hall was needed, and he was not opposed to looking at the shopping center building. He said he felt the same about keeping city offices downtown, but there was no place to build. Councilmember Sanford agreed that there was no place to build City Hall downtown. He said if the shopping center would work, that location could take care of City Hall, the Police Department, the Chamber of Commerce, and the museum. Councilmember Roberts said he did not see a problem with the City Hall and Police Department at the Highway 198 location, but the museum would need to be in town. He recommended that the City obtain an appraisal on the theater property. Councilmember Pruitt said the theater was the most logical place for the museum. Councilmember Sanford noted that, if the City went with the theater location for the museum, there would have to be someone to open and close the building. Councilmember Pruitt said he had considered that but at this time he wanted to first consider raising the hotel occupancy tax from 5% to 7%. He asked if the Council had any objections, and there were none.

Councilmember Pruitt then asked the Councilmembers their feelings about reducing the allocation to the Chamber of Commerce and handling advertising in-house. He noted that Julie Jackson was on the Chamber Board and requested her input on the matter. Mrs. Jackson told the Council that she thought the Chamber would go under if the funding was cut. She noted the volume of telephone calls handled by the Chamber. Councilmember Pruitt asked if the City could pay for another employee. In response to Al Campbell's inquiry about the amount of the reduction, Councilmember Pruitt said the current budget provided for a \$40,000 allocation to the Chamber, and he would suggest \$20,000. City Manager Johnny Mallory said he understood that the Council wanted to increase the hotel occupancy tax from 5% to 7%. Councilmember Hutcherson noted that the hotel occupancy tax is higher in a lot of cities. Mr. Mallory said the increase would generate additional funds which would not be split with the Chamber. The Council then discussed

the estimated amount budgeted for hotel tax receipts and the estimated increase. It was noted that the County may be considering a hotel tax to be used for county-wide tourism. Mayor Hilliard asked if the City was also limited in its use of this tax, and Mr. Mallory advised that expenditures are limited to advertising and tourism-related items.

Councilmember Pruitt reminded the Council that a portion of the City's advertising budget is handled through a local advertising agency. He said he really liked the individual handling that advertising, but he would like to consider bringing that in-house where it would be handled by City employees. He suggested having City employees trained to handle that advertising. Councilmember Pruitt said he was not dissatisfied with the current advertising arrangements, but he was looking for ways to get more for the money. Mayor Hilliard asked if the advertising was only for radio. Al Campbell said they coordinate advertising with WBAP and other radio stations in addition to local coverage. Councilmember Pruitt said he originally thought the amount involved was considerably higher, but it appears to be only about \$10,000 to \$15,000. Councilmember Roberts said if that amount was all that had been spent, the City may not be able to do any better job. Mayor Hilliard asked the Council if they would like to think about this matter for thirty days. Councilmember Pruitt said he would consider going to a 15% hotel occupancy tax. Mr. Mallory noted that 7% is probably the maximum amount allowed by law.

Councilmember Pruitt then reminded the Council about the meeting several months ago at the First Monday Park and plans for concrete in additional areas and for walkways. He said those First Monday improvements should be right at the top of priorities. He said the City should also look at putting vendors in those areas with more merchandise. Rayford Hutcherson asked if a food concession was still being considered for the area near the pavilion walkway. He said the lots are not currently rented on a permanent basis. Councilmember Pruitt said he would like to see a great food concession there. Mr. Mallory noted that, under present conditions, when it rains vendors cannot set up there.

Councilmember Pruitt said he would also like to consider stainless steel fixtures for the City park restrooms. He would like to hear a proposal or cost estimate at the next budget meeting.

Councilmember Roberts said he would like to give a lot of consideration to as many improvements as possible at the First Monday Park. He suggested extending water lines and adding drinking fountains. Councilmember Pruitt said those improvements were being considered. He said he had also visited with a man that builds metal covers about placing a few at the Park for advertising. Councilmember Roberts said there also needs to be gravel to keep down the dust. The Council discussed looking at specific locations and determining costs. Councilmember Roberts said the City will have to continue to work at the First Monday Park. Mayor Hilliard said the First Monday Park looks hotchpotch if you drive through when the Park is vacant. He suggested getting someone to prepare drawings to make the area more aesthetic.

Councilmember Pruitt then addressed the issue of drilling a water well. He said Mayor Hilliard had suggested that the City needed a well, Mr. Mallory said the City could not afford a well, and Councilmember Roberts had obtained some pricing on wells which was even higher than anticipated. Councilmember Hutcherson said she would rather have another water tower to provide more water pressure. Councilmember Roberts said he had seen appraisals for wells in Smith County for \$924,000 and \$700,000. He did not know the exact size of the wells but one

well was for a subdivision. Mr. Mallory said the last well he had done in Smith County cost over \$1 million. Mr. Mallory then explained the differences in the aquifer in Smith County and Van Zandt County. He said he had spoken with a major drilling company about a well out at the Fairgrounds. They thought a finger of the aquifer was located there at 450 to 490 feet deep. He said the estimate for a gravel-packed well was \$300,000, but it would be best to build a ground storage tank and a pump station.

Mr. Mallory told the Council that, in considering water issues, there were problems which would have to be addressed in the next budget. He said another ground storage tank at the water plant is necessary so that repairs can be made to the existing ground storage tank. The estimated cost would be \$300,000. Mr. Mallory then explained some of the processes necessary in treating lake water. The City's current reading for THMs is 150, and TNRCC will soon require that the reading not exceed 60.

Mr. Mallory then turned the Council's attention to the City's sewer system. He said the collection system is very old and is getting a lot of infiltration, particularly in the area of Highway 198. He said something will have to be done with that line. Mr. Mallory said the Council will be hearing more about money and bonds during the budget process. He said the City is at a point where it will have to be done.

Mr. Mallory explained that the Wastewater Treatment Plant has one wedge wire bed which cost approximately \$100,000. Another drying bed will be necessary to dispose of more sludge. Mr. Mallory told the Council that the plant uses ultra violet lights to reduce fecal instead of using chlorine. The light unit is out in the open, and it will be necessary to build a shed to cover the area and keep the equipment out of the weather. The cost of the shed is estimated to be \$20,000 to \$30,000. Mr. Mallory stated that the next budget will be a challenge. Councilmember Pruitt asked for an estimate of the total dollars necessary for required needs, and Mr. Mallory said the amount would probably be close to \$1 million. He said it appeared that certificates of obligation would be the only way to cover these items. Councilmember Pruitt asked how the certificates would be repaid, and Mr. Mallory questioned whether it could come from First Monday. Councilmember Pruitt said First Monday rates could not be raised. Mr. Mallory said he had not yet gotten into the revenue side of planning, but the improvements were something that must be done. Councilmember Pruitt then asked how long the improvements would last and if these improvements were only stop-gap measures. Mr. Mallory said, based on the City of Canton's growth, proposed improvements on the water side would go out twenty years. He cited recent census figures which showed growth of only about 300. Councilmember Pruitt asked if \$1 million or \$1.5 million would allow the City to go out twenty years. Mr. Mallory said it would so long as there were no additional changes in the water rules and regulations. He noted that rules changes do happen.

Mr. Mallory then directed the Council's attention to streets. He told the Council that bids had been received for Meadow Street, and that matter would be on the Council's June agenda. The low bid was for \$310,077.55. The remaining balance in the TexPool account is \$960,000. Mayor Hilliard said he thought there were some limits on how long the City could keep those funds. Mr. Mallory said time limits depend on the size of the issue, and Mayor Hilliard asked Mr. Mallory if he would make sure that was the case. Mr. Mallory noted that the City already had the funds, and

they will be spent. Councilmember Hutcherson suggested that the remainder of Big Rock needed work. Mr. Mallory said that area could be overlaid.

Mayor Hilliard then asked Councilmembers Hutcherson and Sanford for their budget requests, and they had none.

Mayor Hilliard said First Monday revenue was something to be addressed. He said he was not familiar with all of the mechanics, but he felt the City needed to take a strong look at making First Monday produce more money. He said revenue would be his top priority.

Mayor Hilliard said his second priority would be the water supply. He said Mr. Mallory would have to convince him that another water well was not the best way to go. He inquired about the water well on Highway 19 near Jerry's Barber Shop. Mr. Mallory said that well pumps directly into the water system. Water Superintendent James Hall said the well is a good backup and sometimes pumps 24 hours per day, seven days per week. He said it pumps approximately 180 gallons per minute or about 300,000 gallons per day. Mayor Hilliard asked about the value of that volume of water. Mr. Mallory said, at \$2.50 per thousand gallons, the value would be \$750 per day. Mr. Mallory said there is also the cost to produce the water to be considered. He said sometimes the City does have to fall back on that well. Mayor Hilliard then addressed the well on South Highway 19 which had been drilled on his father's property. He said his father gave an easement, and the well was used for some time before it was capped over and the easement reverted back. Mayor Hilliard said, as an average citizen, all he wanted for use of the well was his water bill. He said the well was concrete and gravel-packed. He said he would give any instrument necessary to the City to allow access to the well and did not want any remuneration as long as he was on the Council.

Mayor Hilliard noted that the City also participated in a well at the school. He said that well has problems but is repairable. Councilmember Hutcherson asked why the City would need another well if they already had these wells. Councilmember Sanford said he thought Mayor Hilliard was suggesting use of the old wells in lieu of a new well. Mayor Hilliard said the City needs back-up water. Councilmember Sanford said he thought the well at the school had already been considered. Mr. Mallory said Andrews Foster came and looked at the well. Mr. Mallory said the problem was that TNRCC will not allow a plastic liner so the well would have to have a new liner. Mayor Hilliard said wells are drilled all the time with plastic liners. Public Works Director Pete Lucas said a well for a municipal water system cannot have a plastic liner. Mr. Mallory said the TNRCC also requires a municipality to have a drilling record for any well used in a public water supply. Mayor Hilliard said there was a record. Mr. Mallory said Mr. Foster had indicated he would send it if he had one, but no record has been received and the City does not have those records. TNRCC will not allow use of the well without those records. Mr. Mallory said Mr. Foster had indicated he would test the well for \$5,000 to \$6,000. Mr. Mallory said he was not sure why the City quit using the well. He said he had asked Gerald Turner, but Mr. Turner could not remember. Mr. Turner indicated he thought there was a problem of some kind with the well. Councilmember Sanford said there was no use spending money to test the well if there were no records. Mayor Hilliard said he knew the well ran a four inch pump. Councilmember Sanford suggested that the City make every effort to try to obtain the records on the well. Mr. Mallory said the records were not at City Hall or the Water Plant. Mayor Hilliard said the well had been drilled about the same time as the one on Highway 19. James Hall asked why the well was shut

down. Mayor Hilliard responded that the new water plant came in and the well was no longer needed

James Hall noted that another consideration would be that the aquifer is dropping every year. He said they have dropped the pump on the Highway 19 well forty feet while he has been employed with the City. Mr. Hall said he would like to have another well, but he would also like to see the City acquire additional water rights. Councilmember Hutcherson inquired if the City was ever in trouble with the water supply. Mr. Hall said that question was debatable. He said the City has been close to rationing, but prior rationing has only affected First Monday weekends. He noted that the area is in the third or fourth year of a drought

Mr. Mallory told the Council that a third booster pump has been installed at the Water Plant. He said the plant is currently capable of pushing all the water needed. He also told the Council that the Water Plant had just gone through a TNRCC inspection. He said the only deficiency he was aware of was a shortage in the number of licensed operators

Councilmember Roberts said he did not disagree with the improvements that will be required but noted that there will be challenges with the budget. He said Mr. Mallory will have to get the figures together for the required improvements. He said he did not want to see the Council approve a budget and later find out that another \$300,000 or \$500,000 was needed that should have been known about. He said the Council will have to look at those things and then see what else can be justified. He said it would be a challenge since some of the things would be required

Councilmember Roberts said his first priority would be improvements at First Monday to generate other revenue. He said priorities could then be set. He said it was difficult to decide what can be done when there are things that have to be done. Councilmember Hutcherson said there is a limit to what can be done at First Monday since there is a limit to the space available. She said it was also necessary to consider the competition. Councilmember Pruitt noted that the competition has more money than the City. Councilmember Hutcherson cited The Arbors as an example of limiting vendors and achieving a certain quality. She noted that some of those options are not available to the City. Councilmember Roberts said there were things which could be done gradually. Councilmember Hutcherson said she would not ever vote to raise First Monday rates.

First Monday Operations Manager Rayford Hutcherson said the key would be more activities being brought in to the First Monday Park other than First Monday. Councilmember Pruitt agreed and noted that the Civic Center has brought in revenue of \$300,000 and estimated labor of approximately \$12,000. Councilmember Hutcherson said consideration should also be given to the sales tax revenue produced by visitors such as the RV rallies. Councilmember Pruitt said a restaurant in Ben Wheeler gave out coupons during the last large RV rally and had 68 responses.

Public Works Director Pete Lucas told the Council that work has been ongoing for several years to completely loop the City's water system. He said they are within two connections of having the entire system looped. Mayor Hilliard asked whether grant funds were available for improvements to the water system. Mr. Lucas noted that Mr. Mallory had obtained funding in the past through the Texas Water Development Board, but the City's other income also hinders its qualification for grant funding. Mr. Mallory noted that the funding received from the Texas Water Development Board was not a grant and had to be re-paid

Police Chief David Hammonds asked if the City owned land behind the Library which could be used for a museum. Mr. Mallory said the City does own that property.

James Hall said a lot of the improvements to be made in water and sewer will not be left to the City's discretion but will be mandated by TNRCC. Mr. Hall said the City usually does not qualify for grants because of its low water rates. He said he knew the Council did not like to hear that, but the City's rates were substantially lower than those of surrounding water systems. Councilmember Hutcherson noted that rates were low because of First Monday revenue. She said no City entity supports itself. Mr. Lucas agreed and said that water revenue should support water and sewer. Mr. Lucas told the Council that a new SVA water test will soon be required by the State. It is estimated that testing will cost approximately \$300 per month. He said every time they have a meeting they come up with a new test or regulation.

Councilmember Roberts agreed and said Police Chief David Hammonds is coming up against the same problems with operations at the Animal Shelter. He said the other two shelters in the County do not have funding and have requested that the City of Canton take some of their animals. Chief Hammonds said he had to refuse their requests; however, those animals had been vaccinated and neutered. He said the end result may be that the City ends up picking up more strays than usual. He said new regulations will require additional pens and climate control. Councilmember Hutcherson asked about the possibility of not taking animals from other cities. Councilmember Roberts asked if there was any room to raise the amount charged to the other cities, and Chief Hammonds said he thought there may be room for some increase.

Fire Chief Brian McNevin told the Council that he anticipated his budget would be similar to the prior year with some funds shifted from one line item to another. He said there was some legislation passed which affects paid firefighters. He said that affects volunteer departments as far as liability. Funding has been secured to obtain PASS devices for thirty firefighters, but additional equipment will be necessary.

Julie Jackson told the Council that some replacement items will be necessary for the Civic Center. She said a couple hundred chairs and some tables need to be replaced or added. The Civic Center has 800 chairs. When more chairs are needed, they are rented for \$1 each.

Rayford Hutcherson said he would like to commend Mrs. Jackson on bringing in the RV groups. He said he thought that would get better in the future and will be the key to the future of First Monday revenue, and the RV rallies bring a lot of money into the City.

Mr. Hutcherson suggested that the City implement a three to five year paving program at the First Monday Park. He said if the water gets out of the creek, Row 11 is gone. He said he will need some golf carts in the next budget but will not need any heavy equipment. In answer to an inquiry from Mayor Hilliard, Mr. Hutcherson said he had one tractor that could probably be disposed of. Mayor Hilliard said he noticed some equipment at First Monday that looked like it was leaning and could be scrapped. Mr. Hutcherson said he would probably need a few radios and another building to store golf carts.

Mayor Hilliard asked Maintenance Superintendent Jerry Shamlin for his input. Mr. Shamlin said Mr. Lucas had covered everything.

Mr. Hutcherson said additional storage was necessary at the Civic Center. He said the stage takes up a substantial area. First Monday General Manager Al Campbell suggested extending the existing store room on the east side. He said the extension would mean killing a few lots but would only require the construction of three walls and a ceiling. Mayor Hilliard asked for an estimated cost, and Mr. Hutcherson said it would be perhaps \$5000 to \$7000. Councilmember Pruitt asked for written estimates on some of the requests discussed during the meeting.

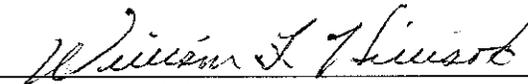
Mayor Hilliard told the Council that it was his understanding that Old Mill Marketplace was for sale. Mr. Mallory said he had heard the owner was asking \$3 million. Mayor Hilliard said the Council needed to put a pencil to it and see if it would be feasible to purchase that market and close its operations. He said, if it was closed, the problems with First Monday would be solved. Councilmember Pruitt said he thought two councilmembers would vote for that. Councilmember Roberts suggested spending \$1 million on improvements at the City's First Monday Park instead of spending \$3 million to buy another market. He said he thought improvements could be made at the City's facility to pull vendors and shoppers. Mayor Hilliard said First Monday would be much more manageable if it did not have to contend with Old Mill Marketplace. He said Mr. Lewis would probably need to be included in talks about purchasing Old Mill Marketplace. Councilmember Pruitt said the City Hall, Police Department, Fire Department, and museum could all be located there.

Mayor Hilliard said he would ask one more time about the water well and request that efforts be made to locate the drilling records.

Councilmember Pruitt inquired about the automated teller machines at First Monday. Julie Jackson said she is trying to schedule a meeting with the owner of the machines. Councilmember Pruitt asked about paying someone a nominal fee and letting them have any revenue generated by the machines. Mr. Campbell said there had not been much luck with the current vendor. Mrs. Jackson said the machines are running out of money. She said the current vendor wants to discuss the possibility of the City holding his cash and replenishing the machines. Councilmember Pruitt asked about renting the ATMs and operating them. Mr. Campbell said he would see if a source could be located.

Mr. Mallory told the Council that Charles Arnold has taken over representation of the City and CEDC in the W & W Land lawsuit. Judge Paul Banner of Gladewater will be hearing the case and has scheduled a telephone conference with the attorneys on June 19, 2001. Mr. Mallory said the Best of Texas lawsuit is still pending.

ADJOURN - There being no further business to come before the Council, the meeting was adjourned.



William F. Hilliard, Mayor

ATTEST:



Rhita Koches, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M., TUESDAY, JUNE 19, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F Hilliard, Beverly Hutcherson, Tommy Roberts, and Ron Sanford. Councilmembers Rusty Wilson and Raymond Pruitt were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by Mayor Hilliard.

INVOCATION was given by Councilmember Roberts.

PLEDGE OF ALLEGIANCE -The Pledge of Allegiance was led by City Manager Johnny Mallory.

GUEST ITEMS - There were no guest items.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE MAY 15, JUNE 2, AND JUNE 9, 2001 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Roberts moved that the Minutes of the May 15, June 2, and June 9, 2001 meetings of the Canton City Council be approved. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE MAY 2001 FINANCIAL STATEMENTS - City Manager Johnny Mallory read the totals from the May 2001 Financial Statements. Councilmember Sanford moved that the Financial Statements be approved. Councilmember Hutcherson seconded, and all voted in favor.

PRESENTATION BY THELMA REED REGARDING PARKING ON FIRST MONDAY LOTS; DISCUSS AND CONSIDER ANY ACTION NECESSARY PURSUANT TO PRESENTATION - First Monday vendor Thelma Reed presented pictures to the Council showing First Monday lots being used for parking by Paul Michael on Row 46. She asked the Council why some vendors abide by the rules and others do not. Ms. Reed said shoppers look down the row and see only a parking lot or pallets of merchandise or blocks stacked there. Ms.

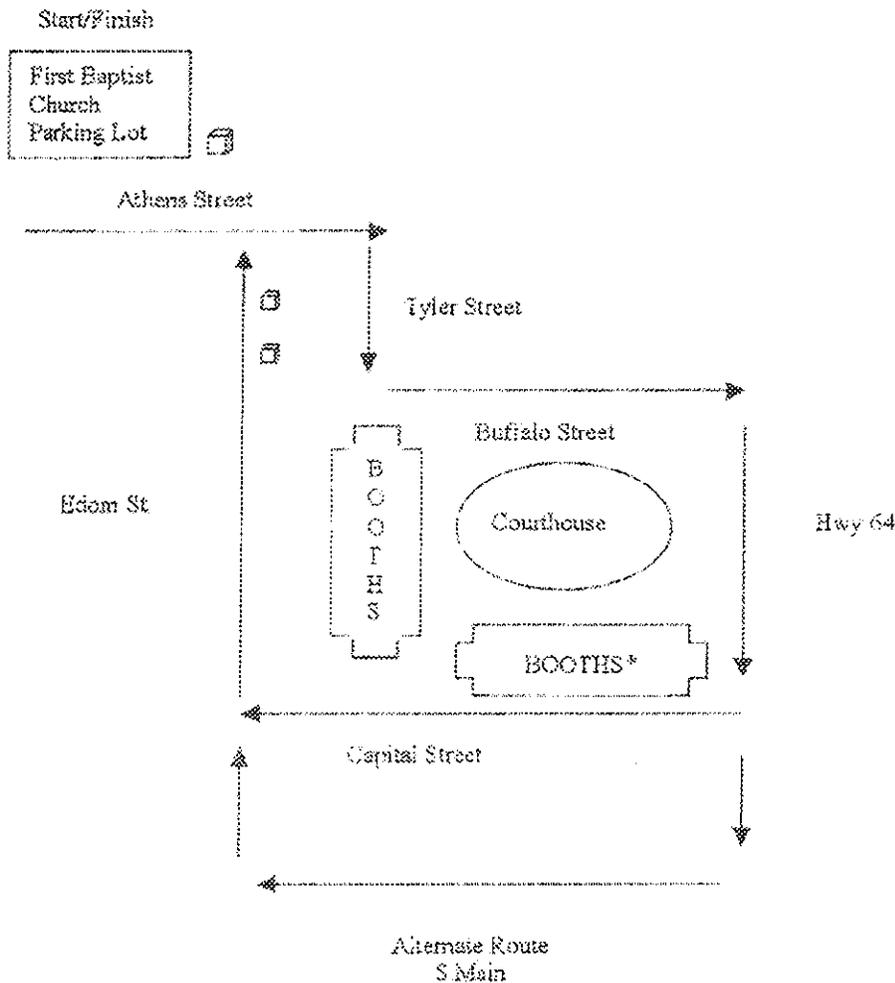
Reed said she had a good business for a while, but Mr. Michael's merchandise sometimes even blocks the road. She said a concrete slab had been poured and merchandise stored there. Ms. Reed told the Council that Mr. Michael had acquired the lots behind her indicating it was for his employee parking. Ms. Reed presented a flyer distributed by the City to its vendors instructing them that lots could not be used solely for parking. She said she tries to abide by the rules established even to the extent of placing merchandise for sale on the tongue of her trailer. She asked that Mr. Michael be required to display merchandise for sale on his lots. She said she is watching traffic cut across the bridge beside Mr. Michael. The Council then discussed the enforcement of the First Monday policies and procedures regarding parking. First Monday Manager Al Campbell was requested to visit with Mr. Michael about the problem. The Council discussed the necessity of consistently enforcing the rules.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING FOR 0.122 ACRE ON I-20, CANTON, TEXAS, OWNED BY DR. TRAVIS DEEN FROM R-A (AGRICULTURAL) TO B-2 (GENERAL BUSINESS DISTRICT) – Mayor Hilliard called for public comments on the requested zoning change and announced that the Planning and Zoning Commission had unanimously recommended approval of the zoning change. Councilmember Roberts moved that the zoning of the 0.122 acre tract located on I-20 owned by Dr. Travis Deen be changed from RA to B-2. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER GRANTING VARIANCE TO SUE PHILLIPS, 1471 SHADY LANE, CANTON, TEXAS, TO ALLOW TEMPORARY RESIDENCE IN RECREATIONAL VEHICLE DURING REPAIRS TO PRIMARY RESIDENCE FOR A PERIOD NOT TO EXCEED 90 DAYS – Mayor Hilliard told the Council that Mrs. Phillips' home had sustained substantial water damage to the foundation and had requested approval to live in a travel trailer in front of her residence during repairs. Councilmember Hutcherson said she had no objection so long as the work was done and the trailer was moved out. Councilmember Roberts concurred and said he would like to have a time limit. Mayor Hilliard said he had visited with City Manager Johnny Mallory, City Secretary Rhita Koches and City Building Inspector Ricky Malone about the matter and that Ms. Phillips had indicated the work could be completed in ninety days. Councilmember Sanford moved that a variance be granted to Sue Phillips to allow her to reside in a travel trailer at 1471 Shady Lane for a period not to exceed ninety days. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER CLOSING THE 100 BLOCK OF TYLER STREET AND CAPITOL STREETS BETWEEN TYLER STREET AND HIGHWAY 64 FROM 6:00 P.M. UNTIL 10:00 P.M. FOR NATIONAL NIGHT OUT ON TUESDAY, AUGUST 7, 2001 – Police Chief David Hammonds told the Council that National Night Out had been held at the City Park last year. In an effort to help the downtown area, the Police Department will conduct the event downtown. He explained that the evening was scheduled as an opportunity for neighbors to gather and meet with the Police and Fire Departments. He said there will be games and a live band. Chief Hammonds said the Canton EDC had awarded a community enhancement grant for the event. He said he did not believe closing Tyler and Capitol Streets would create any traffic problems between 6:00 and 10:00 p.m. Councilmember Hutcherson moved that the street closure request be approved. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER CLOSING DOWNTOWN STREETS FROM 9:00 A.M UNTIL 2:00 P.M. FOR FOURTH OF JULY PARADE AND FESTIVAL ON WEDNESDAY, JULY 4, 2001 – The Council reviewed the proposed parade route which was noted to be the same route used the year before:



Councilmember Sanford moved that the street closures be granted as requested for the Fourth of July Parade and that Tyler and Capitol Streets be closed from 9:00 a.m. until 2:00 p.m. for Fourth of July events. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDED BID FOR STREET, DRAINAGE, WATER AND SEWER IMPROVEMENTS ON MEADOW LANE, CANTON, TEXAS – Mr Mallory presented the bids received for street, drainage, water, and sewer improvements to Meadow Lane and referred the Council to the engineer's bid tabulation:

| | |
|-----------------------|--------------|
| Adams Brothers, Inc | \$310,107.55 |
| Reynolds & Kay, Ltd | \$348,353.00 |
| Ace Contracting, Inc | \$362,025.00 |
| McKinney & Moore, Inc | \$371,945.50 |

Mr. Mallory recommended awarding the bid to the low bidder, Adams Brothers, Inc. Councilmember Roberts inquired whether Adams Brothers had done work for the City of Canton in the past, and Mr. Mallory confirmed that they had done Big Rock and Mill Creek and would be doing Highway 19 for the State. Councilmember Sanford asked about the projected start time. Mr. Mallory said Adams Brothers would have sixty days after receiving the work order to begin work. Councilmember Sanford moved that the bid be awarded to Adams Brothers, Inc. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF APPLICATION FOR TOBACCO GRANT FROM THE TEXAS COMPTROLLER'S OFFICE – Police Chief David Hammonds told the Council that Sgt. Ron Carroll has been serving as the Department's grant writer. Sgt. Carroll told the Council that the Department was awarded a \$3000 grant last year for tobacco inspections, sting operations, and education for school children. He said the Department would be applying for a \$5000 grant due to the number of places for enforcement. Chief Hammonds said the grant did not require matching funds. He said he did not know if the Van Zandt County Sheriff's Office would also be requesting a grant. If so, the Sheriff's Office would handle the county. He reported that the Canton Police Department conducted inspections in all cities in Van Zandt County using the grant proceeds. He said the project was worked by off-duty officers and all salaries were paid from grant proceeds. Chief Hammonds said the grant application would be for more than last year but may be reduced in the event a grant is awarded to the Sheriff's Department. Mayor Hilliard inquired whether sting operations had been conducted. Chief Hammonds said they were. He said the State has certain requirements for store managers and employees. Failure to have the proper documentation for those requirements can result in a fine. He said officers also follow up to see if any violations have been remedied. Chief Hammonds said a Wills Point officer writes citations for stores located in Wills Point. He said the Department also used underage shoppers to buy cigarettes which resulted in two citations issued in Canton. He noted that the State Comptroller's Office can revoke the tobacco license of an establishment after a certain number of violations. Councilmember Roberts moved that the Canton Police Department be authorized to apply for a \$5000 tobacco grant from the Texas Comptroller's Office. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER CHANGING ENGINEERS FOR FUTURE CITY PROJECTS – Councilmember Roberts said it would be his recommendation to change engineers before starting any other projects. Councilmember Hutcherson inquired whether any other engineers had been contacted, and Councilmember Roberts said that he had and three were interested at about the same cost. Mayor Hilliard asked whether the City would have to advertise for bids. Mr. Mallory said the City did not have to advertise for bids and, in fact, it would be illegal to do so. Mr. Mallory said he would like to hear what the Council wanted and whether they would be willing to sign a long term contract of possibly five years. He said there may be some engineering firms that would work for the City on a job to job basis. Councilmember Roberts said he would not have a problem with a five-year contract but would not go beyond that. He said he felt that as the City continues with an engineer, they become lax. Mr. Mallory asked whether there was one particular firm in mind. Councilmember Roberts asked what projects the City would have coming up. Mr. Mallory said a storage tank at the water plant and a wedge wire drying bed for the wastewater treatment plant would have to be in the next fiscal year's budget. Councilmember Roberts said there would be sufficient time to look at other engineering firms before undertaking any new

projects. Mr. Mallory said the City would be looking at approximately \$1 million worth of work. Councilmember Hutcherson said she would have a problem with giving anyone a five year contract without checking into their work. She said she was not happy with the current engineers. Mayor Hilliard said there were some engineering firms that were very credible. Councilmember Roberts said the Council could address the matter at a future meeting and table further consideration until the firms had been contacted. Mr. Mallory said he would like to interview any potential firms, and it was the consensus of the Council that Mr. Mallory should interview any potential engineers.

DISCUSS AND CONSIDER APPOINTMENT OF CITY ATTORNEY ON FIVE YEAR ROTATION AMONG LOCAL ATTORNEYS – Councilmember Roberts said he did not have a problem with the current City Attorney, and he did not know if any other attorneys would be interested in representing the City. He said he had not spoken with any local attorneys and did not know if they would be interested. He said if the Council wanted to consider it, he would like to contact other attorneys and put the matter on the next agenda. Councilmember Roberts said he understood that the current City Attorney may not want to continue representing the city. Mr. Mallory was asked to contact local attorneys to see if anyone else would be interested. City Secretary Rhita Koches noted the importance of maintaining a relationship with the professionals representing the City. Councilmember Roberts said it was his understanding that the current City Attorney is not on retainer. Mr. Mallory said that was something that would have to be considered since another attorney may require a retainer. Upon questioning by Councilmember Hutcherson about the reason for making a change, Councilmember Roberts stated that a lot of it is personal. Mr. Mallory was asked to contact other local attorneys to see if there is any interest.

DISCUSS AND CONSIDER AMENDMENT TO POLICY FOR USE OF CITY VEHICLES TO REQUIRE FUEL USAGE LOG – Councilmember Roberts said he would like to see the City's policy on "Use of City of Canton Vehicles" amended to require a log book for gas usage. He said he did not think there was any problem with fuel usage but felt a log would provide a better record on gas usage and mileage. Mr. Mallory explained that the City's previous underground storage tank had a key system which monitored usage. He reminded the Council that the tank had to be replaced by an above-ground tank, and although a key is still required, the pump no longer keeps that information. He said a new pump for the new tank would cost \$3,000 to \$4,000. That system would provide a reading for each key, and each vehicle would have its own key. Mayor Hilliard said there was a public perception that there was some abuse of the City's fuel supply. Mr. Mallory noted that Councilmember Roberts had just stated that he did not think there was any abuse while Mayor Hilliard was saying there might be. Mayor Hilliard said, if there was a record, it could be shown there was no abuse. The Council then discussed the installation and use of a pump which would maintain usage information. Mr. Mallory suggested using a fuel log for the next few months and consider a new key system pump in the next budget. The fuel log requirement will be added to the City's policy on "Use of City of Canton Vehicles."

DISCUSS AND CONSIDER SEMI-ANNUAL EVALUATIONS OF CITY MANAGER BY CITY COUNCIL – Councilmember Roberts directed the Council's attention to the existing Personnel Handbook & Policy Manual regarding Evaluations of City personnel. Councilmember Roberts suggested the addition of provisions concerning a semi-annual evaluation of the City Manager by the Council. He also recommended the addition of a provision that three unfavorable evaluations of any employee shall be cause for termination. Mr. Mallory noted that evaluations of

the City Manager had been conducted in the past. He asked if the Council would want to use the same forms already utilized by the City. Councilmember Hutcherson said the City Manager should be evaluated with the same forms used for other employees. Councilmember Sanford inquired whether the three unfavorable reviews would have to be consecutive or over a period of time.

Councilmember Roberts moved that the following provisions be added to the City's Personnel Handbook & Policy Manual regarding Evaluations:

9. The City Council will conduct a performance evaluation of the City Manager on an approved form to be signed by the Council and the City Manager. All preceding requirements shall apply to the evaluation of the City Manager performed by the City Council.
10. Any employee receiving an unfavorable or dissatisfactory evaluation three times consecutively shall be cause for termination.

Councilmember Sanford seconded, and all voted in favor.

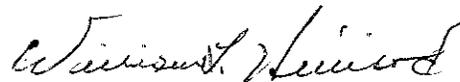
DISCUSS AND CONSIDER APPOINTMENT OF MUNICIPAL JUDGE – Councilmember Hutcherson moved that Lilia Durham be appointed Municipal Judge for the City of Canton. Councilmember Roberts seconded, and all voted in favor.

Mayor Hilliard announced that he had agreed to allow a few people to speak to the Council and recognized Bertha Randall. Mrs. Randall told the Council that she felt First Monday was on the decline and getting worse. She noted that too many people are giving it up. She recommended that something be put on the hill near the Main Gate entrance instead of parking cars there. Councilmember Hutcherson stated that no one will rent the lots on the hill area. Alton Smith said no one tried to get vendors in that area and instead sent them over to the unreserved section. Mr. Smith said he has recently heard that the area is not level, but he said he had seen it when the area was completely rented. He suggested that the area be filled from the Main Gate down the hill. Councilmember Hutcherson said she wished First Monday employee Steve Cooper were present to explain what he hears from vendors. Mr. Smith suggested that vendors be given an incentive to set up in the area. Mrs. Randall suggested that the rent for that area be less. Mr. Smith proposed giving a few months free rent. Councilmember Hutcherson asked what would happen when other vendors found out that lots were being given to someone free of charge. Mr. Smith said those vendors could do the same thing. Mr. Mallory said in the past vendors who had rented lots in that area came back and wanted to move. Mrs. Randall said she thought the people who parked in that area worked for the City. Vic Wetherholt asked the Council whether anyone had any information or a feel for the number of visitors to First Monday. He inquired whether the decline in the number of visitors have created the problems being discussed. He noted that Canton now has to compete with other markets in other cities. He said he has noticed that the number of calls to his bed and breakfast service have declined in the last 18 months. He suggested that perhaps other communities were doing a better job of marketing. Councilmember Hutcherson asked about the status of First Monday revenue, and Mr. Mallory responded that it is down some. Mayor Hilliard noted that expenses for First Monday were up, and Mr. Mallory said expenses were about the same. Police Chief David Hammonds cited unseasonal rains during

many recent First Monday weekends. Councilmember Hutcherson reminded the Council that the City's First Monday market is no longer the only game in town. Mr. Wetherholt told the Council that there is no problem finding a parking space on the street and said the parking lots appear to be getting their share of business. He asked whether the number of visitors were the same. Councilmember Hutcherson asked Mr. Wetherholt if he visited the Old Mill and Lewis markets, and he stated that he did check out those areas. Mr. Wetherholt concurred that the market is scattered. He noted that there appear to be more vendors and fewer people coming to town. He said the feedback he gets from vendors is that revenue is down because they don't have the same number of shoppers as in the past. Mr. Wetherholt also noted that he is seeing more credit cards declined and suggested that in the current economy people may be paying closer attention to their finances. Mr. Wetherholt suggested that the markets need to band together for marketing purposes. Mayor Hilliard said he thought all of the points were valid. He said there was no need in the hill area at the Main Gate being vacated. He told those present that the Council needed to hear from them. Councilmember Hutcherson said she would like to see the hill area reclaimed. She said she did not like to see cars parked there, but vendors are reluctant to set up there. Mayor Hilliard asked how much of the area is rented and if the lots there were available for rent. Mr. Mallory explained that vendors who rent there usually leave. Mr. Campbell said vendors who arrive after the sale has started are taken through the First Monday Park by an employee to help them find a lot. Councilmember Roberts said he did not think people would walk up the hill when they can go to pavilions. Mr. Smith said if the hill was occupied, shoppers would be looking at merchandise on the way up and down the hill. Councilmember Roberts said the market has grown so much that vendors and shoppers have been driven over to the Lewis pavilions and the flatlands around the pavilions and Arbors. Mrs. Smith asked if there was any income from the hill area. Mr. Mallory said a few lots were rented on Row 1 and behind the bathroom and on the horseshoe. Mrs. Smith said if the lots were not rented to vendors why not rent for parking. Mayor Hilliard said he realized there were people who had investments at First Monday, and they should not be ignored. Mayor Hilliard suggested that the City Staff do some inventive thinking and keep working on the problems. Councilmember Roberts noted that, at its last meeting, the Council did address an increase in advertising and ways to bring people into the City. Councilmember Sanford said the City has, more than once, attempted a unified marketing effort. He said when the parties involved agree on a plan, someone pulls out. Mayor Hilliard thanked those in attendance for their input.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS –
There were no matters suggested for future agendas

ADJOURN - There being no further business to come before the Council, Councilmember Roberts moved that the meeting be adjourned. Councilmember Sanford seconded, and all voted in favor.



William F. Hilliard, Mayor

ATTEST:



Rhita Koches, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, JULY 17, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F Hilliard, Beverly Hutcherson, Tommy Roberts, and Ron Sanford. Councilmembers Rusty Wilson and Raymond Pruitt were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by Mayor Hilliard.

INVOCATION was given by Tim Watson, Pastor of First Baptist Church of Canton.

PLEDGE OF ALLEGIANCE -The Pledge of Allegiance was led by City Manager Johnny Mallory.

GUEST ITEMS - There were no guest items.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE JUNE 19, 2001 MEETING OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the Minutes of the June 19, 2001 meeting of the Canton City Council be approved. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE JUNE 2001 FINANCIAL STATEMENTS
City Manager Johnny Mallory read the totals from the June 2001 Financial Statements. He informed the Council that the reduction in Interest and Sinking was a result of the bond payments made at the end of June. Councilmember Hutcherson moved that the Financial Statements be approved. Councilmember Sanford seconded, and all voted in favor.

PRESENTATION BY RON PERKINS REGARDING SAFETY IMPROVEMENTS AND INCREASED POLICE PATROLS IN FORREST DRIVE AREA BETWEEN MILL CREEK AND DEBBIE; DISCUSS AND CONSIDER ANY ACTION NECESSARY PURSUANT TO PRESENTATION - Mr. Ron Perkins, a resident of Forrest Drive, was recognized by Mayor Hilliard. Mr. Perkins acknowledged that some of the members of the audience had also been present for a meeting he had coordinated at the Canton Herald office. He told the Council that residents of the Forrest Drive area had conducted some traffic flow studies. He said there was substantial traffic speeding through the area. Mr. Perkins presented the Council with copies of notices distributed to residents in the area advising them of a meeting at the Canton Herald and the Council meeting. He said there were 21 in attendance at the Canton Herald and four or five more called the newspaper. He said the best times to observe traffic in the area were between 7:00 and 8:15 a.m. and between 4:15 and 7:00 p.m. Mr. Perkins told the Council that there was

concern for children at play in the area and families who walk in the area. He said he had spoken with City Manager Johnny Mallory on May 11th and suggested additional stop signs, 25 mph speed limit signs, and crosswalks. He said he had been advised that speed bumps were verboten. He said during subsequent conversations on May 29th and June 27th he was told that traffic buttons were hard to obtain and there were no funds available for the improvements he had requested. Mr. Perkins said he had visited the County Law Library and presented the Council with a copy of page 84 of the Texas Local Government Code regarding the authority of a municipality to adopt ordinances. He said he and his neighbor, Bob Blackmon, had license number for about one-fourth of the traffic speeding through the area that afternoon. He said they were travelling 60 to 70 mph. Those license numbers had been turned over to the Canton Police Department. Mr. Perkins then directed the Council's attention to Section 341.011, Special Police Force in Type A General Law Municipality. He said that information should answer the budgetary restraints. He said he had been told by the Police Chief and the City Manager that speed bumps were not an option, and City Secretary had told him that speed bumps had not been implemented during her tenure. Mr. Perkins noted that there were fifteen lines of speed bumps at First Monday. Mr. Perkins then presented a printout from the Police Department showing the number of citations issued in the area. He said the number of citations went from one in February to 23 in March when residents first complained. He said he and his neighbors should not have to be on the telephone to get the Police Department out to the area. He said the number of tickets issued in March should be enough to get them out. Mr. Perkins stated that people were using Forrest as a ramp to Highways 18 and 198. Mr. Perkins said he had contacted the Texas Department of Transportation (TxDOT) in Tyler and was told that speed bumps would normally be 18 x 24 and 4 inches high. He said that Frank Hipman at the Tyler TxDOT office told him they do not use speed bumps. Mr. Perkins then presented the Council with a copy of Attorney General Opinion No. JC-0175 which found that a county may install speed bumps or center stripes on a portion of a county road located within a municipality if it is an improvement and if the municipality approves. Mr. Perkins said he would prefer to not use speed bumps, but he did not think people would slow down otherwise. He said the number of citations issued in March scared him. Mr. Perkins thanked the Canton Herald for its coverage of the problem and suggested that more editorials and articles about the problem might help. He said he would also be interested in hearing if there were complaints in the other parts of the City. He said one resident of 27 years had asked why Council notices are not printed before each meeting. Mr. Perkins said the speeding was being done by everybody including parents and grandparents. Mr. Perkins presented a map with his proposed options to allow traffic to maintain a residential speed. He said he had spoken with Chief Hammonds about his suggestions, and he felt they were on the same page. He said pedestrian walkways would give walkers in the area some assurance of safety. Mr. Bob Blackmon noted that the residents of the Andrews Center Home walk unsupervised on Mill Creek Road. Mr. Perkins said he had a video of traffic in the area, but it was not working on the television they brought. He offered to show the Council the video on a small video camera monitor. He said they had marked off ten foot strips with duct tape to demonstrate the speed of vehicles in the area.

Mayor Hilliard called on Chief Hammonds who told the Council he had met with Mr. Perkins and thought there was a problem in the area. He said he did not think speed bumps and dips were the answer because of the potential liability to the City. He said he was not an engineer, but he would be concerned with water runoff from dips. Chief Hammonds said there was a lot of traffic cutting through the neighborhood from Highway 198. He said he sent patrols over and saturated the area.

when Mr. Perkins called in March. He noted that there was more traffic in the area during the school year. He said the Department again saturated the area after the meeting with residents at the Canton Herald, and an officer wrote four tickets in an hours time. Chief Hammonds said he had driven the area that day beginning at Mill Creek and Etheridge Road. He noted there were several streets where a three-way stop could be implemented. He said he was able to accelerate up to about 25 mph. He said during the distance to the hard curve, he could only get to about 20 mph. He said another stop sign at Forrest and Sides Circle would provide another mark for slowing traffic. Chief Hammonds said he did not know if additional stop signs would be an equitable answer, but it would be enforceable for the Police Department and affordable for the City. Chief Hammonds noted that the additional stop signs would be cumbersome to the residents of the area, but they have indicated they have no objection. Chief Hammonds told the Council and the audience that when his officers patrol the area and issue a citation, they run a check on the registration of the vehicle. He said everybody listening to scanners then knows there is a speed check in the area. He said that area had been targeted by the Department more than any other street in the City. Chief Hammonds said the Department would work with whatever the residents and the Council decided.

Councilmember Sanford suggested initially using additional stop signs to address the problem. Councilmember Roberts noted that Forrest Drive is a wide street, and there was no way to close the street to the public. He agreed that stop signs may be a solution but questioned whether, after a while, people will ignore the signs. Councilmember Sanford said there may be a problem locating a sign in the area near Jimmy Peace's house. Councilmember Roberts said he thought the Police Department had made an effort to work the area and noted that the City cannot have an officer over there seven days a week. Councilmember Roberts said he had joked that perhaps the property owners could buy the street from the City and put in a gated community. Mr. Perkins said there had been offers to help fund the speed bumps. Mr. Perkins said he did not agree that stop signs would stop the speeding. He said stop signs would only change the time drivers have to shift gears. Councilmember Roberts said some of the people cutting through the area may not want to stop at all of those stop signs and find another route. Mr. Perkins told the Council that there were several sizes of speed bumps designed for certain speeds. He told the Council to think about the City's liability when two or three children are killed.

Councilmember Hutcherson said she had previously lived in the area on Sides Circle for 15 years, and it had always been a speedway. She asked why residents suddenly wanted to do something. She said Forrest Drive is wide but is still too narrow to let children play in the street.

Mayor Hilliard said he thought the Council was indicating they were willing to try implementing additional stop signs. Councilmember Roberts suggested using larger stop signs and speed limit signs.

Pauline Honeycutt of 681 Sides Circle said people have been speeding in the area for the 27 years she has lived there. She said children should not play in the street and people do not stop.

Mayor Hilliard stated that additional stop signs would be located in the appropriate places. Councilmember Hutcherson noted that another resident of the area, Bob Stout, was present and might like to be heard.

Mr. Stout told the Council that if the speed limit on Forrest Drive was going to be 25 mph then that should be the speed limit for the entire town. He said there were just a few complaining and that 25 mph on Forrest was ridiculous. Councilmember Roberts noted that the citations issued were for speeds from 32 to 45 mph.

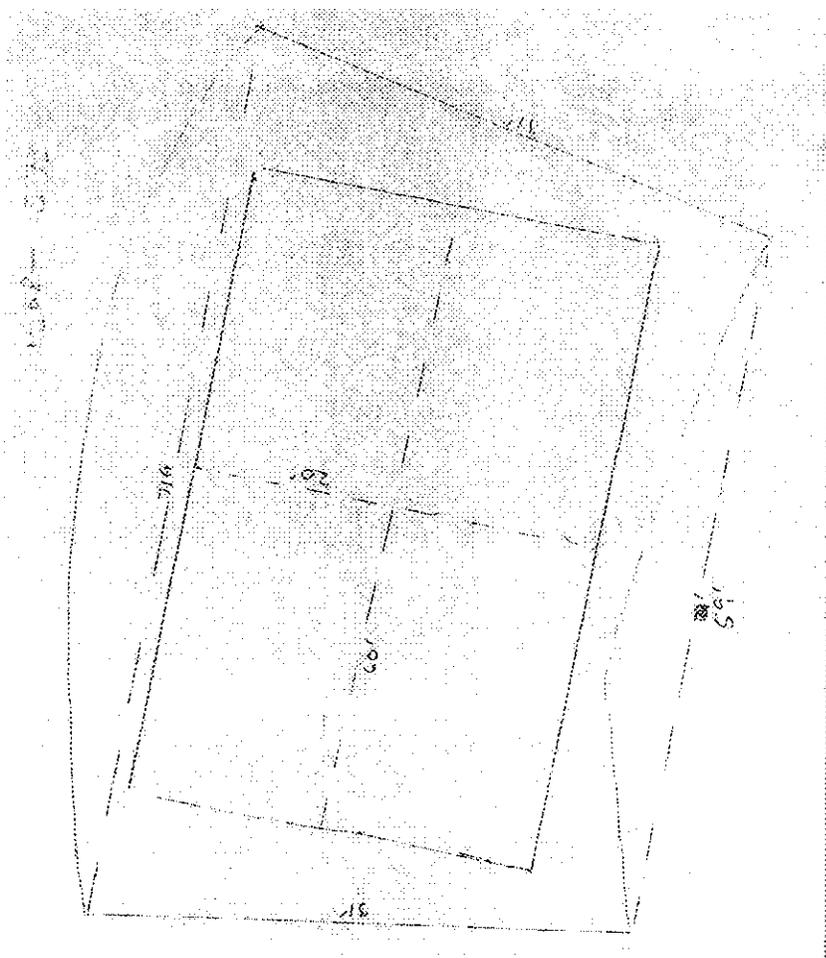
Mayor Hilliard said he thought the Council had reached a decision and asked when the signs could be placed. Mr. Mallory said it would take a week or so. Public Works Director Pete Lucas said he did not have the larger stop signs, and it would take ten to fifteen days to get them.

DISCUSS AND CONSIDER APPROVAL OF INTERLOCAL AGREEMENT WITH VAN ZANDT COUNTY FOR IMPROVEMENTS TO STREETS INSIDE CITY LIMITS – Mr. Mallory told the Council that he had notice Commissioner Durgin working in the area just outside the city limits on College and Old Kaufman. He said they had discussed a joint effort whereby the City would provide materials and the County would provide labor for improvements on those streets inside the city limits. Mr. Mallory recommended the adoption of the agreement. Councilmember Sanford moved that the Interlocal Agreement be approved. Councilmember Hutcherson seconded, and all voted in favor.

PRESENTATION BY CANTON CHAMBER OF COMMERCE REGARDING CHAMBER ACTIVITIES – Mayor Hilliard recognized Chamber of Commerce President Joe Collins. Mr. Collins referred the Council to his recent correspondence outlining the activities of the Chamber. He noted that a quorum of the Chamber's Board was present for this meeting. Mr. Collins told the Chamber that the percentage of the hotel occupancy tax allotted to the Chamber had enabled them to expand from one room to the facilities at the Blackwell House with two full time employees and several volunteers. He said the funding had enabled the Chamber to participate in four travel shows. He said they would like to add three more shows at a cost of about \$2,500 each. Mr. Collins expressed the Board's appreciation to the City for its past support and its hope for continued support. He said the funding is used to promote and support the City.

DISCUSS AND CONSIDER REQUEST BY TED WHITE FOR WATER TAP OUTSIDE CITY LIMITS AT 407 VZCR 2120, CANTON, TEXAS – Mr. Mallory told the Council that the site of the requested water tap is located just outside the city limits on Old Kaufman Road. Public Works Director Pete Lucas said a water line is located in front of the property. Mr. Mallory said the City Staff had no objection to the request and would recommend Council approval. Councilmember Roberts moved that the request of Ted White for a water tap outside the city limits at 407 VZCR 2120 be approved. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FOR VARIANCE FROM DAVID HARMON TO REDUCE SETBACKS FOR CONSTRUCTION OF PERMANENT STRUCTURE ON ROW 11, LOTS 1569 – 1573, FIRST MONDAY PARK – Mr. Mallory presented a plat of the subject lots and explained that Mr. Harmon was attempting to construct a permanent structure at the City's First Monday Park.

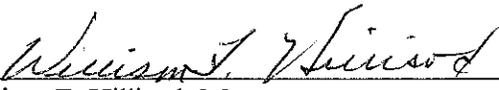


Mr. Mallory cited the previously adopted rules establishing a five foot setback for construction at the First Monday Park. He said there was a problem with the corner due to the shape of the lots rented to Mr. Harmon. Mr. Mallory said he had reviewed the request with First Monday Operations Manager Rayford Hutcherson, and the City Staff would recommend that the variance be allowed. Councilmember Hutcherson moved that the variance be granted. Councilmember Sanford seconded, and all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS –

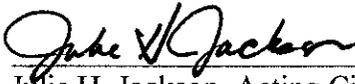
Mr. Mallory told the Council that it would be necessary to begin scheduling budget workshops. Mayor Hilliard said there were several City streets which were barely passable, and he would like information on the process for establishing street projects. Councilmember Hutcherson told Mayor Hilliard that there was a Street Committee comprised of Councilmember Wilson and herself. Mr. Mallory said he still needed a copy of the Council's list of proposed engineers. Mayor Hilliard then asked whether the City's water supply was sufficient, and Mr. Mallory responded that he did not see any problems coming up. Mayor Hilliard asked if there was any way to consider improvements to Tyler Street. Mr. Mallory advised that the Street Committee had discussed that street.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned



 William F. Hilliard, Mayor

ATTEST:



 Julie H. Jackson, Acting City Secretary

CALLED MEETING
 CANTON CITY COUNCIL
 8:00 A M , SATURDAY, JULY 28, 2001
 CITY HALL, 290 E TYLER STREET, CANTON, TEXAS

MINUTES

Attending: Mayor Butch Hilliard, Council Members Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson

CALL TO ORDER AND ANNOUNCE QUORUM – Mayor Butch Hilliard called the meeting to order at 8:00 a m with all council members present.

DISCUSS AND CONSIDER REQUEST BY TONYA AND CLINT WALKER FOR WATER TAP OUTSIDE CITY LIMITS ON VZCR 2205, CANTON, TEXAS – Johnny Mallory recommended the request be granted with the provision that it be a ¾” water tap instead of the 1” tap as requested. He explained that the closest 6” line was 1500 ft away and the tap would be coming off a 1 ½” line that had four other people on it. Mr. Mallory indicated the Walkers would pay a set fee of \$800 00 Beverly Hutcherson made the motion to approve a ¾” water tap on VZCR 2205 for Tonya and Clint Walker. Raymond Pruitt seconded and all were in favor

WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2001-2002 FISCAL YEAR – Johnny Mallory reported that portions of the preliminary budget were complete. He proposed a 3% salary increase, as in accordance with a step raise on the current salary chart. He pointed out two employees, the mechanic and the billing clerk, who had reached the maximum step allowed, and recommended increasing the chart by another 3% step in these two instances.

Mr. Mallory said the proposed budget also included a 16.5% increase in health insurance expenses as offered by our current carrier, BlueCross BlueShield. He explained this proposal offered the lowest rate from among the insurance companies bidding on the City program.

Mr. Mallory proposed a water rate increase on the top end of \$ 30 per 1,000 gallons over 3,000 gallons. His preliminary study suggested this increase would raise revenue by approximately \$75,000. Mr. Mallory reminded the council that the City bypassed water rate increases last year, that major capital expenditures would be required this year, that the water and sewer departments were heavily subsidized by First Monday revenue, and that auditors had been recommending water & sewer rate increases for many years. He indicated he would not be proposing an increase in sewer rates.

Mr. Mallory also proposed rate increases for health department permits for temporary First Monday food concessions and for local restaurants.

Mr. Mallory proposed that the required \$1 million capital improvements for the water and sewer plants, as well as the tank, be funded by general obligation bonds to be paid out over 15 years. Mr. Mallory indicated the proposed water rate increase should cover the bond payments. Mayor Hilliard suggested it might be appropriate to ask the citizens to approve the bonds. Others pointed out that it was not required since taxes were not being used to make the bond payments. The council's consensus was that it would be hard to pass a \$1,000,000 bond election and the capital improvements were required, regardless, in order to meet state and federal regulations.

A discussion of the City's debt ensued. Mr. Mallory reminded the council that the auditors reported the City was financially sound. He outlined the debt as follows: the \$1.8 million bond for the civic center and water tower/water line improvements will be retired in 2007, the principal on the bonds for the sewer treatment plant is down to \$1.625 million, \$4 million street improvements bond is down to \$3,990,000, the Trade Center I loan will be paid off in 2003, the Trade Center II loan will be paid off in 2004, and the Trade Center III loan will be paid off in 2005. Rusty Wilson said he was more concerned with the balance sheet than the debt.

Rayford Hutcherson and Julie Jackson outlined capital improvements needed in the First Monday department. Included were three golf carts, \$2500 for a portable building, radios, \$17,500 for 75 tables and 200 chairs in the civic center, \$1400 for chair and table dollies, \$4000 for miscellaneous a/v equipment, podium and pipe & drape in the civic center, and \$8000 to enlarge the storage room in the civic center.

Chief Hammonds reported that the police department was at full force, but would be one officer short if they received a grant they had applied for earlier. He said the department had 12 cars, including 8 patrol cars, the chief's vehicle, the narcotics officer's car, and a vehicle for the animal control officer. Most patrol cars are averaging 135,000-157,000 miles, with each car running 15-16 hours per day. When asked, he stated that no vehicles were being taken home other than his and the narcotics officer's. He asked for two patrol cars in the next budget.

There was a brief discussion about disposing of old equipment not being used. Mr. Mallory reported the City would soon be advertising for bids on several pieces of discarded equipment and vehicles.

Chief Hammonds advised the council that capital outlay would be required at the animal shelter in order to meet new regulations. He said the animal shelter would have to be climate-controlled,

new pens would be required, as well as, a new pad, drainage and fencing. He also reminded the council that the animal shelter offset the \$15,000 proposed expense budget with \$10,000 in revenues to date. After some discussion, the council decided that fees to other cities could withstand a moderate increase from \$10 to around \$12. Chief Hammonds said the budget for the animal shelter would be approximately \$30,000, including an \$8,000-\$10,000 incinerator. He offered to forego one new patrol vehicle to help offset these expenses.

The Fire Department asked for a \$145,000 budget including, capital improvements of \$2500 for two computers, \$1500 for two computer programs, three sets of bunker gear, \$3000 for 10 pass alarms, \$7500 for three replacement air packs, \$2200 for replacement hose, \$1875 for 5 new pagers, and continuing payments on the chief's pickup. Chief McNevin said Booster 1 would be paid for in September, and the Fire Department would like to use the parking lot revenue to buy a new mini-sized rescue truck and a new brush truck, replacing the 1975 Booster 3. The cost would be \$110,000 to be paid out over four years.

Utilities had no capital improvement requests other than the water & sewer plant improvements funded by the bond issue discussed earlier. Pete Lucas noted that next year the department would need to replace a backhoe.

Johnny Mallory said he would be proposing a \$6.5 million budget as opposed to the \$6.1 million last year.

In other items, Al Campbell presented a letter from James Thornton requesting the use of the First Monday trademark on a new publication that would help First Monday shoppers locate vendors. He explained that Mr. Thornton would not be given the City's vendor list, but he would be allowed to contact vendors on the grounds and distribute post cards through City offices. Mr. Thornton had indicated he would produce one publication for the main grounds including the Lewis property, and then expand with another publication for Old Mill Marketplace and the other properties. Mr. Campbell presented a copy of a standard license agreement for use of the City's trademark. He informed the council that if there were no objections, he would offer this agreement to Mr. Thornton. No objections were voiced.

Mr. Campbell also notified the council that Henry Lewis requested he be allowed to build a ramp/walkway from the south end of his new pavilion to Row 94, allowing for foot traffic only. There were concerns mentioned about water run-off. Mr. Mallory said Mr. Lewis promised to take care of the water. The council had no objections. Mr. Pruitt said he'd prefer it be covered. Others asked that the post preventing vehicle traffic be metal rather than wood, which might eventually deteriorate.

Julie Jackson notified the council of the deadlines for preparing the City's 2001-2002 budget. The first of which was the August 24 deadline for filing the proposed budget with the City Secretary. The second being the Sept. 4 deadline for submitting the notice for the September 6 public hearing. The third being the September 18 deadline for holding a public hearing. Mr. Mallory said the City was no longer required to file an adopted budget with the County Clerk.

Beverly Hutcherson asked the council to start looking at increasing the salaries of City employees. She pointed out that two valued employees had been lost this year and said the City should pay its

good people well enough to keep them. She cited Patrick Terrell as an outstanding employee who should be offered an incentive to stay with the City. The council pointed out that the salary chart offers cost of living increases only as is the norm in most businesses today. The council discussed implementing a program for merit raises rewarding outstanding employees. Tommy Roberts suggested the council study performance reviews to determine employees that might be worthy of merit raises. He was informed the next performance reviews would be conducted in August. Beverly Hutcherson stated that supervisors know their employees and their performance evaluations and should determine merit raises. Pete Lucas pointed out that merit raises had been given to employees who excel.

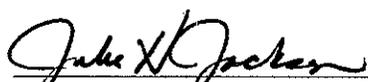
Raymond Pruitt asked for a commitment from the council to lease or buy the Plaza Theatre building for a city museum. He told the council that Gary Traylor informed Jim Stephens that a grant to remodel the building into a first-class museum could be added to the grant request for pedestrianways, whose deadline for submission is September 1. Raymond Pruitt suggested raising the hotel/motel tax to pay for the purchase. Ron Sanford said he was still interested in the shopping strip to put in a new city hall, police department and museum. Mr. Pruitt said the museum should be downtown to bring tourists into the downtown area. Mayor Hilliard indicated the City should support its current main street project by locating the museum downtown. Tommy Roberts voiced reservations about the \$175,000 selling price. He asked the city to find out its value on the tax rolls. The Mayor agreed to negotiate with Don Hackney on a selling price.

ADJOURN – A motion to adjourn was made by Rusty Wilson, second by Raymond Pruitt, and all in favor.



 William F. Hilliard, Mayor

ATTEST:



 Julie H. Jackson, Acting City Secretary

CALLED MEETING
 CANTON CITY COUNCIL
 4:00 P M , MONDAY, AUGUST 13, 2001
 CITY HALL, 290 E TYLER STREET, CANTON, TEXAS

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Council Members Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson. None absent.

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor Butch Hilliard called the meeting to order at 4:03 p.m. with all council members present.

WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2001-2002 FISCAL YEAR – Johnny Mallory presented a copy of the FY 2001-2002 proposed budget of \$6,608,700.00 with a \$32,441.00 surplus. This budget increased approximately \$200,000.00 over last year's budget. Mr. Mallory pointed out that it included \$12,000 for rent on a museum and \$27,000 for Main Street, which were not in previous budgets. It also included a 3% increase in salaries, one new vehicle for the police department in addition to the vehicles and equipment now on lease.

The council started discussions with the "100" account--Administration Expenditures. The "1130" Motor Vehicle Supplies account was described as a gasoline account for Johnny Mallory's and the Building Inspector's vehicles. Mr. Mallory confirmed the \$1,500.00 budgeted was sufficient. Mr. Mallory indicated the largest increase in administrative expenses was for healthcare. Councilmembers discussed the capital expenditures for administration. The "1535" capital expenditure account included a new vehicle for the city manager, and in-part Al Campbell's car payments. The "1530" Machinery and Equipment account included over \$9,000 for the purchase of a copier in the current fiscal year, but was reduced to \$2,000 for next year's budget. Mr. Mallory reported that \$163,432 of the "1520" expenditures last year were for painting the water tower. This year, Councilmembers increased the "1520" Building and Grounds Capital Expenditure account from \$10,000 budgeted to \$20,000 to help pay for a new roof on City Hall. They consequently lowered the "1530" Machinery and Equipment Capital Expenditures account from \$10,000 to \$2,000. Ron Sanford estimated that a new roof would cost \$25,000-\$30,000.

Mr. Mallory reported that the City was in good financial condition, and that current bank balances at the beginning of the fiscal year were not reflected in the budget. When asked by Mr. Roberts, Mr. Mallory said there was no extra money built into the "Supplies" categories. He assured councilmembers that he always operated under the premise of trying to save money, and never spent the full budget just because it was available.

Mr. Mallory explained the "1345" Office Equipment account was the monthly maintenance on the copier and the "1350" Motor Vehicles account was for routine maintenance on his car. He confirmed that annual expenses on airport maintenance would require the \$6,500.00 budgeted, mostly consisting of electric lights and bulbs for the runway. He indicated the Main Street accounts "1405" and "1407" reflected the budget submitted to the State's Main Street program. Mr. Mallory indicated that these accounts were in addition to Jim Stephens' \$27,000 salary and may be a little high, but the council decided to leave them both at \$15,000 each. He reminded the council that Jim Stephens had accepted the position of Main Street Director this fiscal year at half salary in order to get the program underway.

In the "200" Police Department accounts, Police Chief David Hammonds explained the administrative expenses were below budget for the current fiscal year because the department was not at full employment all year and two past employees were subsequently replaced with lower-paid employees. It is currently fully employed now. Chief Hammonds stated he had applied for a grant to place an officer at the school. The grant is expected in late September and is not

currently in the budget. The budget will have to be modified when it comes through. Councilmember Tommy Roberts then recommended delaying the review of the police and fire department budgets until the next budget workshop.

In the "400" Street Department Expenditures, Councilmember Roberts asked about the "1130" Motor Vehicle Supplies account. Johnny Mallory informed him it was fuel and parts. The "1330" account was described as covering mower blades, doors for the back hoe, gas pump repairs, back hoe repairs, fuel pump repairs, tires, tire service, auto parts, and small engine repairs. There was an error found in the "1340" Motor Vehicle Maintenance account. It was changed from \$0 to \$2,500. The "1310" Streets and Alleys Maintenance account included patching material, oil dirt, sand, rental of an electric hammer, tree removal, concrete and crushed rock. The "1540" Machinery and Equipment Capital Expenditures budget was lowered from \$5000 to \$2500 because two American National Bank loans had been retired.

In the "500" Parks Department Expenditures budget, the skilled labor account was described as Walter Hall's salary. The "1120" Building Supplies budget was for toilet paper and restroom supplies, etc. The "1310" Building and Structures Maintenance was for maintenance and repairs. Councilmember Roberts said the "1510" City Lakes Capital Expenditures budget should be spent on the spillway. Mr. Mallory explained that normally the City would have to spend funds on the Blackwell House, but last year, grants were received from the Canton Economic Development Corporation for improvements. \$5000 was budgeted for these expenses in the next fiscal year. The City budgeted for a new air conditioning unit in the "1522" Senior Citizens Building Capital Expenditures account. Councilmember Raymond Pruitt said that if the City was spending \$5,000 on the library next year, it should request that the meeting room be open to local organizations.

Councilmembers pointed out that the budget figures showed lower revenues in the Water and Sewer Department. Mr. Mallory explained that the City had since implemented a cap on water/sewer rates. He said the new 2001-2002 budget did not include an increase in water rates. Councilmember Pruitt asked the Council to consider charging for brush pick-up. He warned there may be a day when the City wasn't able to provide this service. There was a brief discussion on how the City might charge for this service. Mayor Hilliard said he thought it was a public service that should be continued. Mr. Mallory was asked to monitor the cost of brush pick-up for six months. Mayor Hilliard suggested the City consider incentives to increase water usage. Mr. Mallory said the City was already criticized by the State whose goal is conservation, for the City's low rates, which encourage more usage. Mr. Mallory noted the heavy users—the county and school—were already receiving lower rates. Councilmember Pruitt suggested the rates be increased so that more funds could be spent on streets, which he felt was the number one concern of many citizens.

The Council then moved on to the "600" Water Expenditures Budget. Mr. Mallory said the "1150" Chemicals and Lab Tests budget needed to be increased to at least \$65,000 to cover the increasing cost of chemicals. Mr. Mallory indicated the "1520" Tools and Equipment Capital Improvements expenditures for the current year included a static mixer, trench safety equipment and hydraulic shield trench box, and a new tapping machine was needed in the coming year. He said he didn't think there was enough money in that budget to buy it. He said the "1530" Motor Vehicles Capital Expenditures covered payments on Carlos Mora's truck. Mr. Mallory explained

that the major capital improvements to the water and sewer plants would be covered by a bond issue which would require amending the budget at a later date.

In the "700" Sewer Department Budget, the "1310" Tools and Equipment Maintenance budget was lowered from \$15,000 to \$8,000 based upon past expenditures which covered sewer machine hose, small engine repairs, rotor repairs, oil seals, tire repairs, and a new windshield. There was some discussion about raising the "1315" Sewer Plant Maintenance account to \$63,000, but it was decided to leave it at \$56,000. Mr. Mallory said the "1515" Sewer Plant Capital Expenditures budget would cover one or two pumps. He also said the vehicles for this department were paid off, allowing for a \$0 budget for "1530" Motor Vehicle Capital Expenditures.

Discussion then turned to the First Monday budget. It was noted that the revenue deficits in the "4210" Reservations Revenue Account were off-set by increases in the Arbors and T-Section accounts, originally not budgeted as separate items. Mr. Mallory indicated the City was preparing an ordinance raising the hotel/motel occupancy tax to 7%. Councilmembers Pruitt and Wilson recommended capping the "1291" allocation to the Canton Chamber of Commerce at \$40,000. Mr. Pruitt further recommended bringing the advertising in-house with Al Campbell, Julie Jackson and Jim Stephens managing the advertising account, rather than using an outside agency. There was some discussion about the chamber's activities. Julie Jackson pointed out that she was on the board and Jim Stephens was an advisory member. She said the City was represented at most of the promotional functions as well. Councilmember Pruitt said he'd like to see the City participate in the Ft. Worth and Houston Livestock Shows. Mr. Mallory explained that the "1309" Bldg & Grounds-Cont Labor Maintenance Account provided for the workers who clean up after First Monday Trade Days. The "1310" Building and Grounds Maintenance mostly consisted of Site Sanitation charges, trash, maintenance on the civic center sign, electrical repairs, etc. Under Capital Improvements, Mr. Mallory said the "1510" Building and Grounds account was for concrete and storage buildings, the "1520" Machinery and Tools account was for golf carts and the "1545" Equipment account was for tables and chairs for the civic center. Councilmember Pruitt asked Al Campbell to get an estimate on the cost of the concrete. Councilmember Rusty Wilson recommended adding a second 4-year, \$1000 per year, scholarship for a graduating senior and all were in favor of this change.

Mr. Mallory informed the Council there would be a construction meeting on Meadow the following Tuesday.

ADJOURN – The meeting was adjourned at 5:50 p.m.



 William F. Hilliard, Mayor

ATTEST:



 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, AUGUST 21, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford and Raymond Pruitt. Councilmember Beverly Hutcherson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by Mayor Hilliard.

INVOCATION was given by Rev. Ronnie Danniell from Oak Grove Baptist Church.

PLEDGE OF ALLEGIANCE - The Pledge of Allegiance was led by City Manager Johnny Mallory.

GUEST ITEMS - There were no guest items.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE JULY 17 AND JULY 28, 2001 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the Minutes of the July 17 and July 28, 2001, meetings of the Canton City Council be approved. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE JULY 2001 FINANCIAL STATEMENTS - City Manager Johnny Mallory read the totals from the July 2001 Financial Statements. Councilmember Wilson moved that the Financial Statements be approved. Councilmember Sanford seconded, and all voted in favor.

PRESENTATION BY MAIN STREET MANAGER JIM STEPHENS - Jim Stephens thanked the council for their vision in organizing Main Street and selecting its board. He reported that close to one hundred people were involved with the Main Street project in some manner. He said Main Street was now working on eleven buildings, all in different stages—some working with architects, some with contractors, and four or five under construction. He hoped to have some projects completed by September 15. He was also working with several businesses on their logos. Mr. Stephens said the merchants downtown had reorganized with new leadership and that twenty to twenty-five people attended most of their meetings. He reported that the Texas Department of Transportation grant application had been submitted, and they expected a response by the first of October. He also reported that he had been to Denison for continued training June 27-29. His picture was in both papers there, he thought, because of his affiliation with Canton and its highly recognized image. He stressed the need to capitalize on this image for Main Street and First Monday promotions. Mr. Stephens said he was also working the County Tourism

Board which is in the process of identifying all the tourist attractions in the county. He pointed out that tourism was one of the largest growing industries and all the cities in this area should capitalize on it. He informed the council of a familiarization bus tour of the county's attractions on September 18. Mr. Stephens said Main Street would be holding only one fundraiser this year, a progressive dinner on October 13. He was able to get all of the local organizations involved in this project and was receiving a lot of cooperation in all Main Street projects. Stephens told councilmembers he was working on marketing sources to help First Monday. He was also working on the application to become a National Main Street City which would be submitted by September 1. Mr. Stephens said he appreciated the efforts of all City employees. He specifically cited the work by Fire Department volunteers on the Christmas lighting project. He said that people are the greatest asset of any organization and he was glad to be a part of the City's staff. He invited councilmembers to his board meetings and to ask any questions.

Councilmember Roberts asked how many building owners on the square had made commitments to renovate. Mr. Stephens said he had contacted every owner and was waiting for their responses. He felt like they would all get involved. He noted they were much further along than expected after only seven months.

Councilmember Pruitt asked if the September 18th tour was open to anyone. Mr. Stephens answered that it was open and being coordinated by P. A. Geddie. He also invited all councilmembers and their spouses to the progressive dinner.

DISCUSS AND CONSIDER APPROVAL OF 2001 FIRST MONDAY TRADE DAYS BROCHURE – Al Campbell presented the brochure produced in-house by city staff. He pointed out the highlighted areas indicating changes. These included allowing food vendors to begin selling after they were admitted to the park at 9:00 a.m. on Wednesday, strengthening the motorized handicap vehicle rules and restricting their use by children, and restricting pets from the civic center and eating areas. He also said the prohibition of raffles may need to be modified limiting such activities to local organizations, but that raffles in general, games of chance or other carnival-type activities would not be allowed. He also noted the inclusion of charges for installing 30- or 50-amp service to vendors requiring more than the 20-amps provided.

Councilmember Pruitt asked that the exact rate for the health department permits be omitted in the event it should change in the new budget.

Councilmember Pruitt made the motion to approve the First Monday Vendor Information Brochure and its policies and procedures, with the omission of the rate for health department permits; and to adopt the following ordinance:

Ordinance No. 2001-05

AN ORDINANCE PROVIDING FOR THE POLICIES AND PROCEDURES FOR THE OPERATION OF THE CITY OF CANTON'S FIRST MONDAY TRADE DAYS; PROVIDING FOR THE COLLECTION OF RENT AND PROCEDURE FOR PAYMENT, RESERVATION AND RENEWAL OF VENDOR SPACES, MERCHANDISE, SALES, SOLICITATIONS, AND SET-UP ON THE PREMISES, AND TRAFFIC AND PARKING ON THE PREMISES; PROHIBITING SUBLEASING, SELLING AND TRANSFERRING LOTS; PROVIDING FOR PENALTIES FOR FAILURE TO COMPLY WITH SUCH ORDINANCE; PROVIDING A

SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH;
AND PROVIDING FOR AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS THAT:

The City Council hereby adopts this ordinance, to supercede previous ordinances, declaring as follows:

Section 1. Title. This ordinance shall be referred to as the First Monday Policies & Procedure ordinance

Section 2. Adoption of Policies and Procedures. The City Council of the City of Canton has previously adopted, on an annual basis, certain "Policies & Procedures" concerning the operation of the City's First Monday Trade Days. Said "Policies & Procedures" are incorporated into a brochure for distribution to the public. The "Policies & Procedures" set out in the attached brochure are hereby adopted and incorporated herein by reference as if cited herein verbatim

Section 3. Ratification of Adoption of Policy and Procedures for Termination of Lot Rentals. On April 21, 1998, the City Council adopted its policy regarding procedures for termination of lot rentals due to failure to comply with the aforementioned "Policies & Procedures" By this Ordinance, the following policy is hereby ratified and confirmed and incorporated into this Ordinance:

Upon determination by First Monday management that a vendor has failed to comply with First Monday Policies and Procedures as adopted by the City Council, management shall notify said vendor in writing , addressed to the last known address provided by the vendor, that the vendor space rental will not be renewed for the following market Such written notice shall:

Describe the vendor's violation of First Monday Policies and Procedures

Inform the vendor of his right to appeal management's decision to the City Council's First Monday Committee in writing addressed to City Hall within ten days from receipt of the written notice

Upon receipt of a written appeal, the First Monday Committee, at its option, may schedule a meeting with management and the vendor to review the matter The First Monday Committee shall notify the vendor, in writing, of their determination of the appeal.

Section 4. Amendments, Revisions, and Rescission. The City's "First Monday Policies & Procedures" and the "Policy and Procedure for Termination of Lot Rentals" may be amended, revised, or rescinded by the City Council of the City of Canton at any properly noticed meeting of the Council at which a quorum is present

Section 5. Gender and Number. In this ordinance, unless the text otherwise requires, words in the singular number include the plural and in the plural include the singular; words of the masculine gender include the feminine and the neuter; and when the sense so indicates, words in the neuter gender may refer to any gender

Section 6. Penalties. Failure to comply with the policies and procedures referred to herein may result in removal and/or eviction of violator and/or violator's employer, invitor, or licensor from the premises and/or loss of or eviction from the lots rented, subject only to the provisions of Section 3 above.

Any person found guilty of violating, disobeying, omitting, neglecting, or refusing to comply with, or resisting or opposing the enforcement of any of the provisions of the

“Traffic & Parking” provisions of the First Monday Policies & Procedure, may be cited and, upon conviction thereof, shall be punished by a fine of not less than Fifty Dollars (\$50.00) nor more than Two Hundred Dollars (\$200.00) for each offense, and a separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

Section 11. Severability of Provisions. If any provision, clause, sentence, paragraph, section, or part of this ordinance, or application thereof to any person, firm, corporation, public agency or circumstance, shall for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this ordinance and the application of such provisions to other persons, firms, corporations, public agencies, or circumstances, but shall be continued in its operation to the provisions, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person, firm, corporation, public agency, or circumstances involved. It is hereby declared to be the legislative intent of the City Council that this ordinance would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not be included.

Section 12. Repeal. All ordinances or parts of ordinances in conflict herewith shall be and the same are hereby repealed to the extent of such conflict.

Section 13. Effective Date. This ordinance shall become effective and in full force and effect on and after 12:00 a.m. on October 1, 2001.

Passed and approved this 21st day of August, 2001

Councilmember Sanford seconded, and all voted in favor

DISCUSS AND CONSIDER DESIGNATION OF ADDITIONAL ROWS IN FIRST MONDAY PARK FOR CONSTRUCTION OF PERMANENT STRUCTURES – Councilmember Sanford made the motion to include Rows 43, 44 and 45, and the portion of 43A where it intersects with these rows, as part of the designated area for the construction of structures. He said he had two vendors very serious about building in that area and another interested. He pointed out that it did not encroach further west toward the open-air lots. He said the City was the only market to still cater to the open-air market and it should continue to do so. Raymond Pruitt seconded the motion, and all voted in favor. Mayor Hilliard said the City needed to consider straightening out the creek in that area before vendors were allowed to build. He agreed to contact the Corps of Engineers for an opinion and report back at the next meeting. Councilmember Sanford agreed to let all the vendors interested in construction know that work on the creek was being considered.

DISCUSS AND CONSIDER UPDATING AUTHORIZED SIGNATURES ON CITY ACCOUNTS – Johnny Mallory informed the council that signature cards for the City’s bank accounts needed to be updated. He recommended signers include the Mayor, members of the City Council, Al Campbell, Julie Jackson and himself. Councilmembers Pruitt and Roberts indicated the council did not need to be signers. Councilmember Sanford made the motion to give authorization to sign on City accounts to Mayor Hilliard, City Manager Johnny Mallory, First Monday Manager Al Campbell and Acting Secretary Julie Jackson. Councilmember Roberts seconded, and all voted in favor.

A budget workshop was scheduled for Monday, August 27, 2001, at 3:00 p.m. in the City Council Room at City Hall, 290 E. Tyler St. Mr. Mallory said the deadline for filing the budget

with the City Secretary was Friday, August 24, 2001. It would be available to the public after filing, but could be changed as much as needed. It was scheduled to be adopted following a public hearing on September 18.

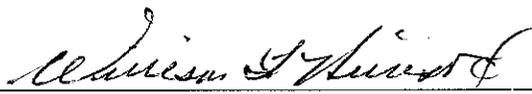
**EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS –
FIRE DEPARTMENT (Section 551.074)**

The Council adjourned into Executive Session at 7:00 p.m. to discuss personnel matters with Fire Chief Brian McNevin.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – At 8:28 p.m., the Council returned to Open Session with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – There were no items presented.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned on a motion by Councilmember Pruitt. Councilmember Sanford seconded, and all voted in favor.



William F. Hilliard, Mayor

ATTEST:



Julie H. Jackson, City Secretary

**CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
3:00 P.M., TUESDAY, AUGUST 27, 2001
CITY HALL, 290 E TYLER STREET
CANTON, TEXAS**

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford and Beverly Hutcherson. Councilmember Raymond Pruitt was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 3:00 p.m. and declared that a quorum was present.

WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2001-2002 FISCAL YEAR—The meeting opened with a discussion about Police Department vehicles. Councilmember Ron Sanford stated he thought the Police Department needed a second

car which was previously taken out of the budget. Councilmember Rusty Wilson said he would rather see the City pay cash for another car rather than financing it. Johnny Mallory indicated it could not be paid for out of the 2001-2002 budget, but there was money in the fund balance. He said the \$47,000 in the "1510" Motor Vehicles Capital Expenditures budget covered one new car, the lease on the motorcycle and loans on two other vehicles. He was figuring the cost of a new car at \$21,000. Councilmember Tommy Roberts said he originally favored purchasing used vehicles with low mileage, but later decided against that. Mayor Hilliard pointed out that program cars were not equipped with the heavy duty radiators and equipment necessary for patrol vehicles. Chief Hammonds said the patrol cars were averaging 21,000-25,000 miles per year. He said he had three cars with high mileage—one 1996 with 158,000 miles whose transmission was slipping, one 1997 with 131,000 miles that was leaking oil badly, and one 1997 with 102,000 miles that was running well and was expected to last to 150,000 miles. He said the Police Department would be in good shape if they purchased two cars this year and one the next. When asked about trading in the vehicles, he said they were usually traded down to other departments. Mr. Mallory said they could advertise them for sale in the paper and get more money than on a trade-in. Chief Hammonds stated he had seven patrol cars in service. He said he'd like to retire the 1996 and 1997 vehicles with the highest mileage and give Michelle Abio, the school resource office, the 1997 vehicle with 102,000 miles, because it would be used less than the other patrol cars. Her car would also be used by reserve officers on duty during First Monday.

Johnny Mallory indicated the Animal Shelter's budget was \$20,000 which would be tight and would require financing a new \$10,000 incinerator. Councilmember Sanford said he'd like to see the one patrol car and the incinerator taken out of the fund balance. Councilmember Roberts said the Animal Shelter needed improvements such as fences. He said Donald Wilhite was willing to do a lot of the work himself during regular hours and some overtime. He said he was experienced at building fences and handyman tasks. He complimented Donald and the part-time employee at the Animal Shelter for their good work. He said the part-time employee volunteers her time to place the animals for adoption on the internet and that she had been successful in placing two to three dogs in homes per day. Mayor Hilliard asked about using natural gas versus propane to lower costs. Mr. Mallory said it would cost about \$5,000 to lay a gas line from the main at the corner ½ mile away.

Fire Chief Brian McNevin presented his budget and said it was all very similar to the prior year. He said it provided for the purchase of pass alarms, air packs, hose and the payment on his truck. Councilmember Roberts asked about the "1135" Miscellaneous Supplies budget. Chief McNevin indicated it included \$1000 for pager radio batteries, \$165 for Fire Chief's Association dues, \$2500 for chief and firefighter training, \$500 for camera for Fire Marshall, and \$500 for equipment for the Fire Marshall. He explained the "1310" Fire Fighting Equipment Maintenance account had \$1200 for pump tests still outstanding. He increased the account by \$3500 for the next year to cover repairs to Engine 2. Chief McNevin said the cost of servicing the overhead doors would come out of the "1330" Building and Grounds Maintenance budget.

Councilman Roberts pointed out that two employees were at the top of their pay scale as provided for in the current salary chart. He said it would take Council action to increase their pay above the salary chart. Councilmember Beverly Hutcherson made the motion to advance the scale by one step for both employees. Councilmember Ron Sanford seconded. Councilmembers Beverly Hutcherson, Ron Sanford, Raymond Pruitt and Rusty Wilson voted in favor.

Councilmember Tommy Roberts voted against Councilmember Hutcherson said the salary chart needed to be revised Councilmember Rusty Wilson stated he felt the steps should be taken out. Mayor Hilliard said that the City should look at the employees at the lower pay rates Councilmember Roberts suggested making step one at a higher level Councilmember Sanford suggested revising the salary chart for the next fiscal year. Pete Lucas asked if the employees ending their 90-day probation period would receive their 90-day increase, and then receive their annual increase as well The Council indicated they would receive both increases Mayor Hilliard said he attended a seminar by the Tyler mayor who described their merit pay system which gave each department funds for individual merit pay. This was a one-time bonus and not guaranteed the next year. Councilmember Roberts said a merit system would depend on department heads and their employee evaluations.

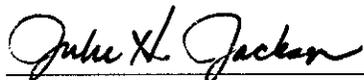
Councilmembers said they would perform the City Manager's evaluation at the next regular meeting. Councilmember Wilson said he'd like to see the City Manager evaluate himself then compare with theirs at the review. Other items to be placed on future agendas included stop signs on Forrest Drive and reviewing engineering services.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned on a motion by Councilmember Sanford Councilmember Roberts seconded, and all voted in favor



William F. Hilliard, Mayor

ATTEST:



Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
3:00 P.M., TUESDAY, SEPTEMBER 4, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers Members present were Mayor William F Hilliard, Beverly Hutcherson, Raymond Pruitt, Tommy Roberts, Ron Sanford, and Rusty Wilson

Discussion and action were as follows:

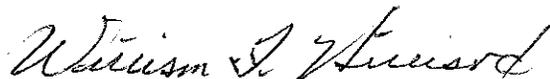
CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 3:16 p.m and declared that a quorum was present.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551 072) - The Council convened in Executive Session at 3:16 p.m. to discuss the potential purchase of the Plaza Theatre building and six adjoining lots from Don Hackney to be used as a City museum

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in Open Session at 3:47 p.m. Rusty Wilson stated the additional 2% hotel occupancy tax would pay for the financing of the theatre and adjoining property over a five-year period. Raymond Pruitt made the motion to purchase the Hackney properties, the Plaza Theatre and adjoining six lots for \$175,000.00, subject to roof and air conditioning inspections. Ron Sanford seconded the motion. The motion passed with Raymond Pruitt, Ron Sanford, Rusty Wilson and Beverly Hutcherson voting in favor, and Tommy Roberts voting against. Mr. Mallory was asked to finalize the purchase with Mr. Hackney, which was expected to take four to six weeks. The council also agreed to continue leasing the adjoining lots to the current lessee, Bill Loven.

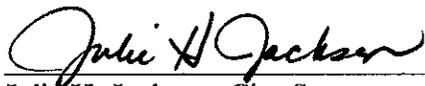
DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS - There were no matters for future agendas.

ADJOURN - There being no further business to come before the Council, Councilmember Ron Sanford moved that the meeting be adjourned. Councilmember Raymond Pruitt seconded, and all voted in favor.



William F. Hilliard, Mayor

ATTEST:



Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, SEPTEMBER 18, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Beverly Hutcherson, Tommy Roberts, and Ron Sanford and Rusty Wilson. Councilmember Raymond Pruitt was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by Mayor Hilliard

INVOCATION was given by Bill Hedges, Pastor of First United Methodist Church of Canton.

PLEDGE OF ALLEGIANCE –The Pledge of Allegiance was led by City Manager Johnny Mallory.

GUEST ITEMS – Mayor Hilliard announced that two people had signed up under guest items to address the council, but they would be deferred until later during the agenda item regarding stop signs on Forrest Drive

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE AUGUST 13, AUGUST 21, AND AUGUST 27, 2001 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the Minutes of the August 13, August 21, and August 27, 2001 meetings of the Canton City Council be approved. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE AUGUST 2001 FINANCIAL STATEMENTS –City Manager Johnny Mallory presented the August 2001 Financial Statements. Councilmember Sanford moved that the Financial Statements be approved. Councilmember Hutcherson seconded, and all voted in favor.

PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2001, AND ENDING SEPTEMBER 30, 2002 – Mayor Hilliard opened the public hearing on the City's annual budget at 6:36 p.m. Mr. Mallory presented the 2001-2002 annual budget totaling \$6,781,259, of which \$117,000 would come from the fund balance. He noted the only revisions made since the last meeting were to appropriate \$204,000 from the general fund to pay for the second police car, the incinerator, and the Plaza Theatre property as directed by the Council. Tommy Roberts said he felt there was a \$60,000 difference in the budget. He also explained that he would not support the budget because he was not in favor of the purchase of the theatre

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE APPROVING PROPOSED 2001-2002 BUDGET – Beverly Hutcherson made the motion to adopt an ordinance approving the 2001-2002 Budget as presented. Ron Sanford seconded. The motion carried with Beverly Hutcherson, Ron Sanford and Rusty Wilson voting in favor, and Tommy Roberts voting against. Rusty Wilson asked how the proposed hotel occupancy tax rate increase would affect the budget. Johnny Mallory verified that it was included in the 2001-2002 budget

ORDINANCE NO. 2001-06

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF CANTON FOR THE ENSUING FISCAL YEAR BEGINNING OCTOBER 1, 2001, AND ENDING SEPTEMBER 30, 2002; APPROPRIATING MONEY TO A SINKING FUND TO PAY INTEREST AND PRINCIPAL DUE ON THE CITY'S OUTSTANDING INDEBTEDNESS; ADOPTING THE ANNUAL BUDGET OF THE CITY OF CANTON FOR THE 2001-2002 FISCAL YEAR; PROVIDING A SAVINGS CLAUSE, FOR THE REPEAL OF ALL ORDINANCES AND

APPROPRIATIONS IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Mayor of the City of Canton, Texas has submitted to the City Council a proposed budget of the revenues and expenditures of the City of Canton for the period beginning October 1, 2001, and ending September 30, 2002 and which said proposed budget has been compiled from detailed information obtained from several departments, divisions, and offices of the City; and,

WHEREAS, a copy of said proposed budget was timely filed with the City Secretary of the City of Canton, Texas; and

WHEREAS, the City Council of the City of Canton did sit as a committee of the whole in the Council Chamber at the City Hall in the City of Canton on September 18, 2001, at 6:30 o'clock p m , after public notice having been given, to hear any complaints, suggestions or observations during a public hearing on the proposed budget; and

Whereas, said Council is of the opinion that the same should be approved and adopted,

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS:

SECTION 1.

That the proposed budget of the Revenues and Expenses of the City of Canton, Texas for the period beginning October 1, 2001, and ending September 30, 2002, as submitted to the City Council of said City be, and the same is in all things adopted and approved as the budget of all the current expenses as well as the fixed charges against said City, for the period beginning October 1, 2001 and ending September 30, 2002

SECTION 2.

That the sum of \$2,122,184 for the payment of General Fund operating expenses and necessary transfers to other funds of the City as hereinafter itemized is hereby appropriated to:

| GENERAL FUND | |
|-------------------|--------------|
| Administration | \$541,995 00 |
| Police Department | \$914,450 00 |
| Fire Department | \$146,144 00 |
| Street | \$236,350 00 |
| Parks | \$283,245 00 |

SECTION 3.

That the sum of \$1,063,800 00 is appropriated from the revenues and balances on hand in the Water Department to operating, capital outlay, debt service and inter-fund transfers of the Water Department. That the sum of \$443,200 00 is appropriated from the revenues and balances on hand in the Sewer Department to operating, capital outlay, debt service and inter-fund transfers of the Sewer Department.

SECTION 4.

That the sum of \$3,394,159 00 is appropriated out of the First Monday Fund and ordered expended for the proposed outlined expenses in the First Monday Fund budget for the budget period.

SECTION 5.

That the sum of \$1,154,280 00 is appropriated out of the Debt Service Fund to provide for a sinking fund for the payment of the principal and interest and the retirement of the bonded debt of said city coming due during the budget period

SECTION 6.

That this ordinance shall be and remain in full force and effect from and after its passage and approval by the City Council and that all ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed to the extent of such conflict.

SECTION 7.

If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not effect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Council that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose

PASSED, ADOPTED, AND APPROVED on this the 18th day of September, 2001

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE RAISING THE HOTEL/MOTEL OCCUPANCY TAX RATE TO 7%--Johnny Mallory proposed that the Council raise the Hotel/Motel Occupancy Tax rate to 7%, an increase of 2% He projected the increase to net an additional \$70,000 in annual tax revenue to the City Rusty Wilson asked if all of the additional revenue would be used to pay toward the purchase of the theatre Mr Mallory said the funds were restricted for use in tourism and advertising He said the funds were not dedicated for that purpose and it would take more than one year to raise the \$175,000 from tax revenue He said he was proposing that the theatre be paid for out of the fund balance Tommy Roberts said it was his understanding that the tax rate increase would pay to finance the purchase of the theatre Beverly Hutcherson added that she thought the City was going to using rent income and the hotel/motel occupancy tax to pay for the building Mr Mallory said we could pay the fund balance back over a couple of years He also said that purchase of the theatre could be financed if the Council so desired Rusty Wilson made the motion to adopt the ordinance raising the Hotel/Motel Occupancy Tax Rate to 7% Tommy Roberts seconded, and all voted in favor.

Ordinance No. 2001-07

AN ORDINANCE PROVIDING FOR THE ASSESSMENT AND COLLECTION OF A HOTEL OCCUPANCY TAX; PROVIDING CERTAIN DEFINITIONS; PROVIDING FOR THE ALLOCATION OF REVENUE DERIVED FROM THE LEVY OF THE HOTEL OCCUPANCY TAX; PROVIDING FOR A PENALTY FOR NON-PAYMENT; PROVIDING FOR A PENALTY UPON CONVICTION FOR FAILURE TO COMPLY OF NOT MORE THAN FIVE HUNDRED DOLLARS (\$500 00); PROVIDING A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE

Section 1. Title. This Ordinance shall be referred to as the "hotel occupancy tax ordinance."

Section 2. Definitions. Whenever any of the following words, terms, or definitions are used in this ordinance, they shall have the following meaning:

- (a) **City:** The City of Canton, Texas
- (b) **Hotel:** Any building or buildings in which the public may, for a consideration, obtain sleeping accommodations, including hotels, motels, tourist homes, houses or courts, lodging houses, inns, rooming houses, or other buildings where rooms are furnished for a consideration, but not including hospitals, sanitariums convalescent centers, nursing homes, or assisted-living facilities.
- (c) **Hotel accommodations:** A room or rooms in any building or structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel, apartment hotel, lodging house, dormitory or place, where sleeping, rooming, office, conference or exhibition accommodations are furnished for lease or rent, whether with or without meals, in which ten (10) or more such accommodations are used or maintained for guests, lodgers, or roomers.
- (d) **Consideration:** The cost of the room in a hotel only if the room is ordinarily used for sleeping, and not including the cost of any food served or personal services rendered to the occupant of such room not related to the cleaning and readying of such room for occupancy.
- (e) **Occupancy:** The use or possession, or the right to the use or possession, of any room or rooms in a hotel if the room is one which is ordinarily used for sleeping and if the occupant is other than a permanent resident as hereinafter defined.
- (f) **Occupant:** Anyone who, for a consideration, uses, possesses, or has a right to use or possess any room or rooms in a hotel under any lease, concession, permit, right of access, license, contract or agreement, other than a permanent resident as hereinafter defined.
- (g) **Person:** Any individual, company, corporation or association, receiver, administrator, executor, conservator, assignee, trust in perpetuity, trust, estate, firm, co-partnership, joint venture, club, business trust, domestic or foreign corporation, syndicate, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, which owns, operates, manages or controls any hotel.

Whenever the term "person" is used in any clause prescribing and imposing a penalty, the term as applied to associations shall mean that the owners or part-owners thereof, and as applied to corporations, the officers thereof.

- (h) **Quarterly period:** The regular calendar quarters of the year, the first quarter being composed of the months of October, November, and December; the second quarter being the months of January, February, and March; the third quarter being the months of April, May, and June; and the fourth quarter being the months of July, August, and September.
- (i) **Permanent resident:** Any occupant who has or shall have the right to occupancy of any room or rooms in a hotel for at least thirty (30) consecutive days during the calendar year or preceding year.

Section 3. Tax Levied. There is hereby levied a tax of seven percent (7%) of the price paid for a room in a hotel on every person, who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs \$2.00 or more each day, and is ordinarily used for sleeping. The price of a room in a hotel does not include the cost of food served by the hotel and the cost of personal services performed by the hotel for the person except those services related to the cleaning and readying of the room for possession.

Exceptions are as follows:

- (a) No tax shall be imposed upon a permanent resident.
- (b) No tax shall be imposed upon an officer or employee of a federal or state agency, institution, board, or commission if the employee is traveling on official business for the governmental entity.
- (c) No tax shall be imposed for diplomatic personnel who present a Tax Exemption card issued by the United States Department of State.
- (d) No tax shall be imposed for federal or state military personnel traveling on official military business. This exemption does not cover military staff on leave or between stations.

Section 4. Collection of Tax. The ultimate incidence of and liability for payment of said tax shall be borne by the lessee or tenant of any such hotel accommodations. The tax herein levied shall be in addition to any and all other taxes. It shall be the duty of every owner, manager or operator of hotel accommodations to secure said tax from the lessee or tenant of said hotel accommodations and pay over to the City of Canton said tax under rules and regulations prescribed by the City Secretary and as otherwise provided by this ordinance.

Section 5. Quarterly Reports to the City. On or before the last day of the month following each quarterly period, every person required to collect the tax imposed hereby shall file a report with the City Secretary showing the price paid for all room occupancies in the preceding quarter, the amount of the tax collected on such occupancies, and any other information the City Secretary may reasonably require. At the time of filing said tax return, the owner, manager or operator of hotel accommodations shall pay to the City of Canton all taxes due for the period to which the tax return applies. The report shall be in a form prescribed by the City Secretary. The City Secretary is hereby authorized and directed to do all such things necessary or convenient to carry out the terms of this Ordinance. The City Secretary shall have the authority to request and receive, within a reasonable time, documentation for information contained in the report to the City by the hotel.

Section 6. Rules and Regulations of City Secretary. The City Secretary shall have the power to make such rules and regulations as are reasonable and necessary to effectively collect the tax levied hereby.

Section 7. Records Required. Every owner, manager, or operator of hotel accommodations in the City shall keep books and records showing the prices, rents or charges made or charged, and occupancies taxable under this ordinance. The City Secretary, or the City Secretary's designee, shall, upon reasonable notice, have full access to books and records necessary to enable her/him to determine the correctness of any report filed as required by this Ordinance, and the amount of taxes due under the provisions of this Ordinance.

Section 8. Any person purchasing a hotel located in the City of Canton shall retain out of the purchase price an amount sufficient to pay any delinquent hotel occupancy taxes that are due to the City. Should the purchaser fail to remit such amount to the City or show proof that the hotel is current in remitting its hotel occupancy taxes, the purchaser shall become liable for any delinquent hotel occupancy taxes due on the purchased hotel.

Section 9. Penalties. If any person shall fail to file a report as required herein or shall file a false report or shall fail to pay to the City the tax as imposed herein when said report or payment is due, he shall forfeit five percent (5%) of the amount due as penalty, and after the first thirty (30) days, he shall forfeit an additional five percent (5%) of such tax. However, such penalty shall never be less than one dollar (\$1.00). Delinquent taxes shall draw interest at the rate of ten percent (10%) per annum beginning sixty (60) days from the due date.

Any person violating, disobeying, omitting, neglecting, or refusing to comply with, or resisting or opposing the enforcement of any of the provisions of this Ordinance, including hotel operators who fail to collect the tax, fail to file a return, file a false return, or who are delinquent in their tax payments shall be guilty of a misdemeanor and shall, upon conviction, be fined in any sum not to exceed five hundred dollars (\$500.00), and each twenty-four (24) hours of any such violation shall constitute a separate offense.

Section 10. Additional Penalties. The City is hereby authorized to take the following actions against any person required to collect the tax imposed hereby and pay the collection over to the City and who has failed to file a report, or filed a false report, or failed to pay the tax when due:

- (a) Require the forfeiture of any revenue the City allowed the hotel operator to retain for its cost of collecting the tax;
- (b) Bring suit against the hotel for noncompliance; and/or
- (c) Bring suit against the hotel seeking any other remedies provided under Texas law.

Section 11. Additional Authorization to Bring Suit. Upon the request of the City Manager, the City Attorney is hereby authorized to bring suit in any court of competent jurisdiction against any person required to collect the tax imposed hereby and required to pay the collection over to the City and who has failed to file a report, or filed a false report, or failed to pay the tax when due. Such suit may seek to collect such tax not paid, to enjoin such person from operating a hotel in the City until the tax is paid or the report is filed and/or the collection of attorney's fees, as applicable and as provided in the injunction.

Section 12. Use of Revenue Derived. The revenue derived from any hotel occupancy tax imposed and levied by this Ordinance may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

- (a) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities (as such is defined in V.A.T.S. Tax Code, Section 351.001);
- (b) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- (c) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
- (d) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms; and
- (e) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:
 - (1) which are at or in the immediate vicinity of convention center facilities; or

- (2) which are located elsewhere in the municipality or its vicinity that would be frequented by tourists, convention delegates, or other visitors to the municipality.

Revenue derived from the hotel occupancy tax shall be expended only in a manner which directly enhances and promotes tourism and the convention and hotel industry as hereinbefore delineated. Such revenue shall not be used for the general revenue purposes or general governmental operations of the municipality which are not directly related to promoting the hotel and convention industry or tourism in the municipality.

Section 13. Administrative Requirements; Accountability; Keeping of Records. The City Council may, by contract, delegate to a person, including another governmental entity or a private organization, the management or supervision of programs and activities funded with revenue from the hotel occupancy tax. The City Council shall approve in writing in advance the annual budget of the entity to which it delegates those function, and shall require the entity to make periodic reports to the City Council at least annually listing the expenditures made by the entity of revenue from the tax provided by the municipality.

The entity must maintain the revenue provided by the municipality from the tax in a separate account established for that purpose and may not commingle that revenue with any other money or maintain it in any other account.

The municipality may not delegate to any person or entity the management or supervision of its convention and visitors programs and activities funded with revenue from the hotel occupancy tax other than by contract as provided herein.

The approval by the City Council of the annual budget of the entity to which these functions are delegated creates a fiduciary duty in the person or entity with respect to the revenue provided by the municipality to the person or entity under the contract.

A person or entity with whom the municipality contracts to conduct authorized activities shall maintain complete and accurate financial records of each expenditure of hotel occupancy tax revenue made by the person or entity and, on request of the City council or other person, shall make the records available for inspection and review.

Hotel occupancy tax revenue may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs only if those administrative costs are incurred directly in the promotion and servicing of expenditures hereinbefore authorized. The portion of the total administrative costs for activities for which hotel occupancy tax revenue may be used may not exceed the administrative costs actually incurred in conducting the authorized activities.

Hotel occupancy tax revenue may not be spent for travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of the person's job in an efficient and professional manner.

Section 14. Gender and Number. In this ordinance, unless the text otherwise requires, words in the singular number include the plural and in the plural include the singular; words of the masculine gender include the feminine and the neuter; and when the sense so indicates, words in the neuter gender may refer to any gender.

Section 15. Severability. In the event that any one or more of the provisions, clauses, or words of this Ordinance or the application thereof to any situation or circumstance shall for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect any other provisions, clauses, or words of this Ordinance or the application thereof to any other situations or circumstance and it is intended that this ordinance shall be severable

and that it shall be construed and applied as if such invalid or unconstitutional clause, section, provision, or word had not been included herein.

Section 16. Repeal. All ordinances or parts of ordinances in conflict herewith shall be and the same are hereby repealed to the extent of such conflict.

Section 17. Effective Date. This ordinance shall become effective and in full force and effect on and after 12:00 a.m. on October 1, 2001.

Passed and approved this 18th day of September, 2001.

DISCUSS AND CONSIDER STOP SIGN PLACEMENTS ON FORREST DRIVE—Mayor Hilliard invited Charles Lide, who signed up under guest items, to address the council. Mr. Lide pointed out that there were fourteen stop signs from Etheridge Road to Hwy 19 (including those on Mill Creek Rd., Forrest Dr., Denise St. and Debbie St.) which was more than in the entire southern part of Canton. He asked the council what the determining factor was in placing so many stop signs over this 8 mile. The mayor responded by informing him that there was a delegation of citizens before the council three months prior who were very concerned about traffic problems in that area, mainly speeding. He said the council heeded those concerns. Mr. Lide said he thought speeding problems were usually controlled by the speed limit and radar enforcement. He said he was told that the City didn't have the manpower to patrol the area with radar, but he felt the City needed someone to monitor the stop signs. He said he lived in the area for fourteen years and occasionally witnessed a teenager speeding. He said he read the delegation was afraid that children playing in the streets would be hurt, but he had never seen a child hurt or a wreck in that area. He indicated that stop signs were usually used at four-way stops, but these were three-way stops. Ron Sanford said the stop sign at Debbie and Denise was important because a truck was usually parked across the street and cars were swinging out to go around it. The Mayor pointed out that the council had held a public hearing on the matter, but ceded that the City may have subsequently placed too many stop signs. Tommy Roberts said he thought the City could take a closer look now, but that it had been effective in cutting down the traffic in that area. Mr. Lide suggested raising the fines for speeding. Alton Smith was in the audience and asked the council if they had noticed how much traffic had increased on Melinda Lane since the stop signs were installed.

The Mayor then turned the floor over to Glen Whitaker who had also signed up under guest items to discuss the stop signs in this area. Mr. Whitaker said his understanding was that the stop signs were installed basically to control speed limits. He said one neighbor monitoring the traffic found four vehicles consistently speeding and that he had reported their licenses to the police department. He pointed out that three of those speeders were still active. He said he was informed that the City did not have guidelines for controlling speed limits and traffic, so he researched the Texas State Department of Transportation's Uniform Traffic Control Devices Policy. This stipulates in paragraph 2B4 through 2B6 that stop signs are intended for use when traffic is required to stop, and that because stop signs cause substantial inconveniences to motorists, they should not be used for speed control. Mr. Whitaker stated he did not think the City should use them for that purpose either. He further cited the Texas Uniform Traffic Control Devices policy regarding three-way stops. The policy indicated use only when the volume of

traffic on all intersection roads was approximately equal. Mr. Whitaker said his tenant tracked the traffic at Meadow and Mill Creek Rd. and found that of 155 cars, only 18 came from Meadow Lane. He also found that 86 of those cars (55%) did not actually stop. Mr. Whitaker suggested the City conduct traffic and engineering studies in these areas. He said the Texas Department of Transportation established speed limits based upon the speed limits actually driven by eighty-five percent of the vehicles in the survey. He suggested that the 25 mph speed limit was encouraging motorists to ignore posted signs and develop disrespect for speed limits in general. Mr. Whitaker asked that the stop signs used for controlling speed be removed from Mill Creek, Forrest and Debbie. He suggested that if speeding was a problem, that the police department enforce the speed limits. He said he did not feel there was justification to warrant 25 mph speed limit in that area and asked the City to survey the traffic and try the 85 percentile procedure for establishing that speed limit.

The Mayor asked his street committee, consisting of Beverly Hutcherson and Rusty Wilson, to meet and recommend appropriate action. Tommy Roberts said that it was his opinion that the stop signs were put there to deter traffic and not to reduce speeds. He said the Council may need to revise the number of stop signs placed.

DISCUSS AND CONSIDER REQUEST FROM FIRST UNITED METHODIST CHURCH TO CLOSE SOUTH PACIFIC STREET BETWEEN MULBERRY AND GOSHEN STREETS-Mr. David Norman, chairman of the trustees at the First United Methodist Church in Canton asked the council to consider closing Pacific Street behind the church so they could make it a private drive. He said the church had been active acquiring properties on both sides of the street and now owned all, with the exception of the brick building on the southeast corner of Pacific and Goshen owned by Nolan Black. Mr. Black had indicated to him that he was amenable to the closing as long as he had at least one lane access to the back of his building which was now used as storage. He said the expansion program was in the planning stages and would probably not begin for two or three years. The Council discussed that Pacific did not end at Goshen. It was not aligned at Goshen, but continued for another one-half block south. The Mayor indicated that he thought the property line for the adjoining properties was in the middle of the street. The City Manager said he would research the procedures for street closings and may have to hold public hearings. The Council agreed to place the item on the agenda at its next regular meeting.

DISCUSS AND CONSIDER APPROVAL OF ENGAGEMENT LETTER RETAINING HESTER, CONWAY & COMPANY TO CONDUCT 2000-2001 AUDIT - Johnny Mallory recommended the City hire Hester, Conway & Company to conduct the annual audit at an estimated cost of \$7,200-\$7,800. Rusty Wilson made the motion to approve the engagement letter retaining Hester, Conway & Company to conduct the 2000-2001 annual audit. Beverly Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER HIRING WISENBAKER FIX & ASSOCIATES, INC. AS CITY'S ENGINEERS - At the request of Johnny Mallory, Tracy Hicks with Wisenbaker, Fix & Associates was present for the council meeting. He indicated that his firm had a great deal of experience working with municipalities. Some of their clients included Grand Saline, Mineola, Lindale, Haskins, Tyler, Huntsville and Elkhart. Their focus was water, sewer and streets. They had worked on expansion of wastewater plants, sludge bed projects and water plant projects. Mayor Hilliard stated that the council felt it was time to select a new firm and that they had come

highly recommended. Tommy Roberts said he'd like to see the firm involved in the City's projects and be available to advise and make recommendations. Tracy Hicks said his firm's policy was to work with City staff from conception through warranty. Tracy said his firm would establish a general agreement for engineering services, then an individual work order for each project would be drafted which describes what the project will entail, what each party will be responsible for and what the cost will be. Mayor Hilliard thanked Tracy for attending the meeting and told him the City looked forward to working with his firm.

DISCUSS AND CONSIDER RENEWAL OF CHAMBER OF COMMERCE SERVICE AGREEMENT – Mr. Mallory presented the proposed agreement with the Chamber of Commerce pointing out the basic change of capping the funds at \$40,000 annually. He said to-date, the Chamber had been paid \$40,126, with additional funds expected prior to year-end. The Mayor requested that the discussion be delayed until Raymond Pruitt arrived later in the meeting.

DISCUSS AND CONSIDER REQUEST FROM HELLA TEMPLE HOSPITAL DRIVE FOR AUTHORIZATION TO CONDUCT ON-STREET SOLICITATION AT THE INTERSECTION OF HIGHWAY 64 AND BUFFALO STREET ON SEPTEMBER 28, 29, AND 30, 2001 – Mr. Mallory presented Hella Temple's request to solicit funds at the intersection of Hwy 64 and Buffalo St. on Saturday and Sunday during the October Trade Days. He said they had been allowed to solicit funds at that location and time for the past several years. Tommy Roberts made the motion to grant Hella Temple permission to conduct on-street solicitation at the intersection of Hwy. 64 and Buffalo Street on September 28, 29 and 30, 2001. Beverly Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FOR ZONING CHANGE FOR 1701 ELLIOTT ROAD IN CANTON, TEXAS, OWNED BY PAT'S ELECTRIC/LOU CRAFT FROM R-1 (SINGLE FAMILY DETACHED RESIDENTIAL) TO B-1 (LOCAL BUSINESS DISTRICT) – Mr. Mallory reported that the property in question had been operating as a commercial business long before the zoning ordinance was adopted. He said now that the lots were being sold, it became a non-conforming use. Planning and Zoning recommended the zoning change from R-1 to B-1. Ron Sanford made the motion for a zoning change for 1701 Elliott Road in Canton, Texas, owned by Pat's Electric/Lou Craft from R-1 (Single Family Detached Residential) to B-1 (Local Business District.) Beverly Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER AMENDMENTS TO CITY OF CANTON ZONING ORDINANCE TO ADOPT A DEFINITION FOR ESTABLISHING SETBACKS AND TO PROVIDE FOR A MAXIMUM OVERHANG IN THE DIMENSIONAL REQUIREMENTS OF ZONING ORDINANCE ARTICLE 5 (RA – Agricultural District), ARTICLE 6 (R-1-Single Family Detached Residential), ARTICLE 7 (R-2 and R-3 – Single Family Detached Residential), ARTICLE 8 (MF-1 – Multiple Family Residential), ARTICLE 9 (MH-1 – Mobile Home Park District), ARTICLE 10 (R-4 – Manufactured Housing District), AND ARTICLE 10A (RPO – Restricted Professional and Office District) – Mr. Mallory recommended the Council adopt the changes proposed to the zoning ordinance to more clearly define setback measurement procedures and to establish a maximum overhang regulation of thirty inches (30"). Rusty Wilson made the motion to adopt the changes stated above. Rusty Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF EAST TEXAS COUNCIL OF GOVERNMENT'S INTERLOCAL SERVICE AGREEMENT FOR ENHANCED 9-1-1 PROGRAM – Mr. Mallory recommended the Council enter into the interlocal service agreement for the enhanced 9-1-1 program. He said the program did not involve a cost to the City. Beverly Hutcherson made the motion to approve the ETCOG Interlocal Service Agreement for Enhanced 9-1-1 Program. Rusty Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER POLICY ON RACIAL PROFILING – Chief David Hammonds explained that police departments were required by law to develop a policy on biased policing as of September 1, 2001. He said Lt. York and he researched other policies and legislation over the internet, and had discussed the issue with the Highway Patrol. They combined the wording from several different policies to establish their own. He said he had not written corrective action as harsh as other policies, but he felt it was appropriate for our department. Upon the recommendation of the City Manager, Ron Sanford made the motion to adopt the City's Policy on Racial Profiling. Rusty Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTING STANDARD OPERATING PROCEDURES FOR THE SCHOOL RESOURCE OFFICER AND FOR THE CANINE PROGRAM – Chief Hammonds said he had researched other agencies and had worked with the school in preparing the standard operating procedures for the school resource officer. He also informed the council that the standard operating procedures for the canine program covered everything from qualification, responsibilities, operational handling, illness procedures, to retirement of the canine. Chief Hammonds stipulated that the school resource officer would be operating under the Canton Police Department. Truancy problems would be handled in cooperation with the county, when required. He said there would be no uniform changes other than an SRO pin. Chief Hammonds indicated that he was going to leave Officer Abio at the school whether or not the grant materializes. He said a truancy call had already led to the discovery of metha-amphetamine labs and subsequent arrests. Upon the recommendation of Johnny Mallory, Tommy Roberts made the motion to approve the standard operating procedures for a school resource officer and for the canine program. Rusty Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER STATUS OF US ARMY CORPS OF ENGINEERS STUDY ON STRAIGHTENING DRY CREEK ON THE FIRST MONDAY TRADE DAYS PARK – Mayor Hilliard reported that the US Army Corps of Engineers had visited Canton the previous week to take a look at straightening Dry Creek on the trade grounds. He said, although they weren't very promising, they would research the problem and make recommendations to the City.

DISCUSS AND CONSIDER RENEWAL OF CHAMBER OF COMMERCE SERVICE AGREEMENT – Raymond Pruitt arrived at 7:50 p.m. at which time Mayor Hilliard returned to the agenda item regarding the chamber of commerce annual agreement. Mr. Pruitt said he had intended for the agreement to match what the chamber received during the 2000-2001 fiscal year. Since year-end figures were not yet available, the council decided that the agreement could later be amended. Raymond Pruitt made the motion to approve the agreement with the Canton Chamber of Commerce as presented. Ron Sanford seconded, and all voted in favor.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS CITY OF CANTON, ET AL (Section 551.071) – Mr. Mallory informed

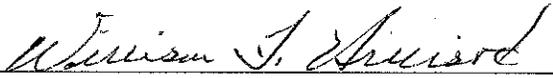
the council that the attorney was not able to be present, so the executive session was postponed to a later meeting

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – CITY MANAGER EVALUATION – The Council convened in Executive Session at 7:52 p m.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened to open session at 7:53 p m Mayor Hilliard recommended the item be postponed to the next regular meeting

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – The council was reminded of a called meeting at 8:00 a m. on Tuesday, September 25, 2001, to set the City tax rate.

ADJOURN – There being no further business to come before the Council, Ron Sanford made the motion to adjourn Raymond Pruitt seconded, and all voted in favor.



 William F Hilliard, Mayor

ATTEST:



 Julie H Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 8:00 A M , TUESDAY, SEPTEMBER 25, 2001
 CITY HALL, 290 E TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Raymond Pruitt, Tommy Roberts, Ron Sanford, and Rusty Wilson Councilmember Beverly Hutcherson was absent

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:06 a m and declared that a quorum was present

DISCUSS AND CONSIDER ADOPTING ORDINANCE LEVYING TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2001 AND ENDING SEPTEMBER 30, 2002 – Councilmember Tommy Roberts moved that the following ordinance be adopted:

ORDINANCE NO. 2001-07

AN ORDINANCE LEVYING TAXES FOR ALL TAXABLE PROPERTY IN THE CITY OF CANTON, TEXAS FOR THE USE AND SUPPORT OF THE CITY OF CANTON, TEXAS FOR THE ENSUING FISCAL YEAR COMMENCING ON OCTOBER 1, 2001, AND ENDING SEPTEMBER 30, 2002.

WHEREAS, the City Council of the City of Canton, Texas met in a called session at 8:00 o'clock a m , on September 25, 2001, and after having heard and adopted the Annual Budget for the City of Canton, Texas, for the ensuing 2001-2002 fiscal year, and it having been determined that a tax rate of \$0 00 per \$100.00 valuation will support and ensure the payment of all proposed expenses and liabilities of the City for the ensuing 2001-2002 fiscal year as set forth in the Annual Budget adopted September 18, 2001, in a regular meeting of the City Council; and

WHEREAS, the proposed tax rate and increase or decrease, if any, does not exceed the requirements imposed by law;

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS:

SECTION 1.

A tax is hereby levied in the amount of \$0 00 per \$100 00 valuation upon all property, real, personal, and mixed, within the corporate limits of the City of Canton subject to taxation to defray all expenses and liabilities of the City and for the purposes specified in the Annual Budget duly adopted for the ensuing fiscal year beginning October 1, 2001, and ending September 30, 2002

SECTION 2.

That all ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed to the extent of such conflict

SECTION 3.

If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not effect any other section, paragraph, subdivision, clause, phrase, word, or provision hereof given full force and effect for its purpose

SECTION 4.

This Ordinance shall become effective and in full force and effect October 1, 2001

Councilmember Rusty Wilson seconded the motion and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM CANTON VOLUNTEER FIRE FIGHTERS ASSOCIATION FOR AUTHORIZATION TO CONDUCT ON-STREET SOLICITATION AT THE INTERSECTION OF HIGHWAY 64 AND BUFFALO STREET ON NOVEMBER 3 AND 4, 2001—Tommy Roberts made the motion to approve the request from the Canton

Volunteer Fire Fighters Association to solicit donations at the intersection of Hwy 64 and Buffalo Street on November 4, 2001. Raymond Pruitt seconded, and all voted in favor. Mr. Mallory reminded the council that the Shriner's were soliciting at that intersection during the October Trade Days.

DISCUSS AND CONSIDER VOLUNTEER FIRE DEPARTMENT PARKING LOT REVENUE---Craig Brown, President of the Volunteer Fire Fighters Association, informed the council that the fire truck and engine being financed by the parking lot revenue was nearly paid off. He asked the council to continue giving the parking lot revenue to the fire department in order to finance the purchase of a new rescue unit and a small brush fire truck. He said the fire department had retired its old rescue unit quite some time ago, and subsequently all of their rescue equipment was scattered on lots of different trucks. He said they needed one rescue unit that contained all of this equipment. He also stated they had difficulty reaching fires with the current small brush fire truck because it was not four-wheel drive. The small brush fire truck they were planning to buy was four-wheel drive. He said the note to pay for these trucks would be a Fire Fighters Association obligation and they would carry the insurance on the vehicles while they were being financed. The title would belong to the Fire Fighters Association until it was paid for, then it would go to the City. Tommy Roberts asked how much debt the Fire Fighters Association currently had. Ron Sanford said they only owed approximately \$5400 on Engine II and that they intended to pay that debt off with the first \$5,000 from the letter drive. Fire Chief Brian McNevin also informed the council that he had an offer of \$4500 for the old squad truck. Craig Brown reported that the Association had \$5600-\$7000 in CDs, approximately \$2300 in a checking account and approximately \$1000 in a care fund. Brian McNevin said he had visited with David King at American National Bank who had offered five percent (5%) interest on a five-year note for \$25,000. Ron Sanford said the Fire Department would continue to have fund raisers to maintain other equipment—bunker gear, etc—in good condition. Raymond Pruitt made the motion to allocate the revenue from the Senior Citizens Parking Lot on First Monday weekends to the Canton Volunteer Fire Fighters Association. Rusty Wilson seconded, and all voted in favor. Mayor Hilliard asked Chief McNevin to shop all of the banks in town for the loan to the Association.

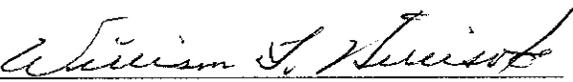
DISCUSS AND CONSIDER FM 859 FIRST MONDAY PARKING LOT – Councilmember Ron Sanford informed the council that the City considered giving the management of the FM 859 Parking Lot Assignments to the school last year, but it was too late to get it organized. He said he would like the council to consider giving it to the school this year. Tommy Roberts asked how many times other organizations like the Rotary and Lions Club used the parking lot for a fundraiser. Al Campbell responded at least two times last year. He said many organizations use the revenue to fund their scholarships for graduating seniors. Mr. Sanford said he didn't want to take a vote on it at this meeting, but he wanted the council to consider it at a future meeting.

DISCUSS AND CONSIDER REQUEST OF CANTON INDEPENDENT SCHOOL DISTRICT TO CLOSE BUFFALO STREET (FROM CANTON JUNIOR HIGH DOWNTOWN) AND DOWNTOWN SQUARE FOR HOMECOMING PARADE ON THURSDAY, OCTOBER 4, 2001 – Tommy Roberts made the motion to approve the request of the Canton Independent School District to close Buffalo Street and the downtown square for the homecoming parade on Thursday, October 4, 2001. Rusty Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST OF JENOA HAYNES OF LLOYD'S DIAMOND SHAMROCK FOR CLOSURE OF TYLER STREET BETWEEN BUFFALO STREET AND CAPITOL STREET FOR COMMUNITY PRAYER VIGIL FROM 7:00 P.M UNTIL 9:00 P.M. ON FRIDAY, SEPTEMBER 27, 2001— With no objections from Johnny Mallory, Tommy Roberts made the motion to approve the request of Jenoa Haynes for closure of Tyler Street between Buffalo Street and Capitol Street from 7:00 p m until 9:00 p m on Friday, September 27, 2001. Rusty Wilson seconded, and all voted in favor

Johnny Mallory announced that Julie Jackson had accepted the position of City Secretary He also reported that Rayford Hutcherson was not doing well He had attended the staff meeting the day before, but was not able to work much He said Rayford's medicine was controlling the pain, but he wasn't eating solid food anymore

ADJOURN - There being no further business to come before the Council, Councilmember Raymond Pruitt moved that the meeting be adjourned Councilmember Ron Sanford seconded, and all voted in favor



 William F Hilliard, Mayor

ATTEST:



 Julie H Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P M , TUESDAY, OCTOBER 16, 2001
 CITY HALL, 290 E TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F Hilliard, Tommy Roberts, Ron Sanford and Raymond Pruitt Councilmembers Rusty Wilson and Beverly Hutcherson were absent

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p m. and declared that a quorum was present

MAYOR'S WELCOME was given by William F. Hilliard

INVOCATION was given by Retired Pastor Charles Richardson

PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was led by City Manager Johnny Mallory.

GUEST ITEMS – Martha Heard, resident at 725 Tanglewood in Canton since the early 1960's, came before the council to register the fact that the residence behind her home (740 West Elm) was not in keeping with their neighborhood. She informed the council that the home recently sold to a new owner. Since then, there appeared to be a business operating out of the home. There were up to thirteen cars parked there most of the time. She said that James Russell had spoken to the police about the parking, and that Mr. Mallory and Ricky Malone had been pursuing this issue.

James Russell, Canton resident at 744 West Elm, presented pictures of the same residence that showed the amount of vehicles parked on the street. He repeated that there were anywhere from one to thirteen cars strung out on the street up to a block away, creating a one-way street for traffic. He also told the council that he had repeated problems with trash being scattered between the houses.

Mayor Hilliard explained that the residence on West Elm had recently sold and was a group home for the handicapped. He said that was not the problem. The problem was that there also appeared to be a business operating out of the residence. Mr. Mallory said the cars were believed to be that of employees and that the owners were distributing a payroll from the residence. Mr. Russell said that many people came to the residence carrying papers, but left with nothing. He also pointed out that no one stayed with the residents at night.

Johnny Mallory said that the group home was permitted in residential areas. He said he had talked to their attorney and they cited the Texas Health Code, which permits group homes of this nature in Texas. He said the City would write the owners another letter and that we should be able to stop them from operating a business out of the home.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE SEPTEMBER 4, SEPTEMBER 18, AND SEPTEMBER 25, 2001 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the Minutes of the September 4, September 18, and September 25, 2001 meetings of the Canton City Council be approved as presented. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE SEPTEMBER 2001 FINANCIAL STATEMENTS –City Manager Johnny Mallory presented the September 2001 Financial Statements, noting that the Capital Street Improvements Report would soon reflect payments for Meadow Lane. He said construction was now in progress and the total cost was estimated to be approximately \$500,000. Councilmember Pruitt moved that the Financial Statements be approved. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER PETITION TO CLOSE SOUTH PACIFIC STREET BETWEEN MULBERRY AND GOSHEN STREETS –Mr. Mallory informed the council that the City had received a petition to close the street which was signed by all owners adjoining the street, those being the Methodist Church and Mr. Nolan Black. He said everything was in order to close the street if the council so desired. He also said that it was his understanding that no water lines were located in this area, but the City would reserve the right to do what was necessary to maintain the utilities. Mr. David Norman, chairman of the trustees of the First United Methodist Church in Canton, was on hand for any questions about the petition. Ron Sanford made the

motion to close South Pacific Street between Mulberry and Goshen Streets. He then amended it to include that the City retained the right to maintain utilities. Raymond Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FOR ZONING CHANGE FOR 1023 TRADE DAYS BLVD IN CANTON, TEXAS, OWNED BY RAY COOPER, JR FROM R-1 (SINGLE FAMILY DETACHED RESIDENTIAL) TO B-1 (LOCAL BUSINESS DISTRICT) – Mr. Mallory said that the Planning and Zoning Commission recommended the Council deny the owner's request to change to B-1 zoning. He said the Commission expressed a willingness to rezone to RPO as was the case for many properties in that area, but the owners felt like they needed commercial zoning. Ron Sanford made the motion to deny the request for a zoning change for 1023 Trade Days Blvd in Canton, Texas, owned by Ray Cooper, Jr from R-1 to B-1. Tommy Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FOR ZONING CHANGE FOR LOT 2 HILLIARD ADD. ON ATHENS ST OWNED BY JOE BARRENTINE FROM R-1 (SINGLE FAMILY DETACHED RESIDENTIAL) TO MF-1 (MULTIPLE FAMILY RESIDENTIAL) – Mr. Mallory informed the Council that the Planning and Zoning Commission received a number of responses from neighbors against the zoning change being considered, and they subsequently denied the request. He said the Commission recommended the Council leave the zoning as R-1. Tommy Roberts made the motion to deny the request for zoning change for Lot 2 Hilliard Add On Athens St owned by Joe Barrentine from R-1 to MF-1. Raymond Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER AMENDMENT OF CHAMBER OF COMMERCE SERVICE AGREEMENT – This item was tabled upon the request of Councilmember Raymond Pruitt. He said he would first like to visit with Johnny Mallory. Councilmember Rusty Wilson said he also had some questions.

APPROVAL OF CHAMBER OF COMMERCE 2002 ANNUAL TOURISM ACCOUNT BUDGET PURSUANT TO SERVICE AGREEMENT WITH CHAMBER OF COMMERCE – This item was also tabled upon the request of Councilmember Pruitt.

DISCUSS AND CONSIDER AGREEMENT WITH MELISSA LLOYD TO FUNCTION AS CURATOR OF THE CITY MUSEUM – Main Street Director Jim Stephens said the agreement offered Melissa Lloyd gave her rent-free space for her framing shop and for other artists' work she brings in, in exchange for functioning as curator of the museum and manning the gift shop. All proceeds other than her framing shop and art gallery would go directly to the City. Mr. Stephens said the museum would be open 10:00 a.m. to 2:00 p.m. Monday, Tuesday, Thursday, Friday and Saturday. The museum would be closed Wednesday and Sunday. Tommy Roberts recommended that the agreement specifically designate the space to be allocated to Mr. Lloyd's business. Raymond Pruitt made the motion to approve the agreement with Melissa Lloyd to function as curator of the City Museum. Ron Sanford seconded, and all voted in favor. The council instructed the City to re-key the museum.

DISCUSS AND CONSIDER AWARDED MANAGEMENT OF THE 859 PARKING LOT FUNDRAISER PROGRAM TO CANTON INDEPENDENT SCHOOL DISTRICT –

Councilmember Ron Sanford recommended that management of assigning workers for the 859 parking lot be handed over to Canton schools. He explained that the City had problems with different organizations not showing up to man the parking lots, and that there were some months that were never selected by local groups. He said CISD Superintendent Larry Davis had agreed to be responsible for having parking lot attendants all year. Mr. Davis informed Mr. Sanford that they had two large organizations that would work the parking lot at anytime. Mr. Sanford felt that as a whole, they would have a larger pool of children from which to draw. Karen Asher, one of the local Girl Scout Troop leaders, stated that her organization was always willing to take on more parking lot dates. She also said that it was her understanding that parking lot assignments for 2002 had already been made. She asked if the Girl Scouts would be able to be involved in the program through the school, and was informed that she would have to work through Mr. Davis. Ron Sanford made the motion to give Canton Independent School District the responsibility of assigning all workers for the 859 First Monday Parking Lot. Tommy Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER ENHANCING FIRST MONDAY REVENUES – Mayor Hilliard recommended the City evaluate and determine ways to increase First Monday revenues. He said there were many things that could be done, from buildings of various kinds to different types of sales. He said the City should be innovative and asked the council if there was an interest in assuming a more aggressive attitude towards First Monday. Raymond Pruitt said that the previous council met at First Monday one Saturday to discuss park improvements. They agreed to pour concrete from Trade Center III to Trade Center I, which should be included in the budget. He said Al Campbell later suggested extending the roof out over the concrete and rent that space as pavilion space to generate more revenue. Mr. Pruitt suggested the Council meet during the next First Monday to look at this suggestion because it involved moving a few dealers. He said he felt this would be a good place to start. He also recommended that the council members meet with Al to review ideas he, Rayford Hutcherson and Johnny Mallory might have. Mayor Hilliard suggested developing a master plan. Vince Liebowitz, president of the Canton Merchants Association, indicated the association had some ideas on this subject and they would like to cooperate with the City.

DISCUSS AND CONSIDER LOCAL SECURITY RELATED TO NATIONAL AND CIVIL DEFENSE – Mayor Hilliard said he requested this item be included on the agenda so the public could hear what security measures the City was taking, and subsequently feel more secure in the community. He was concerned that the First Monday grounds could be a staging area if an incident were to take place in Dallas. Chief Hammonds said that the police department's main concern was First Monday. He said the City was placing an article in the Vendor News alerting dealers to report any suspicious persons or behaviors to the police department, which they would then investigate quietly and respond appropriately. He said the City would receive immediate assistance from the FBI, and they could be in Canton within one and one-half hours as seen in the case the previous month. He said FEMA was located in Terrell, and they could call upon the Tyler and Dallas offices of the Texas Department of Safety. Also, medical and trauma teams could be in Canton within an hour of any incident. If an incident were to occur, the police department's job would be to contain everyone until all were identified. He said the Canton Police Department would have all of its force on the streets during First Monday and they had also visited the gas stations on the interstate and talked to their personnel about being aware and reporting suspicious behavior.

Chief Hammonds said the police, fire and utilities departments had emergency response plans. The Mayor requested that the City make it a practice to lock the gates at the water plant and to step up patrols around the lake. Tommy Roberts suggested the newspaper publish an article informing the public of the number of calls the police department receives and how they are responding to each concern. Vince Leibowitz, editor of the CANTON HERALD, was in the audience and agreed to print an article in the next issue. Glen Whitaker, another member of the audience, warned that First Monday might be a potential target for a biological terrorist attack because attendees come from all areas of the country and could spread a germ rapidly.

DISCUSS AND CONSIDER STOP SIGNS ON FORREST DRIVE AND MILL CREEK ROAD – Mayor Hilliard opened by saying that the Council needed to resolve this issue. Ron Perkins, 1489 Forrest Drive, pled the case for retaining the stop signs at Forrest Drive and Sides Circle in order to lower traffic speeds and increase safety in the neighborhood. He presented his findings of a survey of the traffic at Forrest Drive and Sides Circle conducted last August. Between sixty and eighty vehicles passed that intersection between the hours of 3:00 p.m. and 5:00 p.m. He also presented statistics on stopping distances, county records on population and registered vehicles, and Department of Public Safety accident reports. Mayor Hilliard stated that there were two stop signs that were creating complaints by citizens—the stop sign at the intersection of Forrest Drive and Sides Circle, and the stop sign at the intersection of Mill Creek Road and Meadow. Mr. Perkins said he didn't care whether stop signs or speed bumps were used, but that safety was his main concern.

Glen Whitaker, 1770 Mill Creek Road, said he'd like to see the stop signs removed from Mill Creek Road at Meadow because there was very little traffic coming off Meadow onto Mill Creek Road, and drivers were not abiding by the stop signs. He also warned that a curve in the road created a visibility problem for traffic traveling north on Mill Creek Road, which created a potential hazard for cars stopped at the intersection. He said the stop signs served no purpose and they could be a liability.

Bob Stout stated that he thought the stop signs on Mill Creek Road at Meadow were ridiculous. He also voiced opposition to the 25 mile per hour speed limit and the stop signs on Forrest at Sides Circle. He said many school zones, including Canton on Hwy 243 and Tyler, had speed zones of 35 miles per hour.

Johnny Mallory reiterated that most of the complaints were raised over the stop signs on Mill Creek Road at Meadow, the stop signs on Forrest Drive and Sides Circle, and the 25 mile per hour speed limit. He suggested a compromise for this would be to leave in the other stop signs recently added, but to remove the signs at these two locations, and to increase the speed limit to 30 miles per hour, instead of 35 miles per hour that some residents were asking. Tommy Roberts made the motion to enact this proposed compromise. Ron Sanford seconded, and all voted in favor. Ron Perkins stated that he wanted to keep the signs at Forrest and Sides Circle. Mayor Hilliard said that the Police Department would be more alert to this area.

DISCUSS AND CONSIDER PURCHASE OF 1998 JOHN DEERE 310L FROM NORTRAX OF LONGVIEW, TEXAS – Johnny Mallory informed the council that the back hoe at the Utility Service Center was broken. It needed repairs that would cost more than it was worth. Pete

Lucas located a John Deere 310L in Longview that would cost \$22,000. He priced Case tractors at approximately \$25,000 and Cat's at between \$29,000-\$35,000. Mr. Mallory stated that the City had to have a working back hoe and he recommended it be purchased out of this year's budget. Tommy Roberts moved that the City purchase the John Deere 310L backhoe, or another one if Pete found a better deal. Raymond Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER DATES FOR REGULAR COUNCIL MEETINGS FOR NOVEMBER AND DECEMBER 2001 – The Council agreed to leave the November and December meetings at the regular time and dates.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Mayor Hilliard moved this item up on the agenda in anticipation of a lengthy executive session. Raymond Pruitt asked that the Chamber items be placed on the next agenda. Mayor Hilliard requested that the City prepare a list of surplus equipment for auction. Brian McNevin informed the council that the Fire Department was getting two new trucks and they would have an old brush truck for the surplus equipment list. He said they wanted to donate Booster 3, a 1975 Ford, to Myrtle Springs Volunteer Fire Department. The Council approved. Mayor Hilliard reported that he had been getting complaints about the speed limits on the North Service Road of Interstate 20. Johnny Mallory was asked to talk to the Texas Department of Transportation about raising the speed limit to at least 40 miles per hour.

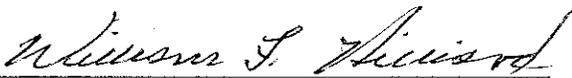
EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS. CITY OF CANTON, ET AL (Section 551.071) – The Council adjourned to executive session at 7:32 p.m. for consultation with the attorney regarding W & W Land Company vs. City of Canton, et al.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – CITY MANAGER EVALUATION - While still in executive session, Council members met with City Manager Johnny Mallory regarding his periodic evaluation.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072) – The City Council discussed the potential purchase of real property in executive session.

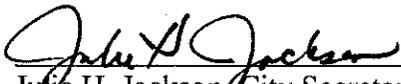
RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council returned to open session at 8:34 p.m. with no action taken on the items discussed in executive session.

ADJOURN – There being no further business to come before the Council, Ron Sanford made the motion to adjourn. Raymond Pruitt seconded, and all voted in favor.



 William F. Hilliard, Mayor

ATTEST:



 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M., TUESDAY, NOVEMBER 20, 2001
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F Hilliard, Rusty Wilson, Tommy Roberts, Raymond Pruitt and Beverly Hutcherson. Councilmember Ron Sanford was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:31 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard

INVOCATION was given by Main Street Director Jim Stephens.

PLEDGE OF ALLEGIANCE - The Pledge of Allegiance was led by Mayor Hilliard.

GUEST ITEMS - None

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE OCTOBER 16, 2001 MEETING OF THE CANTON CITY COUNCIL - Councilmember Pruitt moved that the Minutes of the October 16, 2001 meeting of the Canton City Council be approved as presented. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE OCTOBER 2001 FINANCIAL STATEMENTS - City Manager Johnny Mallory presented the October 2001 Financial Statements. Johnny was asked to look into the differential between October and September First Monday expenditures. Councilmember Wilson made the motion to approve the October 2001 Financial Statements, Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER AMENDMENT OF THE LEASE AGREEMENT ON THE OLD WATER TOWER FOR CINGULAR WIRELESS - Mr. Mallory explained that the volume was too high during First Monday for Cingular to properly serve its customers. Subsequently, Cingular was asking to place a temporary Cell on Wheels (COW) under the water tower for sixty to ninety days, for which they would pay the City a \$3,000 License Fee. Cingular also requested they be allowed to replace current antennas with nine panel antennas permanently mounted on the catwalk of the old water tower, which involved working out a lease with the adjoining landowner as well. Cingular needs an 11'x20' building to handle its radio equipment and this will not fit within the City's property. This agreement will not preclude the City from entering into agreements with other parties. Jim Lane was on hand to answer questions from the Council. Councilmember Pruitt moved that the City enter into an agreement with Cingular Wireless for the placement of a COW unit under the water tower for up to ninety days. Councilmember Wilson

seconded, and all voted in favor. The agreement for the replacement of antennas on the water tower was tabled until Cingular gained access to the adjoining property.

DISCUSS AND CONSIDER REQUEST FROM WORD OF VICTORY TO CLOSE BUFFALO STREET BETWEEN HIGHWAY 64 AND TERRELL STREET FROM 6:30 P.M. TO 8:30 P.M. ON DECEMBER 14, 15, AND 16, 2001, FOR THE PURPOSE OF A LIVING NATIVITY – Councilmember Pruitt made the motion to grant the request to close Buffalo Street at the above named time and place. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM FIRST BAPTIST CHURCH FOR PERMANENT CLOSURE OF WEST EDMON STREET BETWEEN WILLS POINT AND ATHENS STREET – On behalf of the First Baptist Church, Roger Mallory petitioned that the street be permanently closed for the purpose of constructing a building in that area. He indicated the building would maintain a fire lane on all sides, and that it would remain as-is if the Church decided not to build the building. Mr. Roger Mallory was warned that there may be costs involved in moving water lines, depending on the placement of the building. Pete Lucas estimated these expenses to be between \$3,000 and \$4,500. Mr. Mallory said he felt that would be approved by his committee should they decide to build. The street had been previously closed as a public through street, but he said they did not want to incur additional expenses on the project if the street area could not be utilized for a building. Councilmember Hutcherson moved that the Council officially agree to permanently close West Edom between Wills Point and Athens Street when and if the Church should need that area for the construction of a building. Councilmember Wilson seconded, and all voted in favor.

APPROVAL OF CHAMBER OF COMMERCE 2002 ANNUAL TOURISM ACCOUNT BUDGET PURSUANT TO SERVICE AGREEMENT WITH CHAMBER OF COMMERCE – Julie Jackson informed the Council that the Service Agreement approved at the last meeting required that the City Council approve the Chamber's annual tourism budget. Councilmembers discussed the fact that \$17,000 of the Chamber's payroll came from the tourism budget. Councilmember Wilson requested that the budget include comparisons to actual expenditures from the previous year. Councilmember Wilson then moved to approve the Chamber of Commerce 2002 Annual Tourism Account Budget. Councilmember Hutcherson seconded the motion. The motion carried with Councilmembers Wilson, Hutcherson, and Roberts voting in favor, and Councilmember Pruitt voting against.

DISCUSS AND CONSIDER RENAMING FIRST MONDAY SCHOLARSHIP FUND – Councilmember Wilson moved that the recently added First Monday scholarship be renamed as the Rayford Hutcherson Scholarship Fund. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER STRIPING AT CERTAIN INTERSECTIONS AND PLACING HOUSE NUMBERS ON THE CURBS OF NEW STREETS – Mayor Hilliard requested that stop bars and center stripes be painted at the following intersections: Athens Street at Hwy. 64, Edom Street on both sides of Buffalo, and Big Rock at Hwy. 243. It was noted that stop bars were already present at some of these locations. Mayor Hilliard also pointed out the safety hazard of emergency personnel not being able to locate addresses that were not clearly marked on the curb or house front. He said the City needed a system for uniformly identifying residential

addresses. Mr. Mallory notified the Council that most towns have a mandatory address identification system. Councilmembers asked that the City prepare an addressing ordinance for consideration at a future meeting. Councilmembers discussed having the homeowners bear the cost of numbering. It was suggested that the City appeal to a service organization to take on the project of numbering curbs for homeowners as a fundraiser.

DISCUSS AND CONSIDER SPEED LIMITS ON NORTH SERVICE ROAD OF INTERSTATE 20 – Mayor Hilliard said he had been receiving comments from citizens about the inconsistency and low speed limits set on the north service road of Interstate 20 between Hwy. 19 and FM 859. Councilmember Hutcherson moved that the City request a speed study from the Texas Department of Transportation. Councilmember Roberts seconded, and all were in favor.

DISCUSS AND CONSIDER APPOINTING AN INFORMATION OFFICER FOR THE CITY OF CANTON – Councilmember Pruitt noted that the Employee Policy Manual specified that the City Manager Johnny Mallory and the First Monday General Manager Al Campbell were appointed as information officers for the City of Canton. He made the motion that the City adhere to this policy and that Johnny Mallory or Al Campbell be the only City representatives to deliver information to the media. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER PURCHASE OF INCINERATOR FOR THE ANIMAL SHELTER – Mr. Mallory informed the Council that the current incinerator was five years old and worn out. It needed to be replaced as soon as possible. He presented three alternative incinerators priced from \$8,750 to \$32,500. Chief of Police David Hammonds indicated the \$8,750 incinerator would meet the City's needs. The City has arranged for a trucking company to pick up the incinerator in Corsicana. The roof of the shed needs to be raised to accommodate the incinerator, but the existing pad is sufficient. The City can also use its own equipment to place it on the pad. The Mayor asked Chief Hammonds to find out if it could be converted to natural gas, and to start negotiating for the laying of a line to the animal shelter. Councilman Pruitt made the motion to buy the incinerator from National Incinerator, Inc for \$8,750.00. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER PURCHASE OF A COPIER FOR THE POLICE DEPARTMENT – Upon the recommendation of Mr. Mallory, Councilmember Roberts made the motion to purchase a copier for the police department at a cost of \$3,850, with a \$67.20 per month service agreement. The copier was in the budget. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ESTABLISHING A MUNICIPAL COURT TECHNOLOGY FEE – Judge Lilia Durham requested the Council pass an ordinance for the collection of a \$4.00 municipal court technology fee. By law, the fee may only be collected through September 1, 2005, and the revenues may only be spent on upgrading the municipal court's or police department's computer systems and associated automation devices. The fee is to be collected by the municipal judge on criminal offense citations. There is no collection for dismissed citations, other than those dismissed after taking defensive driving. Judge Durham said they would need courtesy letters if the fee were enacted. Chief Hammonds offered use of his copy machine for the letters. Councilmember Pruitt moved to adopt an ordinance establishing a \$4.00 municipal court technology fee. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER PUBLIC SWIMMING POOL – Mayor Hilliard requested the staff investigate the cost of installing a public swimming pool. He suggested that Jim Stephens may be able to help locate state and federal grants. Mr. Mallory reminded the Council that the City received a matching grant from the state eight years ago, but had to return it because the City was unable to raise its fifty percent. He said in 1994, the estimated cost of the swimming pool was \$600,000. The Mayor asked that the City try to locate the original plans. Councilmembers discussed the possibility of fundraisers to help raise the additional funds, and the need to consider alternative sites.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS. CITY OF CANTON, ET AL (Section 551.071)

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074)

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072)

The City Council adjourned to executive session at 7:24 p.m. Consultation with the attorney regarding W & W Land Company was tabled until a future meeting. Councilmembers discussed matters regarding personnel at City Hall. Also discussed was the potential purchase of real property and the sale of City property.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council returned to open session at 8:00 p.m. Councilmember Wilson suggested paying off some of the City's loans while the interest earned on the City's investments was so low. He recommended paying off the loan on Trade Center I, applying the extra funds to the loan on Trade Center II until it was paid off (approximately 15 months), and then again on Trade Center III. Councilmember Pruitt made the motion to pay off the loan on Trade Center I with funds from maturing CD's, then take the payment amount for Trade Center I and add it to the payments for Trade Center II until it was paid off, then take the total payments and apply it to the loan on Trade Center III. Councilmember Wilson seconded, and all voted in favor. The staff was asked to find out the pay-off for Trade Center I.

Councilmember Pruitt then made the motion to sell the property located behind American National Bank back to American National, or to the highest bidder should they not exercise their right to repurchase, with the City having the right to refuse all bids. Councilmember Roberts seconded, and all voted in favor.

Councilmember Roberts moved that the City hire an additional employee for the position of receptionist at City Hall. Councilmember Wilson seconded, and all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Councilman Pruitt asked that a plan for expansion of the water and wastewater treatment plants, an estimate of the costs, and recommendations on funding be prepared and presented at the

January Council meeting. Mr. Mallory said the City would need to sell bonds paid for by First Monday revenues, and it would also have to raise water rates to pay for the expansion

Councilmember Wilson requested at the December meeting that the Council discuss bonds for street improvements while interest rates were low

ADJOURN – There being no further business to come before the Council, the meeting was adjourned at 8:10 p m on a motion by Councilman Roberts, second by Councilman Wilson, and all voting in favor.



 William F Hilliard, Mayor

ATTEST:



 Julie H Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, DECEMBER 18, 2001
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Tommy Roberts, Raymond Pruitt and Beverly Hutcherson. Councilmember Rusty Wilson arrived during public hearing for a zoning change at 450 Live Oak. Councilmember Ron Sanford was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F Hilliard

INVOCATION was given by Main Street Director Jim Stephens

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard

GUEST ITEMS – None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE NOVEMBER 20, 2001 MEETING OF THE CANTON CITY COUNCIL - Councilmember Pruitt moved that the minutes of the November 20, 2001 meeting of the Canton City Council be approved as presented. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE NOVEMBER 2001 FINANCIAL STATEMENTS – City Manager Johnny Mallory presented the November 2001 Financial Statements, which were unanimously approved on a motion by Councilmember Hutcherson and seconded by Councilmember Pruitt.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION BY PLANNING AND ZONING COMMISSION TO CHANGE ZONING FOR 1003 HWY. 19, CANTON, TEXAS, OWNED BY KEITH TUCKER, FROM SINGLE FAMILY DETACHED RESIDENTIAL (R-1) TO RESTRICTED PROFESSIONAL OFFICE (RPO) – Upon the recommendation of the Planning and Zoning Commission, Councilmember Pruitt moved to approve the above-mentioned zoning change Councilmember Hutcherson seconded, and all voted in favor.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION BY PLANNING AND ZONING COMMISSION TO CHANGE ZONING FOR 1485 AND 1501 SOUTH BUFFALO STREET, CANTON, TEXAS, OWNED BY STUART ADAMS FROM LOCAL BUSINESS DISTRICT (B-1) TO GENERAL BUSINESS DISTRICT (B-2) – Upon the recommendation of the Planning and Zoning Commission, Councilmember Roberts moved to approve the above-mentioned zoning change Councilmember Hutcherson seconded, and all voted in favor.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION BY PLANNING AND ZONING COMMISSION TO CHANGE ZONING FOR 15097 FM 859, CANTON, TEXAS, OWNED BY DEBORAH MC GREGER AND MICHAEL D MC GREGER FROM AGRICULTURAL DISTRICT (RA) TO SINGLE FAMILY DETACHED RESIDENTIAL (R-1) – Upon the recommendation of the Planning and Zoning Commission, Councilmember Hutcherson moved to approve the above-mentioned zoning change Councilmember Roberts seconded, and all voted in favor. Pete Lucas said he believed there was already a tap made at the property, but he would verify that for the council.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION BY PLANNING AND ZONING COMMISSION TO DENY REQUEST TO CHANGE ZONING FOR 450 LIVE OAK STREET, CANTON, TEXAS, OWNED BY TOMMY AND MARY WILLIAMS FROM MOBILE HOME PARK DISTRICT (MH-1) TO GENERAL BUSINESS DISTRICT (B-2) – The Mayor reported that the Planning and Zoning Commission recommended this request be denied. He said they were favorable to B-1 or RPO zoning. Mr. Mallory indicated that it was first zoned MH-1 in 1985 by the original zoning ordinance. Councilmembers discussed mobile homes within the city limits and Councilmember Roberts pointed out that there were two lots on Melinda Lane zoned MH-1 that no longer had mobile homes there. Councilmember Pruitt moved that the City send a letter to the property owner denying the request for B-2, but encouraging them to seek B-1 or RPO zoning. Councilmember Roberts seconded, and all voted in favor. Councilmember Wilson abstained since he arrived late in the discussion.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION BY PLANNING AND ZONING COMMISSION TO DENY REQUEST TO CHANGE ZONING FOR 1160 SOUTH HIGHWAY 19, CANTON, TEXAS, OWNED BY GEORGE AND MANUELA YARBROUGH FROM SINGLE FAMILY DETACHED RESIDENTIAL (R-1) TO GENERAL BUSINESS DISTRICT (B-2) – Mayor Hilliard informed the Council that the Planning and Zoning Commission recommended the request be denied. Councilmember Pruitt moved to deny the above-mentioned zoning change Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER ANNEXATION OF HIGHWAY 243 TO INCLUDE CANTON INTERMEDIATE SCHOOL PROPERTY, AND THE 2296 ACRE TRACT IN THE JESSE

STOCKWELL SURVEY A-760 OWNED BY THE CITY OF CANTON – Mr. Mallory explained that the City was beginning the procedures for annexing the Highway 243 Roadway to the western edge of the Intermediate School property and also for the water tower property. There would be two public hearings, then the passing of an annexation ordinance in three months. Councilmember Hutcherson moved to accept the petition to annex the Highway 243 roadway to the western property line of the Intermediate School, and the .2296 acre tract in the Jesse Stockwell Survey A-760 owned by the City of Canton. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST BY BRYAN CANTRELL FOR WATER TAP OUTSIDE CITY LIMITS AT 1872 VZCR 2205, CANTON, TEXAS – Mr. Mallory said a six-inch line was located in front of the property. Councilmember Pruitt moved to approve the request for a one-inch water tap at 1872 VZCR 2205. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER AMENDMENT OF THE LEASE AGREEMENT ON THE OLD WATER TOWER FOR CINGULAR WIRELESS – Mr. Mallory presented an amended lease agreement with Cingular Wireless for the placement of antennae on the old water tower. The twenty-five year lease provided for a \$1000 monthly payment to the City of Canton, which escalated 15% every five years. Mayor Hilliard questioned what would happen if the tower should be deemed unsafe during the period of the lease. Mr. Mallory said that in that event, the lease would become null and void. Councilmember Pruitt made the motion to approve the amended lease. Councilmember Hutcherson seconded, and all voted in favor. Mr. Mallory explained that Cingular's lease with Mike Goggins was contingent upon their lease with the City of Canton, and vice-versa.

DISCUSS AND CONSIDER PURCHASE OF PAGER EQUIPMENT FOR THE CANTON VOLUNTEER FIRE DEPARTMENT – Chief McNevin asked for approval to purchase twenty-five new pagers and reprogram ten existing pagers at a cost of \$7,770. He said the new equipment would allow them to operate on their own primary channel without interfering with city business. Chief McNevin said he would receive reimbursement in the form of a \$3,160 grant from the Texas Department of Health, and he had an additional \$5,173 in the fire department budget for radios and the installation of new equipment. Councilmember Hutcherson made the motion to approve the purchase of twenty-five new pagers and to reprogram ten existing pagers. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER PAY-OFF OF AMERICAN NATIONAL BANK LOAN ON TRADE CENTER I – Councilmember Wilson recommended the City use funds from the matured CDs to pay off the loan on Trade Center I, then apply that monthly payment to the principal on the loan for Trade Center II until it was paid off, then apply both the payments to the principal on the loan for Trade Center III. Mr. Mallory indicated that an additional \$25,118 was required to pay off the Trade Center I loan. Councilmember Wilson moved to pay off the loans on Trade Centers I, II and III as described above, and to pay off the Trade Center I loan with the funds from the matured CDs and the remainder from the City's fund balance. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER HIRING WISENBAKER, FIX & ASSOCIATES TO CONDUCT A WATER AND WASTEWATER PLANT EXPANSION STUDY – Mr. Mallory presented the cost estimate, and Councilmember Roberts made the motion to hire Wisenbaker, Fix & Associates

to conduct a water and wastewater plant expansion study at a cost of \$30,000. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER COST ESTIMATES FOR EXPANSION OF FIRST MONDAY TRADE CENTER III – A \$108,000 cost estimate was presented to the Council for extending Trade Center III to the south by 150 feet. Mr. Pruitt said they estimated the 150-foot expansion would increase the approximated \$900 monthly rental income to over \$3,000 per month. Mayor Hilliard suggested the City expand Trade Center III all the way down to Trade Center I. He also mentioned that he would like to see the City do other things as well. Councilmember Pruitt recommended the Mayor meet with Al Campbell to discuss his suggestions, and that the item be placed on the January meeting agenda. Councilmember Roberts asked if \$108,000 was included in the budget. Mr. Mallory said we might be able to cover that expense, but not much more.

DISCUSS AND CONSIDER ISSUANCE OF BONDS FOR STREET IMPROVEMENTS – Councilmember Wilson said he wanted the Council to consider issuing additional bonds for street improvements since the rates were so low. Mr. Mallory said there was approximately \$874,000 in the capital street improvement fund, but that Meadow Lane still had to be finished, followed by Shady Lane and Lazy U Drive. If the Council wished to issue bonds, he recommended it be done in conjunction with the bonds for the water and wastewater plant expansions, estimating a \$3,000,000 issuance--\$1,000,000 for the water plant expansion, \$1,000,000 for the wastewater plant expansion and \$1,000,000 for street improvements. He said the City should have information about the cost of those expansions by the next meeting. Mayor Hilliard asked if a bond election was in order, but the consensus was not to hold an election, since it was not required. Mr. Mallory informed the Council that Ed Moore with Southwest Securities was the city's financial advisor.

DISCUSS AND CONSIDER UPDATE ON STATUS OF GRANT RESEARCH FOR SWIMMING POOL – Mr. Mallory informed the Council that there were some grants available, but a master plan was required prior to application. He said it would cost between \$35,000 and \$40,000 to hire an outside designer and planner to formulate the plan, or the Texas Parks & Wildlife Department would prepare a plan at no cost, but it would be three or four months before they could begin. He said several points needed to be addressed, such as terrain, soil testing, fencing, utilities, bath and toilet facilities, parking lot, landscape, lighting, design and size of pool and handicapped usage. Texas Parks & Wildlife would put up as much as \$500,000 on a fifty-fifty matching grant. Mr. Mallory estimated the cost of a new pool to be approximately \$800,000, and maintenance would cost about \$100,000 per year. Mayor Hilliard asked that an item be placed on the next agenda to approve a resolution requesting Texas Parks & Wildlife Department to prepare a master plan. Councilman Roberts reiterated the need for a master plan and a five-year plan for the City. Mr. Mallory indicated that there had been plans in the past that could not be followed for the lack of funds. He said there was a master plan for street improvements, which he would copy to the Council.

DISCUSS AND CONSIDER SALE OF SURPLUS EQUIPMENT – Mr. Mallory presented the list of surplus equipment to the Council and informed them that sealed bids would be opened on January 3, 2002, and awarded by the Council on January 15, 2002. Councilmember Roberts suggested that the items not sold be advertised for sale at auction. Mr. Mallory assured the Council that the advertisement included the City's right to reject all bids.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS. CITY OF CANTON, ET AL (Section 551 071)

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS - REQUEST FOR AUDIENCE WITH CITY COUNCIL BY CHARLES BARTON (Section 551.074)

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072)

The City Council adjourned to executive session at 7:26 p.m. for consultation with the attorney regarding W & W Land Company vs City of Canton, et al, and to discuss the potential purchase of real property

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council returned to open session at 8:28 p.m. with not action taken

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None

ADJOURN – There being no further business to come before the Council, the meeting was adjourned at 8:29 p.m. on a motion by Councilman Roberts, second by Councilman Wilson, and all voting in favor



William F. Hilliard, Mayor

ATTEST:



Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, JANUARY 15, 2002
CITY HALL, 290 E TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford and Beverly Hutcherson. Councilmember Raymond Pruitt was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard

INVOCATION was given by Councilmember Tommy Roberts

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS – None

