CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
9:00 A M , TUESDAY, JANUARY 4, 2005
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. Councilmembers present were Mayor William F Hilliard, Ross Maris, Robert Brockman, and Ron Sanford Raymond Pruitt and Rusty Wilson were absent Attorney Richard Davis was also present.

Discussion and action were as follows:

CALL MEETING TO ORDER - Mayor Hilliard called the meeting to order at 9:00 a.m. and announced a quorum was present.

DISCUSS AND CONSIDER AWARDING BIDS FOR WASTEWATER PLANT EXPANSION PROJECTS: (1) AIRIATION SYSTEM, (2) BELT PRESS, (3) LIFT STATION – The following bids for the bridge-mounted rotor equipment were reviewed as follows:

Environmental Improvements, EI2	Graycon	$174,000.00
Environmental Treatment Technologies, Inc	Contingham Constructors	$423,647.00
	with alternate	$523,647.00
Newman Regency Group	S & N Arrowflow	$ 93,355 98

Lonny Cluck explained that Graycon offered a turnkey job with extra safety features built into the equipment which were not included in the low bid by S&N Arrowflow Mr Cluck also presented the single bid received for the belt press from Water and Waste Management Assoc. Inc for a base price of $99,595.00 He explained the City would contract the job out itself at a total cost of $125,085 The final bid was for influent lift station pumps for which the City received a single bid from Carter Equipment for $78,800 00. Mr Cluck advised the total cost for the three projects was $377,885 to be paid from the bond account funding the sewer plant expansion Charles Fenner noted the City was saving money by contracting the work itself. Upon Charles Fenner's and engineer Gary Burton's recommendations, Councilmember Brockman made a motion to award the bid for the bridge-mounted rotor equipment to Graycon for $174,000, to award the bid for the influent lift station pumps to Carter Equipment for $78,800, and to award the bid for the belt press to Water and Waste Management Assoc. Inc Councilmember Sanford seconded, and all voted in favor

DISCUSS AND CONSIDER LITIGATION AND CONSENT (Section 551 071) – The Council recessed at 9:06 a m and convened in closed session at 9:09 a m to confer with the City Attorney regarding litigation

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 9:24 a m Attorney Richard Davis recommended the City consent to settlement by the insurance company in the case of Larry Martinez vs the City of Canton Councilmember Maris so moved. Councilmember Sanford seconded, and all voted in favor

ADJOURN - There being no further items for discussion, the meeting adjourned at 9:25 a m on a motion by Councilmember Sanford and second by Councilmember Maris.

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 18, 2005
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 Pro Tem Raymond Pruitt, Ross Maris, Robert Brockman, and Ron Sanford Mayor Hilliard and Rusty Wilson were absent City Attorney Richard Davis also attended

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Pro Tem Raymond Pruitt called the meeting to order at 6:30 p m and declared a quorum present

MAYOR'S WELCOME given by Mayor Pro Tem Pruitt

INVOCATION given by Jim Stephens

PLEDGE OF ALLEGIANCE led by Raymond Pruitt.

GUEST ITEMS - None

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM NOVEMBER 22, AND DECEMBER 18 AND 22, 2004 MEETINGS OF THE CANTON CITY COUNCIL - The minutes of the November 22, and December 18 and 22, 2004 meetings were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Sanford

DISCUSS AND CONSIDER APPROVAL OF DECEMBER 2004 FINANCIAL STATEMENTS - The December 2004 Financial Statements were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Maris Charles Fenner reported a recent review of the budget indicated that most budgets were running around 23% at the end of the first quarter

RECOGNITION OF CANTON POLICE DEPARTMENT RESERVES AND VAN ZANDT COUNTY SHERIFF'S POSSE FOR ASSISTANCE DURING FIRST MONDAY WEEKENDS - Lonny Cluck presented the Van Zandt County Sheriff's possee and the City of Canton Police Department plaques in appreciation for their dedication and assistance during each First Monday.

UPDATE FROM CANTON CHAMBER OF COMMERCE - Rona Watson reported on a production company's plans to film a movie in Canton at the end of January titled "Fat Girls" about teenagers coming of age in a rural Texas town.

DISCUSS AND CONSIDER REQUEST FROM WALTER FLORA / BT&T RENTAL FOR AUDIENCE REGARDING SCOOTER AND BACKDROP RENTALS AT FIRST MONDAY PARK – Walter Flora with BT&T, informed the Council that canopies and scooter rentals comprised 90% of his First Monday business and that he had hundreds of thousands of dollars invested in his inventory. He added that he had spent fifteen years building a reputable, profitable business that would go bankrupt if the City decided to take over exclusive rental of canopies and scooters. Councilmember Pruitt explained the Council was considering ways to increase income, but he wasn't sure this venture was that attractive. He said it was not their intention to eliminate any vendors, only to be in competition with them, and that everyone would be given plenty of notice if and when a decision was made.

DISCUSS AND CONSIDER ANNUAL GAS RELIABILITY INFRASTRUCTURE PROGRAM RATE ADJUSTMENT BY ATMOS ENERGY CORP., MID-TEX DIVISION – Charles Fenner presented Atmos Energy's proposal for an interim rate adjustment, which amounted to approximately $0.31 for residential and $0.84 for commercial customers. He explained that no action was required to approve the rate, a resolution was necessary to deny the rate, that larger cities typically filed a denial initiating a review by the railroad commission, and the City would benefit from any lower rate approved by the commission. Councilmember Maris then made a motion to accept the proposed rate increase. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPOINTMENTS TO MAIN STREET BOARD – Richard Davis, Kris Ingram, and Linda Hatfield were appointed to the Main Street Board upon motion by Councilmember Brockman and second by Councilmember Maris.

DISCUSS AND CONSIDER PLANNING & ZONING COMMISSION'S RECOMMENDATION ON ADOPTION OF AN AMENDMENT TO THE 1985 CITY OF CANTON ZONING ORDINANCE AMENDING PARKING REQUIREMENTS AND REGULATIONS – Item tabled. Councilmembers Brockman and Pruitt both indicated they would like to review the proposed ordinance with Mr. Fenner.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF 40.1 ACRE TRACT SITUATED IN THE Q.C. NUGENT SURVEY, A-618, LOCATED ON STATE HIGHWAY 19 NORTH – Charles Fenner reported the property owners were working well with the City to include community enhancement features in the proposed development, the sewer study indicated there would be no problem servicing the area with the eight- to nine-year build plan, and the applicants had reached the end of their contract with the proposed developers and were needing a decision in order to continue. He recommended annexing the property and

CONSTRUCTION OF NEW RESTROOM AT FIRST MONDAY PARK – Resolution No. 2005-01 authorizing and approving a $133,000 loan from American National Bank for the construction of a new restroom at the First Monday Park was unanimously adopted upon motion by Councilmember Brockman and second by Councilmember Maris

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AUTHORIZING AND APPROVING ORIGINATION OF CASH MANAGEMENT, ACH TRANSACTION, WIRE TRANSFER AND ONLINE BANKING SERVICES WITH THE AMERICAN NATIONAL BANK OF TEXAS – Resolution No. 2005-02 authorizing and approving the origination of Cash Management, ACH Transaction, Wire Tansfer and On-Line Banking Services with American National Bank of Texas was unanimously adopted upon motion by Councilmember Brockman and second by Councilmember Maris.

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:14 p m upon motion by Councilmember Brockman and second by Councilmember Maris

William F. Hilliard

William F Hilliard, Mayor

ATTEST:

Julie H. Jackson

Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, FEBRUARY 15, 2005
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, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt and Rusty Wilson. City Attorney Richard Davis also attended.

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 a quorum present

MAYOR'S WELCOME given by Mayor Hilliard.

INVOCATION given by Charles Fenner

PLEDGE OF ALLEGIANCE led by Mayor Hilliard.

GUEST ITEMS - None

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM JANUARY 4 AND 18, 2005

MEETINGS OF THE CANTON CITY COUNCIL - The minutes of the January 4 and 18, 2005 meetings were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Brockman.

DISCUSS AND CONSIDER APPROVAL OF JANUARY 2005 FINANCIAL STATEMENTS - The January 2005 Financial Statements were unanimously approved upon motion by Councilmember Pruitt and second by Councilmember Maris. Charles Fenner reported investing in three-month T-bills and government agency notes as a first step in a program to better manage the City's cash.

UPDATE FROM CANTON CHAMBER OF COMMERCE – Tom Aduddell presented the new Chamber directories and reported a smaller First Monday directory was expected the next week, the Chamber Banquet was scheduled for March 12, 2005, and he and Rona Watson were planning to attend the Van Zandt County Days in Austin on March 8 and 9. Mayor Hilliard insisted a serious error relating no school taxes in the new directory be corrected.

DISCUSS AND CONSIDER PROCLAMATION HONORING JAMES HALL ON HIS RETIREMENT FROM THE CITY OF CANTON – A proclamation honoring James Hall on his retirement after twenty-two years with the City was passed upon motion by Councilmember Maris and second by Councilmember Sanford.

DISCUSS AND CONSIDER PROCLAMATION NAMING MARCH 14-18, 2005 AS TEXAS PUBLIC SCHOOLS WEEK – Councilmember Pruitt made a motion to proclaim March 14 - 18, 2005 Texas Public Schools Week. Councilmember Wilson seconded the motion, and all voted in favor.

CALL OF MAY 7, 2005 GENERAL ELECTION TO ELECT A MAYOR AND TWO COUNCILMEMBERS – Councilmember Maris made the motion to adopt an order calling a general election to elect a mayor and two councilmembers from 7:00 a.m. to 7:00 p.m. on May 7, 2005 at the City Hall Council Chambers, 290 East Tyler Street. Councilmember Pruitt seconded the motion and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION REQUESTING AND ENCOURAGING NORTHEAST TEXAS STATE LEGISLATIVE DIVISION TO PROVIDE ADDITIONAL MANPOWER AND FINANCIAL RESOURCES FOR BEAVER MANAGMEENT CONTROL – Charles Fenner explained the proposed resolution supported a request for more funding for the Animal Damage Control Program for beaver management in the Northeast Texas region. Councilmember Brockman made a motion to adopt Resolution No. 2005-03 requesting and encouraging the Northeast Texas State Legislative Division to provide additional manpower and financial resources for beaver management control. Councilmember Wilson seconded the motion with all voting in favor.

DISCUSS AND CONSIDER REQUEST FROM CANTON VOLUNTEER FIRE DEPARTMENT TO CONDUCT ON-STREET SOLICITATION AT INTERSECTION OF DALLAS AND BUFFALO STREETS ON SEPTEMBER 3 AND 4, 2005, FOR THE MDA FILL THE BOOT DRIVE AND ON DECEMBER 3 AND 4, 2005, FOR CHRISTMAS FOR KIDS PROGRAM – Councilmember Sanford made a motion to allow the Volunteer Fire

Discussion and action were as follows:

CALL MEETING TO ORDER - Mayor Hilliard called the meeting to order at 2:00 p.m. and announced a quorum present.

DISCUSSION AND WORKSHOP PERTAINING TO FIRST MONDAY – Lonny Cluck introduced Mr. and Mrs. McCullum, food vendors at the end of Trade Center III. Charles Fenner presented a two-phase list of proposed capital projects for the First Monday Park. He noted a correction of the total proposed projects from $532,920 to $580,000, and Total of Phase I from $217,920 to $265,000. The Council discussed adding end caps to Trade Centers III and IV, building walkways connecting Trade Centers III and IV, building a 300' walkway connecting Trade Center IV with a new Gazebo, extension of the walkway to the right of Trade Center II toward the Civic Center, and remodeling the blue bathroom at an estimated cost of $371,000. They also discussed future projects including widening 43A, civic center improvements, covered sheds, etc. Mr. Fenner noted the capital improvement budget was $200,000 and the projects were phased so the City would not have to borrow money but would need to find some extra money in the budget. He added that both proposed phases could not be done in the same fiscal year without borrowing money.

Mr. Fenner then asked for direction from the Council. He suggested remodeling the blue bathroom in two phases, but Councilmembers felt it important to do at one time. Councilmembers discussed different scheduling scenarios. Mayor Hilliard suggested making Trade Centers III and IV even at the end and connecting them with another wing, not a walkway. Councilmembers discussed lock-and-leave structures and asked Mr. Cluck to get figures on them. Mayor Hilliard stated he was more interested in storage facilities than lock-and-leave lots and he believed this area in the middle of a flood plain would not be conducive for lock-and-leave lots. Councilmember Sanford disagreed and felt lock-and-leave was the way of the future. Councilmember Maris said he would be in favor of extending the building instead of making a walkway because it would bring a higher rent. He then suggested completing the end caps and the gazebo while doing more research on the other projects. Mr. Cluck stated the area between Trade Centers II and III didn't fill up except for some long-time vendors who were always there. Councilmember Maris suggested the gazebo would give a different character to the area. He also suggested extending Trade Center IV even with Trade Center III and paving a walkway to the Gazebo and on to the restroom with extra paving along the walkway for tent vendors. He said extension would create more traffic flow to Trade Center IV. Mr. Cluck cautioned that extension might also create more vacancies.

Mr. Fenner asked the council to set a priority so work could begin. He added that there was a surplus in the previous year's budget which would be identified in the audit and that some money had also been earmarked for special projects. He asked about the $154,000 for land noted in the financial reports. Councilmembers Pruitt and Sanford said they believed it was from the sale of the Ace Hardware property.

Councilmembers Pruitt and Brockman agreed they would like to see the end cap for Trade Center III moved to phase 1. Councilmember Brockman also wanted the creek road built to improve access to the civic center. Councilmember Pruitt noted the absence of an additional restroom from the proposal. Mr. McCullum suggested extending Trade Center IV as far as it could go then

turning it back toward the creek and placing bathrooms and a food court in it. Charles Fenner related the engineer's report that remodeling would be cheaper than building a new restroom, otherwise Mr. Fenner suggested the restroom be put under a roof between Trade Centers III and IV.

Charles Fenner stated $300,000 would be available for the projects (including the $200,000 in the budget) without having to borrow. He did confirm the estimates were all without engineering. Councilmember Maris stated the projects should be completed between First Mondays. Councilmember Brockman suggested spending $285,000 for the end caps and the creek road. Councilmember Sanford concurred. Mayor Hilliard suggested a concept be completed and expanded to determine the costs. Mr. McCullum asked the Council to consider lock-and-leave sites. Councilmembers Brockman and Sanford agreed with the lock-and-leave idea. It was suggested the structures be built up 21 inches with grated floors, but Councilmember Pruitt recommended against that.

Mayor Hilliard asked for direction from the council. Councilmember Brockman reiterated his suggestion to include all of phase 1 except the blue bathroom and add the end cap on Trade Center III from phase 2 and the construction of a road along the creek tying into the civic center. The Council discussed routes for the creek road. Lonny Cluck explained there would be a walkway between Trade Centers I and II to the Gazebo, then another from Trade Center IV to the gazebo, another from the food court along Row 21 and if it kept going straight, it would go through Mr. Harmons' building which would have to become the city's. He said that if this was going to be a central area, shoppers would be able to look straight up the road to the civic center and it would be close to the proposed bathroom. Mr. Cluck clarified that he was talking about straight to the civic center, not along the creek. He added that roads would be cut to make more end cap lots. Councilmember Maris suggested making lots $100 instead of $50 along that road to pay for the cost of the road. Mr. Fenner stated that once walkways in Phase I were finished, he would get concepts on that suggestion. He added that if the 43A road were included in this year's project list, the budget would have to be amended. Mr. Cluck suggested another bridge across the creek heavy enough for vehicles. Councilmember Maris stated vehicles should be routed where the city wants them. Councilmember Pruitt suggested vehicles come in before 9:00 a.m. and not again until after 5:00 p.m. Charles Fenner stated if the bridge were going to be able to carry vehicles, a decision needed to be made on which bridge the City would give access to vehicles. Councilmember Maris suggested working with vendors, especially food vendors, and that cars, trucks, and trailers did not need to be around end caps. Mr. McCulllum pointed out their U-haul had refrigerators and freezers in it.

Mr. Fenner reported that bids had been received from Athens Steel for the walkways and gazebo and that he would like the gazebo to be high enough to see. Councilmember Maris suggested 26–27 feet. Mr. Fenner suggested the next priority be the blue bathroom. Councilmember Brockman suggested calling another workshop to discuss funding that project. Lonny Cluck stated it would save $250,000 to remodel versus build. Charles Fenner added an additional bathroom could be built for that price but not with as many stalls. Mayor Hilliard asked what could be done with the bathroom if it were abandoned. Councilmember Maris stated he would rather have storage somewhere else than abandon the bathroom.

Councilmember Wilson arrived at 2:45 p.m. Lonny Cluck stated that after the end caps on Trade Centers III and IV were finished, the lots next to the walkway and Row 94 would be good but the lots behind them would not. He suggested they be rented as pairs. Councilmember Maris recommended making them one consolidated 12x40 lot with a set rate. Mr. Cluck also raised the question of prohibiting tents in the area to maintain visibility. Mr. McCullum stated there was a need for a place for gray water unless they would be allowed to tap into the drain. The staff confirmed that was not allowed. Mayor Hilliard recommended putting sewage in if a line were relatively close.

Charles Fenner mentioned that some vendors did not have leases and he asked if the City were going to start requiring leases on everything Mayor Hilliard requested that be put on another agenda and asked Councilmember Maris to create proposals

Councilmember Brockman asked about the sales tax issue and noted that if a vendor didn't have a form in Granbury, he was not admitted Charles Fenner asked the council if they still wanted to proceed with the ordinance requiring a Canton sales tax number Councilmember Wilson stated a Canton sales tax ID should be required of those entering into a lease with the City. Councilmember Pruitt stated he would like to see it required if it was possible Charles Fenner said he would discuss the issue with the Attorney General's office

Councilmember Maris asked if the City would be responsible for the cost of moving a pole if it were ordered by a vendor but he didn't pay Mr Cluck responded the City would not be held responsible. Charles Fenner said he would be having a meeting with TXU and would discuss the issue He added he would also research the City setting up its own station

Councilmember Brockman suggested approving the projects and coming back to the Council if it was found more money was needed He also asked about refinancing the City's bonds and Mr Fenner confirmed they had been and the City had a good rate

DISCUSS AND CONSIDER ACTION ON FIRST MONDAY WORKSHOP ITEMS – Councilmember Pruitt made a motion to approve the following First Monday capital improvements projects at an estimated cost of $285,000: constructing end caps at the end of Trade Center III & IV, a Gazebo and walkways connecting it to Trade Center III and IV, a walkway connecting Trade Center III & IV end caps, a walkway between Trade Center III and IV, and a road on the edge of the creek to tie Trade Centers I & II to the Civic Center; giving authority to Mr Fenner to proceed with the projects; and requesting Mr Fenner return to the Council for any budget amendment necessary over the $200,000 currently budgeted for First Monday capital expenditures Councilmember Brockman seconded, and all voted in favor The Council also directed Mr Fenner to fill the First Monday marketing position proposed under the current budget.

ADJOURN - There being no further items for discussion, the meeting adjourned at 3:03 p.m on a motion by Councilmember Pruitt and second by Councilmember Maris

William F. Hilliard

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, MARCH 15, 2005
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, Ross Maris, Robert Brockman, Ron Sanford, and Rusty Wilson. Councilmember Pruitt arrived at 6:50 p m City Attorney Richard Davis also attended.

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 a quorum present

MAYOR'S WELCOME given by Mayor Hilliard

INVOCATION given by Jim Stephens.

PLEDGE OF ALLEGIANCE led by Mayor Hilliard.

DECLARATIONS OF CONFLICTS OF INTEREST – Mayor Hilliard explained a new procedure recommended for declaring conflicts of interest at the beginning of each meeting. No declarations were made

GUEST ITEMS - None

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM FEBRUARY 8, 15 AND 25, 2005 MEETINGS OF THE CANTON CITY COUNCIL - The minutes of the February 8, 15 and 25, 2005 meetings were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Maris

DISCUSS AND CONSIDER APPROVAL OF FEBRUARY 2005 FINANCIAL STATEMENTS - The February 2005 Financial Statements were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Brockman.

UPDATE FROM CANTON CHAMBER OF COMMERCE – Rona Watson reported the success of the Chamber's annual banquet, grossing around $38,500; the Mayfair Health and Business Expo to be held on May 14th would be joined with Dr Dailey's event and encompass the street in front of the Plaza Museum, the civic center and the trade centers and she would ask for street closures at the next meeting; and the Chamber planned to move into the Plaza Museum the following Monday.

DISCUSS AND CONSIDER APPOINTMENT OF ELECTION JUDGE AND ALTERNATE ELECTION JUDGE AND DESIGNATION OF POLLING PLACE FOR GENERAL ELECTION ON MAY 7, 2005 – Councilmember Sanford made a motion to appoint Nelda McCauley election judge and Mary Robertson alternate election judge, to authorize Ms. McCauley to appoint three election clerks in addition to Ms Robertson, and to designate City Hall, 290 East Tyler Street, as the polling place for the May 7, 2005 General Election Councilmember Wilson seconded, and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM BARBARA POPE FOR COMPENSATION OF DAMAGES RESULTING FROM A SEWER BACKUP – Charles Fenner briefed the Council on a sewer backup at Barbara Pope's home on Shady Lane February 14 causing $10,000 in damages according to her insurance company. He said the City's investigation showed roots and bag in the line A claim was submitted twice to TML, but was denied both times based on the city's legal immunity Mr Fenner explained the law regarding the City's immunity and noted the City tried to help with cleanup or in some way in these cases, but had not encountered $10,000 damages before

Mrs. Pope explained there had been an ongoing problem since they bought the house and the City had come out many times for backups which sometimes flooded the yard She added their insurance provider denied the claim stating it was not covered in her policy and it was the city's responsibility since the problem was in the main. She described the extensive damage and her health situation, and explained she could not afford to make the repairs She also mentioned letters she'd written to senators and representatives and hiring Pat Spruell to represent her in this matter

Following a discussion on Mrs Pope's insurance coverage, encouraging property owner's to install pop-off valves, continued problems with the line, and possibly getting a couple of repair estimates from other contractors, the Mayor and Council advised Mrs. Pope or her attorney to first return to her insurance provider to reconsider the claim Councilmember Pruitt joined the discussion at 6:50 p m

DISCUSS AND CONSIDER REQUEST FROM CAROL WHATLEY TO CONDUCT ON-STREET SOLICITATION AT INTERSECTION OF DALLAS AND BUFFALO STREETS ON NOVEMBER 5 AND 6, 2005, FOR THE TALENT BOX PRODUCTIONS, INC - Mrs. Whatley explained they were an all-volunteer, nonprofit, traveling group which did live theater and children's summer theater workshops for approximately 87 children in Van Zandt County She noted they did not currently have a permanent home but were looking for a building and hoped it would be in Canton, and they were also applying for 501(c)(3) status. Following a brief discussion on limiting the types of charitable organizations eligible to request on-street solicitations, Councilmember Maris made a motion to deny the request, Councilmember Brockman seconded, and the motion passed with Councilmembers Maris, Brockman and Sanford in favor and Councilmembers Pruitt and Wilson opposed

DISCUSS AND CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF AN 8.18–ACRE TRACT SITUATED IN THE Q.C. NUGENT SURVEY, A-618, LOCATED ON FM 859 OWNED BY ROBERT A REESE, JR – Charles Fenner presented the petition and

reported sewer was at the property and a water line was across the street. The petition was accepted upon motion by Councilmember Maris and second by Councilmember Sanford. Public Hearings were set for April 12th and 19th

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF A 9 4-ACRE TRACT SITUATED IN THE JAMES DOUTHIT SURVEY, A-198, OWNED BY JACK MEWBOURN – Mr Fenner reported the petitioned property was contiguous to the city limits, water ran behind the property, sewer was 0 5 mile away, and the owner would be responsible for bringing service to the property Upon motion by Councilmember Sanford and second by Councilmember Pruitt, Ordinance No 2005-08 was unanimously adopted annexing a 9 4-acre tract owned by Jack Mewbourn, contingent upon execution of the agreement making it the owner's responsibility to bring utilities to the property.

DISCUSS AND CONSIDER AMENDMENT TO ORDINANCE 2004-30 REGULATING MINIMUM EXTERIOR STANDARDS FOR STRUCTURES INSIDE THE CITY LIMITS – Mr Fenner reported the Planning & Zoning Commission recommended adoption of the amending ordinance replacing Section 2 2 Minimum Building Façade Standards (a-4) with "Any accessory structure not contained in the rear thirty percent of the yard from a street must have masonry front if unobstructed " And, also with the correction of a typing error on 2 01 (i) to "(4')" He said the Commission also discussed amending the requirements in commercial districts but recommended no changes be made He further explained the current ordinance required accessory buildings over 300 square feet to conform to the 75% masonry rule or to conform to the front exterior facade of the main building. He noted that residential properties already platted were exempt from the exterior requirements Mr. Fenner stated the ordinance's purpose was not to control but to protect property owners, and to provide a standardized system for everyone Councilmember Wilson made the motion to adopt Ordinance No 2005-09 amending Ordinance 2004-30 regulating the minimum exterior standards for structures inside the city limits as proposed. Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM JOHN LOGSDON FOR VARIANCE FROM MINIMUM EXTERIOR BUILDING STANDARDS ORDINANCE 2004-30 ON SELF-STORAGE BUILDINGS AT CANTON MARKETPLACE – Mr. Fenner reiterated the Planning & Zoning Commission's recommendation not to amend the commercial requirements in the exterior building standards ordinance for this one instance, but rather to consider a variance for Mr. Logdson's request. He explained Mr. Logdson was applying for a variance for a self storage building at Canton Marketplace from the required 75% masonry rule for any side facing a public street. He noted the building was tucked behind another structure and suggested the Council may want to consider requiring whatever is in public view to have the masonry front. Mr. Logsdon clarified there were two buildings and stated he hated to ask for a variance on a new ordinance, but he was already talking to the building inspector before the ordinance was passed. He said one building was behind the old "Real Deal" building and couldn't be seen from Highway 19 He said the second mini-storage was behind the Marketplace building which could only be seen from Wynne Road. He noted the building looked pretty good and if plank were put on the east end by Wynne Road it would look odd. Councilmember Wilson made the motion to grant Mr. Logsdon's request for a variance from the minimum exterior standards requirement on the two self-storage buildings at Canton Marketplace. Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER APPOINTMENTS TO CANTON ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS – Mayor Hilliard passed the gavel to Mayor Pro Tem Raymond Pruitt as the Mayor's relative was being considered for appointment. Councilmember Wilson made the motion to reappoint Jack Etheridge, Kerry Huddle, and Ron Sanford to the Canton Economic Development Corporation Board of Directors for two-year terms. Councilmember Maris seconded and the motion passed with Councilmember Sanford abstaining and all others voting in favor.

DISCUSS AND CONSIDER FIRST MONDAY CONSTRUCTION – Mr. Fenner explained the staff was going to require anyone building along the creek on the First Monday grounds to have engineered plans for a retaining wall before they would be issued a building permit. He noted he felt there should have been a setback requirement. Councilmember Maris made a motion agreeing with the recommendation. Councilmember Brockman seconded, and all voted in favor.

DISCUSS AND CONSIDER BUDGET AMENDMENTS – Mr. Fenner proposed increasing the police department's motor vehicle capital expenditure account by $30,000 to purchase a third new equipped patrol car to be funded from surplus funds in General Operating created from the recent COPS grant reimbursement. He also proposed increasing First Monday's motor vehicle capital expenditure account by $25,000 to replace Mr. Hall's and Mr. Perkins' vehicles, which would in turn be used as trash trucks. This would require a $5,070.00 transfer from the General Operating fund to First Monday Miscellaneous Revenue Account No. 03-4260, along with an additional increase to that account by $19,933 received from the recent auction of surplus equipment. Lonny Cluck confirmed the First Monday replacements were needed and the ones being replaced were suitable for trash trucks. He added the old trash trucks would be retired. Mr. Fenner announced there would be no smoking allowed in the new vehicles, including police vehicles. He confirmed First Monday would not need any more vehicles the following year, but Operations would be on a vehicle rotation plan adding a one-ton for utilities and three new vehicles for the police department, in addition to replacing Tim Gothard's vehicle. The Council discussed new versus used vehicles, and Mr. Cluck said he looked for three small used trucks instead of two new ones but had difficulty finding them. Councilmember Brockman then made a motion to approve the budget amendments as discussed. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER ORGANIZATIONAL STRUCTURE AND PAY CHART – Mr. Fenner proposed a new salary chart and two optional organizational charts. He reported they were based on a survey of other cities' structures and salaries. He indicated the City had the money for the positions and had some open positions. He discussed splitting community services out to help Lonny Cluck or using Rick Malone more on projects and hiring someone to do inspections and park management, increasing the salary for the City Secretary/Finance Officer and others who were underpaid according to the salary survey, increasing the number of labor positions, and receiving applications for an event coordinator and a civic center coordinator. Councilmember Pruitt questioned if the First Monday promotion should be tied to First Monday operations if the right person were hired. They conceded Jim Stephens and the event and marketing coordinators would all be working closely on promotion and advertising.

The Council discussed salary ranges and the approval process for hiring and awarding raises. It was determined the Council would approve salary ranges and Mr. Fenner would set the salaries of

individuals except himself and the City Secretary. Councilmember Wilson indicated wide ranges were acceptable, but he recommended returning to the Council with a probation period to work in conjunction with those ranges Councilmember Maris said he'd like to see more formal procedures on how employees would be evaluated and adjustments would be made

Councilmember Pruitt made a motion to accept the organizational chart (second option) and postpone a pay/salary chart decision Councilmember Sanford seconded Councilmember Wilson suggested Mr Fenner proceed with the salary chart as a guideline Upon Councilmember Pruitt's suggestion, Mayor Hilliard appointed Councilmembers Brockman and Wilson to a committee on the matter. All voted in favor.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (Section 551 071) - The meeting recessed at 8:10 p.m. and the Council convened in closed session at 8:12 p.m. for consultation with City Attorney Richard Davis and Attorney Paul Pearce, and to discuss property matters.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, SALE OR LEASE OF REAL PROPERTY (Section 551 072)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:22 p.m. Mayor Hilliard reported attorney Paul Pearce briefed the Council during executive session. Mr. Pearce was then hired to represent the City and Mr Fenner at the rate of $145 per hour upon motion Councilmember Brockman and second by Councilmember Wilson Mayor Hilliard also appointed a land committee consisting of Councilmembers Pruitt and Brockman, Charles Fenner and himself.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS - Charles Fenner requested a called meeting to accept the audit

ADJOURN - There being no further business to come before the Council, the meeting adjourned at 8:24 p.m. upon motion by Councilmember Sanford and second by Councilmember Pruitt

William F. Hilliard

William F. Hilliard, Mayor

ATTEST:

Julie H. Jackson

Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
8:00 A.M., SATURDAY, APRIL 9, 2005
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 Councilmembers present were Mayor William F Hilliard, Ross Maris, Robert Brockman, and Ron Sanford Councilmembers Raymond Pruitt and Rusty Wilson were absent.

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor Hilliard called the meeting to order at 8:04 a.m. and announced a quorum present.

PRESENTATION BY REPRESENTATIVES OF CONWAY & COMPANY REGARDING 2003-2004 AUDIT – Mike Conway of Conway Companies CPAs presented the financial audit which he indicated was the first report issued under GASB 34's required reporting for all municipalities. He referenced the Independent Auditors Report on page four and noted the clean opinion given. He then briefly reviewed the content of each report and noted the city's assets had increased by $700,000 as seen in figure two on page nine, and the city's net equity was $11,724,725. He reported that page ten presented a summary income statement of the city which was a useful look at where revenue came from and where it was spent and that the city's total profit was $732,000. He also explained the charges for services included the business activities of First Monday and Water and Sewer, and that operating transfers between the funds showed that operating transfers from business activities to government funds was $428,000. Mr. Conway then turned to page twenty-two which presented how the funds worked. He noted there was not enough coming into the government funds to make all the capital outlays and that it was a common occurrence for First Monday to subsidize the government operations since there were no city taxes collected.

Referring to page twenty-five, Mr. Conway advised that even though the city raised its water and sewer rates, the revenue only covered the direct operating costs and not the debt service which was of some concern to the auditors. He recommended pushing for higher water rates to cover the debt service and the needed investments in the water and sewer infrastructure. On the same report, he also noted that First Monday produced $1,200,000 and transferred out a net $812,000. He said First Monday continued to do very well and that it kept inching up a little in net funds it contributed to the City.

Mayor Hilliard asked why it made a difference from where the revenue for debt service came. Mr. Conway said First Monday was subsidizing something that shouldn't be subsidized and that the water was priced to encourage overuse and discourage investment because it didn't cover its cost. He made two recommendations tied together on water and sewer: to keep pressure on getting the rates up to cover debt services and to use that as a way of paying down that debt. He said the City was in sound financial condition, but he thought the First Monday fund could meet its own debt service and have money left over for paying down other debt and other public service projects the City might want to undertake.

Mr. Conway then turned to pages forty-six and forty-seven for a detailed comparison of revenue versus expenditures compared to last year's budget which could be useful in setting the next year's budget. He said in general from the standpoint of revenue sources

and the income it produced, Canton was one of the soundest cities they audited. As a final recommendation, Mr. Conway urged the City to add a degreed accountant with some experience to the staff. He noted they had been heavily involved in year-end accounting, and had made a number of entries, analyses and reconciliations which they wanted to pull away from in order to do their job of verifying and making recommendations.

Councilmember Brockman said the Council needed to look at water rates. Councilmember Sanford pointed out that even after the last water and sewer rate increase that revenue only increased 1%. Councilmember Maris noted that everyone had been made aware of the infrastructure requirements the City would have to deal with.

DISCUSS AND CONSIDER APPROVAL OF 2003-2004 AUDIT – The FY 2003-2004 financial audit was unanimously approved with some boiler plate language modifications upon motion by Councilmember Sanford and second by Councilmember Brockman.

DISCUSS AND CONSIDER FIRST MONDAY LEASES AND CONSTRUCTION – Charles Fenner referred to a copy of the old lease, the newly proposed lease, and Richard Davis' letter presented in his absence. He noted the Council had talked about a standard lease for everyone building on the First Monday grounds, but that the new proposed lease was based on past conversations with the Council. He asked the Council to direct him on whether a standard lease should be used or leases needed to be considered on a case-by-case basis. He also asked for a review of the verbiage and any resulting recommendations for changes, exclusions or inclusions. He noted one item previously brought up was the term. He mentioned a five year lease with one five-year option and indicated that some wanted a twenty-five year lease. He said he felt that was selling the City short but it was fine if that was what the Council wanted. He also raised the issues of whether or not the lease should lock in a $50 per lot rental rate and what the Council wanted to do regarding the retaining wall issue. He said they were going to require a retaining wall if the lot was on the creek for erosion control purposes through the building permit process. He added another issue for consideration was whether or not to allow subleasing. He added the Council might also have other issues.

Councilmember Brockman said he was concerned about the term of the lease. Councilmember Sanford said lessees could not get a loan on a 10-year lease. Mr. Fenner affirmed he was a loan officer and that it could be done. Mayor Hilliard stated the City needed to be making the money some of the vendors who were subleasing were making, and noted that if it were effective other owners would be doing it. Councilmember Maris reminded the Council they had several people they had been negotiating with for a period of time, namely Kenneth Pruitt, Mack Stewart and Richard Graham. He said these people already had building sites ready and suggested the Council deal with them on one standard lease, then go with a new standard lease and possibly provide pad sites. He added that one concern was what happened after the lease and renewal options. He then suggested that at the expiration of the renewals, if the landlord determined the best use of the property was to continue leasing, the tenant would have first option to renew the lease subject to conditions and terms of leases at the time. He added that if the city went to a different system of rental rates other than a flat rate, they could negotiate the new terms based on whatever they wanted. He noted since the City was requiring the tenant to make the investment, it needed to offer some protection for some period of time to cover their investment. Councilmember Maris also suggested including a clause escalating the rent to the then current rate or by 5% to 10%,

whichever was greater. Mayor Hilliard warned Mr. Maris to be cautious since he had a vested interest. Councilmember Maris responded that everything he suggested would cost him money. Mayor Hilliard then stated he felt Mr. Fenner had a reasonable recommendation. Councilmember Maris said he would go with a five-year lease and at least one five-year option, then beyond that first option it would be under totally different terms. Councilmember Sanford said they should continue without changing for the four people like Richard Graham with whom they were now working, then get away from the $50 per lot rental rate. Mayor Hilliard told Mr. Graham they needed to resolve his situation and if they couldn't, they needed to get on with business. Councilmember Maris reiterated he felt they needed to include an increase in the lot rent whether the rates went up or not, and he thought existing business owners would be willing to put the clause in there. Mayor Hilliard stated he didn't think Councilmember Maris should be involved in the discussion even though his intent was good.

Lonny Cluck asked for direction. He informed the Council Mike Terrell, Upside Down Lemonade business owner, had already poured concrete and made an investment, that Mack Stewart had talked to the bank and builders and laid out his plans but had not made any progress on the grounds. He asked where to draw the line on those grandfathered. He noted that approximately fifteen people had talked to him about building. Councilmember Brockman recommended it be the vendors who had invested money in the foundation. Councilmember Sanford noted that Kenneth Pruitt and Mack Stewart did not have a foundation but they had incurred some expenses. Councilmember Maris added that Mr. Pruitt had spent $7,000 in lot transfer fees. Councilmember Sanford suggested Mr. Cluck provide a list of what was going on for the Council to decide. Mayor Hilliard recommended the Council seriously consider Mr. Fenner's recommendation.

Councilmember Brockman indicated he would like to go through the lease page by page. Councilmember Sanford said he didn't think it was equitable for Richard Graham. He suggested they needed to settle off with the people who had something going, then have the Council talk about what it wanted to do in the future. Mayor Hilliard warned he didn't want it to end up costing the city. Charles Fenner noted that Mr. Graham's situation would be a little different to settle. Councilmember Sanford said he would not vote to approve this until the issue was settled. Mr. Graham stated that anyone who had a footprint layout should be considered as having already begun the process. Mr. Fenner disagreed. Mayor Hilliard then stated the City needed to be in total control of its properties, then be a decent landlord.

In reviewing the lease, Charles Fenner stated the main issues to consider were the rent, the term, retaining walls and subleasing. He recommended a sixty-month lease with one renewal option, basically a ten-year lease. Councilmember Pruitt said they needed at least three five-year options after the initial five-year lease. He noted that Richard Graham's situation and this lease were two different things and that the Council needed to solve the ones currently going, then get on this lease. Charles Fenner indicated he didn't think Kenneth Pruitt had anything involved at this point. Councilmember Sanford stated the Council should live up to the rules in place at the time a man starts to do something. He specifically noted Mr. Graham, Mr. Pruitt and Mr. Stewart. Mr. Fenner disagreed and stated there were no rules and no contract. He added that he thought it was a great idea, but that Mr. Terrell had already put down a slab.

The Council then discussed how to determine if a vendor had something involved. Councilmember Brockman suggested it should be if there was something on the grounds, then the rules couldn't be changed as they could for someone that didn't have anything invested. Councilmember Sanford stated that a transfer fee had already been paid. Councilmember Maris suggested the transfer fee could be refunded. Councilmember Brockman then stated they needed to start somewhere and that it should be if the vendor had not already spent any money. He said the Council needed to give management guidelines. Councilmember Sanford then stated that if they had $1,00 invested, the old rules should apply. Councilmember Maris noted there were a lot of preliminary expenses. Lonny Cluck said it was complicated determining who had money invested. Councilmember Brockman confirmed Mike Terrell was included and Mr. Cluck confirmed he would be back from the lot line some. Lonny Cluck added to the list Richard Graham, Kenneth Pruitt, Mack Stewart and his partner Kenny Parks. He said Richard Graham was trying to remodel and Mr. Pruitt was trying to build a new building. Councilmember Sanford said he was for grandfathering those four. Mayor Hilliard said there still needed to be some different rules on them.

Councilmember Maris asked about subleasing and he and Councilmember Sanford both said they didn't have a problem saying no subleasing. Councilmember Brockman added he didn't think the City should allow subleasing. Councilmember Maris said he was going to abstain from voting, but said if subleasing were allowed, he thought it should be a higher rate. Mr. Fenner said his job was to protect the City and that some were trying to follow the same lease drawn up by Paul Michael. Councilmember Sanford said they were stopping it at this list. Councilmember Brockman reiterated he didn't think the City should allow subleasing. Mr. Fenner added that he felt strongly about letting the interested parties know an answer by Monday, especially Mr. Graham and Mr. Terrell. Mayor Hilliard then asked if the Council were going to allow subleasing. Councilmember Sanford said it was automatic that others would not be allowed, then added that he was okay with no subleasing on these four vendors either. Councilmember Brockman echoed none. Mayor Hilliard then announced henceforth, no subleasing. Mr. Fenner said he would not be signing the leases, and instead would bring them back to the Council for approval.

The Council then discussed the term of the lease and tying other Councils to long-term contracts. Councilmember Brockman suggested giving a five-year lease with two five-year options and to negotiate at the time of the option. Councilmember Maris reiterated his suggestion to build in an inflation escalator. Councilmember Sanford said he would agree after these four. Councilmembers Maris and Brockman stated it should be on these four. Councilmember Maris continued by stating it wasn't reasonable to base the rate on outside lot rent and said he would also add it in his contract. He added that he had talked to Mr. Graham and Mr. Pruitt who both recognized expenses of the City. Councilmember Sanford said he would go along if Mr. Pruitt agreed. Councilmember Maris clarified he didn't know how Mr. Pruitt felt about subleasing and he thought he was planning on it. Councilmember Sanford said he could come back to the council if it was a major problem. He then said he would go along with tying lot rent to inflation, but he thought there needed to be three five-year options. Councilmember Brockman said he thought there should be two five-year options. Mayor Hilliard was in favor of one five-year option. Richard Graham said the vendors needed fifteen years. Councilmember Sanford then stated he would agree to two five-year options.

Charles Fenner recapped the agreement for inclusion of a rent escalation clause, and the term of one five-year lease with two five-year renewal options He then asked on what to base escalation. Councilmember Maris suggested tying it to the inflation factor Mr Fenner noted that from a business standpoint, the value of the property was not the same and it didn't equate to a vacant lot, that the value became subject to what was put on it Councilmember Maris pointed out his original lease was for one and one-half times the regular lot rent before it was changed to the lot rent rate when building owners were required to pay their own electric He then recommended setting up pad sites to lease for more money or to build a building He also reiterated it should be a 15-year lease, with no subleasing and an inflation escalator at the renewals.

Mr. Fenner asked for direction on the transfer of lots. Mayor Hilliard suggested it come back to the city for a decision if the business is sold Councilmember Maris noted that the City currently allowed concessions to sell their businesses and he felt the buildings should fall under the same rule He also recommended deleting the provision that allowed a lessee to remove the building at the end of the term Charles Fenner suggested any new owner should enter into a new contract with approval from the Council Mayor Hilliard suggested the City have the opportunity to buy it Mr Fenner further stipulated the City could have the first right of refusal to purchase it at market value, which was fine with all members of the Council

Mr. Fenner then discussed the retaining wall issue He stated that anyone building along the creek would be required to include an engineered retaining wall for erosion control in order to get a building permit. Mr Graham brought up the City's fifty-percent participation in previous retaining walls. Mr Fenner recommended no further participation in any retaining walls tied to individual structures Councilmember Maris noted it was their responsibility as part of their foundation, and that any plans for building or improvements should be approved by the City He said there was a portion of the retaining wall that was never done for which the City has been requested to pay half—about $7,000 Councilmembers Maris and Brockman both indicated the City had given enough on retaining walls. Mr Cluck explained the City paid half in the portion already in existence. Councilmember Sanford said he wouldn't have a problem in participating in that one section Councilmembers Brockman and Maris both agreed they shouldn't participate in that section either. Councilmember Sanford stated it was settled then Councilmember Maris then stated Mr Graham should not be required to have a retaining wall unless he modified the existing building. Mr Graham indicated originally he thought the city was going to pay half, but there was no erosion problem in 2002 He said there was rif raf there but it had been undermined and eaten away Mr Fenner interjected that he was building in the building and there was a large erosion problem there Councilmember Sanford said he wouldn't have a problem participating in the wall behind Richard Graham, but if the City did, it would have to participate in Paul Michael's also The last quote was $12,000. Councilmember Maris pointed out it was cost-prohibitive to build on the creek and Mr. Fenner suggested a ten-foot setback instead Mr Graham said his building used to be five feet off the creek and that if a retaining wall were built behind his building and not extended an extra fifteen feet to the bridge, it would undermine the vendor up the creek. He also asked if he could build the wall in galvanized or black steel. Mr. Fenner said it would have that verbage. Mayor Hilliard asked Mr. Graham if he was interested in selling his business to the City, but he said he wasn't at that time Mr. Fenner confirmed there would be no help on the retaining wall from the city and that Mr Graham would be given 180 days He pointed out a permit could not be issued without the lease and the lease wouldn't be ready Monday He asked if he could give a temporary building permit. Mayor Hilliard told Mr Fenner it was his decision

and Councilmember Brockman suggested it be subject to the conditions of the lease. Mr Graham indicated that was fair

Charles Fenner recapped the changes as: a five year term with two five-year renewal options, an escalation clause, no removal of the structure at the end of the lease, and the city to have first right of refusal for release of contract Councilmembers also agreed to require the lessee to have his own meter for utilities and to require he have a tax permit with a Canton address They also discussed removing the clause that allows the city to use the buildings at times other than First Monday but decided to leave it in the contract. They also agreed to require approval and charge a separate fee for opening their businesses during a special event A discussion of how many days a lessee could be on the grounds and whether or not shipping from the lot during the month would be allowed. Councilmember Maris also suggested that if the city determined the best use of the property was to continue leasing it, the current tenant would have first option to rent it at whatever terms the city decided

Councilmember Maris confirmed this was only to apply for the buildings currently in the works (Mr Terrell, Mr Graham, Mr Pruitt, Mr Stewart and Mr. Parks), and that another concept would be considered after that Mayor Hilliard reiterated the City's need to have total control of the grounds Charles Fenner asked what to do with any new requests and was instructed to put them on hold. Mayor Hilliard stated the City would entertain a request from a lessee for the city to build a building Councilmember Sanford was concerned about killing the individual who wanted to build He said that was okay as long as the City got something started and noted that Row 11 was a prime area for that concept

Charles Fenner presented a final recap including: a five year lease with two five-year renewal options, an escalation clause for lease renewals with standard verbiage, no removal of the building at the end of the lease, a clause giving the lessee first right of refusal if the city decides to continue to lease the lot, a clause granting the City first right of refusal if the lessee wants to sell his business, a requirement for the lessee to have his own meter for utilities, a requirement for the lessee to have a sales tax ID for the Canton address displayed, a requirement for prior written approval and fee negotiations with the staff to open for business for events on the grounds other than First Monday, no future expense from city on individuals required retaining walls, and no subleasing The above conditions for the leases were approved upon motion by Councilmember Brockman and second by Councilmember Sanford. Councilmember Maris abstained

EXECUTIVE SESSION FOR DISCUSSION AND CONSIDER THE SALE, PURCHASE, AND LEASE, OF REAL AND PERSONAL PROPERTY – The council convened in closed session at 9:48 a m to discuss property matters. They reconvened in open session at 10:12 a.m. with no action taken

ADJOURN - There being no further items for discussion, the meeting adjourned at 10:12 a m upon motion by Councilmember Brockman and second by Councilmember Sanford

William F. Hilliard

William F. Hilliard, Mayor

ATTEST:

Julie H Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M., TUESDAY, APRIL 19, 2005
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, Ross Maris, Robert Brockman, Ron Sanford, and Raymond Pruitt Councilmember Wilson was absent City Attorney Richard Davis also attended

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 a quorum present

MAYOR'S WELCOME given by Mayor Hilliard

INVOCATION given by Jim Stephens

PLEDGE OF ALLEGIANCE led by Mayor Hilliard

DECLARATIONS OF CONFLICTS OF INTEREST – Councilmembers Pruitt and Maris declared a conflict of interest on Item 20 regarding First Monday Lease Agreements

GUEST ITEMS – James Tyler spoke in favor of granting the requested ban on smoking in public places, saying it would be good for the City of Canton

First Monday vendor Mack Stewart from Tyler Texas stated he already had a lease on one spot on Row 94 at the First Monday Park, but he had acquired five more lots on Row 46 in the building area about Christmas for which he paid $5,000 in transfer fees, and he wanted to go on record of his plans to build and asked that he be grandfathered As the issue was scheduled later in the agenda, further discussion was postponed to that time

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM MARCH 15, 2005 MEETING OF THE CANTON CITY COUNCIL - The minutes of the March 15, 2005 meeting were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Sanford

DISCUSS AND CONSIDER APPROVAL OF MARCH 2005 FINANCIAL STATEMENTS - The March 2005 Financial Statements were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Maris

UPDATE FROM CANTON CHAMBER OF COMMERCE – Rona Watson presented the financial report for the Chamber's tourism account, reported the completion of the renovation of the Chamber offices at the Plaza Museum, and invited everyone to the grand opening from 5:00-7:00 p m on Friday She also noted parking problems associated with increased traffic to the Chamber office and requested the "No Parking" signs along Terrell Street to the county annex building be opened up to two-hour parking for patrons and owners of businesses downtown Mayor Hilliard indicated he felt the opening of the parking lot behind the museum would be the solution and that her request would be put under advisement and consideration

DISCUSS AND CONSIDER AUTHORIZATION FOR DOWNTOWN STREET CLOSURES ON MAY 14TH FOR MAYFAIR HEALTH AND BUSINESS EXPO – Upon motion by Councilmember Maris and second by Councilmember Brockman, the Council unanimously voted to authorize the closure of Buffalo Street between Dallas Street and Terrell Street, Terrell Street between Buffalo and Capitol, and Capitol between Terrell and Dallas on May 14, 2005 from 6:00 a.m. to 5:00 p m., for the Mayfair Health and Business Expo

DISCUSS AND CONSIDER REQUEST FOR COUNCIL TO PROCLAIM MAY AS MOTORCYCLE SAFETY AND AWARENESS MONTH – At the request of Don Hill and Stephen Hayes on behalf of the Resurrection Riders, Christian Motorcycle Riders and Texas Motorcycle Riders Association, the Council proclaimed May as Motorcycle Safety and Awareness Month upon motion by Councilmember Maris and second by Councilmember Sanford

DISCUSS AND CONSIDER REQUEST FOR BAN ON TOBACCO SMOKING IN PUBLIC BUILDINGS IN CANTON – Charles Fenner presented an article and Taylor Blackburn's request for the Council to ban smoking in public buildings and restaurants Councilmember Maris recommended seeking citizen input Rona Watson stated that twenty-three percent (23%) of the public smoked and when she formerly smoked, she waited until she was in the car to smoke after eating at a restaurant She also pointed out that Terrell had a ban on smoking and that Canton could set a precedent to let people know they cared about their health At Mr Fenner's suggestion, Mayor Hilliard advised the staff to put a notice on the city's web page and to place a survey in the paper, then to hold a Public Hearing if necessary He also invited Ms Watson to get involved in the project

FIRST PUBLIC HEARING ON PETITION FOR ANNEXATION OF AN 8 18–ACRE TRACT SITUATED IN THE Q C NUGENT SURVEY, A-618, LOCATED ON FM 859 OWNED BY ROBERT A REESE, JR – Mayor Hilliard opened the Public Hearing at 6:53 p.m. and closed at 6:54 p m hearing no comments

DISCUSS AND CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF A 16 61-ACRE TRACT SITUATED IN THE WILLIAM SHERMAN SURVEY, A-761, LOCATED ON INTERSTATE 20 SOUTH SERVICE ROAD WEST OF FM 859, OWNED BY HENRY LEWIS – Councilmember Sanford made the motion to accept the petition for annexation stated above Councilmember Brockman seconded, and all voted in favor The Public Hearings were set for May 10th and 17th

DISCUSS AND CONSIDER REQUEST FROM JOHN WAYNE WARREN FOR WATER TAPS OUTSIDE CITY LIMITS ON VZCR 2200 (DARBY LANE) – Charles Fenner provided

the history recorded in the minutes regarding the extension of water to Wayne Warren's subdivision He noted Mr. Warren asked the Council in 1994 to put in a water line to his proposed fifteen-lot development, but they instructed him to seek assistance from the Industrial Board He said it was his understanding that in the end, the City did actually provide the labor and Mr. Warren provided the materials, and that the City approved two taps, then another five in 1995 so that Mr. Warren wouldn't have to return for each request He added there were actually eight homes with water there now Mr. Fenner noted it was customary for the responsibility of utility extension to be the developer's and he reminded the Council of its current policy of requiring a property owner annex into the City limits in order to receive water. When asked, Rick Malone reported the City granted taps during that time if the water was available and that the taps were already in Councilmember Brockman stated it sounded like there was a prior agreement and he moved to grant the tap Lonny Cluck reiterated there were fifteen water taps there now and eight meters in, with a good supply of water Charles Fenner asked if the Council wanted to grant more taps. Councilmember Brockman restated his motion to grant one tap at the current rate Councilmember Pruitt seconded and all voted in favor Mr Malone stated the property was originally in the McBEE CCN before they granted a release to the City and that they still had no plans to serve that side of town.

DISCUSS AND CONSIDER ADOPTION OF EMERGENCY MANAGEMENT PROGRAM – Tim Gothard reported the emergency operations plan was presently out of date and the county had an updated plan which a lot of other cities in the county had adopted He explained the city would be ineligible for any type of disaster funding without a current plan and recommended the County's Emergency Operation Plan be adopted Mr Fenner added the staff would review the plan and continue to work on it County Emergency Plan Coordinator Brian McNevin clarified it wasn't the county's plan, but a plan the county adopted with generic language and that if approved, the city could modify it on its own Councilmember Maris made the motion to adopt the plan Councilmember Sanford seconded, and all voted in favor Councilmember Sanford then commended Operations Chief Mike Echols, Director of Public Safety Tim Gothard and the officers for the fantastic job they did at the recent school emergency

DISCUSS AND CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – Item tabled to the next meeting

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENT - Item tabled to the next meeting

DISCUSS AND CONSIDER ALL MATTERS PERTAINING TO IMPACT FEE STUDY INCLUDING APPOINTMENTS TO ADVISORY COMMITTEE – Charles Fenner notified the Council the current impact fee study project required the appointment of a five-member advisory committee for which the Planning & Zoning Commission qualified since it had at least one person from the real estate, development or building industry, and he so recommended its appointment. He reported the study was about thirty percent (30%) complete and a capital improvements plan and a land use assumption study still had to be done and the advisory committee had to be a part of that through the public hearing process Councilmember Brockman made the motion to appoint the Planning & Zoning Commission as the Impact Fee Study Advisory Committee. Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER FIRST MONDAY LEASE AGREEMENT WITH SAD INVESTMENTS, LLC (KENNETH PRUITT) – Councilmember Pruitt excused himself from the meeting Councilmember Sanford recalled the Council had grandfathered four cases for which projects were already started to fall under the old leases and that Kenneth Pruitt could go by the lease he currently had Councilmember Brockman agreed he made the motion they be grandfathered and that was his understanding at the time Councilmember Sanford added it was his understanding the changes they discussed were to apply to anything from that point on. Mayor Hilliard's recollection was they grandfathered the four cases but with no subleasing. Councilmember Maris said he had stated they have new leases for any future development after the four in process and whether intended or not, no subleasing was included

Councilmember Sanford reiterated that at the last meeting he thought he was seconding a motion for leases for anyone in the future He then made a motion to grandfather the four being discussed under the old set of rules. When asked for a definition of the old set of rules, Councilmember Sanford said they could sublease Mr Fenner voiced his opposition to subleasing saying it placed competition against the city Councilmember Sanford said he would go along with that after the four people in question Charles Fenner then asked about the length of the lease and said long-term lease was the same as selling and needed to be bid out to the highest bidder Councilmember Sanford suggested twenty to twenty-five years Richard Davis advised he knew forty years was too long, ten years was not, but there was no court ruling on anything in between He added that the longer the lease, the more danger there was of it being an invalid lease He noted that some First Monday leases were invalid and could be deemed null and void by a court if anyone challenged them because they were in perpetuity He clarified that he was not talking about the ones the Council was currently considering He further advised that some places used twenty-five years as the outer edge, but the shorter the term, the better off they would be Mayor Hilliard asked why the City should give someone twenty years of making a profit when the City could be making it themselves

Councilmember Brockman then seconded Councilmember Sanford's motion adding for a fifteen year lease on just the four under discussion Charles Fenner said we did have a fifteen year lease and that was what was motioned last time Charles Fenner asked if subleasing was included and Councilmember Brockman said it was his understanding the four were grandfathered under the old rules When Mr Fenner asked about the decisions from the previous Saturday's meeting, Councilmember Brockman said to use those rules for future leases Mayor Hilliard stated his recollection of the decision at the previous meeting was to grandfather those four and that they would not be allowed to sublease Councilmember Sanford indicated he could see where the confusion could have occurred but his motion still stood Richard Davis confirmed the Council could override what had already been done Mayor Hilliard then stated there was a motion by Councilmember Sanford and second by Councilmember Brockman to rescind the earlier decision from the last meeting Mr Davis clarified his understanding of the motion was to allow subleasing on these four and move the term to fifteen years which Mr Fenner clarified as a five-year term with two five-year renewals

Mack Stewart clarified that he was included in the four for his building on Row 94, but he also had a second spot He asked if his additional lots on which he paid transfer fees would be grandfathered since he acquired them about the same time as the other individuals. Mayor Hilliard stated the Council had no intent to hurt Mr Stewart but they were in business to make money and

the prior four cases were what was being addressed. Mack Stewart argued that his other lots should be included. Councilmember Sanford answered that the four cases in question already had movement toward this. Mayor Hilliard called for a vote and the motion passed with Councilmembers Brockman and Sanford in favor, Councilmember Maris abstaining, and Councilmember Pruitt not present.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, SALE OR LEASE OF REAL OR PERSONAL PROPERTY (Section 551.072) - The meeting recessed at 7:24 p.m. and the Council convened in closed session at 7:27 p.m. to discuss property matters at which time Councilmember Pruitt rejoined the meeting.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:07 p.m. with no 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 adjourned at 8:08 p.m. upon motion by Councilmember Sanford and second by Councilmember Pruitt.

William F. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:00 P.M., TUESDAY, APRIL 26, 2005
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. Councilmembers present were Ross Maris, Robert Brockman, Ron Sanford and Raymond Pruitt. Mayor William F. Hilliard and Councilmember Rusty Wilson were absent.

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor Pro Tem Raymond Pruitt called the meeting to order at 6:00 p.m. and announced a quorum present.

SECOND PUBLIC HEARING ON PETITION FOR ANNEXATION OF AN 8.18–ACRE TRACT SITUATED IN THE Q.C. NUGENT SURVEY, A-618, LOCATED ON FM 859 OWNED BY ROBERT A. REESE, JR. - Mayor Pro Tem Pruitt opened the Public Hearing at

6:00 p m and closed at 6:01 p.m having received no comments. Charles Fenner noted Mr. Reese was considering senior citizen's duplexes and would submit a zoning request

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:01 p m. upon motion by Councilmember Brockman and second by Councilmember Maris.

William F. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:00 P.M., TUESDAY, MAY 10, 2005
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. Councilmembers present were Councilmembers Robert Brockman, Ron Sanford, and Raymond Pruitt. Mayor William F. Hilliard and Councilmembers Ross Maris and Rusty Wilson were absent

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor Pro Tem Raymond Pruitt called the meeting to order at 6:00 p m and announced a quorum present.

FIRST PUBLIC HEARING ON PETITION FOR ANNEXATION OF AN 16.61-ACRE TRACT SITUATED IN THE WILLIAM SHERMAN SURVEY, A-761, LOCATED ON INTERSTATE 20 SOUTH SERVICE ROAD WEST OF FM 859, OWNED BY HENRY LEWIS - Mayor Pro Tem Pruitt opened the Public Hearing at 6:00 p.m. and closed at 6:01 p.m. having received no comments.

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:01 p m upon motion by Councilmember Brockman and second by Councilmember Sanford

William F. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL

CITY OF CANTON, TEXAS
6:00 P M., MONDAY, MAY 16, 2005
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 Councilmembers present were Mayor William F Hilliard, Ross Maris, Ron Sanford, Raymond Pruitt and Rusty Wilson. Councilmember Robert Brockman was absent

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor Hilliard called the meeting to order at 6:00 p.m. and announced a quorum present. He offered condolences to Councilmember Brockman who was out of town due to a death in his family.

DISCUSS AND CONSIDER PERSONNEL MATTERS REGARDING CITY MANAGER'S CONTRACT – Mayor Hilliard turned the meeting over to City Attorney Richard Davis who opened the floor to the city manager concerning an agreement that had been discussed and negotiated over the last few days. Charles Fenner then stated that pursuant to and subject to a separation agreement being approved by the council, he tendered his resignation effective immediately. Councilmember Wilson then made the motion to accept Mr Fenner's resignation per the proposed agreement Councilmember Sanford seconded Richard Davis asked that before the final vote was taken that the agreement be specifically approved. Councilmembers all agreed it was part of the motion The motion then carried with all voting in favor.

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:02 p.m. upon motion by Councilmember Sanford and second by Councilmember Pruitt Upon Richard Davis' request, the attorneys, Mr Fenner and Mayor Hilliard signed the separation agreement

William F. Hilliard

William F Hilliard, Mayor

ATTEST:

Julie H. Seymore

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:15 P M., TUESDAY, MAY 17, 2005
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 Councilmembers present were Ross Maris, Robert Brockman, and Ron Sanford Mayor William F. Hilliard and Councilmembers Raymond Pruitt and Rusty Wilson were absent City Attorney Richard Davis was also present.

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Councilmember Ron Sanford called the meeting to order at 6:00 p.m. and announced a quorum present.

CANVASS MAY 7, 2005 GENERAL ELECTION RETURNS – The Council canvassed the election returns from the May 7, 2005 General Election for a mayor and two councilmembers as follows:

GENERAL ELECTION FOR A MAYOR AND TWO COUNCILMEMBERS

CANDIDATE	OFFICE	# OF VOTES
R C Anderson	Mayor	246
Brian McNevin	Mayor	67
William F Hilliard	Mayor	129
Robert D Brockman	Councilmember	272
Ron Sanford	Councilmember	231
Herman Johnson, Jr	Councilmember	144
TOTAL NUMBER OF VOTES CAST:		442

Councilmember Maris made a motion to accept the above returns as presented by the Election Judge Councilmember Brockman seconded the motion and all voted in favor

ISSUE CERTIFICATES OF ELECTION – Councilmember Sanford executed and issued the certificates of election to newly elected Mayor R C Anderson, and Councilmembers Robert Brockman and Ron Sanford

ADMINISTER STATEMENTS OF ELECTED OFFICER – Newly elected officials were administered the statements of elected officer and such were filed with the City Secretary

ADMINISTER OATH OF OFFICE TO NEWLY ELECTED OFFICIALS – Van Zandt County Judge Rhita Koches administered the oaths of office to R C Anderson, Robert Brockman and Ron Sanford

PRESENTATION TO WILLIAM F HILLIARD FOR SERVICE AS MAYOR OF CITY OF CANTON – In Mr Hilliard's absence, R C Anderson announced the city's appreciation for Mr Hilliard's service as mayor and noted a plaque recognizing his contributions would be presented to him at a later date.

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:21 p m upon motion by Councilmember Sanford and second by Councilmember Brockman.

William F Hilliard

William F. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M , TUESDAY, MAY 17, 2005
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 R C. Anderson, Ross Maris, Robert Brockman, and Ron Sanford Councilmember Rusty Wilson joined the meeting at 7:10 p m and Councilmember Raymond Pruitt was absent City Attorney Richard Davis also attended

Discussion and action were as follows:

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

MAYOR'S WELCOME given by Mayor Anderson who thanked those in the audience for attending and asked for their support while the City moved forward through the undergoing changes.

INVOCATION given by Jerome Savage

PLEDGE OF ALLEGIANCE led by Mayor Anderson

DECLARATIONS OF CONFLICTS OF INTEREST – Ross Maris declared a conflict of interest regarding First Monday lease agreement issues and presented a signed statement so indicating.

GUEST ITEMS – None

APPOINTMENT OF MAYOR PRO TEM BY CITY COUNCIL – Raymond Pruitt was unanimously appointed Mayor Pro Tem upon motion by Councilman Sanford and second by Councilman Brockman

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM APRIL 9, 19 AND 26, 2005 MEETINGS OF THE CANTON CITY COUNCIL – Item tabled

DISCUSS AND CONSIDER APPROVAL OF APRIL 2005 FINANCIAL STATEMENTS - The April 2005 Financial Statements were unanimously approved upon motion by Councilman Brockman and second by Councilman Maris.

UPDATE FROM CANTON CHAMBER OF COMMERCE – Rona Watson presented a monthly report on the Chamber's tourism budget and reported having raised nearly $2,000 at the second

annual health and business expo held in conjunction with the Dailey Medical Clinic at the Civic Center the previous Saturday She further reported their plans to hold the event again on May 13, 2006; the completion of appreciation lunches they sponsored at each campus for the CISD faculty; their interest in further involvement with the schools to include a new teacher luncheon the following fall; their sponsorship of the catfish fry at the Bluegrass Festival and their provision of serving assistance; and their promotion plans for the July 21-23 Equestrian Drill Team competition

DISCUSS AND CONSIDER REQUEST FROM PATRICK REED AND LINDA JONES TO ADDRESS NOISE ON THE SQUARE FROM GRAVEL TRUCKS TRAVELING STATE HIGHWAY 64 TO STATE HIGHWAY 19 – Linda Jones, business owner at 122A E Dallas Street, and Patrick Reed, new owner of Canton Café, 105 S. Buffalo, requested that large trucks be re-routed off Highway 64 around the downtown area Ms. Jones noted safety issues regarding the disrepair of many trucks, specifically their brakes and loud noise, particularly on the gravel trucks She added that patrons were not using the outside seating and that business owners couldn't hear their customers or phones inside their shops She also pointed out the Main Street's initiatives downtown and that they were all working to improve and beautify the businesses on the square. She suggested either talking to S&S Trucking about re-routing their traffic down I-20 to Hwy. 19, erecting signage to help with the noise, and/or slowing the traffic by enforcing speed limits She then asked a committee be formed Councilmember Brockman stated he would like to see a truck route established requiring trucks travel I-20 around downtown Councilmember Sanford asked the Public Safety Director to check on the necessary procedures and report back to the Council Mayor Hilliard thanked Ms Jones and Mr Reed and encouraged any ideas from the downtown merchants be brought to the Council.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE APPROVING OR DENYING ATMOS ENERGY CORP., MID-TEX DIVISION'S REQUEST AUTHORIZING COMPLIANCE TARIFFS FOR ANNUAL GAS RELIABILITY INFRASTRUCTURE PROGRAM RATE ADJUSTMENT – Cheryl Way, manager for Atmos Energy, explained Atmos filed a rate adjustment in mid-December with each city which was appealed to the Texas Railroad Commission She presented a chart indicating what they requested and what was approved by the Commission which included a lower residential rate increase than requested ($ 29 vs $ 31) and a higher commercial increase than requested ($31 85 vs $26 85) She explained these rates were being returned to the cities for approval Upon questioning, Ms Way stated the City could not go back to the rate originally requested, they could only go with what the Railroad Commission approved Mayor Anderson asked about the procedures should the rate be denied by the Council Ms Way said a few cities had denied the rate which was later upheld by the Texas Railroad Commission when it was appealed. The procedures included a motion to deny which would be appealed to the commission and their ruling later returned by letter Upon Mayor Anderson's recommendation, Councilmember Brockman made a motion to adopt Ordinance No 2005-11 denying Atmos' rate increase Councilmember Sanford seconded, and all voted in favor

SECOND PUBLIC HEARING ON PETITION FOR ANNEXATION OF A 16 61-ACRE TRACT SITUATED IN THE WILLIAM SHERMAN SURVEY, A-761, LOCATED ON INTERSTATE 20 SOUTH SERVICE ROAD WEST OF FM 859, OWNED BY HENRY LEWIS – Mayor Anderson opened the Public Hearing at 6:53 p m Rona Watson asked if the City knew why he wanted the property annexed and what the benefits would be for the city. Rick

Malone stated Mr. Lewis made the request for annexation and Mayor Anderson explained the city could not force annexation, it could only be considered at the owner's request Councilmember Brockman indicated the benefit was increasing the City's Extra Territorial Jurisdiction. Hearing no further comments, the Hearing was closed at 6:54 p m.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF FOUR TRACTS OWNED BY HENRY LEWIS--A 14 ACRE TRACT SITUATED IN THE WILLIAM SHERMAN SURVEY, A-761; A 5.0 ACRE TRACT SITUATED IN THE WILLIAM SHERMAN SURVEY, A-761 AND THE Q C. NUGENT SURVEY, A-618; A 9.342 ACRE TRACT AND A 41 1968 ACRE TRACT SITUATED IN THE Q C NUGENT SURVEY, A-618 – Councilmember Brockman made the motion to adopt Ordinance No 2005-12 annexing the four tracts stated above Councilman Maris seconded and all voted in favor Councilmember Brockman amended his motion, making it contingent upon the release of the CCN to the City of Canton. Rick Malone explained the two tracts east of FM 859 were already in the City's CCN Mayor Anderson explained the contingency was based on obtaining the rights to serve water to the property Councilmember Maris seconded the amended motion and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF 21 ACRE TRACT SITUATED IN THE WILLIAM SHERMAN SURVEY, A-761, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION – Councilmember Sanford made the motion to adopt Ordinance No 2005-13 annexing the 21-acre tract stated above, contingent upon the transfer of the CCN to Canton Councilmember Maris seconded and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF 8.18 ACRE TRACT SITUATED IN THE Q.C NUGENT SURVEY, A-618, LOCATED ON FM 859 OWNED BY ROBERT A. REESE, JR – Mayor Anderson described the property's location south of the existing industrial park containing HGI and Millwood Cabinets and noted the owner would be requesting multi-family zoning the following month. Councilmember Maris made the motion to adopt Ordinance No 2005-14 annexing the property described above. Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER APPROVAL OF LEASE AGREEMENT WITH J. PATRICK SPRUIELL FOR CITY HALL OFFICES LOCATED AT 290 EAST TYLER STREET – The Council discussed the terms of the lease proposed by Pat Spruiell for the portion of City Hall including and west of the First Monday offices, excluding the Main Street office. Councilmember Brockman made a motion to approve the lease and Councilmember Sanford seconded Mayor Anderson explained the caveat that the City would be responsible for all repairs. After further discussion, Councilmember Brockman made the motion to table the item and renegotiate the terms of the lease. Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER APPROVAL OF LEASE AGREEMENTS FOR INDIVIDUAL STRUCTURES AT FIRST MONDAY PARK WITH MIKE TERRELL, RICHARD GRAHAM, AND SAD INVESTMENTS, LLC - Councilman Maris earlier declared a conflict of interest on this item Councilmember Brockman made the motion to amend the lease agreements for Mike Terrell, Richard Graham and SAD Investments to a term of five years with three five-year renewal options Councilmember Sanford seconded. Richard Davis asked for a Council decision

regarding the allowance of subleasing Lonny Cluck indicated Mack Stewart and Kenny Parks should be included and Julie Seymore explained she believed and would confirm they had executed leases prior to these discussions Councilmember Wilson arrived at 7:10 p m.

Lloyd Shinn asked if the leases had been put out for public bid or if someone made an offer and the City was just accepting it. Mayor Anderson noted the issue was of interest in the community and stated the City wanted to make sure everything was done the right way and it was getting fair market value. He then asked if Mr. Stewart and Mr. Parks should be included in the motion Mr. Davis advised they could not since they were not on the agenda The Mayor restated the motion and Councilmember Sanford seconded. Councilmember Wilson noted there were a couple of agreements with options up to twenty-five years and that it was Mr Pruitt's understanding his lease would be for twenty-five years He added nobody indicated differently when he brought plans to the City which implied the terms would be the same He recommended the Council go with the terms of the person's current lease, then continue with a standard lease from that point on. Councilmember Brockman stated a majority of the lessees were on a twenty-year lease and he wanted to stay with that Mr Davis advised there were no leases in place on the parties being discussed, including SAD He said it was a completely separate piece of property Councilmember Wilson stated he felt the City made a commitment when Mr. Pruitt paid for the transfer of lots and received the building permit without anyone telling him his lease would not be the same as on the other building Councilmember Brockman indicated he would still like to have the lease at twenty years. Councilmember Sanford stated he didn't have a problem including the extra five years on that one lease but later suggested making the lease for the twenty-year period and addressing it again only if it was a problem with Mr. Pruitt Mayor Anderson restated the motion to approve the proposed lease for Mr. Terrell, Mr. Graham and SAD Investments with a five year-term and three five-year renewal options Councilmember Sanford seconded Motion passed with Councilmembers Brockman and Sanford voting in favor and Councilmember Wilson opposed

Richard Davis advised the language in the lease required the city notify the lessee when it was time to renew He recommended the lease be changed, placing the burden on the lessee to let the City know they were interested in exercising their option for the next five-year term because the city could easily overlook it whereas the lessee had a vested interest He continued that if the lessee gave the City notice, it would trigger the City to recommend a renewal rate Councilmember Wilson suggested and the council agreed the lessee should notify the city three months prior to renewal and that subleasing remain in the lease for these individuals. Lonny Cluck asked for and received clarification that the issue of allowing subleasing was only for the specific leases being discussed under this item plus Mack Stewart should he be found not to have an executed lease

DISCUSS AND CONSIDER LEASE AGREEMENTS FOR INDIVIDUAL STRUCTURES AT FIRST MONDAY PARK – Councilmember Brockman recommended a committee be formed to formulate an agreement everyone could agree on and that they get input from First Monday, citizens and the Council After a brief discussion, Mayor Anderson tabled the item and recommended public meetings or a committee be formed.

DISCUSS AND CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – After determining that all incumbents had agreed to serve again,

Councilmember Sanford made the motion to reappoint Elisa Heard, Chris Howard and Charles Huddle to the Planning & Zoning Commission Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENT – Mayor Anderson indicated the incumbents' willingness to serve and asked for interest from the audience in the alternate position Hearing none, Councilmember Brockman made the motion to reappoint Tina Ingram, Dan McLemore and Walter Clemments to the Board of Adjustment and to table appointment of the alternate Councilmember Maris seconded and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AUTHORIZING SIGNERS ON ALL CITY OF CANTON ACCOUNTS AT AMERICAN NATIONAL BANK OF TEXAS – Councilmember Sanford made the motion to adopt Resolution No 2005-06 authorizing Julie Seymore, Jim Stephens, R C Anderson and Lonny Cluck as signers on all City Accounts at American National Bank Mayor Anderson explained all City checks required two signatures. Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AMENDING AUTHORIZED REPRESENTATIVES FOR TEXAS LOCAL GOVERNMENT INVESTMENT POOL ("TexPool") – Mayor Anderson noted an amendment to the proposed Resolution No 2005-07 including himself, Julie Seymore, Jim Stephens, Debbie Phillips, and Lonny Cluck as authorized signers on the City's TexPool accounts The resolution was adopted as amended upon motion by Councilmember Brockman and second by Councilmember Sanford

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS - Councilmember Wilson requested the lease be on the next agenda

ADJOURN - There being no further business to come before the Council, the meeting adjourned at 7:37 p m upon motion by Councilmember Brockman and second by Councilmember Wilson

R C Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
5:00 P M., WEDNESDAY, JUNE 8, 2005
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 Councilmembers present were Mayor R C Anderson, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt and Rusty Wilson.

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R C Anderson called the meeting to order at 5:00 p m and announced a quorum present

DISCUSS AND CONSIDER AUTHORIZATION TO APPLY FOR "SAFER" GRANT FOR PAID FIRE FIGHTERS – Director of Public Safety Tim Gothard presented a request to apply for a federal grant from the Department of Homeland Security and U S Fire Administration for the hiring of paid firefighters He indicated Canton qualified as a combination department and the appropriate NFTA standards applied He explained the addition of paid firefighters would enhance the City's ability to give the community adequate protection and reduce response times. He complimented the volunteers and their dedication, but also noted that the general level of training was below that of a certified firefighter He also provided information on the reduction of all response times from four to five minutes per call since the hiring of part-time staff and statistics on the dramatic increase in call volume

Chief Gothard explained the grant (if approved) would provide the funds in one lump sum in advance for the hiring of certified personnel to man the station, and that the city's match toward salaries and benefits would be 10% the first year, 20% the second, 50% the third and 100% the fifth He also noted the city would be required to maintain the same level of staffing or greater during the five-year grant period, which meant the part-time position would have to be maintained Chief Gothard reemphasized the need based on the City's expected growth, the development of the water park, a hospital and industrial parks, the extra volume during First Monday, the need for more EMS training, and the increase in call volume

Following discussion, Councilmember Brockman made a motion to authorize the application for a SAFER grant for three paid firefighters Councilmember Sanford seconded Mayor Anderson instructed Chief Gothard to simultaneously continue to apply for grant funding for volunteer training and to encourage and nurture the volunteer program All then voted in favor.

Chief Gothard mentioned the volunteer association's letter drive, from which they purchased a $9,000 thermal imaging camera for the City Mayor Anderson encouraged the promotion of good public works, and named this as an example The Council then briefly discussed the costs of serving the area outside the city limits and the possibility of forming a fire district Julie Seymore also notified the Council that Paul Pearce had been hired to represent the City in the matter of Michel Abio vs City of Canton since it was not covered by insurance coverage

ADJOURN - There being no further items for discussion, the meeting adjourned at 5:36 p m. upon motion by Councilmember Pruitt and second by Councilmember Brockman

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, JUNE 21, 2005
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 R C Anderson, Ross Maris, Robert Brockman, Ron Sanford and Raymond Pruitt Councilmember Rusty Wilson was absent City Attorney Richard Davis also attended

Discussion and action were as follows:

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

MAYOR'S WELCOME given by Mayor Anderson

INVOCATION given by Jim Stephens

PLEDGE OF ALLEGIANCE led by Mayor Anderson

DECLARATIONS OF CONFLICTS OF INTEREST – Councilmembers Pruitt and Maris declared a conflict of interest regarding First Monday lease agreement issues and presented signed statements so indicating

GUEST ITEMS – None

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM APRIL 9, 19 AND 26, AND MAY 10, 16, AND 17, 2005 MEETINGS OF THE CANTON CITY COUNCIL – The minutes stated above were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Brockman

DISCUSS AND CONSIDER APPROVAL OF MAY 2005 FINANCIAL STATEMENTS - The May 2005 Financial Statements were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Maris

PRESENTATION OF FIRST MONDAY AND RAYFORD HUTCHERSON SCHOLARSHIPS TO DARON DAVIS AND COURTNEY FARLEY – Mayor R C Anderson presented Daron Davis with the First Monday Scholarship and Courtney Farley with the Rayford Hutcherson Scholarship

UPDATE FROM CANTON CHAMBER OF COMMERCE – Rona Watson presented the tourism account financial statements and reported on their plans for sponsorship and participation in the Bluegrass Festival and their plans for participation with the U S Drill Team Equestrian Finals July 21-23 She noted the increase in the number of contestants and promotional activities, as well as her worries about the competition moving to another site the next year

DISCUSS AND CONSIDER REDUCTION IN BUILDING PERMIT FEES FOR CONSTRUCTION OF NEW COUNTY JAIL AND IMPROVEMENTS TO OLD COUNTY JAIL – County Judge Rhita Koches requested a reduction or waiver of the building permit and inspection fees estimated at $4,700 on the high end for the $715,000 construction of a new jail and renovations to the control room at the old facility Upon Mayor Anderson's request, Judge Koches agreed to recommend to the commissioner's court that the fees for the City's use of a Direct Record Electronic Voting Machine (DRE) for City elections be waived Councilmember Brockman made the motion to swap the City's use of the DRE machine, subject to the approval of the Commissioner's Court, for the waiver of building permit and inspection fees for the construction of the new county jail and improvements to the old county jail Councilmember Pruitt seconded, and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM DRIVEN LIFE CHURCH TO PAINT HOUSE NUMBERS ON CURBS TO RAISE FUNDS FOR MISSION TRIP – Donna Harris requested permission to paint addresses on curbs for residents inside the city limits in order to raise funds for a mission trip to help with an orphanage in El Salvador Upon the recommendation of Director of Public Safety Tim Gothard and Police Operations Chief Mike Echols, Councilmember Maris made a motion to authorize this request subject to standards established by Rick Malone Councilmember Sanford seconded, and all voted in favor

DISCUSS AND CONSIDER SAFETY AND SECURITY ISSUES AT VAN ZANDT COUNTY LIBRARY – Judy Morris expressed the need for a fire alarm system at the library She stated it was wired for an alarm, but the system was not installed She also requested funding to replace exterior light fixtures because they were no longer manufactured She noted the lighting was a safety issue for the staff and patrons Rick Malone indicated he was getting bids from Pioneer Fire & Safety and All in One Fire & Safety, and that the electrician was trying to find fixtures that would closely match the existing ones Mayor Anderson indicated the matter would be addressed during budget development

DISCUSS AND CONSIDER REQUEST FROM CANTON TRAILRIDERS FOR CONTINUATION OF REDUCED WATER RATES – After comments on the assistance provided to the CYRA and soccer association, Councilmember Pruitt made a motion to continue the $1 00 monthly water rate for the Canton Trailriders Councilmember Sanford seconded, and all voted in favor

UPDATE FROM CANTON PARKS BOARD – Summer Smith introduced the 2005 Children's Committee and reported on the activities regarding the development of a playscape for the Cherry Creek Park and on funds raised by the Pennies for the Park campaign, as well as several other fundraising projects She invited everyone to help build the playscape October 19-23 which was to require 500 volunteers over a five-day period

PRESENTATION BY LAND DESIGN PARTNERS ON CITY OF CANTON PARKS, RECREATION, AND OPEN SPACE MASTER PLAN – Brent Luck made a brief presentation on the Canton Parks, Recreation and Open Space Master Plan which included goals, an inventory of the current park properties and its amenities, the results of a needs assessment and citizens' survey, and the successful efforts toward the playscape project He noted the 80-acre property on Cherry Creek had not been designated as park land and would not be so by the adoption of the

plan He requested the plan be adopted so they could apply for an outdoor recreation grant for the city in January 2006 Further discussion contained verification that the trails grant was an 80%-20% match which was being funded by Canton Economic Development Corporation and in-kind services, and that construction of the trails would begin upon execution of the scope of services agreement with Land Design Partners.

DISCUSS AND CONSIDER ADOPTION OF CITY OF CANTON PARKS, RECREATION, AND OPEN SPACE MASTER PLAN – Curry Lane resident, John Hamn, proposed the City open the Community Center earlier (planned for 2010-2015) so any rental revenue could help fund the park. Brent Luck advised the 80-acre site off Cherry Creek was proposed in the Plan as a guideline only and it did not designate the land as a park He said if the guidelines were reduced from 80 to 64 acres, it would not significantly impact its use, and the Plan would not block the sale of 16 acres to Word of Victory Summer Smith advised the Parks Committee was aware of the potential sale and recommended using the money to fund the park Councilmember Pruitt moved to adopt the City of Canton Park Recreation and Open Space Master Plan, Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH LAND DESIGN PARTNERS, INC FOR TRAIL DESIGN AND LAYOUT FOR 80-ACRE RECREATIONAL FACILITY -- Brent Luck explained the trails had already been designed in the master plan, and next the city was to stake out the property, but did not need to do a full topography He said the surveyors would provide a center point He further explained the proposed agreement covered the development of the ten-foot wide concrete trail and that the additional fees and reimbursable expenses noted in the agreement were actually included in the $8,200 price Richard Davis stated he wanted to review the agreement and also speak with the committee about what the city would like to do from a business standpoint The matter was tabled to allow its review by Mr Davis

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF A 16.61-ACRE TRACT SITUATED IN THE WILLIAM SHERMAN SURVEY, A-761, LOCATED ON INTERSTATE 20 SOUTH SERVICE ROAD WEST OF FM 859, OWNED BY HENRY LEWIS – Councilmember Pruitt made the motion to adopt Ordinance No. 2005-15 annexing the property stated above, contingent upon the execution of an agreement making the property owner responsible for the extension of water and sewer service to the property and contingent upon the city attorney clarifying the easement and the city's access to the property Councilmember Maris seconded, and all voted in favor

PUBLIC HEARING AND DISCUSS AND CONSIDER PROPOSED AMENDMENT TO CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE OF 8.18 ACRE-TRACT SITUATED IN Q.C NUGENT SURVEY, A-618, LOCATED ON FM 859, CANTON, TEXAS, OWNED BY ROBERT A REESE, JR – A Public Hearing was opened at 7:54 p.m Councilmember Pruitt stated duplexes surrounded by industrial properties was a problem and he was concerned about the safety of traffic pulling out onto FM 859 for which the state had plans to widen Citizen John Hamm expressed his agreement with Councilmember Pruitt's concerns The hearing was closed at 7:58 p.m. Councilmember Brockman made a motion to table the matter Councilmember Pruitt seconded, and all voted in favor

PUBLIC HEARING AND DISCUSS AND CONSIDER PROPOSED AMENDMENT TO CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE OF 15 5-ACRE TRACT LOCATED ON HIGHWAY 243 WEST, CANTON, TEXAS, OWNED BY DONALD SOUTHERLAND – A Public Hearing was opened at 7:59 p.m. Mayor Anderson explained the property was on Hwy 243 near the Episcopal Church. He said the plan was to put in a street with forty-four homes on either side in a gated community with two different sized lots – 60x120' and 75'x125'. He reported the matter had been to the Zoning Commission which recommended the comprehensive plan amendment and that six property owners were notified with the main property owner opposed to the change. Councilmember Pruitt stated he had a problem with the proposal and asked where the city was on implementing impact fees. Lonny Cluck advised the fifty-foot street would be the city's unless it was a gated community. Mike Blake, part owner of the proposed development and the Etheridge Farms development, said they had a great relationship with the city on the Etheridge Farms project and more than ten additional lots were sold and under construction. He stated there were two types of buyers – retirees not interested in large lots and families wanting new homes, the project would be centrally located to schools and a daycare, and it would be gated with a turnaround before the gate. Councilmember Maris questioned why it needed to be a gated community. Mr. Blake explained in other gated communities the city had a pass code, but it was something that could be negotiated. Councilmember Brockman stated he was not in favor of city streets in a gated community. Councilmember Pruitt said he was against the project unless impact fees were in place. Richard Davis advised he would check to see if changing the land use would affect the impact fees and if the city would be responsible for streets if it was gated. Mr. Blake indicated it was all open to discussion and negotiable, including lot size. Councilmembers Maris and Brockman were appointed to a committee with two members of the Planning & Zoning Commission to gather more information. The hearing was closed at 8:13 p.m. Councilmember Brockman made the motion to table the matter until next month. Councilmember Sanford seconded, and all voted in favor.

PUBLIC HEARING AND DISCUSS AND CONSIDER ROBERT A. REESE, JR.'S REQUEST FOR ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO MULTIPLE FAMILY RESIDENTIAL (MF-1) FOR THE 8.18-ACRE TRACT SITUATED IN THE Q.C. NUGENT SURVEY, A-618, LOCATED ON FM 859, CANTON, TEXAS – A Public Hearing was opened at 8:15 p.m. and closed at 8:17 following a brief discussion. Councilmember Maris moved to table the item to the next meeting. Councilmember Brockman seconded, all voted in favor.

PUBLIC HEARING AND DISCUSS AND CONSIDER DONALD SOUTHERLAND'S REQUEST FOR ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO PLANNED DEVELOPMENT/SINGLE FAMILY RESIDENTIAL SUBDIVISION (PD) FOR THE 15.5-ACRE TRACT LOCATED ON HIGHWAY 243 – A Public Hearing was opened at 8:17 p.m. Following a short discussion, the hearing was closed at 8:19 p.m. The item was tabled to the next meeting.

DISCUSS AND CONSIDER PROPOSED AMENDMENT TO ORDINANCE 2004-30 REGULATING MINIMUM EXTERIOR STANDARDS FOR ALL STRUCTURES INSIDE THE CITY LIMITS BY ESTABLISHING MAXIMUM FENCE HEIGHTS IN RESIDENTIAL DISTRICTS - Councilmember Brockman stated the city received a complaint about a ten-foot fence and he thought a wood privacy fence should be limited to eight feet. There was a

discussion regarding how to handle fence requirements on sloping properties, but all agreed a variance could be requested if necessary. Councilmember Brockman made a motion to adopt Ordinance No. 2005-16 amending Ordinance 2004-30 by establishing a residential maximum fence height of eight feet. Councilmember Maris seconded. The motion passed with Councilmember Pruitt opposed and all others voting in favor.

DISCUSS AND CONSIDER APPROVAL OF LEASE AGREEMENT WITH J. PATRICK SPRUIELL FOR CITY HALL OFFICES LOCATED AT 290 EAST TYLER STREET - Mayor Anderson reported Richard Davis had reviewed the lease agreement and Mr. Spruiell had agreed to the requested changes regarding major repairs and maintenance issues. Councilmember Maris then made a motion to approve the new lease with Patrick Spruiell as negotiated by Mayor Anderson. The motion was seconded by Councilmember Sanford, and all voted in favor.

DISCUSS AND CONSIDER ISSUING QUIT CLAIM DEED ON PART OF CURRY ADDITION #2 ADJOINING LOT 19AA -- Rick Malone explained the property was supposed to have been dedicated to the city but research had determined there was no record the City owned the property; therefore a Quit Claim could not be issued. He recommended the City purchase the property for the requested $1000, and noted it would allow the city to maintain the drainage structure, it could be used for maintenance access to the eighty-acre property, and it would allow the property owner requesting the Quit Claim to use the street for access to his home. He then confirmed the adjoining property owners approved. Yolanda Romine, the property owner living next door, stated she had a problem with who might have access. Mayor Anderson suggested a service entrance with a gate, but Ms. Romine was opposed and stated she had not heard anything about perimeter fencing. Lonny Cluck explained the homeowners' view would not change, that a natural foliage barrier was planned between the homes and the park. Mayor Anderson stated he felt the City needed to take control of the entrance otherwise the property owner behind would not have access to his garage. Mr. Hamm asked if the city would agree to use it only as a service entrance and not allow public access. Mayor Anderson thought it would not be prudent to make such a commitment because the Council could not bind a future Council to that decision, but a public hearing would be held before the use was changed. Yolanda Romine asked if fencing put up by homeowners would be regulated and Mayor Anderson advised her homeowners would be under the current ordinance regulating fences which limited heights to six feet for chain link and eight feet for wood. Ms. Romine then asked about the plan for the park trails and Rick Malone reported there were no hard plans yet. Consideration of the purchase was tabled.

DISCUSS AND CONSIDER APPROVAL OF LEASE AGREEMENTS FOR INDIVIDUAL STRUCTURES AT FIRST MONDAY PARK – Councilmembers Maris and Pruitt excused themselves from the discussion. Councilmember Sanford recommended that "and any exhibits attached hereto" be added to the first sentence of the lease he proposed. He then asked what would happen if the business were sold, to which the Mayor answered he would be given a new standardized lease under the conditions at that time. A motion to approve the proposed lease was made by Councilmember Sanford and seconded by Councilmember Brockman. Richard Davis posed the question of what would happen if the City were no longer offering leases at the time of the sale and the Mayor answered he would not be granted a lease. Councilmember Sanford stated it would apply only to current leases and the four grandfathered vendors currently building. Richard Davis reviewed the removal of subleasing from paragraph 12, to which Councilmember Sanford stated he did not think the vendors would approve of the change. Mr. Davis further

discussed the problem of a perpetually renewable lease becoming a sale and a violation of the law. There was a general discussion regarding subletting and assignment of leases Other than the lease with Paul Michael, no other existing leases required the City to sign a new lease upon the sale of a business Councilmember Sanford reiterated his motion stood as proposed in the underlined copy Mayor Anderson restated a new owner could have a lease under the terms and conditions at the time of the new lease being signed He then suggested it be put in all new leases All then voted in favor Councilmembers Pruitt and Maris returned at 8:59 p m

UPDATE ON PROCEDURES FOR DESIGNATING A TRUCK ROUTE - Chief Mike Echols advised the procedures for designating a heavy truck route through the city required the City draft a letter and map to the Department of Transportation in Austin, who would either grant approval or deny the request If they approved, the City would adopt an ordinance so designating and would pay for the signs inside the City limits with the state paying for signs outside the City limits. Tim Gothard expressed his concern for traffic on Hwy 19 during First Monday Councilmember Pruitt reminded the Council the chief concern was the rock trucks on Highway 64 Chief Echols stated they had been monitoring several times a week and had not witnessed too much of a problem Julie Seymore was instructed to draft the letter requesting a truck route and to include the transportation of hazardous cargo in the request Councilmember Pruitt made the motion to request a designated truck route as proposed Councilmember Brockman seconded, all voted in favor.

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENT - Item tabled

DISCUSS AND CONSIDER BRUSH PICK-UP SERVICES – The Mayor reported a problem with brush piles not meeting the guidelines and the service requiring two trucks and eight men an average of four days monthly The use of a chipper was suggested, but Mr Malone reported earlier efforts drastically increased the pick-up time and the machine was hazardous to operate The Council confirmed professional services should be required to haul off any trees, limbs or brush they trim The Mayor then instructed the staff to publish the restrictions and guidelines for brush pickup in the paper

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551 074) – DISCUSS AND CONSIDER HIRING CITY MANAGER – The Council recessed at 9:20 p m and convened in close session at 9:25 p m for deliberations regarding the hiring of a city manager/interim city manager and real property.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551 074) – DISCUSS AND CONSIDER HIRING INTERIM CITY MANAGER

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551 072)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 10:15 p.m. with no 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 adjourned at 10:16 p.m. upon motion by Councilmember Brockman and second by Councilmember Pruitt.

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
12:00 P M , FRIDAY, JULY 1, 2005
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 Councilmembers present were Mayor R C Anderson, Ross Maris, Ron Sanford, Raymond Pruitt and Rusty Wilson. Councilmember Robert Brockman was absent Also attending was City attorney Richard Davis

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R C. Anderson called the meeting to order at 12:03 p.m. and announced a quorum present

DISCUSS AND CONSIDER ALL MATTERS PERTAINING TO COPS GRANT –Mayor Anderson explained the City had an additional eighteen months under which the City was obligated under its current COPS grant to maintain a police workforce at least at the level it was when the grant was originally received. He said he talked to the superintendent of Canton schools who agreed to present at their July 18th board meeting the idea of placing an officer in the school with the city paying the first year, the city and school splitting the second year, and the school picking up the third year Councilmember Sanford said he was in favor of repaying the money and letting the school handle a school resource officer. The Council convened in closed session at 12:07 p.m. to read the written advice submitted from Paul Pearce, the City's attorney in a related case, and returned to open session at 12:10 p.m.

Mayor Anderson asked why the officer was terminated Attorney Richard Davis explained the withdrawal of a resource officer was unrelated to the firing He said the paperwork and application for reimbursement for the resource officer had not been made and the officer was pulled out, but the application had since been made and monies received Mayor Anderson asked what the options were One of the options open to the City regarding the COPS grant was to repay the $106,000 received from the grant, another was to return to the previous number of

officers on the force The Council convened in closed session once again to discuss the matter and its relation to pending litigation with its attorney They returned to open session at 12:20 p m Councilmember Sanford made a motion to repay the grant out of the fund balance Councilmember Wilson seconded, and all voted in favor Tim Gothard was also instructed to fill the vacant officer's position

DISCUSS AND CONSIDER HIRING CONTRACT CLERICAL ASSISTANT DURING SOFTWARE CONVERSION – Jim Stephens explained the need for extra clerical assistance due to the extra workload associated with the City's conversion to new city software and new First Monday software He noted he had also hired an accountant to work with the City to make sure the balances transferred to the new system were correct and to set up training Mayor Anderson noted that without a city manager, more responsibility was falling on Jim Stephens, Lonny Cluck and Julie Seymore Councilmember Wilson suggested looking for an intern to help enter data Following a brief discussion, Councilmember Wilson made a motion to hire contract clerical assistance for the City Secretary for an amount not to exceed $10 00 per hour through the end of the calendar year Councilmember Maris seconded, and all voted in favor Lonny Cluck informed the Council of the plans to move First Monday offices to the grounds and their plans for conversion and the use of wireless connections Mayor Anderson said a proposal for the City to provide wireless services would be presented at a future meeting

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (Section 551 071) - The Council convened in closed session at 12:44 p m to consult with the city attorney regarding potential litigation

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 1:00 p m with no action taken Councilmember Maris asked that parking along FM 859 prior to First Mondays be addressed at a future meeting

ADJOURN - There being no further items for discussion, the meeting adjourned at 1:05 p m upon motion by Councilmember Sanford and second by Councilmember Pruitt

R C Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
11:00 A.M., SATURDAY, JULY 16, 2005
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 Councilmembers present were Mayor R.C Anderson, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt, and Rusty Wilson. Also present were staff members Jim Stephens, Lonny Cluck, Tim Gothard and Julie Seymore. City Attorney Richard Davis and attorney Paul Pearce were also present for the executive session

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R C Anderson called the meeting to order at 11:02 a m and announced a quorum present

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (Section 551 071) - The Council convened in closed session at 11:02 a.m. for consultation with attorneys regarding pending litigation.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 12:29 p m with no action taken and recessed until 12:49 p m

WORKSHOP FOR ALL MATTERS PERTAINING TO THE FY 2005-2006 BUDGET – The Council reviewed the proposed budget They discussed the municipal court budget and noted it included $30,000 that used to be reflected in the administrative fund for transfers to the state for fines

They then reviewed the proposed capital expenses and requests for additional personnel They discussed leasing, financing or purchasing vehicles The purchase of a dump truck to be split among water, sewer and streets was noted and Lonny Cluck said it could be postponed one year if necessary Jim Stephens requested the Assistant Director of Operations and Assistant City Secretary be allowed as they were necessary, as well as the water system tech which was required by law Also requested were a part time laborer, a full-time laborer, and seasonal laborers Councilmember Pruitt noted the need for more laborers based on the way the City was growing and the projects it had planned. Lonny Cluck explained the City had a vehicle and equipment replacement program which saved a lot on maintenance In particular, they discussed a vehicle for the First Monday Operations Manager Councilmember Sanford suggested a larger vehicle for traveling and Councilmember Pruitt concurred so it could be used to take materials to trade shows and to be used for the transport of people. Councilmember Wilson suggested a Trailblazer or Envoy Mayor Anderson suggested the local dealerships be allowed to bid on a late model used vehicle All settled on budgeting for a $25,000 vehicle They then decided to wait on a vehicle for Mike Echols Tim Gothard explained his need for a larger vehicle since it housed a command center in the back Councilmember Pruitt recommended checking into leasing the dump truck and Tim Gothard's vehicle

Councilmember Pruitt discussed the accumulation of comp time by employees. Mayor Anderson suggested requiring comp time be taken within one or two years Councilmember Wilson suggested allowing it to be added to the sick bank. He agreed with a take-it-or-lose-it policy. Jim Stephens noted the police department was working on bringing their comp hours down.

A brief discussion was held on the expected 41% increase in medical insurance for employees. It was also noted that Sales Tax revenue was based on projected year-end figures plus 4%.

Lonny Cluck stated $80,000 was included in the budget to start overlaying Shady Lane and to replace some of the water and sewer line there He said they would try to do Etheridge Road out of the bond money, but noted they need to start thinking about a property tax They discussed the need to do Etheridge Road, Shady Lane and Lisa Circle but not having the money for the complete projects

Councilmember Sanford favored a property tax Councilmember Pruitt said it was his understanding the City could go back in at 9.9 cents which is the level they were prior to adopting the 0 cents and that the tax base was $227,000,000, not including the new addition He said he thought they would have to wait a year to see revenue Councilmember Maris suggested showing the percentage of revenue from commercial versus residential properties which would show the largest portion from commercial Councilmember Wilson recommended sending a letter to the citizens noting the tax would be designated for street funds Councilmember Pruitt said the population inside the city limits between 30 to 35 years of age wanted parks and good streets Jim Stephens advised the tax rate could be raised back up without going to the voters. Mayor Anderson suggested a three-month campaign building the case for a property tax. He also recommended increasing water rates for properties outside the city limits and encouraging them to annex Councilmember Wilson suggested a committee be formed on the property tax issue Mayor Anderson asked if the council wanted to increase the tax rate Councilmember Pruitt suggesting going back at 9 9 cents this September which would be collected the following year. All were in agreement of assessing a tax at some level

Councilmember Brockman suggested sending the budget back to staff to cut what could be cut Julie Seymore noted the fund balance was available to add to the budget as well

Lonny Cluck noted when they were through with the water plant expansion, they would be five years behind since the City of Canton was expecting 9,110 population in ten years He added the lake would not produce enough water and the plant was not capable of treating that much Councilmember Maris asked if the City were able to join a co-op to draw water from a larger lake. Councilmember Pruitt suggested building a county lake downstream from the sewer plant to supply water for the cities in the County

Regarding water and wastewater rates, Mayor Anderson recommended asking for a $2 base rate increase and small increase on usage. Councilmember Wilson said he was agreeable to an increase from $3 50 to$3 75 per 1,000 gallons for water usage over 150,000 gallons A number of suggestions were made including, adding ten cents to water usage brackets, adding two cents to water usage brackets, increasing the sewer maximum for residential customers to $20 00, and raising the base rates $1.00. Julie Seymore was asked to return with scenarios

Mayor Anderson reminded everyone of a First Monday workshop at noon the following Friday Julie Seymore was asked to show the changes made in the next proposed budget Another budget workshop was scheduled for 3:00 p m August 4, 2005

ADJOURN - There being no further items for discussion, the meeting adjourned at 2:30 p m. upon motion by Councilmember Pruitt and second by Councilmember Wilson

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M , TUESDAY, JULY 19, 2005
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 R C Anderson, Ross Maris, Robert Brockman, Ron Sanford and Raymond Pruitt Councilmember Rusty Wilson was absent City Attorney Richard Davis also attended

Discussion and action were as follows:

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

MAYOR'S WELCOME given by Mayor Anderson.

INVOCATION given by Jim Stephens

PLEDGE OF ALLEGIANCE led by Mayor Anderson

DECLARATIONS OF CONFLICTS OF INTEREST – None

GUEST ITEMS – Deanne Callan, P O Box 28, Canton, requested a helmet drive at an intersection in town to raise money to attend state playoffs and reward the Dugout Divas, the nine to eleven age girls softball team Permission was granted by Mayor Anderson

Michael Staton attended the meeting to address Agenda Item 27 The matter was postponed until that time.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM JUNE 8 AND 21, 2005 MEETINGS OF THE CANTON CITY COUNCIL – The minutes of the June 8, 2005, meeting were unanimously approved and consideration of the June 21, 2005 minutes were tabled upon motion by Councilmember Brockman and second by Councilmember Sanford

DISCOVER AND CONSIDER APPROVAL OF JUNE 2005 FINANCIAL STATEMENTS – The June 2005 Financial Statements were unanimously approved upon motion by Councilmember Pruitt and second by Councilmember Maris

UPDATE FROM CANTON CHAMBER OF COMMERCE – Item tabled in the absence of Rona Watson

DISCUSS AND CONSIDER ALL MATTERS PERTAINING TO FREE STATE BLUEGRASS MUSIC FESTIVAL – Jim Fuller offered his thanks to the mayor, council, city staff, Chamber of Commerce, Allen and Betty Thompson, and the Masonic Lodge for their help with the Bluegrass Festival He reported the survey indicated 28% learned of the event through friends, 20% were regular attendees, and 3%-8% learned of the event from another festival or flier; 57% responded they would like the show moved inside the Civic Center; 55% indicated they would like to have more vendors present; and 83% had attended previously Mayor Anderson thanked Mr Fuller for his efforts in spearheading the event

DISCUSS AND CONSIDER REQUEST FROM SHAWN STEWART REGARDING DRAINAGE PROBLEM AT LAKE MEADOWS ESTATES – Shawn Stewart, resident at 337 Maggie Lane, attended as representative of the Lake Meadows Homeowners' Association and requested approval of solutions to drainage and flooding problems in the subdivision He indicated Area 1 of the subdivision backed up to the city lake and heavily flooded four properties during heavy rains, which he thought needed a trench to the lake He added the second problem area was located between two houses where water clogged due to heavy vegetation which led to mosquito and snake problems He stated the homeowners' association was requesting a proportional reimbursement for the work already done in Area 2 Lonny Cluck stated the work done there would make it easier for the homeowners to maintain it Mr Stewart reported the homeowners would be willing to maintain up to the 82' property line and would be willing for the city to come back a few times a year with a bush hog to clean out the area Rick Malone indicated the city picked up responsibility after the 82' line and that easements would be necessary before they could go onto the property He stated the contractor was coming that week to prepare the subdivision road for final acceptance and would then come to the council for final acceptance of the subdivision which had 15' drainage and 15' access easements to the southern part of lake Mayor Anderson commented it was city's responsibility to make sure the drainage worked properly but it could not control rain or the fact that homeowners built on flat area Mayor Anderson requested Rick Malone and Lonny Cluck determine the most efficient way to fix the problem and work out the timing and resources for its resolution Councilmember Sanford made a motion that the homeowners' association work with Lonny Cluck to resolve the problem and return to the council for final approval The motion was seconded by Councilmember Pruitt and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM CLINT AND TRACIE PERRY FOR FOUR WATER TAPS OUTSIDE THE CITY LIMITS AT MILL CREEK AND VZCR 2205 – Clint and Tracie Perry, residents at 805 E High Street, Wills Point, stated they had a contract on 2.25 acres and were planning to build four houses for which they were requesting four water taps Mr Perry noted the property was outside the city limits by two to three hundred yards and there was a six-inch tap on the west side of Mill Creek which turned left down VZCR 2205 and looped back

around with a one and one-half inch line right in front of the property He added they would add a statement in the deed requiring the homeowners to annex as soon as the property became eligible Councilmember Brockman expressed concerns that nearby Grace Homes did not have good water pressure Rick Malone indicated their lack of pressure was due to altitude Mr Malone also indicated the Perry's property was not in any other water district Councilmember Maris indicated he would like to see these requests on case-by-case basis Lonny Cluck requested the Perrys hire an engineer to look at a topographic study to determine if there would be sufficient water pressure and to determine if altitude would be a pressure issue The Perrys stated they were willing to prepay to have all four taps made Councilmember Maris made a motion approving the four requested taps, providing the property owners' engineers could assure adequate water pressure using no more than one-inch pipe Councilmember Pruitt seconded the motion and all voted in favor

PRESENTATION ON SNS DISASTER DRILL INFORMATION AND RECRUITING PRESENTATION – Vickie McAllister from the Public Health District Office at 575 W Hwy 243, Canton, explained the Public Health District did planning for clinics, disease surveillance, and worked with HAZMAT training in the county, which was Level B prepared Ms McAllister informed the Council that a full scale SNS Disaster Drill was being held at the Wills Point High School on August 9, 2005 and noted they needed to recruit one thousand volunteers for both medical and non-medical work from 7:30 a.m – 4:00 p m that day She noted in the event of a real disaster, the volunteers and first-responders would be vaccinated first, and they hoped to vaccinate or medicate everyone in Van Zandt County in two to seven days

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ADOPTING EMERGENCY MANAGEMENT PROGRAM – After a general discussion, Councilmember Maris moved for adoption of Ordinance No 2005-17 adopting the Emergency Management Program Second was made by Councilmember Brockman and all voted in favor

DISCUSS AND CONSIDER APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH LAND DESIGN PARTNERS, INC FOR TRAIL DESIGN AND LAYOUT FOR 80-ACRE RECREATIONAL FACILITY – Amy Huddle reported the fundraisers for the playscape components for the new park noting a dinner and auction at the country club was planned at which they hoped to raise $5200; two workdays at the park were planned—heavy equipment day on August 20, and a citizens workday on August 27; the city needed an approved survey of the land; Land Design Partners would be in town the following week to mark the trails; they needed to let bids for the trails; Cherry Creek needed to be repaired from Old Kaufman Road to College for the Autumn Stroll Run scheduled for October 8th; the City needed to remove the old VFW building prior to the playscape build; debris and stumps needed to be removed from the lot; and they needed approval for use of the city backhoe on August 27 Councilmember Pruitt stated he thought the city staff could take care of the removal of debris Councilmember Maris requested the city find someone to take down the VFW Building

In discussing the agreement with Land Design Partners, attorney Richard Davis recommended Section 8 be modified to eliminate language regarding the contractual lien to secure payments and the wording in Section 9 be changed regarding termination, suspension He advised some language could be interpreted as relating to the whole contract, and also noted the fee for Land Design Partners was not included in the trails grant Councilmember Pruitt made the motion to

approve the Professional Services Agreement with Land Design Partners, Inc for trail design and layout for the 80-acre recreational facility with the understanding it was a commitment of $8200 to build the trails. Councilmember Brockman seconded and all voted in favor Amy Huddle was advised that all issues requiring attention should be submitted to Lonny Cluck and Rick Malone Ms Huddle's request regarding the appointment of Andy Reese to the board was tabled for the next regular meeting

DISCUSS AND CONSIDER CITY ENGINEER RETAINER AGREEMENT WITH GARY BURTON ENGINEERING, INC - Mr Burton explained the annual retainer contract for $750 per month plus additional incurred expenses was based on an average of ten hours per month Upon Lonny Cluck's recommendation, Councilmember Sanford made a motion that the City Engineer Retainer Agreement with Gary Burton Engineering, Inc be extended a second year. Councilmember Pruitt seconded, all voted in favor.

DISCUSS AND CONSIDER APPOINTMENT OF A REPRESENTATIVE FROM THE EXTRATERRITORIAL JURISDICTION (ETJ) TO THE IMPACT FEE STUDY'S ADVISORY COMMITTEE – After a brief discussion, Councilman Maris made a motion to appoint Alan Thompson as the representative from the Extraterritorial Jurisdiction (ETJ) to the impact fee study's advisory committee Councilmember Brockman seconded, all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION ESTABLISHING PUBLIC HEARING DATE FOR LAND-USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLANS RELATING TO POSSIBLE ADOPTION OF IMPACT FEES – Councilmember Sanford made the motion to adopt Resolution No 2005-08 establishing a public hearing at 6:00 p m on August 23, 2005 for land-use assumptions and capital improvement plans relating to the possible adoption of impact fees for water and wastewater Councilmember Maris seconded, all voted in favor Gary Burton distributed the plans and the water and wastewater impact fee study Mr Cluck noted the study did not include an impact fee for streets

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING 2005-2006 FISCAL YEAR BUDGET FOR CONSTRUCTION OF AN ANIMAL SHELTER – Rick Malone requested the new animal shelter be located at Mill Creek Reservoir Lonny Cluck stated it would be past the utilities barn on the same side of the road Mr Malone advised that the building could sewer without a pump Lonny Cluck noted that the current employees at the animal shelter were doing an excellent job taking care of the animals and the shelter was doing well on inspections, but a new facility was needed due to the amount of time spent to maintain the current one He added locating the new building in a more suitable location in an eye-pleasing building should help to increase adoptions Councilmember Sanford moved to adopt Ordinance No 2005-18 amending the 2004-2005 fiscal year budget by increasing revenue account number 01 4053 by $90,000 earmarked from the fund balance and by increasing expense account number 01 250 1520 by $90,000 for construction of the new animal shelter Councilmember Pruitt seconded, all voted in favor

PUBLIC HEARING AND DISCUSS AND CONSIDER AMENDMENT TO CITY OF CANTON ZONING ORDINANCE CREATING A MULTIPLE FAMILY 2 DISTRICT (MF-2) FOR DEVELOPMENTS OF RESIDENTIAL DWELLINGS LARGER THAN FOUR-PLEXES (APARTMENTS AND DEVELOPMENTS OF OVER SIX TOWNHOMES OR DUPLEX TO

QUADPLEX BUILDINGS) AND AMENDING MULTIPLE FAMILY 1 DISTRICT (MF-1) LIMITING IT TO UP TO SIX DUPLEX TO FOUR-PLEX UNITS – A Public Hearing was opened at 7:58 p.m. Rick Malone advised the proposed ordinance divided the existing Multi-Family Zoning District into two separate districts – MF-2 for large multi-family units (apartments) and MF-1 for smaller developments of six units or less. Robert Reese stated his request included town homes which were not referred to under the dimensional requirements. He also noted a typing error which needed correction from four to six units. Rick Malone stated Mr. Reese had to meet the setback and off-street parking requirements, so dimensional requirements were not necessary. Mr. Reese recommended changing Section 8.2, Permitted Uses Section, public schools or private schools with curricula comparable to that of public schools, because Texas law didn't regulate the curriculum of all private schools and any private school could choose whether or not to be accredited. Mr. Reese also questioned Section 8.2, Paragraph 2, Accessory Structures, b. administrative/management office, where it stated leasing or renting of same on a commercial basis was strictly prohibited. He noted if someone developed the property and had a community center for residents and wanted to rent to community groups on an occasional basis, there might be a conflict. Rick Malone advised the parking requirements would have to be met, but a variance could be requested. The hearing was closed at 8:14 p.m. Councilmember made the motion to adopt Ordinance No. 2005-19 amending the City of Canton Zoning Ordinance creating a Multiple Family 2 District (MF-2) for developments of residential dwellings larger than four-plexes (apartments and developments of over six townhomes or duplex to quadplex buildings) and amending Multiple Family 1 District (MF-1) limiting it up to six duplex to four-plex units, with the typing error correction and the requested change regarding schools under the permitted uses section. Councilmember Brockman seconded, all in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE OF AN 8.18 ACRE-TRACT SITUATED IN Q.C. NUGENT SURVEY, A-618, LOCATED ON FM 859, CANTON, TEXAS, OWNED BY ROBERT A. REESE, JR. AND A 15.5-ACRE TRACT LOCATED ON HIGHWAY 243 WEST, CANTON, TEXAS, OWNED BY DONALD SOUTHERLAND - Councilmember Pruitt stated he was opposed to amending the comprehensive plan's future land use plan to multiple family on FM 859 because the city had just invested in the adoption of the plan designating the area's future land use as industrial. He added FM 859 would be widened over the next five years and he was concerned about the potential for serious accidents. Councilmember Sanford noted the zoning committee recommended the amendment and he hated to go against their recommendation. Mr. Reese stated the purpose of multiple family zoning was to have access to a major transportation artery and if the road were widened, it would probably have a center turn lane. When asked, Mr. Reese said he did not yet have a plan for the project and the two homes on the property would be torn down, used for offices or moved; there would be two entrances to the property; there was already sewer and water at the property; and that he would request MF-2 under the new definitions. He added the larger structure could be used as a community center; the units would be sold or leased to residents fifty-five and older; and there could be as many as 258 units which would likely be quadplexes, maybe duplexes. Rick Malone told Mr. Reese a plan had to go back through Planning and Zoning and the Council for approval. Lonny Cluck warned of potential noise problems from the First Monday grounds and industrial park. Mr. Reese mentioned his plans included a buffer zone with fencing and shrubbery. Mr. Reese believed there was an extensive demand for this type housing. He said he had not done a formal study, but Mike Blake indicated a great deal of customers were retirees who wanted varied

lot sizes Mike Blake then commented on his ongoing planned development, stating he wanted to work on something everyone would be happy with Councilmember Maris made the motion to adopt Ordinance No 2005-20 amending the City of Canton's 2004 Comprehensive Plan regarding future land use of an 8 18 acre-tract situated in Q C Nugent Survey, A-618, located on FM 859, Canton, Texas, owned by Robert A Reese, Jr from Industrial to High Density Residential, and a 15 5-acre tract located on Highway 243 West, Canton, Texas, owned by Donald Southerland from Estate Residential to Low Density Residential Councilmember Sanford seconded Motion passed with three in favor and Councilmember Pruitt opposed

DISCUSS AND CONSIDER ROBERT A REESE, JR 'S REQUEST FOR ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO MULTIPLE FAMILY RESIDENTIAL (MF-1) FOR THE 8 18-ACRE TRACT SITUATED IN THE Q C NUGENT SURVEY, A-618, LOCATED ON FM 859, CANTON, TEXAS – After a brief discussion wherein Mr Reese stated the MF-2 as now defined was fair, Councilmember Sanford moved to approve Robert A Reese, Jr 's request for a zoning change from rural agricultural (RA) to multiple family residential (MF-2) for the 8 18- acre tract situated in the Q C Nugent Survey, A-618, located on FM 859, Canton, Texas Councilmember Maris seconded Motion passed with three in favor, and Councilmember Pruitt opposed

DISCUSS AND CONSIDER DONALD SOUTHERLAND'S REQUEST FOR ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO PLANNED DEVELOPMENT/SINGLE FAMILY RESIDENTIAL SUBDIVISION (PD) FOR THE 15 5-ACRE TRACT LOCATED ON HIGHWAY 243 – Councilmember Sanford moved to approve Donald Southerland's request for a zoning change from rural agricultural (RA) to planned development/single family residential subdivision (PD) for the 15 5-acre tract located on Highway 243 Councilmember Maris seconded All voted in favor Mayor Anderson appointed Elisa Heard, Councilmembers Brockman and Maris, and Scott Brooks to a committee to work on the planned development

PUBLIC HEARING AND DISCUSS AND CONSIDER REQUEST FOR ZONING CHANGE FROM SINGLE FAMILY DETACHED RESIDENTIAL (R-1) TO MULTIPLE FAMILY 1 DISTRICT (MF-1) OF LOT 5, JONES ADDITION, LOCATED AT THE CORNER OF NICHOLS AND OLD KAUFMAN ROAD, CANTON, TEXAS, OWNED BY BILLY JACK AND LUCIA DEEN – A public hearing was opened at 8:36 p m Billy Jack and Lucia Deen agreed the newly defined MF-1 zoning was acceptable Rick Malone noted the property adjoined MF-1 lots owned by the Deens and that the entrance to a development would probably be across this lot off Nichols Streets The public hearing was closed at 8:39 p m Councilmember Maris moved to adopt the zoning change from single family detached residential (R-1) to multiple family 1 district (MF-1) for Lot 5, Jones Addition, located at the corner of Nichols and Old Kaufman Road, Canton, Texas, owned by Billy Jack and Lucia Deen Councilmember Brockman seconded, all voted in favor

PUBLIC HEARING AND DISCUSS AND CONSIDER REQUEST FOR ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) OF FOUR NEWLY-ANNEXED TRACTS LOCATED ON I-20 NORTH SERVICE ROAD (TWO EAST OF FM 859 AND TWO WEST OF FM 859) AND ONE NEWLY-ANNEXED TRACT LOCATED ON I-20 SOUTH SERVICE ROAD WEST OF FM 859, CANTON, TEXAS,

OWNED BY HENRY LEWIS – A public hearing was opened at 8:40 p m Rick Malone advised the city had easements and was running water and sewer through the four lots on the north side of I-20 He added the requested change was consistent with the master plan The hearing was closed at 8:42 p.m Councilmember Brockman voted to approve the request for zoning change from rural agricultural (RA) to general business district (B-2) of four newly-annexed tracts located on I-20 north service road (two east of FM 859 and two west of FM 859) and one newly-annexed tract located on I-20 south service road west of FM 859, Canton, Texas, owned by Henry Lewis Councilmember Sanford seconded, all voted in favor

PUBLIC HEARING AND DISCUSS AND CONSIDER REQUEST FOR ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) OF ONE NEWLY-ANNEXED TRACAT LOCATED ON I-20 NORTH SERVICE ROAD WEST OF THE LEWIS PROPERTY ON THE WEST SIDE OF FM 859, CANTON, TEXAS, OWNED BY CANTON ECONOMIC DEVELOPMENT CORPORATION – A public hearing was opened at 8:43 p m Rick Malone reported all water rights had been worked out and the contractors had started work The hearing closed at 8:44 p m Councilmember Maris moved to approve the request for zoning change from rural agricultural (RA) to general business district (B-2) of one newly-annexed tract located on I-20 north service road west of the Lewis property on the west side of FM 859, Canton, Texas, owned by Canton Economic Development Corporation Councilmember Brockman seconded, all voted in favor

PUBLIC HEARING AND DISCUSS AND CONSIDER REQUEST FOR ZONING CHANGE FROM SINGLE FAMILY RESIDENTIAL (R-2) TO A SINGLE FAMILY DETACHED RESIDENTIAL PLANNED DEVELOPMENT DISTRICT OF A 2 6-ACRE TRACT OF LAND LOCATED ON EAST FOSTER, CANTON, TEXAS, OWNED BY JERE AND BETTY McCANN – A public hearing opened at 8:44 p m Rick Malone reported the owners of the tract wanted to develop a retirement community scenario on the property, and noted the minimum lot size for a PD was 3 acres, but the Planning & Zoning Commission felt it was best used as a PD even though the property was only 2 6 acres He said the owners proposed twenty-three total units in their preliminary design Michael Station, resident of 5646 Milton Street, Dallas, was in attendance as the architect representing the developer Rick Malone advised this was a conceptual plan which would go through numerous changes Mr Staton said the plan was to take five feet off the street to add an additional five feet onto Foster He added designs A&B were two car garage plans and Design C was for one car Councilmember Maris expressed concern about the street parking Mr Staton said they were willing to work on a better solution Councilmember Brockman expressed disagreement with the proposed density in such a small area Councilmember Maris indicated these matters would have to go through committee Mayor Anderson asked if the zoning change were to revert back if nothing happened in a year Rick Malone indicated it would The hearing was closed at 8:50 p m Councilmember Sanford moved for approval of the request for the zoning change from single family residential (R-2) to a single family detached residential planned development district of a 2 6-acre tract of land located on East Foster, Canton, Texas, owned by Jere and Betty McCann Councilmember Brockman seconded, three voted in favor and Councilmember Pruitt opposed

DISCUSS AND CONSIDER FIRST MONDAY POLICIES AND PROCEDURES AND ANY SUBSEQUENT AMENDED TO ORDINANCE NO 2004-23 PROVIDING FOR THE POLICIES AND PROCEDURES FOR THE OPERATION OF THE CITY OF CANTON'S

FIRST MONDAY TRADE DAYS – This matter was tabled until workshop on Friday, July 22, 2005

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENT – Mayor Anderson volunteered to search for someone to appoint to the Board of Adjustment.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING EXISTING AND FUTURE PERSONNEL, INCLUDING CITY MANAGER'S POSITION (Section 551 074) – The Council recessed at 8:54 p m and convened in closed session at 8:55 p m for deliberations regarding the existing and future personnel, including the city manager's position and real property matters

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Sectoin 551 072)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened to open session at 9:24 p m with no 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 adjourned at 9:38 p m upon motion by Councilmember Sanford and second by Councilmember Pruitt

R.C. Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
12:00 P M , FRIDAY, JULY 22, 2005
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 Councilmembers present were Mayor R C Anderson, Ross Maris, Ron Sanford, Raymond Pruitt and Rusty Wilson Councilmember Robert Brockman was absent

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R.C. Anderson called the meeting to order at 12:12 p m and announced a quorum present

WORKSHOP FOR ALL MATTERS PERTAINING TO FIRST MONDAY - Lonny Cluck requested permission to change the date regular employees working First Monday were paid from the Tuesday after First Monday to Thursday or Friday to allow accounting more time to process the payroll Mr Cluck was instructed by the council to change the payroll date after giving one pay period's notice

Lonny Cluck proposed changing the way unreserved vendors were handled and allowing them to reserve their spaces for the following month to cut down on the amount of time they park on FM 859 during the week preceding First Monday. He said it would also benefit the vendors because they would not have to take off so much time from work to get in line Councilmember Raymond Pruitt made a motion to authorize this request Councilmember Ross Maris seconded, and all voted in favor

Lisa Parks requested the vendors at the end of Trade Center IV be moved so that the building would be more visible to the shoppers on the grounds She also requested more food vendors be brought into the building to bring in more shoppers The council instructed the staff to move the vendors off the endcap of Trade Center IV and to recruit good quality food vendors for one end of the building to build up a food court to improve the building They also instructed Mr Cluck to refund any earlier-paid transfer fees necessary to accomplish this

The Council discussed updating and opening the waiting list for food vendors Councilmember Wilson recommended taking applications for the waiting list and Lonny Cluck suggested filling spaces from the waiting list by the type of food they sell The Council instructed the staff to try to notify the names still on the old waiting list

The question regarding whether to improve the blue bathroom or to build a new bathroom was raised by Lonny Cluck It was decided that a new bathroom should be built, with the new bathroom to be slightly larger than the one just built and to include showers The Council decided it should be located between the Civic Center and Mr Pruitt's building Lonny Cluck was instructed to get an estimate on the cost of a new bathroom

Councilman Pruitt left at 1:45 p m due to a doctor's appointment

Rick Malone suggested putting in a walkbridge across the creek on Row 43A and a new bridge on Row 21 (approximately 10 feet wide) Following a general discussion, Rick Malone advised that he would research the price of walkbridges/bridges to span the creek

Lonny Cluck reported he was approached by a man in the scooter business who was interested in selling his business to the City After a general discussion, the council decided not to get in the scooter business

Councilmember Wilson expressed a need for First Monday profit and loss statements It was reported the new software being installed should help track expenses and income and perhaps create the financial reports

Linda Hatfield reported the directional signs for the restrooms on the grounds were being completed

Mayor Anderson suggested lowering parking for vendors to help them in slower months

ADJOURN - There being no further items for discussion, the meeting adjourned at 2:30 p m upon motion by Councilmember Maris and second by Councilmember Wilson

R C Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
3:00 P M , THURSDAY, AUGUST 4, 2005
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 Councilmembers present were Mayor R C Anderson, Ross Maris, Robert Brockman, Ron Sanford, and Raymond Pruitt Rusty Wilson arrived at 3:47 p m Also present were staff members Jim Stephens, Lonny Cluck, Tim Gothard and Julie Seymore

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM -- Mayor R C Anderson called the meeting to order at 3:02 p m and announced a quorum present

DISCUSS AND CONSIDER PERSONNEL MATTERS – The Council reviewed the proposed increase in personnel Upon the recommendation of Councilmember Pruitt, it was agreed to add a First Monday Grounds Supervisor under the management of Linda Hatfield at the pay level of $29,000 and eliminate the position of Marketing Professional

Councilmember Brockman recommended increasing the employees' retirement contribution to 7% and asked Julie Seymore to present the costs at the next meeting The Council also agreed on a 3% pool raise

The City manager's position was budgeted at $60,000, and all realized it could be amended if necessary Councilmember Brockman urged the Council to start its search for a city manager stating the City needed someone with vision to lead it Councilmember Pruitt noted Councilmember Wilson wanted a search committee comprised of himself and Councilmember Brockman Councilmember Brockman said he would like the employees to come up with what they wanted in a city manager Councilmember Pruitt agreed one or two employees should be on the search committee Mayor Anderson recommended adding a consultant to the committee

The staff was instructed to check with Cliff Bowden with the University of Texas at Dallas regarding the search for a new city manager

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551 074) – No executive session was held

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

WORKSHOP FOR ALL MATTERS PERTAINING TO THE FY 2005-2006 BUDGET – The Council reviewed the proposed budget with changes and Lonny Cluck noted they were still in a $75,000 deficit after the staff made their cuts He requested the Council give the staff guidelines on where they wanted the cuts to be made

Councilmember Maris asked if an agreement had been reached with Henry Lewis regarding the sewer line at Highway 19 Jim Stephens informed them Mr Lewis still wanted the set monthly water rate, and noted his water bill was running between $700 and $800 per month Concerns were raised about the possibility of Mr Lewis increasing his usage Jim Stephens stated he felt Mr Lewis was trying to protect himself from being singled out for an increased rate Mayor Anderson instructed Mr Stephens to let Mr Lewis know his water rate would be no greater than anyone else with First Monday property (Councilmember Wilson joined the meeting at 3:47 p.m.) Lonny Cluck reported they had all permits and the easement had been drafted He said they may be able to add the project to an existing contract rather than seeking bids Councilmember Pruitt recommended starting the project on Monday whether or not Mr Lewis agreed The Council discussed the need to protect the customers experiencing sewer back-up problems and whether or not payment to Mr Lewis was necessary They decided to proceed with the agreement in an effort to pave the way for future negotiations Councilmember Brockman opposed Mr Lewis' request for a set water rate Councilmember Wilson was opposed to the agreement Lonny Cluck received a consensus that he was to start work on the line Monday whether or not an agreement had been reached Councilmember Wilson suggested Mr Lewis donate the money from the agreement to the parks project It was noted the funds for the agreement would be paid in the current and 2007 fiscal years, not the 2005-2006 fiscal year

The Council readdressed a vehicle for the First Monday Operations Manager Councilmember Wilson said the vehicle was needed more for traveling to trade shows and for showing people Canton's facilities It was confirmed that a low mileage mid-sized SUV would be sought for a maximum of $25,000

Councilmember Maris asked if anything was in the plan to boost revenue Julie Seymore mentioned the impact fees currently being studied and the assessment of a property tax which would actually start coming in January for the October to December period Mayor Anderson noted the city could assess approximately $ 165 for Maintenance & Operations (M&O) and $ 165 for Interest & Sinking (I&S) He said the rate could go as high as $ 32 and that annual increases would be limited to 1 08% He noted the 20% homestead exemption and another $9,000 exemption available to anyone over sixty-five years of age were still in place He added that he felt thirty cents was not outrageous and that Van was at $ 74 or $75 and Wills Point was at $ 88 Councilmember Pruitt stated his vote was for $ 20 Mayor Anderson discussed providing press

releases to the Canton Herald building the case for a tax increase Councilmember Pruitt recommended going to the economic development corporation for infrastructure funding Mr Stephens said CEDC had obligated $500,000 toward the sewer line and he would check as to how funds could be used Jim Stephens reported the City had $224,000,000 in taxable property which would increase the next year Mayor Anderson recommended being disciplined in paying off debt He said citizens were not afraid of the tax, but afraid that it would keep going up and the money would get frittered away, but if they could see street projects completed they would feel better about the tax The Council discussed flat First Monday revenues, the need to invest money back into First Monday, and the rising costs of products Lonny Cluck was asked to find the cost of asphalt and pipe versus its cost in 1999 Councilmember Wilson noted that if the City did not do anything it would not be able to keep pace with the State guidelines for water, sewer, and street improvements Julie Seymore was asked to project tax rate revenues based on a $ 30 and $ 20 cent property tax rate

The Council stated it needed to look critically at revenue Councilmember Wilson said the First Monday rates needed to be raised, but he did not recommend it because vendors might quit coming with the rising cost of gasoline Councilmember Pruitt said he would vote for a lot rate increase if everyone with a lease would go along with it Councilmember Maris said he was not sure a $5 00 increase would make a big difference and he recommended tier pricing

Councilmember Brockman recommended seeking Home Rule which would give the City more flexibility

Jim Stephens reported having held mediation in Michel Abio's case, stating they wanted $133,000 He said he thought TML would offer $5,000 and asked if the Council were willing to offer $5,000 also He said that she agreed to drop the other case if this issue could be settled A consensus was reached to offer $5,000

Regarding the Animal Shelter budget, Julie Seymore noted $90,000 was included for the construction of an Animal Shelter Rick Malone reported he was meeting with the Department of Health and would look at plans the next week for the animal shelter Regarding the Fire Department budget, Ms Seymore explained the large capital budget was offset by the receipt of a grant

Lonny Cluck noted the problem of losing officers after having trained them because the City was not paying high enough salaries Councilmember Brockman noted it cost $10,000 to outfit and train a policeman He said in Granbury they had a contract requiring they stay two years Councilmember Brockman said he was a strong advocate of offering a good salary for strong employees Jim Stephens noted everyone would not get 3% across the board, and that some would get merit raises based on evaluations

Councilmember Pruitt asked that funds be built in for Shady Lane Councilmember Wilson noted that not much could be done with the budget proposed Councilmember Maris asked for a list of proposed projects for the next five years, noting priorities and costs The council also discussed the need for an additional water source in the future, along with a north side fire station, and other costs associated with development

Councilmember Pruitt asked that requiring concrete streets in subdivisions be placed on the next agenda

Mr. Cluck asked for direction on the construction of the bridges at First Monday He explained a walkbridge would cost $18,000-$20,000, an 8' to 10' bridge would cost $35,000, and a bridge the same width as the road could cost $90,000-$100,000 He noted they were searching for a surplus bridge Upon suggestion, Mr Cluck said he would check into a culvert bridge. Councilmember Pruitt said he thought two cars should be able to get across. Councilmember Maris said it should be wide enough for RVs to enter to the civic center Councilmember Wilson suggested one walkway and a separate one-car bridge.

ADJOURN - There being no further items for discussion, the meeting adjourned at 5:15 p m. upon motion by Councilmember Brockman and second by Councilmember Sanford.

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M , TUESDAY, AUGUST 16, 2005
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 R C Anderson, Ross Maris, Robert Brockman, and Raymond Pruitt. Councilmember Ron Sanford and Rusty Wilson were absent

Discussion and action were as follows:

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

MAYOR'S WELCOME given by Mayor Anderson.

INVOCATION given by Jim Stephens

PLEDGE OF ALLEGIANCE led by Mayor Anderson.

DECLARATIONS OF CONFLICTS OF INTEREST – None

GUEST ITEMS – None

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM JUNE 21 AND JULY 1, 16, 19, AND 22, 2005 MEETINGS OF THE CANTON CITY COUNCIL -- Motion was made by Councilmember Brockman to approve the minutes of the June 21, 2005 meeting and table consideration of the July 2005 minutes to the next meeting Motion was seconded by Councilmember Maris, and all voted in favor.

DISCOVER AND CONSIDER APPROVAL OF JULY 2005 FINANCIAL STATEMENTS – The July 2005 Financial Statements were unanimously approved upon motion by Councilmember Pruitt and second by Councilmember Brockman

UPDATE FROM CANTON CHAMBER OF COMMERCE – Rona Watson presented the tourism budget financials and reported the Chamber directory and First Monday promotional book produced by Target Marketing were hugely successful and advertising for the 2006 books would be sold September 1 with the books being ready by December 15 to 20; that Canton was to be represented in trade shows that week in San Antonio and Dallas by Tommy Addudell and Linda Hatfield, respectively; the Equestrian Drill Team Competition the previous month was a success with more volunteers than ever before; and the Chamber's annual membership meeting was scheduled for Tuesday, September 20, 2005 at 6:00 p m Julie Seymore mentioned the annual contract renewal would be on the next meeting agenda

DISCUSS AND CONSIDER AMENDMENT TO AMBULANCE SERVICES SUPPORT AGREEMENT WITH CHAMPION EMS – Jim Stephens reported the delay in securing the water rights to the clinic property on Interstate 20 delayed the ground breaking and necessitated an amendment to the Ambulance Service Support Agreement with Champion EMS which set a deadline for that groundbreaking Councilmember Brockman moved to approve the proposed amendment Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM DEBBIE DAVIS FOR 2" WATER TAP OUTSIDE CITY LIMITS AT 542 HWY 64 EAST (OLD MILL MARKETPLACE MAIN ROAD AT THE DEPOT) – Steven Cassill respectfully requested a water tap on the very north end of the property to service twenty-five camper spots Mr Cassill stated he would like to consider annexation of the area, but understood that would take more time He agreed to petition by the next council meeting Rick Malone suggested the City put in one two-inch water meter and have Old Mill Marketplace take the responsibility from there Councilmember Maris made the motion to approve the request for a 2" water tap at 542 Highway 64 East, contingent upon their petitioning for annexation Councilmember Brockman seconded, and all voted in favor.

DISCUSS AND CONSIDER AUTHORIZATION AND ADOPTION OF SUPPORTING RESOLUTION FOR STREET CLOSURES FOR THE NOVEMBER 12, 2005 VAN ZANDT COUNTY 2005 TOY RUN SPONSORED BY GRACE BIBLE FELLOWSHIP AND VAN ZANDT CHRISTIAN BENEVOLENCE – Dan Tarno, 178957 FM 1255, reported Grace Bible Fellowship Church in conjunction with the Van Zandt Christian Benevolence group of Canton were planning a motorcycle Toy Run on November 12, 2005, benefiting families in need in the county He said they expected motorcycles from across the state and three to five hundred people to attend the Run which would travel from Highway 64 East, west on Highway 243, north on Buffalo, east on Dallas, then north on Highway 19 to the old Real Deal building where ending festivities would take place Mr Wayne Paul requested help in directing traffic and asked if the

city would be willing to co-sponsor the event He mentioned the impact on the community could be $30,000-$60,000 Chief Echols reported the City had escorted motorcycles through town in the past with no problems Councilmember Brockman made a motion to authorize Grace Bible Fellowship Church and the Van Zandt Christian Benevolence groups to conduct the motorcycle Toy Run through the city streets with the provision that the Texas Department of Transportation and Canton Police Department work together Councilmember Maris seconded the motion and all voted in favor

DISCUSS AND CONSIDER DRAINAGE PROBLEM AT LAKE MEADOWS ESTATES – Lonny Cluck reported the city would clean the back ditch at Lake Meadows Estates with a dozer to make it maintainable, would push a right of way next to the fence so a mower could get through; and would put in a 12'-15' drainage ditch that would be mowed once a year to keep it clear of trees and heavy growth Mayor Anderson instructed Mr Cluck to handle the matter

DISCUSS AND CONSIDER FRANCHISE AGREEMENT WITH TXU – Councilmember Pruitt noted there had been a 38% increase in TXU's rates in the last year and he questioned what had been done with the franchise agreement Councilmember Maris stated the city could charge no more than 2% of gross revenue, according to the local government code, tax code and the Public Utility Commission, and the City could negotiation up to 2% when the current franchise agreement expired The staff was instructed to research the gas and electric franchise agreements prior to the next meeting

DISCUSS AND CONSIDER PROCLAMATION DECLARING SEPTEMBER 5, 2005 AS MDA DAY – The Mayor adopted a proclamation naming September 5, 2005 as MDA Day

DISCUSS AND CONSIDER ADOPTION OF AMENDMENT TO ORDINANCE 96-06 ADOPTING AMENDED VERSION OF NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION WHICH REQUIRE NEW SUBDIVISION STREETS TO BE CONCRETE –

Councilmember Pruitt, upon the expertise of street contractors, recommended requiring new subdivision streets be concrete, referencing the condition of the concrete streets laid in the 1980's versus the recently constructed asphalt streets Mr Cluck advised one disadvantage would be the cost, but it also alleviated the need to have a street impact fee After further discussion, Councilmember Pruitt made a motion to adopt Ordinance No 2005-21 amending Ordinance 96-06 adopting the amended version of the North Central Texas Council of Governments' standard specifications for public works construction requiring new subdivision streets to be concrete Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF AMENDMENT TO ORDINANCE 96-06 AMENDING STANDARD PLUMBING CODES – Rick Malone reported TCEQ requested the City adopt the Standard Building Codes to close loopholes in the plumbing codes and implement a standard across the state He explained the problems associated with back filtration and noted some individuals would have to retrofit their plumbing to keep in compliance, but the city had already been proactive in making people put the double-checks in the system Councilmember Maris made the motion to adopt Ordinance No 2005-22 amending Ordinance 96-06 amending the standard plumbing codes Councilmember Brockman seconded, all voted in favor

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENT – Item tabled.

DISCUSS AND CONSIDER APPOINTMENT TO CANTON PARKS BOARD – Councilmember Brockman made a motion appointing Andy Reese to the Canton Parks Board Councilmember Maris seconded, all voted in favor

DISCUSS AND CONSIDER ALL MATTERS PERTAINING TO FIRST MONDAY LEASE AGREEMENTS – Lonny Cluck reported Richard Davis was to bring with him the proposed new lease for council consideration, but he had been detained. In the meantime, he asked for direction on a request from vendor Scott Perkins for an addendum to his current lease to extend his existing building on the First Monday grounds Jim Stephens stated he had spoken to Richard Davis and Mr. Davis felt it was acceptable to prepare an addendum Upon Mr Cluck's recommendation, Councilmember Pruitt made a motion authorizing the execution of an addendum adding the additional lots to the existing lease of Scott Perkins Councilmember Brockman seconded, all voted in favor

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551 072) – The Council recessed at 7:10 p.m and convened in closed session at 7:15 p m for deliberations regarding real property and personnel matters related to the City Manager's position

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS RELATED TO CITY MANAGER'S POSITION (Section 551 074)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 9:18 p m. A motion was made by Councilmember Brockman to hire Cliff Bowden to search for a new city manager contingent upon verification his 10% fee would be based on the first year contract Councilmember Maris seconded, all voted in favor

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None

ADJOURN - There being no further business to come before the Council, the meeting adjourned at 9:20 p m. upon motion by Councilmember Brockman and second by Councilmember Pruitt

R.C. Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:00 P M , TUESDAY, AUGUST 23, 2005
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. Councilmembers present were Mayor R.C Anderson, Ross Maris, Robert Brockman, Ron Sanford and Raymond Pruitt Rusty Wilson was absent. Also attending were City Attorney Richard Davis and members of the Impact Fee Advisory Committee Elisa Heard and Scott Brooks

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R C Anderson called the meeting to order at 6:03 p m and announced a quorum present

DISCUSS AND CONSIDER ADOPTION OF EAST TEXAS COUNCIL OF GOVERNMENTS INTERLOCAL SERVICE AGREEMENT FOR ENHANCED 9-1-1 PROGRAM - Tim Gothard explained the proposed agreement was renewed annually with the East Texas Council of Governments for reimbursement of supplies for the City's Enhanced 9-1-1 Program, with the exception that this year they would grant the City $2300 to spend on the system as needed, versus the City submitting invoices for reimbursement The agreement was unanimously approved as written upon motion by Councilmember Brockman and second by Councilmember Sanford

Councilmember Pruitt joined the meeting at 6:06 p m.

REVIEW AND PUBLIC HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLANS RELATING TO POSSIBLE ADOPTION OF IMPACT FEES – Mayor Anderson opened the Public Hearing at 6:06 p.m Engineer Gary Burton explained the procedures for developing impact fees were governed by Chapter 395 of the Local Government Code which specifically states how fees are to be developed and how land use assumptions and capital improvement plans, which are tied to one another, will form the basis for the proposed impact fees He said they began with existing land use and projected land use plans developed by Dunkin, Sefko & Associates in the 2004 Comprehensive Plan adopted by the City He pointed out the population projection on page 10 of 25 which projected reaching the maximum population of 34,000 people (based on the land area in the city limits and ETJ) in 65 years He added that page 11 presented the population growth during the first ten years (the period basis for the impact fees), reaching an 8,185 population in 2015, which he deemed to be a reasonable projection

Mr Burton then presented the capital improvements necessary to support that population He said the projected wastewater flows (p 8) were based on the growth combined with the wastewater flows that had been experienced the past four years (maximum flows), noting they had to design for maximum capacities. He added page six reflected the same projections for water demand. He then pointed out where projected flows crossed the line for plant capacity which was a significant factor affecting the magnitude of impact fees He said the City would need two plant expansions in the next ten years

Mr Burton indicated Exhibit B on page 21 represented the land use assumptions in terms of acreage and population (the same as adopted in the 2004 Comprehensive Plan) which would be the land use assumption plan up for consideration by the Council following the public hearing He added that Exhibit C Capital Improvement Plan on page 24 listed the proposed water system projects to be constructed in the next 10 years Councilmember Brockman asked what happened if the City didn't have a certificate to serve water in those areas Mr Burton said a lot of the growth was projected to occur in the ETJ, so that needed to be considered

Councilmember Maris asked at what point the City would need another water source Lonny Cluck told him before the City reached 8,000 people Mr Burton stated the current water plant could handle four million gallons per day and the lake could supply 3 7 million gallons per day when it was built He said the water projections were based on well usage and surface water, and the plant was based on no wells, figuring a worst-case scenario He said it was under percent of ultimate flow 2005-2015 and the percentages were estimated on capacity of the twelve improvements that could be attributed to that ten-year growth period

Mr Burton continued to the next page where six projects attributed to wastewater were projected He said the eligible percentages were higher, and based on the population growth He said the water and wastewater projects were the capital improvement plan to be considered by the council He added there were 5 7 million dollars of eligible water improvements and 7 million dollars of eligible sewer improvements, and that each included 4% annual inflation Mr Cluck noted about five hundred to seven hundred fifty more meters would put the City at the capacity of the lake and present well, and using the 2 65 people per house formula would be at a population of 6,000-7,000 people He added the City could dredge the lake to recoup some of its original capacity and could drill another well at a cost of $175,000-$250,000 if it hit water Mr Burton said the plan included a new water well in 2014 at a cost of $488,000 Councilmember Sanford said the City was not assured it could get permission to drill a well by that time All discussed the advantages to drilling a well sooner rather than later

Mayor Anderson noted that growth was going to come and the City could either react to it or plan for it, and the longer it was delayed, the more expensive it would be Mr Burton said he felt the projects were reasonable and they had been purposefully conservative in estimating costs which was appropriate for this level of planning He said the report showed the maximum proposed fees based on the assumptions, but the council did not have to adopt impact fees at that level, when in fact most didn't He added the plan could be reviewed every five years.

Mr Burton presented fees charged by other cities on page18 and noted Fort Worth had another fee on top of that shown Councilmember Brockman indicated some cities also bought water from other districts which lowered their fees since they didn't have plant costs Mr Burton noted the chart presented what the city's adopted, not what they were initially calculated Councilmember Brockman said the City of Granbury adopted the fees ($1000 for water and $1500 for sewer), but later rescinded them because of the slump in the economy He added he understand they had since been reinstated

Mr Burton explained the fees were based on one meter unit equivalents from ¾" which was a standard residence, and that impact fees increased per meter size because the impact on the

system increased He said a fifty-percent credit on eligible costs was automatically figured into the proposed fees In discussing the information on page 18, Mayor Anderson asked why the some rates were higher Mr Burton responded the City didn't know on what their fees were calculated and that the City's included two plant expansions and was spreading the cost out only over 4800 people—the population growth for ten years He added most of the cities didn't have plants so that fee was not reflected in the table Councilmember Maris asked if the City was eligible for an agreement to purchase water Mr Burton indicated the Sabine River Authority was a possibility because they wanted to pump water from Toledo Bend to Lake Fork and Tyler also wanted to sell water Councilmember Pruitt noted an employee suggested buying land with other surrounding cities and co-operatively building a lake Mr Burton said Van had considered pumping water from Pure Oil Lake

Mayor Anderson asked for additional comments from the audience Developer and builder Mike Blake stated he was in favor of partnerships, which is what impact fees were He said he thought it was prudent to follow the local government code closely and that his experience was that cities usually set their impact fees 40% to 50% less than the maximum allowable and usually phased them in over three years giving businesses and industry time to adjust He requested the Canton council consider that as well, keeping in mind that impact fees were passed on to homeowners who were already spending $7,000 to $10,000 on items for their home the first year which was a great impact on the local economy Mr Blake added they were also facing a huge increase in the cost of materials and some in the cost of mortgages He finished by saying he recognized costs were also going up to the City to provide the service and he was not opposed to impact fees, but he hoped the Council would be prudent in setting the fees and mindful of the builders' and homeowners' position Hearing no further comments, Mayor Anderson closed the Public Hearing at 6:42 p m

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ADOPTING LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLANS FOR CITY OF CANTON AND ITS EXTRATERRITORIAL JURISDICTION – Councilmember Pruitt made the motion to adopt Ordinance No 2005-23 adopting the land use assumptions and capital improvements plans for the City of Canton and its extraterritorial jurisdiction as presented Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION ESTABLISHING DATE FOR PUBLIC HEARING ON IMPOSITION OF IMPACT FEES – Resolution No 2005-09 establishing the date for the Public Hearing on the Imposition of Impact Fees at 6:00 p m, Tuesday, September 27, 2005, was unanimously adopted upon motion by Councilmember Brockman and second by Councilmember Sanford

Lonny Cluck informed the Council of a change order for the renovation of the Ground Water Storage Tank requiring another $35,000 to repair more damaged beams than originally estimated He noted the company was going to honor its cost per pound

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:47 p m upon motion by Councilmember Pruitt and second by Councilmember Brockman

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
4:00 P M , WEDNESDAY, AUGUST 31, 2005
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 Councilmembers present were Mayor R C Anderson, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt and Rusty Wilson Also attending was consultant Cliff Bowden.

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R C Anderson called the meeting to order at 4:00 p m and announced a quorum present

DISCUSS AND CONSIDER AUTHORIZATION FOR ON-STREET SOLICITATION FOR PARK DONATIONS BY CANTON PARKS BOARD SEPTEMBER 10 AND OCTOBER 8, 2005 – Councilmember Brockman made a motion to authorize the Parks Board to solicit donations downtown on September 10, 2005 and a second date to be determined Councilmember Pruitt seconded, and all voted in favor

DISCUSS AND CONSIDER AUTHORIZATION AND SUPPORTING RESOLUTION FOR STREET CLOSURES FOR CANTON ISD HOMECOMING PARADE SEPTEMBER 20, 2005 – Upon approval from Operations Chief Mike Echols, a motion by Councilmember Maris and second by Councilmember Pruitt, authorization was granted and a supporting resolution no. 2005-10 adopted to allow downtown street closures for the September 20, 2005 CISD Homecoming Parade

DISCUSS AND CONSIDER APPROVAL OF SEWER LINE AGREEMENT WITH HENRY LEWIS – Mayor Anderson explained the City needed to tie into a sewer line on Highway 19 that passed under the highway south of Wynne Road, and that Mr Henry Lewis recalled the city agreeing to pay half of that sewer line in the 1980s at a cost of $78,000 He further explained the proposed agreement was for the City to buy the rights to tie into and own the line for $150,000 (no strings attached) with $75,000 paid in the current year and another $75,000 paid in FY 2006-2007. He noted it came with a thirty-foot easement and a fifty-foot construction easement which had been signed by Mr Lewis. Councilmember Sanford made the motion to approve the agreement Councilmember Wilson noted his disagreement on the matter, stating Mr Lewis had yet to produce anything proving the City made a commitment and it was not reflected in the Council meeting minutes He added he felt the city should condemn the property and pay the fee

for that even realizing they could get into legal proceedings Mayor Anderson replied that everything from Chick's Chevron through Canton Marketplace fed into that line and that they were experiencing problems during a large First Monday weekend, noting the options included boring under Highway 19 at a cost of several thousand dollars and possibly facing $25,000 per day fines if the sewer were to ever run out of the manhole cover He added they had no way of knowing how long they could be tied up in legal proceedings He stated under the circumstances, he felt it was what the City had to do Councilmember Brockman said he didn't like it either but court outcomes were unknown He then seconded the motion Motion passed with Councilmember Wilson opposed and all others in favor

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING SEWER LINE CAPITAL IMPROVEMENTS BUDGET FOR FISCAL YEAR 2004-2005 – Councilmember Brockman made a motion to adopt Ordinance No 2005- increasing the sewer line capital improvements line item by $75,000 to make the first payment to Mr Lewis for the sewer line agreement Councilmember Maris seconded Motion passed with Councilmembers Brockman, Maris, Sanford and Pruitt in favor and Councilmember Wilson opposed

STAFF REPORTS AND DISCUSS AND CONSIDER ACTION PURSUANT THERETO – Jim Stephens reported Judge Rhita Koches wanted to assist the disaster victims and recommended allowing the Red Cross collect donations at the First Monday entrances Mayor Anderson said the First Baptist Church was opening their gym for the refugee headquarters in Canton and a number of churches were involved in feeding the people Councilmember Pruitt made the motion to grant the request Councilmember Wilson seconded, and all voted in favor

WORKSHOP FOR ALL MATTERS PERTAINING TO FISCAL YEAR 2005-2006 PROPOSED BUDGET – Chamber of Commerce Chairman Mark Massey reported on dramatic improvements in the Chamber and a positive move to the Plaza Museum in which they invested $10,000 He asked the Council give consideration to the Chamber in their 2005-2006 budget to attend trade shows, upgrade the quality of their materials and continue to promote Canton Chamber President Rona Watson further reported on their efforts in the community, and asked for $65,000 from the City for their 2006 budget Councilmember Pruitt suggested the Council consider $40,000 for the chamber

The Council then discussed water and wastewater rates Julie Seymore presented a $1 00 base rate increase for both residential water and sewer with a $20 00 maximum on sewer, and a $5 00 base rate increase for both commercial water and sewer, along with a $0 15 cent increase in usage fees for all Mayor Anderson noted the advantage of raising commercial rates was it could be written off as a business expense He noted the proposed increase amounted to a $4 60 total impact on 10,000 gallons

In discussing the cost of repairing the clarifier at the water plant, Mr Cluck reported the City could drill a test well to help estimate what kind of well it could be and how much it would produce with the well costing $180,000-$250,000, or renting a half million gallon per day portable water plant Either option would allow the City eight to nine days to repair the plant He reported the improvements to the sewer plant increased capacity from 900,000 gallons per day to 1 3 million gallons per day It was noted it was close to maximum during peak times with a lot

of the problems coming from infiltration. Mr. Cluck also noted that another seven hundred meters would require the city seek another water source

In discussing a proposed property tax rate, Councilmember Wilson stated he wasn't a big proponent for putting the tax rate back in, but he was torn because he knew the revenues were needed for water and sewer capital improvements. Councilmember Brockman clarified the ad valorem tax could not be used for water and sewer, but it could be used for streets and capital improvements which would relieve additional money from there

When asked to help explain, Consultant Cliff Bowden stated it was unusual not to have an ad valorem tax and that it was how a city paid for its hard surfaces. He said in talking with people, he found the City needed more funds to prepare for the future and the first course of action would be to establish some sort of tax rate. He said even with that, he thought the City was going to need a lot more money into the future and probably in terms of bonds to develop the infrastructure which could be presented to the people to either elect or deny. He emphasized the City had pressing needs today in equipment and facilities, mentioning the Animal Shelter. He said it was not out of line to consider the tax rates presented and in comparing to other cities in the area, Canton would still be lower than surrounding communities. He said it was time and raising taxes was not a popular idea, but the Council was placed in a position it had to make difficult decisions. He said the City could continue to operate maintaining the status quo, or it could make strides into the future. He said the City was going to have to have more money, that water and sewer would be very costly and it would never make up and catch up out of operations unless the city started taking steps to address that now. He said if the city didn't want a tax rate, it would be to its detriment and all one had to do was visit the facilities and look at the streets, water lines and sewer lines, not to mention other services. He added Canton was no different from the needs of other cities that had tax rates and whose citizens were paying them and surviving. He stated citizens know they have to pay for services they receive. He said the City would be putting off today what was inevitably going to have to happen. Mr. Bowden explained the city had an opportunity to establish a tax rate which could only be incrementally increased 3% each year into the future. He said the two scenarios presented were for a twenty cent and thirty cent tax rate. He said it would take five years to recoup the difference between the two in terms of dollars. He added the effect on the citizenry was still minimal, and it would probably be much better for the city overall if it reached the average range of surrounding communities, which was a lot more than 30 cents. He pointed out gas was at $3.02 per gallon and other supplies and materials were going up consistently. He said he realized the city relied on sales tax, but he was not sure that was the best way to run a city because they could fluctuate. He said he realized politics were involved and the Council had to bear that burden, but the reality was each had to do what was right in their own minds and vote their conscience. He then encouraged them to consider a rate in the other range of what other cities were considering. He said without some sort of increase in revenue, the money would have to be made up somewhere and the options were running out. He then commented on the water rates and noted Athens' minimum water bill was $40 versus Canton's $18, and its citizens were not in revolution against the city. He added the water department should be a money maker. He encouraged the Council to consider its future and not just satisfy the needs of today. He said the infrastructure was wearing out and those things needed to be funded and citizens expected to pay—all they wanted was a responsible government

Mayor Anderson stated First Monday was the only positive thing and more funds would need to go back into it to keep it attractive to people Mr. Stephens noted First Monday netted approximately $900,000 the previous year which was close to the bond payments Mayor Anderson explained most cities received 28% revenue from sales tax, 26% from property tax and that over the past fifteen years, school taxes had doubled while city taxes dropped He said of all the revenue sources, only one was controlled by the city—the property tax Councilmember Sanford stated Canton was standing at a crossroads and it could either go forward or backward, but it couldn't remain the same He added the city had stayed the same longer than he thought it would have been able to, but it could no longer rely on First Monday to pay for everything He said if the Council didn't put back in the tax rate, it would be doing a disservice to its citizens. Councilmember Maris stated everyone wanted to live in the city for the services and the biggest deficit was for water, sewer and street infrastructure projects needed in the near future He noted the city could not afford to plan two streets per year with its current revenue and that recent projects had been funded by bonds which would have to be paid back He said property taxes were one source the city was not tapping into at all He said the City worked First Monday as hard as it could, but it was not producing more than it was five years ago while expenses increased dramatically He said they needed to step out to the future Councilmember Brockman agreed and said the city was behind now and it would be more expensive to catch up, the more behind it got Mayor Anderson explained the revenues from First Monday had been relatively flat while expenses continued to climb He noted the City also needed to look at becoming a Home Rule city so it could expand the city limits and increase sales tax receipts to offset how much property tax would have to be assessed Councilmember Maris pointed out the largest increase in the tax base had been commercial

In other matters, Councilmember Brockman proposed and others agreed employee retirement contributions should be increased from 6% to 7% and the City's match be increased from 150% to 200% to send the signal that the City cared about its employees and to encourage longevity In discussing salary increases, Councilmember Wilson noted anyone with the city more than one year should be past the mid-point of his salary range Councilmembers agreed to include a five percent pool raise for employees upon motion by Councilmember Pruitt and second by Councilmember Brockman

DISCUSS AND CONSIDER INTENT TO ADOPT TAX RATE FOR FISCAL YEAR 2005-2006 – Councilmember Maris made a motion to direct the staff to prepare the 2005-2006 budget reflecting a thirty cent per hundred dollar valuation ad valorem tax rate Councilmember Wilson suggested going ahead with a thirty-five to forty cent tax rate Jim Stephens advised the Council could set the rate at any level and could later decrease it, but not increase it for the budget under consideration Councilmember Maris noted there were so many issues to address, it could be set at sixty cents with all being spent only on current needs of the City He added they could only increase 1 08 percent without a roll back Councilmember Wilson recommended setting it as high as what they thought the people could support because it would take forever to reach the same level by raising it a little each year Councilmember Maris said the staff needed to prepare a menu of what needed to be addressed in the next two to three years He said he was really concerned about the lines and infiltration He then amended his motion to direct the staff to prepare the 2005-2006 Budget reflecting a forty cent per hundred dollar valuation ad valorem tax rate Councilmember Wilson noted it was only to see what it looked like in the budget Councilmember Brockman said they could back off from that figure in the future

Councilmember Sanford seconded the amended motion The Motion passed with Councilmember Maris in favor, Councilmember Brockman in favor, Councilmember Sanford in favor, Councilmember Pruitt opposed, and Councilmember Wilson in favor

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551 072) - The Council did not convene in closed session

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (Section 551 071)

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

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – The regular meeting was moved to 6:30 p m on September 19, 2005

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:25 p m upon motion by Councilmember Brockman and second by Councilmember Maris

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P M , MONDAY, SEPTEMBER 19, 2005
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 R C Anderson, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt and Rusty Wilson

Discussion and action were as follows:

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

MAYOR'S WELCOME given by Mayor Anderson

INVOCATION given by Jim Stephens

PLEDGE OF ALLEGIANCE led by Director of Public Safety Tim Gothard

DECLARATIONS OF CONFLICTS OF INTEREST – None

GUEST ITEMS – None

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM JULY 1, 16, 19 AND 22, 2005 AND AUGUST 4, 16, 23 AND 31, 2005 MEETINGS OF THE CANTON CITY COUNCIL – The minutes of the July 1, 16, 19 and 22 and August 4, and 16, 2005, meetings were unanimously approved and consideration of the August 23 and 31, 2005, minutes were tabled upon motion by Councilmember Brockman and second by Councilmember Maris

DISCOVER AND CONSIDER APPROVAL OF AUGUST 2005 FINANCIAL STATEMENTS – The August 2005 Financial Statements were unanimously approved upon motion by Councilmember Brockman and seconded by Councilmember Sanford

UPDATE FROM CANTON CHAMBER OF COMMERCE AND DISCUSS AND CONSIDER RENEWAL OF CHAMBER OF COMMERCE SERVICE AGREEMENT – Rona Watson reported the Annual membership meeting would be held on September 20, 2005, from 6:00 – 8:00 p.m at the Plaza Theater, and that ballots were being mailed out for the election of the 2006 Board of Directors and Officers Councilmember Pruitt made a motion to renew the Chamber of Commerce Service Agreement stipulating they receive $40,000 from the hotel/motel tax proceeds in exchange for promoting the City of Canton and First Monday Trade Days Councilmember Sanford seconded, all voted in favor

UPDATE FROM CANTON PARKS BOARD AND DISCUSS AND CONSIDER ANY ACTION PURSUANT THERETO - Andy Reese, a member of the Canton Parks Board, presented the design for the new playscape and reported they raised $38,644 for the project through various fundraisers; the remaining amount left to sponsor was $26,900; the build dates were set for October 19-23 and to be done entirely by community volunteers; Leathers & Associates met with the Board and reviewed logistics for the build; and the coordinators were to meet to determine where to purchase the items not donated He thanked the City for the help on the project, then further reported heavy equipment cleared the area for Phase 1 of the trails project on August 20; one hundred thirty people cleared all the brush off the trails on August 27; the surveyors worked in early September; they were currently waiting on bid specifications from Land Design Partners; and once approved, the trails could be poured

DISCUSS AND CONSIDER AUTHORIZATION AND ADOPTION OF SUPPORTING RESOLUTION FOR STREET CLOSURES FOR THE OCTOBER 8, 2005 CANTON MAIN STREET AUTUMN STROLL RACES AND FESTIVAL - Jill Godwin, co-chair of the Canton Main Street Autumn Stroll, presented the plan for barricading roads during the event and reported two hundred runners were expected for the run and a festival would be held on the square with bands and local dancers, pumpkin painting, bounce houses, etc She then requested the streets be closed early in the morning in order for the setup to begin Tim Gothard stated he had no problem with the street closures and Jim Stephens added the merchants did not object. Councilmember Sanford made a motion to approve the street closings and adopt the supporting resolution no. 2005-11 for the October 8, 2005, Canton Main Street Autumn Stroll Races and Festival Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM JAMES E CANNADA REGARDING FLOOD DAMAGE TO 1805 OAK CIRCLE ON OCTOBER 7 AND 9, 2004 – James E. Cannada reported he and his wife resided and cared for Mike Chamblee at 1805 Oak Circle He asserted their home flooded on October 7 and 9, 2004, as a direct result of the new Etheridge Farms housing development He said they were told a flood assessment had been completed prior to construction and it was determined the only way to prevent flooding was to tear up Etheridge Road and install underground drainage and then repave it, but the project was blocked by three families and instead of finding an alternative way prior to construction, permits to begin the construction were signed He added the City was then forced to fix the problem using the poor-boy method of digging out ditches and replacing culverts Mr Cannada stated when it flooded, the water hit his house with force and some areas were ankle deep in water He explained the foundation cracked, floor tiles cracked, a new room separated and the landscaping was severely damaged, not to mention the damage behind the walls He stated he had lost all potential profit on the sale of the home because he would be required by law to disclose that it flooded twice He also complained that even though city officials knew the danger existed and knew the flooding was due to their mistakes, they did not make a phone call to check out the situation Lonny Cluck explained the water did run across the street and had for a long time; the way the city fixed the road was not as elaborate as originally planned; the area had always had flooding problems; the engineer brought in was supposed to have control of the water problems; the first time it flooded, a trash bag stopped up the culvert; and the second time, the ditches and culverts could not handle the amount of water that came through To Mr Cluck's knowledge, Mr Tolliver and Mr. Cannada were the only two who had water in their homes Mr. Cluck made no assessment as to whether or not Mr Cannada's landscaping helped or hurt the situation Mr Cannada could not say what the damage would cost to repair He said he would have to send Mr Chamblee to a nursing facility for a time and he had no flood insurance Councilmember Brockman suggested they begin by filing an insurance claim. Mayor Anderson said the council would take a serious look at the situation and see what could be done. Rick Malone informed the Council the City had used an alternative method to fix the flooding problem which was approved by the engineers.

DISCUSS AND CONSIDER REQUEST FROM SHIRLEY WEAVER REGARDING CITY'S INTENDED USE OF RIGHT-OF-WAY OR ANY ACTION ON HER PROPERTY LOCATED AT BUFFALO AND TERRELL STREETS – Shirley Weaver stated owned property on North Buffalo and the city had a four-foot right of way across the front but had given her permission to build there. She said she learned the City is planning to put a sidewalk there and had been waiting for four years to find out the City's plans. Jim Stephens said he and Don Hackney met with the Texas Department of Transportation that day and they had basically approved everything the architect and engineer had done and that in about six months, the City would need four and a half feet on which to build the sidewalk. Councilmember Maris suggested a sidewalk in front might enhance the property. Ms Weaver stated it would not be a problem waiting six months before trying to get the shops going again. Jim Stephens said it would be a six to eight month time frame. Ms. Weaver asked if the City had any other plans for the property and was told by Mr Stephens that a sidewalk was all that was planned Ms Weaver stated two people had told her the City planned to condemn the property Rick Malone stated there had been no talk of condemning the property, that all they wanted was for her to take the covering off. Ms Weaver said she didn't want to take the covering off until the sidewalk was completed.

DISCUSS AND CONSIDER ACCEPTANCE OF PETITION TO ANNEX APPROXIMATELY 7 59 ACRES SITUATED IN THE Q C NUGENT SURVEY, LOCATED NORTH OF COMPLEX ADDRESSED 542 HIGHWAY 64 EAST OWNED BY CORRY DAVIS MARKETING, INC – Stephen Cash stated they were following up on the requirement to petition for annexation which was established when their recent water tap was granted and he was having the 7 59 acres (1005 feet by 315 feet square) re-platted and a survey done Councilmember Maris moved to accept the petition to annex approximately 7 59 acres situated in the Q C Nugent Survey, located north of the complex addressed 542 Highway 64 East owned by Corry Davis Marketing, Inc Councilmember Brockman seconded and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM DAVID DARNELL FOR VARIANCE TO ORDINANCE REGULATING MINIMUM EXTERIOR STANDARDS FOR STRUCTURES INSIDE THE CITY LIMITS FOR PROPERTY LOCATED AT INDUSTRIAL PARK ON WYNNE ROAD – Rick Malone, City Inspector, explained Mr Darnell was planning to build a 100% brick office that exceeded the industrial park standards He said Mr Darnell was asking that the standard on the sides of an additional shop be reduced from the required 50% He said he was planning to build a three-foot masonry ledge (on a twelve to fourteen foot wall) on the side facing Wynne Road and was asking it be waived on the other side Councilmember Pruitt mentioned they had granted a similar variance to Canton Marketplace He then made a motion to approve the variance as requested Councilmember Wilson seconded and all voted in favor

PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2005, AND ENDING SEPTEMBER 30, 2006 – A public hearing was opened at 7:12 p m Julie Seymore presented the budget recap Councilmember Wilson stated the biggest concern was the water and sewer plant and the cost of going forward He said there would be a significant increase to get things right with the State Lonny Cluck explained that TCEQ dictated the size of the water and sewer plants and that if Canton came anywhere close to the projected growth, it would cost $2 million a year for the next five to ten years to keep the water and sewer plants up to the standards set by TCEQ, not counting the water and sewer lines Councilmember Brockman mentioned there could be a fine of up to $10,000 per day if the plants were not in compliance

Charles Lide, 6000 Forrest Lane, stated the tax was not taken out, just set at 0% and that was voted on by the Council each year He said he was not aware earlier of the discount for citizens over 65 He said the people voted on the half-cent sales tax to zero out the property tax James Pruitt, 680 Sides Circle, asked why the citizens could not vote on it; expressed concern for the older people who couldn't even pay their prescriptions; noted the effects of inflation on them; and asked why the sales tax would not come off if the property tax were going back in; and asserted the $1 00 added to everyone's water bill charged to build the lake had gone into the general fund and no one knew where it went Councilmember Brockman said the City needed to be fiscally responsible and he wanted to be able to flush his commode, take a bath and drive on streets

Mayor Anderson explained the budget proposal process and noted the property tax was added because there was debt that had to be repaid Virginia Jones, 349 Billy Street, asked why the City could not raise the sales tax to 1% and leave out the ad valorem tax Mayor Anderson responded that the City was bound by state law Leland Harris, 306 River Oaks Lane, commented he set his budget at the first of the year, Medicare cut 20%, retirement took $35 for insurance, the price of

gasoline tripled, and after all those hits a property tax was going to be added He noted he did not have anyone to pass it on to

Cindy Malouf questioned what the proposed tax would fund Julie Seymore explained the estimated $817,000 revenue was for debt service and new capital projects Carl Allen, 302 River Oaks, asked whether or not the total budget amount included the money from the grants, which it did. Ms Malouf asked if the budget was increased 10% to cover increased costs over last year and what the shortfall would be without the tax. Ms. Seymore responded the shortfall would be $185,410 Councilmember Wilson commented if nothing was done, the city would have to cut back on capital expenditures The audience responded the City should cut back. Ms Malouf questioned whether or not the budgeted expenditures were over and above what was budgeted last year and why that money could not be used for capital improvements Councilmember Maris explained the City had used bond money for capital improvements and the City was about out of the bond money. Mayor Anderson explained once the bond money was gone the capital expenditures had to come out of the budget as well as payment of the debt and that the City now had to decrease services or increase revenue He said the funds were needed to go toward the infrastructure. When asked why a statement of income was not published in the paper, Julie Seymore mentioned that several budget workshops were posted and held in open session and the public hearing notice was published in the paper Alton Smith suggested the City talk to the paper to see if they would publish the budget in the paper as they had in the past Councilman Brockman said the city would be glad to run the budget in the paper

Yogi Yarborough, 1221 Woodland, asked what was the average monthly net income from First Monday Julie Seymore stated the annual net revenue was about $900,000 Mayor Anderson said it was over $3 million gross revenue. Councilmember Maris explained the city did not own all of the property seen along Highway 19, though the other areas helped with sales tax revenue. Mr. Yarbrough stated the City needed to take a hard look at where the money is going before saying it is going to spend another $4 per $1000. Councilmember Maris pointed out when the property tax was reduced to zero, a large portion of the City's tax valuation was residential He said a large part of the revenue would now come from commercial development which would help put streets in the residential areas. Councilmember Maris said the biggest part of the income was First Monday paying for itself plus the debt on the buildings

Mr Allen asked if the council had looked at other ways of generating revenue such as beer and wine sales. Mayor Anderson replied the council was looking into impact fees on future construction but had not looked into beer and wine sales. Mayor Anderson posed the question of whether residents wanted to live in a city like Terrell or like Tyler In response to Mr Allen's question regarding raising vendor fees, Mayor Anderson responded that the City could raise fees but the vendors wouldn't show up and then there would be no shoppers. He said the City had to take care of First Monday and that everything else was going up while First Monday revenue was staying constant He stated the City had reached the point where income was not meeting expenses

Virgina Jones and LouAnn Everett, Sides Circle, questioned what was being done to make First Monday more efficient. Mayor Anderson explained the City had a survey done which showed most visitors wanted clean restrooms and lots of them, so the City was putting in restrooms at a cost of $200,000 each. He added the City spent $150,000 on advertising and the pavilions were

generating revenue but they would not all be paid off until 2009 He said the City was always looking at ways to make First Monday more efficient, but the only major solution was to cut staff. Another solution he said was to book events on other weekends, which Linda Hatfield was working on.

John Hamm, Curry Lane, asked how many city services such as water and sewer were supplied to residences outside the city limits and if they were subject to paying city tax Councilmember Brockman stated the rates were one and one-half times the rate for those inside the city limits Julie Seymore explained there were relatively few to which that applied.

Ronnie Fugate, 602 W Elm, asked whether the impact fee plan on new development figured into the budget Mayor Anderson responded no, the impact fees were not yet set Mayor Anderson commented all the city could do on future growth was to see what demands were made on the water and sewer. Mr Fugate stated it looked like the City was implementing property taxes to balance the budget He added they used to stay awake at night wondering how they could get people to look at our city, but now they were heavily penalizing them to come Mayor Anderson said we want the right kind of growth, and, whether we want growth or not, the city was getting closer to the level where action had to be taken

Mr Allen asked if the council met with all the businessmen in the area on a regular basis to find out what input they might have Councilmember Sanford said the council tried to have a "meet the mayor and a councilmember" session every Thursday which was advertised in the paper, but no one responded

Carmen Wagner, Highway 198, said she had heard rumors the Council was considering a transient merchants license, charging First Monday vendors a one-time $50 fee as way of increasing revenue. Mayor Anderson denied that stating people think First Monday vendors make a lot of money and he wished they could see what was happening to First Monday because they were struggling since traffic flow was down He said to put a burden on First Monday vendors was ridiculous and that what used to be First Monday was dwindling.

Henrietta Sadler, 1745 Ridge Road, commented that if the City went through with an increase in taxes, she would to have to cut her budget She suggested the City cut its budget some. Councilmember Maris pointed out that the proposed rate of $ 40 was lowest rate by far than other cities in the county; that at least the property tax would go to our city and we'd see the results; that citizens now were not paying for the services they were getting because it was being paid by First Monday and sales tax; that one of the benefits of living in the city was getting protection from police and fire, and paved streets; and all these things cost money and the cost was going up. Mr Allen requested the Council like to look at the budget and see what can be trimmed out of there.

Jason Hesskew, 270 West Goshen, asked about the projected revenues in the budget and whether or not revenue from First Monday stayed constant. Mayor Anderson replied that for the last five years the First Monday net revenue was $800,000-$1,000,000 which fluctuated because of capital improvements and the fact that rentals were not steady Councilmember Sanford mentioned a lot of outside vendors had not been showing up but were going to the pavilions Mr Hesskew asked

about the homeowners' reduction. Councilmember Brockman explained if the tax rate was $320 on a $100,000 home, and $284 if the homeowner was over 65.

Jack Etheridge, 1755 Dessert Willow, questioned how the Council derived at 40 cents. Mayor Anderson explained the tax office told the City what they needed to service the debt and capital improvements and they came up with $.40. He said the keys were (1) expansion of the city limits to bring in more revenue and (2) the water park to bring in more sales tax. He added the Council hoped increases would be modest and not very often. The Council wanted to increase the sales tax and the tax base. Councilmember Maris stated that Canton wanted to stay well below other cities, but not so low it would not generate enough to do anything. Mayor Anderson said they put in a rate that they felt was sustainable and that every two years the taxpayers could express their displeasure.

John Hamm, Curry Lane, asked about the role Cliff Bowden, a professor at UT Dallas, Public Administration, played in the adoption of the property tax. Mayor Anderson explained Mr. Bowden was hired to help find a city manager, and because he was in administration, the Council asked him for public comments. Mr. Bowden had talked to people on the council, city hall, and store owners, to search for a city manager.

Hearing no further comments, the Public Hearing was closed at 8:25 p.m.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE APPROVING PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2005 AND ENDING SEPTEMBER 30, 2006 – After a brief discussion, Councilmember Brockman made a motion to adopt Ordinance No. 2005-24 approving the proposed budget for fiscal year beginning October 1, 2005 and ending September 30, 2006. Councilmember Maris seconded, all but Councilmember Wilson voted in favor.

PUBLIC HEARING ON PROPOSED TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2005 AND ENDING SEPTEMBER 30, 2006 – The Public Hearing on the proposed tax rate was opened at 8:29 p.m. Mr. Harris, Mr. Allen, Mr. Lide, Jim and Ella Cash, Chester Williams and Roger Verot all indicated they had no further comments. LouAnn Everett, on behalf of her mother, commented that they owned two buildings downtown and the tax would make the expenses go up but they weren't able to charge any more rent. She said they expected to make a fair profit. She added she was concerned about how much the tax rate would continue to go up because business people could no longer make a living on the square by just doing First Monday. She said as a commercial building, the owner would not get a homestead deduction.

John Hamm mentioned he wrote a letter on September 3rd in which he stated he could not afford the additional cost of a city tax because he was on a fixed income. He also said the City wanted to enforce the rule where First Monday vendors could not encroach upon another space. He said if that happened, the vendors were not coming back and he was starting to see the decline of the vendors. He said his letter suggested one way to get more revenue would be to decrease rental and bring in more vendors from other sections and outside. He also suggested developing from the civic center to the west FM 859 and charge reduced rental rates. He continued by saying the City should advertise free parking to get folks in to outside areas of First Monday and not to the pavilions. Mr. Hamm's recommendation to the council was to sell lower for a higher volume. Mr.

Hamm commented he did not know what he could do to save any more money and noted seniors' income did not go up, yet all the costs were going up Also regarding agenda item number three, adopting water and wastewater rates, Mr Hamm stated the water rate had doubled in the four years he had been here He suggested the Council look at the budget again to see what could be cut and maybe not implement such a huge city tax Mayor Anderson replied if the City reduced the lot rental, then revenue would drop which meant a greater shortfall He added as far as dropping parking to free, the service organizations kept the $1 collected He noted the City did not need to develop from the Log Cabin out because there were plenty of vacant spaces in the open area

Roger Verot, 261 VZCR 4219, suggested by giving a larger space for the same price, it would bring more vendors in from Third Monday Mr Verot felt the City could make more money and not have to penalize people for investing in the city

Henry Lewis stated he was there to ask the City to delay implementing a property tax He said the Tyler Morning Telegraph reported the Council voted 3-1 for invoking a property tax which was not consistent with the open meetings law He also said using a savings account to pay taxes was not a prudent long-term solution and that salary increases for citizens were unlikely with the high gas prices and repercussions of high gas prices He added for a business to increase the profit margins to pay the tax was risky because the weaker economy increased the risk Mr Lewis stated the City owned the center of First Monday and was not anxious to increase rates He stated if the City Council had managed their First Monday property without any favoritism as well as he managed his, the City would not be thinking about a property tax He said the majority of people in Canton would also adjust their wants and needs to handle their necessities, including the increased tax Mr Lewis asked whether or not the City had taken a serious approach to cost cutting He asked if the Council had a cost-cutting municipal expert to make recommendations at a workshop and if the City recognized employees with cost-cutting ideas Mr Lewis said over a short time, he could cut the budget by 10%, which would be more than property tax and the City would emerge more responsive and more efficient Mr Lewis asked for a delay until the City took a serious, documented approach to cost-cutting with an expert and a group of citizens He said most Cantonites didn't appreciate any comparison with Wills Point because Canton was special, but the Council was spending over $200,000 per month more than Wills Point and the City owed almost $8,000,000 He said the City might spend more than all other cities in Van Zandt County put together He asked if the property tax would allow the City Council to borrow any more money Mr Lewis requested a delay until the next election so voters could choose between candidates who support the tax increase Mr Lewis asked if this tax proposal was the will of the majority

John Logsdon, 1503 Trade Days Blvd., owner of Canton Marketplace, commented that it was not clear whether or not the tax increase was needed He said he'd like to see the City cut down on expenses He said if the building was full and all employees were working overtime, the City could slow business down by raising prices and increasing profit He added if the City did not have that much business, the only thing was to drop the cost to the customers and see how they reacted to it He stated there was not that much room to cut expenses right now He said they were expecting a large First Monday the previous month and the vendors are showed but the customers didn't Mr Logdson added if his expenses increased, he would have to pass it on to the First Monday visitors and he knew that would slow the visitors down which also slowed down

the city's income He stated in order to take care of the golden goose, the City had to worry about First Monday as much as it could He noted problems with gas prices Mr Logsdon finished by stating if taxes came out of his pocket, he would have to pass on the expense

Hearing no further comments, the Public Hearing was closed at 9:00 p m

DISCUSS AND CONSIDER ADOPTING ORDINANCE LEVYING TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2004 AND ENDING SEPTEMBER 30, 2005 - Councilmember Sanford made a motion to adopt Ordinance No 2005-25 levying the tax rate for the fiscal year beginning October 1, 2005, and ending September 30, 2006 (corrected from the typographical error in the heading), at $ 40 per $100 valuation Councilmember Brockman seconded, and Councilmembers Maris, Brockman, Sanford and Pruitt voted in favor and Councilmember Wilson voted against

The Council recessed at 9:05 p m and reconvened at 9:20 p m

DISCUSS AND CONSIDER ADOPTION OF TEXAS MUNICIPAL RETIREMENT SYSTEM ORDINANCE AUTHORIZING UPDATED SERVICE CREDITS, INCREASING PRIOR AND CURRENT SERVICE ANNUITIES; INCREASING MUNICIPAL MATCHING CONTRIBUTIONS TO 200%; AND INCREASING EMPLOYEE'S CONTRIBUTION TO 7% - After a brief discussion, Councilmember Brockman made a motion to adopt the Texas Municipal Retirement System Ordinance No 2005-26 authorizing the updated service credits, increasing prior and current service annuities and increasing municipal matching contributions to 200% and increasing employees' contribution to 7% Councilmember Sanford seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF TEXAS MUNICIPAL RETIREMENT SYSTEM ORDINANCE ELECTING TO MAKE CURRENT AND PRIOR SERVICE CONTRIBUTIONS TO THE MUNICIPAL ACCUMULATION FUND OF TMRS AT ACTUARIALLY DETERMINED RATE OF TOTAL EMPLOYEE COMPENSATION –After a brief discussion, Councilmember Brockman made a motion to adopt the Texas Municipal Retirement System Ordinance No 2005-27 electing to make current and prior service contributions to the municipal accumulation fund of TMRS at actuarially determined rate of total employee compensation Councilmember Wilson seconded, all voted in favor

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING CHARGES FOR HAULED-IN HOUSEHOLD SEWAGE – The ordinance would raise the rates from $12 to $20 per thousand gallons Lonny Cluck reported to the Council he had done research into this matter and the proposed increase would make the rate a little less than the average Councilmember Brockman made a motion to adopt Ordinance 2005-28 amending the charges for hauled-in household sewage Councilmember Maris seconded, all voted in favor

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING WATER AND WASTEWATER RATES – Mayor Anderson commented that the State of Texas defined water and wastewater as enterprises and they were not to be supported from general funds but are to be self-supporting In most cities, they are profit centers This year, Canton started out $180,000 in the hole and last year at $300,000 in the red Mayor Anderson reported they had researched cities

like Crandall, Edgewood, Winsboro, Malakoff, Wills Point, Grand Saline, Van and their averages were at $26.89 Canton's average rate would be $27 14 Some cities charge different rates for different levels of usage. Canton increased water and sewer rates by $1 for each residential user and $50 for commercial users The sewage fee was raised by $ 15 per 1000 just to make enough money to break even City Secretary Julie Seymore reported that it would increase the bills by less than $3 per month Mr. Hamm said he had looked up the water rate for Plano and it was less than half of Canton's Mayor Anderson explained that was because Plano bought its water already treated Canton has to treat its own water Rick Malone explained that cities like Van use well water, which is cheaper to operate Mayor Anderson commented that we looked at the same usage in other towns and we are within the same range as far as their rates Councilmember Brockman made a motion to adopt Ordinance 2005-29 amending the water and wastewater rates. Councilmember Sanford seconded, all but Councilmember Wilson voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ADOPTING NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS) AS STANDARD FOR INCIDENT MANAGEMENT BY CITY OF CANTON – Tim Gothard informed the Council that President Bush signed a homeland security declaration instructing homeland security departments to develop a National Incident Management System. All of the departments are adopting the same ordinance so they are all on the same page as far as the management of the police, fire departments and public works Tim Gothard will be doing the training for the city employees. Councilmember Maris questioned whether or not the adoption of the ordinance would cost the City any money Tim Gothard informed the Council that if the ordinance is not adopted, the forestry grants and fire protection grants would no longer be available Mayor Anderson thanked Tim Gothard and Rick Malone for their efforts in working with the churches to help the refugees. Tim Gothard reported there were 418 registered evacuees, 1474 had been fed and 143 people housed in Van Zandt County There are a little over 50 evacuees enrolled in different county school districts, including 20 in Canton Councilmember Brockman made a motion to approve Ordinance No 2005-30 adopting the National Incident Management System (NIMS) as the standard for incident management by the City of Canton Councilmember Maris second, and all voted in favor

DISCUSS AND CONSIDER RESOLUTION AUTHORIZING AND APPROVING RENEWAL OF A $133,000 LOAN FROM AMERICAN NATIONAL BANK – After a brief discussion, Councilmember Maris made a motion to approve Resolution No 2005-12 authorizing and approving the renewal of a $133,000 loan from American National Bank Councilmember Sanford seconded, and all voted in favor

DISCUSS AND CONSIDER APPROVAL OF ENGAGEMENT LETTER RETAINING CONWAY COMPANY, CPA's TO CONDUCT FISCAL YEAR 2004 – 2005 AUDIT – After a brief discussion, Councilmember Wilson made a motion to approve the engagement letter retaining Conway Company, CPA's to conduct the fiscal year 2004-2005 audit Councilmember Pruitt seconded, and all voted in favor.

STAFF REPORTS AND DISCUSS AND CONSIDER ACTION PURSUANT THERETO – Rick Malone reported the First Monday wireless system was installed at the Main Gate and Log Cabin, the Trade Center II antenna would be used as a backup, and they still had to install

antennas at the water tower, Civic Center and City Hall Mayor Anderson informed the Council they were looking into the city offices via a wireless network.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL SALE OF CANTON HACKNEY AIRPORT PROPERTY (Section 551 072) – The Council convened in closed session at 9:43 p m for deliberations regarding the potential sale of the Canton Hackney Airport property and other real property matters

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL SALE, LEASE OR PURCHASE OF REAL PROPERTY (Section 551.072)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened to open session at 10:02 p.m with no 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 adjourned at 10:03 p m upon motion by Councilmember Brockman and second by Councilmember Wilson

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:00 P.M., TUESDAY, SEPTEMBER 27, 2005
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 Councilmembers present were Mayor R.C Anderson, Ross Maris, Robert Brockman and Ron Sanford Councilmembers Rusty Wilson and Raymond Pruitt were absent. Also present was City Attorney Richard Davis

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R.C. Anderson called the meeting to order at 6:00 p m and announced a quorum present.

DISCUSS AND CONSIDER REQUEST FROM FRIENDS OF THE LIBRARY FOR ELIMINATION OF WATER AND SEWER CHARGES – Julie Seymore reported the average

water bill for the library was $211 50 over the past year. Mayor Anderson explained the City owned the building, while the County owned and operated the library, and The Friends of the Library were a group of citizens who volunteered their time and money to maintain the library He said Bill Loven requested the water bill be waived by the City and that the City maintain the library grounds Councilmember Sanford suggested a lot of the work could be done by trustees Councilmember Brockman questioned whether or not it was legal to give water away or if it was necessary to charge and then rebate the amount Richard Davis was asked to research the question Councilmember Sanford said he normally would object to such a request, but he thought it would be okay since the City owned the building and paid the insurance on it Councilmember Brockman made a motion to grant the request from the Friends of the Library to either not charge the library for water and sewer, or charge them and issue a rebate, depending on the results of the research by Richard Davis Councilmember Maris seconded, and all voted in favor.

Van Zandt County Judge Rhita Koches visited the meeting to present thank you notes from Hurricane Rita evacuees who had been sheltered in Canton, and to thank and commend the City and its staff, specifically Tim Gothard, Rick Malone, Tam Erwin, Jim Stephens, and Lonny Cluck, along with many others who made sure the emergency coordinators had what they needed She confirmed the evacuees were sent to clean facilities with supplies after they left Canton and they tried to counter rumors that Canton kicked them out for First Monday She said the fact was they couldn't continue to have evacuees sleeping on concrete floors and in a location without a FEMA or Red Cross presence She reported the Civic Center was opened to over 1800 evacuees, the volunteers rallied on short notice and the effort was supported at an incredible level by the local churches, fire, police and school personnel Mayor Anderson stated that, from a city standpoint, he thought the leadership Judge Koches provided the preceding week paid big dividends and that she and the county staff did an outstanding job leading and coordinating the local efforts

PUBLIC HEARING AND DISCUSS AND CONSIDER ADOPTION OF IMPACT FEES – The Public Hearing was opened at 6:17 p m Gary Burton reported the land use assumptions and capital improvements plan had been approved at a previous meeting He reported he had met with the advisory committee and reviewed the report and proposed ordinance, and they recommended fees of $1350 for water and $1650 for sewer for a total of $3000, which they felt would keep Canton competitive with other cities and still achieve the goal of passing part of the cost of development on to the developer He added they recommended phasing in the fees so they did not penalize those already in their planning phases and adversely affect financing Councilmember Maris clarified the recommended fee was $3,000 per MUE and went up from there

Mike Blake, 5434 VZCR 1222, Grand Saline, announced he had spoken to the Homebuilders Association in Dallas about impact fees to get a better feel for the direction it was headed and what he could expect as a builder He said the impact fees seemed to be going up and the developers were taking on more responsibility for the continued development in cities He noted most cities stayed within 40-50% of maximum because the numbers get so high He also pointed out in the City of Canton, it was difficult to buy land which was primarily controlled by a couple of individuals and, if one did, he had to pay almost Dallas prices He said if one paid $15,000 per acre of land in Canton and divided by 2 5 (# lots per acre), it would cost $6,000 per lot, and to develop to city codes, it would cost about $12,000 per lot which would probably go up Mr Blake said an added impact fee of $3,000, would increase the lot cost to $21,000 when one could

develop one mile outside the city limits without the same requirements for curbs, gutters, sewer lines, etc for $15,000 He explained building in the city would cost about $4,000 more because of the city inspector and codes Mr Blake pointed out another consideration was the amount of profit per house was 3-4% per unit which was $4,500-$6,000 for an average $150,000 home Mr. Blake requested the City go as low as it could on the impact fee because of the impact it would have on the contractors

Rick Malone said the impact fees would only affect property developed in the future, that vacant or undeveloped land or land which already had taps or meters would not be affected He added the impact fee was going to impact any new development in the city of Canton Councilman Brockman commented that the City would not realize much money from the impact fee for five years Gary Burton pointed out that the only subdivision that was platted with vacant lots was Etheridge Farms Rick Malone stated the impact fee would not affect them because they already had sewer and water taps He also emphasize there would be phased-in implementation Mayor Anderson explained when people wanted in the city limits, the City had to run extra lines for them and the impact fee was designed to help the City with that build-out so people who already lived in city limits didn't have to pay the whole amount Gary Burton explained a portion of the costs would be paid through user charges, noting the proposed impact fees were credited by 50% to keep people from paying for the impact twice He further explained the eligible costs of capital improvements was calculated, then cut in half, to determine the amount on which to base the fees. He said the other 50% was paid through long-term user charges

Mayor Anderson stated the water and sewer plants were supposed to stand alone and that property tax revenue should not go toward enterprise funds He further explained that the City was asking for the impact fee to assist with the build-out of water or sewer and that it only impacted new development and not current property owners Lonny Cluck pointed out the impact fee helped protect existing people from the cost of accommodating new development He added a lot of towns hid the impact fee by charging higher tap fees He reiterated the Mayor's stated that water and sewer plants were supposed to stand by themselves and make their own payments if money was borrowed Mayor Anderson noted the City's plants had not been doing that, in fact the cash flow with the bond indebtedness and depreciation had the City $300,000 in the hole Rick Malone added that the bond indebtedness had been for adding to the facilities, not just maintenance Mayor Anderson clarified the 2003 bond money was for $1 million to the water plant, $1 million for the sewer plant and $1 million for the streets He explained the State mandated a certain quality and what was needed for the facilities He said the council understood it could not go beyond what was reasonable but one had to look at the other side of the coin, that growth was coming and people recognized Canton was a better place of live Mayor Anderson noted ground had been broken for the water park, in a month ground would be broken for the new medical facility, and they were building a playscape next month

Mr Blake added he had done a lot of research and found it ran the gamut He said if the impact fee got up to $3,000, for about 1200 homes, that equaled $6 million Mr Burton advised the plan included a credit for a portion of ad valorem tax and facility revenues generated by new service units

Sylvia Barbee, 2012 Lisa Circle, mentioned she owned a lot in Canton on which she would like to build and she did not have a problem with the impact fee and had already made a verbal

commitment to bring the property into the city limits She said she would like the impact fees to be as low as possible and phased in to accommodate slow growth like the City said they would like to have

Hearing no further comments, the Public Hearing was closed at 6:58 p m

Councilmember Brockman noted the letter from the committee appointed to study the matter recommended a $3,000 fee phased in 50% in May 2006 and 100% in January 2007 He then made a motion to adopt Ordinance No 2005-31 adopting a total impact fee of $3,000 Councilmember Sanford seconded, all voted in favor

Upon a motion by Councilmember Brockman and a second by Councilmember Sanford, all voted in favor of phasing in the impact fee at 50% in May 2006 and 100% in January 2007, following the committee's recommendations

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE PROVIDING FOR POLICIES AND PROCEDURES REGARDING THE OPERATION OF FIRST MONDAY TRADE DAYS- Councilmember Maris made a declaration of a conflict of interest Lonny Cluck presented the proposed vendor policies and procedures, including changes regarding the reserved and unreserved areas and time changes after Jan 15th, 2006 He said an ordinance must be passed so police officers and employees could enforce them Julie Seymore suggested adding "(and to each visitor where applicable) in the first sentence following the stated rules Mayor Anderson wanted to appoint a First Monday committee consisting of Councilmembers Maris and Sanford Councilmember Brockman inquired how the new reserved/unreserved area was doing Lonny Cluck replied that the Log Cabin reserved spaces were going pretty well but there were still a lot of questions about it He also informed the council that the new computer system was not yet in and once that was operational, the problems should smooth out Mr Cluck said the time changes were for the benefit of the vendors, and the only one that might not be considered as such was not letting the unreserved come in Wednesday the week before He said most of the comments had been positive Councilmember Maris noted he had a conflict on the lease only Councilmember Maris made a motion to adopt Ordinance No 2005 - 32 providing for policies and procedures regarding the operation of First Monday Trade Days Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER FIRST MONDAY LEASES – Councilmember Maris declared a conflict of interest Mayor Anderson explained the leases were for city property leased to private individuals to build a structure on the First Monday grounds Richard Davis said he put together a proposed lease based on what was used in the past and upon comments and input over the months Mr Davis stated he would feel more comfortable with a committee appointed to look at it and give input from a business standpoint Councilmember Brockman made a motion to table the matter in order to let the committee review the proposed lease Mayor Anderson instructed Lonny Cluck to work with the committee and to appoint anyone else he felt needed to be on the committee

STAFF REPORTS AND DISCUSS AND CONSIDER ACTION PURSUANT THERETO – Rick Malone reported all the new First Monday computer equipment was installed at city hall, the

water tower and First Monday offices, but there were some problems which should be resolved that week

Jim Stephens informed the council of extra advertising in the Dallas area paper and cable TV in Shreveport, Oklahoma and the Denton area As well as spots during drive time on Thursday, Friday and Saturday on the major stations in Dallas which should bring in more traffic to First Monday Mayor Anderson reported the charities doing the parking for the City had been allowed to keep the $1 for parking and the city was making no revenue on that during the parking promotion

Lonny Cluck informed the council the expansion at the sewer plant was going well He said the belt press was running at the present time, but they still needed to update the UV system which would cost $40,000 He further reported the groundwater storage tank had been sandblasted and painted, Gary Burton was preparing an estimate for a portable water plant so repairs could be done to the water plant, a test well was being dug and if it was good (around 300 gpm), they could fill the groundwater storage tank and run the two wells for seven to nine days in bad weather while they repaired the water plant

Mr Cluck also reported the new road on the First Monday grounds had been started and was about one-third completed He said Mr Malone had not been able to find an existing bridge to buy and was looking into building one on the grounds He added Mr Malone was also getting pricing on the canopies for the end of Trade Center IV Mr Cluck reported that the reserved RV spaces filled in 2-1/2 hours this month before Hurricane Rita came, but he was unsure how the hurricane would affect First Monday

Julie Seymore reported they had been closing out the year and setting up the new system and would try to be running both systems by mid-October Rick Malone reported the sewer line on Hwy 19 was flowing down both sides, the manholes were grouted the day before, the chloroform results on the I-20 water line were good, and the I-20 sewer line was already in and the testing was 99 9% complete

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551 072) – The Council convened in closed session at 7:36 p m for deliberations regarding real property and for consultation with the City's attorney

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (Section 551 071)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 8:14 p m with no action taken

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS - None

ADJOURN - There being no further items for discussion, the meeting adjourned at 8:14 p m upon motion by Councilmember Brockman and second by Councilmember Maris

R C Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
4:00 P M , WEDNESDAY, OCTOBER 5, 2005
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 Councilmembers present were Mayor R C Anderson, Ross Maris, Robert Brockman, Ron Sanford, and Rusty Wilson. Councilmember Pruitt was absent

Discussion and action were as follows:

CALL MEETING TO ORDER AND ANNOUNCE QUORUM – Mayor R C Anderson called the meeting to order at 4:00 p m and announced a quorum present

DISCUSS AND CONSIDER FIRST MONDAY LEASES – Item tabled while First Monday Committee meets and returns with a proposal

STAFF REPORTS AND DISCUSS AND CONSIDER ACTION PURSUANT THERETO – Linda Hatfield reported First Monday revenue was down a little bit but they still had a good turnout She indicated the Lions Club collected $700 from parking cars, which meant the ad/parking coupon worked Jim Stephens reported a full-page ad was placed in the Dallas Morning News which reached over 700,000 households at a cost of $5,700—a special offer available two to three times per year He said they would be advertising next month on the radio during drive time, on cable and two major channels in Dallas Mr Stephens said he talked to other First Monday property owners about cooperating for more ads in the future He also reported on the billboard signs and asked if the Council wanted to include a message for $1 00 parking They determined it was best to leave the regular rate at $3 00 and allow management to determine when to offer specials Linda Hatfield stated she had received a good response from the vendors on the recent grounds improvements She said she prepared a list of current and future projects to distribute to vendors at the gates and in the Canton Guide Lonny Cluck informed the Council they had removed trees allowing anyone to see the civic center from the Arbors He also reported he had asked Gary Burton Engineering to have plans for the new restroom ready by the next regular council meeting

Lonny Cluck reported the water plant and sewer plant expansions continued; the east outfall sewer line was bid out for ductal pipe instead of PVC since pricing and availability were unknown, noting that if the cost of plastic came down, they would go that way; and seal coating

continued, having done Oaks and Oaks Square and preparing to do Melinda Street and all driveways on Etheridge Road Councilmember Maris asked about the temporary culvert on the east end of Etheridge Mr Cluck informed him the subdivision developers were responsible for repairing and tying in to the existing road. He said they were in agreement on what they were going to do, but were now waiting on them to do it He then reported he was going to see if there was enough money to replace the utilities under Etheridge noting there wasn't much except at Mittie Lane He added Burton Engineering would shoot the level of the houses and they may put more crown on that road and maybe put 1 5 – 2" asphalt on it Councilmember Maris stated that was what they agreed on some time ago Councilmember Wilson asked why the City didn't curb and gutter the street. Mr Cluck said they upgraded the culverts and water was turned down Etheridge rather than its normal route down Oak Street Ray Brumley said they still had a full set of drawings and designs but they came to a stop because the high cost of the work at Highway 198 to take care of the water and because the rights-of-way on the west end of the road could not be obtained Mr Cluck noted the cost would be closer to $1 million now Councilmember Wilson asked about grants for the project Mr Stephens said he would check into USDA grants. Mr Brumley said they had a detailed cost analysis and they could break it in half. Councilmember Maris asked if the City were allowing enough capacity in the utilities for further development along the road Mr Cluck said it would not sewer without a lift station

Julie Seymore reported the staff was closing the calendar year and would begin training on the new software the following week Rick Malone stated the Y-5 network should be finished the next day and they would be able to utilize the system in the future for customers to have access for credit card machines or check e-mail on their laptops

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) – The Council convened in closed session at 4:35 p.m for deliberations regarding real property and personnel matters.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 5:57 p.m. Mayor Anderson announced the Council discussed the lease agreement for the police department building in executive session. Councilmember Brockman made the motion to accept the proposed three-year lease at $2,750 monthly rent contingent upon inclusion of a ninety-day escape clause Councilmember Wilson seconded Councilmember Maris clarified the escape clause needed to be open for any reason All agreed to allow Jim Stephens to continue with lease negotiations, then all voted in favor of the motion.

Jim Stephens voiced his appreciation to Julie Seymore, Lonny Cluck and Tim Gothard for their efforts through the budget process and throughout the past month

Returning to the Item on Staff Reports, Jim Stephens reported the consultants working on the population estimate reported the City could treat First Monday like a college which would bring the population estimate close to 14,000. He said they did not intend to use that figure, but it would still be well above 5,000 required to seek Home Rule He indicated he should receive their

estimate the next week. Councilmember Maris said a charter committee of at least seven members would be required. Councilmembers discussed selecting a diversified group in relation to age, sex, and occupation. Julie Seymore recommended using Bovey, Akers & Bojorquez, LLP for legal services related to the project. The Council discussed hiring Cliff Bowden or someone as a consultant to draft the pros and cons of seeking Home Rule, procedures for bringing a charter to vote, and talking points for informing the public on the issue.

ADJOURN - There being no further items for discussion, the meeting adjourned at 6:04 p.m. upon motion by Councilmember Brockman and second by Councilmember Wilson.

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, OCTOBER 18, 2005
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 R.C. Anderson, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt and Rusty Wilson. City Attorney Richard Davis also attended.

Discussion and action were as follows:

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

MAYOR'S WELCOME given by Mayor Anderson.

INVOCATION given by Rick Malone.

PLEDGE OF ALLEGIANCE led by Tim Gothard.

DECLARATIONS OF CONFLICTS OF INTEREST – Councilmembers Pruitt and Maris signed declarations of conflict of interest related to the First Monday lease issue.

GUEST ITEMS – None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM AUGUST 23 AND 31, 2005 AND SEPTEMBER 12, 19, AND 27, 2005 MEETINGS OF THE CANTON CITY COUNCIL - - Motion was made by Councilmember Pruitt to approve the minutes of the August 23 and

September 27, 2005 meetings and table consideration of the August 31 and September 12 and 19, 2005 minutes to the next meeting Motion was seconded by Councilmember Sanford, and all voted in favor

DISCOVER AND CONSIDER APPROVAL OF SEPTEMBER 2005 FINANCIAL STATEMENTS –The September 2005 Financial Statements were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Maris All voted in favor

UPDATE FROM CANTON CHAMBER OF COMMERCE – Rona Watson presented the financial report for September She explained the December 10, 2005 Christmas parade planning was underway and the parade route would be submitted for approval the next month Ms Watson reported the City had checked their sewer line and found the carpet needed to be pulled up and the concrete sawed to get to the problem She said they would file a claim for replacing the carpet although they would prefer to tile the front Lonny Cluck stated the City would put a cleanout outside the building with a relief valve within the next week or two and clean out the pipe Ms Watson said the Chamber hoped they could wait to have the situation repaired until the sidewalks were installed in the spring

UPDATE FROM CANTON PARKS BOARD AND DISCUSS AND CONSIDER ANY ACTION PURSUANT THERETO – Rick Malone reported the workers were in the process of setting the posts for the new playscape on Cherry Creek He thanked Mr Burton and Mr Brumley for setting the one hundred eighty post holes He said one hundred volunteers would begin working the next day and up to three hundred were expected on Friday and Saturday

DISCUSS AND CONSIDER REQUEST FROM EARL POST JR FOR PERMISSION TO SOLICIT FUNDS AT FIRST MONDAY IN DECEMBER FOR THE SALVATION ARMY RED KETTLE DRIVE – After a brief discussion, a motion was made by Councilmember Wilson to allow the Salvation Army to solicit funds during the December First Monday on the City grounds only Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER REQUEST FROM AARON LLOYD FOR REDUCTION OF COMMERCIAL WATER SERVICE DEPOSIT – Mr Lloyd was not in attendance Mayor Anderson explained there currently was a standard water deposit of $100 for commercial establishments Councilmember Sanford moved to deny Aaron Lloyd's request for reduction of his deposit Councilmember Maris seconded, and all voted in agreement

DISCUSS AND CONSIDER VERIFICATION OF POPULATION – Mayor Anderson reported the City hired MPRG, Inc to assist in determining an accurate population count which they determined to be 5,147 based on the U.S Census Bureau information and the number of water meters He explained the number determined whether or not a City could adopt home rule status Councilmember Brockman made a motion to adopt Resolution No 2005-13 accepting MPRG's verification of the City's population at 5,147 Councilmember Sanford seconded Mayor Anderson explained Home Rule cities had annexation authority and greater authority in how the city was run It was pointed out the citizens would later vote on whether or not they wanted home rule It was also noted that First Monday could be likened to a college town and if those individuals were counted, the City's population could be estimated at 14,000 to 40,000 Jim Stephens informed the council there was a fifteen person minimum for the charter committee All

then voted in favor Jim Stephens mentioned he had asked Texas Department of Transportation to have signs made and installed if the population was approved

DISCUSS AND CONSIDER ADOPTION OF AMENDMENT TO ORDINANCE REGULATING MINIMUM EXTERIOR STANDARDS FOR STRUCTURES INSIDE THE CITY LIMITS AMENDING THE PROCEDURES FOR VARIANCE REQUESTS – Councilmember Pruitt made a motion to adopt Ordinance 2005-33 amending Ordinance 2003-03 regulating the minimum exterior standards for structures inside the city limits by amending the procedures for variance requests to go to the Board of Adjustment rather than the City Council Councilmember Wilson seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE PROHIBITING THE PARKING OR STANDING OF VEHICLES, AND ALLOWING A TOW-AWAY ZONE FOR SUCH VEHICLES PARKED IN MARKED SECTIONS OF BIG ROCK STREET – Mayor Anderson explained the proposed area was on Big Rock on the school side behind the old football field He said people were parking on both sides of the street and creating a dangerous situation Councilmember Wilson mentioned there was plenty of parking available on the other side of the field Councilmember Sanford moved to adopt Ordinance No 2005-34 prohibiting the parking or standing of vehicles parked in marked sections of Big Rock Street Councilmember Wilson seconded, and all voted in favor

DISCUSS AND CONSIDER APPROVAL OF ENGAGEMENT LETTER FOR LEGAL SERVICES WITH BOVEY, AKERS & BOJORQUEZ, L L P – Mayor Anderson explained the firm specialized in municipal law and were experts on the home rule issue Richard Davis pointed out the contract set out they would be used on an individual basis They may be able to help in future litigation on matters such as condemnation Mayor Anderson suggested the firm would be a good place to call to get a quick answer Councilmember Maris moved to approve the engagement letter for legal services with Bovey, Akers & Bojorquez, L L P Councilmember Sanford seconded, and all voted in favor

DISCUSS AND CONSIDER APPOINTMENT TO CANTON ECONOMIC DEVELOPMENT CORPORATION'S BOARD OF DIRECTORS – Mayor Anderson presented a list of three possible replacements for the position left vacant by Mr Whitaker's death – Jason Hesskew, Bob Moore and Beth Whitaker Councilmember Sanford stated he would like to see Mrs Whitaker finish her husband's term ending in March 2006 Councilmember Sanford made a motion to appoint Beth Whitaker to the Canton Economic Development Corporation Board of Directors Councilmember Pruitt seconded, and all voted in favor

DISCUSS AND CONSIDER APPOINTMENTS TO BOARD OF ADJUSTMENT – After a brief discussion, Councilmember Pruitt made a motion to ask Bob Moore to serve on the Board of Adjustment and to ask Jason Hesskew to serve as an alternate on the Board Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER REPAIRS TO WATER PLANT AND ALTERNATE WATER SOURCE – Lonny Cluck reported the water plant was running from 2 2 to 2 5 million gallons per day during its heaviest loads He noted when the water plant reaches 3 million gallons per day, the TCEQ will force the City to add a new clarifier Gary Burton gave an estimated cost of $2 5

million to buy a new clarifier and repair the existing one Mr Burton estimated the cost of digging a new well would be $400,000 Mr Cluck explained if the new well were completed, the City would be able to run for seven to nine days at a low volume, which would allow the clarifier to be repaired The City could also rent a temporary trailer-mounted water plant for $125,000 a month so the clarifier could be repaired Mr Cluck pointed out that building a new well would extend the amount of time before a new clarifier would be necessary Rick Malone recognized that a new well would mean 70-80% savings because the water would not have to be treated He pointed out the well would be used for backup only Gary Burton noted the maximum capacity for the clarifier was 2 7 million gallons per day There was a general discussion regarding putting in a new clarifier and the ways in which it could be accomplished Lonny Cluck pointed out the decision needed to be made by March 1 because that was when water consumption would increase again Councilmember Maris stated he did not see many down sides to putting in a new well Rick Malone explained that right now, the City was not on a water district but was self sufficient Councilmember Maris pointed out one or two wells might extend the time but if the City waited too long there may be a problem getting a site for a lake After another brief discussion, Councilmember Wilson made the motion to drill the well and repair the current clarifier and to give Mr Cluck the authority to fix the new well prior to March 1 if there were any problems Councilmember Sanford seconded and all voted in favor Julie Seymore pointed out that a budget amendment would be required

DISCUSS AND CONSIDER PLANS FOR NEW RESTROOM AT FIRST MONDAY PARK – Lonny Cluck reported the present estimated cost of the new restroom was $259,000 Mr Cluck and Mr Burton presented a drawing and site plan The new restroom is to be located on the west side of the Kenneth Pruitt building The restroom will be two feet above ground with a concrete retaining wall around it, and handicap accessible Mr Cluck had estimated $200,000 for the restroom in his budget for this year Gary Burton pointed out that amount included $15,000 in contingencies Councilmember Pruitt made a motion to put the plan for the new restroom at the First Monday Park out for bid Councilmember Brockman seconded, all voted in favor Mayor Anderson recognized that a large majority of the First Monday shoppers were women and the City was trying to upgrade the First Monday Park so it could be used throughout the year for events other than First Monday

DISCUSS AND CONSIDER FIRST MONDAY LEASE AGREEMENTS – After a fifteen minute recess, the proceedings resumed at 7:30 p m Councilmembers Pruitt and Maris were not in attendance due to previously declared conflicts of interest Councilmember Wilson wanted to remove the language in Paragraph 3 stating the rent increase should not exceed 10%, and leave in that the rent would be based on the prevailing rent rates Councilmember Wilson wanted to be sure the lease included language about sales tax being paid in Canton, Texas Councilmember Wilson expressed his desire that the language be left in the lease that approval of sublessees would not be unduly withheld by the City He also asked that the waiting period mentioned in Paragraph 12 be changed from thirty to fourteen days Richard Davis explained there was language that required the vendor to give the City the first option to purchase at the rate proposed by a prospective buyer Councilmember Wilson made a motion to accept the lease agreement according to what he previously outlined Councilmember Brockman stated he accepted all but on Paragraph 12 regarding subleasing Councilmember Sanford seconded Councilmembers Wilson and Sanford voted in favor, Councilmember Brockman opposed

STAFF REPORTS AND DISCUSS AND CONSIDER ACTION PURSUANT THERETO – Councilmembers Pruitt and Maris returned to the meeting. Judge Durham invited all councilmembers to her courtroom during the week of October 31 for Municipal Courts Week. Rick Malone reported the First Monday road was going well, he was getting the utilities set up for the new restroom, and he was working on the design for the new bridge, which would be made from I-beams and concrete. He explained Dr. Wright had been unavailable and he had been unable to speak with him about the design for the new animal shelter. He said he hoped to speak with him during the next week or so. Julie Seymore discussed the status of the new accounting software to be used at City Hall.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL SALE, LEASE OR PURCHASE OF REAL PROPERTY (Section 551.072) – The Council convened in closed session at 8:15 p.m. for deliberations regarding real property and personnel matters.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 9:02 p.m. Councilmember Sanford made a motion to accept the contract from Mrs. Davenport on the purchase of property. Councilmember Maris seconded, all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None

ADJOURN - There being no further business to come before the Council, the meeting adjourned at 9:02 p.m. upon motion by Councilmember Brockman and second by Councilmember Pruitt.

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, NOVEMBER 15, 2005
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 R.C. Anderson, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt and Rusty Wilson. Also attending was city attorney, Richard Davis.

Discussion and action were as follows:

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

MAYOR'S WELCOME given by Mayor Anderson

INVOCATION given by Jim Stephens

PLEDGE OF ALLEGIANCE led by Lonny Cluck

DECLARATIONS OF CONFLICTS OF INTEREST – Councilmembers Pruitt and Maris declared a conflict of interest on First Monday leases Richard Davis advised the council as to the definition of conflict of interest

GUEST ITEMS – Jim Fuller thanked the City for sending him to the International Bluegrass Music Festival He said Canton was recognized as the site of the big flea market and it was now beginning to be known as the site of the Free State Bluegrass Festival He said high profile groups had started calling Canton to participate, and they needed to concentrate on getting local support, and determining how to measure the local economic impact, what impact the rising cost of fuel would have and how to get more free advertising

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM AUGUST 31, 2005, SEPTEMBER 12, AND 19, 2005 AND OCTOBER 5 AND 18, 2005 MEETINGS OF THE CANTON CITY COUNCIL – Item tabled

DISCUSS AND CONSIDER APPROVAL OF OCTOBER 2005 FINANCIAL STATEMENTS – The October 2005 Financial Statements as presented by Julie Seymore were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Maris

PRESENTATION BY VAN ZANDT COUNTY SHERIFF'S OFFICE TO DIRECTOR OF PUBLIC SAFETY TIM GOTHARD – Sheriff Pat Burnett presented to Tim Gothard a certificate of accommodation for the July 6, 2005, call on a suicidal subject who wanted to speak to a fireman The situation was traumatic, but due to his professional and personal attitude and courtesy, Mr Gothard helped bring the situation to a successful conclusion

UPDATE FROM CANTON CHAMBER OF COMMERCE – Financials were distributed Ms Watson reported she just came from the Chamber's after-hours networking event at Homemade Gourmet; the Christmas Tree lighting would be held in the museum for East Texas Hospice the following week; and plans for the parade were progressing with one hundred floats expected

DISCUSS AND CONSIDER AUTHORIZATION AND SUPPORTING RESOLUTION FOR STREET CLOSURES FOR DECEMBER 10, 2005, CHRISTMAS PARADE SPONSORED BY CANTON CHAMBER OF COMMERCE – Ms Watson presented the parade route and noted Chief Echols did not have any real issues with the route other than the length of time the roads would be closed She also noted Mark McLanahan with the Texas Department of Transportation had no issues with the street closings She said they asked the Sheriff's Posse to help She also said they planned to begin and end at Old Mill Marketplace Councilmember Maris moved to

authorize and approve the Resolution 2005-15 for street closures for the December 10, 2005, Christmas Parade sponsored by the Chamber of Commerce. Councilmember Brockman seconded with the provision that the City receive a letter from TxDOT releasing the City of any liability All voted in favor

DISCUSS AND CONSIDER APPROVAL OF PROFESSIONAL SERVICES CONTRACT WITH GARY TRAYLOR AND ASSOCIATES AUTHORIZING APPLICATION AND GRANT MANAGEMENT SERVICES IN CONNECTION WITH CONSTRUCTION OR EXPANSION OF CIVIC CENTER / COMMUNITY SHELTER / EVACUATION CENTER – Mayor Anderson moved this item up in the agenda to accommodate Mr Traylor's schedule Gary Traylor stated he submitted to the Governor's office a notice of intent for Canton to apply for a FEMA hazard mitigation grant for the construction of a community shelter for people seeking refuge from storms or in the event of an evacuation from the path of an approaching storm Mr Traylor presented the proposed agreement for them to perform any services necessary to secure those funds He said there would be no charge unless the grant was successful Under the agreement, the City would agree to pay 10% of all federal or state funds awarded The City would be entitled to Traylor's firm's continued grant administrative services throughout the period of the grant, approximately three years Mr Traylor said there was no commitment to undertake a project, but if they were invited to apply, they would only have thirty days to submit the application He said the grant funding would make up 65% of the total cost and the local expenses would be 35% There was a general discussion regarding whether a new facility would be needed or if the existing Civic Center would be expanded Following a discussion on whether the council was ready to commit to a project, Mr Traylor advised they could decide that at the time they were asked to approve the grant application Mayor Anderson suggested an amount be designated to pay Mr Traylor's company if they assisted in the preparation of the application and the City decided not to proceed Councilmember Pruitt made a motion to approve the execution of the professional services contract with Gary Traylor and Associates authorizing the application and grant management services in connection with the construction or expansion of the Civic Center/Community Shelter and/or Evacuation Center Mayor Anderson wanted to add the caveat that the City would determine an amount to pay Mr Traylor for the preparation of the application before an application is submitted Councilmember Brockman seconded the motion, and all voted in favor

Gary Traylor reported the Department of Transportation had also announced an upcoming application deadline for a statewide enhancement program He said Canton was currently receiving a little over $1 million for the downtown streetscape project which had been a lengthy project with delayed construction He said the local match in a new project would be 20% and there would likely be a three-year period of time in which to budget and raise matching funds He noted Canton had mentioned wanting to work on other projects such as a pedestrian/bicycle trail or pathway from First Monday to the new park Mr Traylor offered his assistance to the City and presented an additional service agreement for the project He added his firm would not receive a fee unless the grant was obtained, then he would receive 10% Mr Traylor stated his firm would not be able to bill for the project until it went under construction Mr Traylor suggested the City consider applying for a second enhancement grant Councilmember Brockman stated he would like to have a plan on how the money would be spent before voting on it Councilmember Brockman inquired whether or not the money could be spent on a pedestrian walkway across Hwy 19 Mr Traylor said yes, but it was getting almost impossible to get approval for an aerial

crosswalk It was decided that Mayor Anderson, Gary Traylor and Lonny Cluck would work together on a presentation for the council regarding how the money might be best spent.

DISCUSS AND CONSIDER AUTHORIZATION AND SUPPORTING RESOLUTION FOR STREET CLOSURES AND PROMOTIONAL WALK FOR DECEMBER 9-11, 2005 LIVING NATIVITY SPONSORED BY WORD OF VICTORY OUTREACH CENTER – Councilmember Sanford made a motion to authorize closing Buffalo Street from Dallas Street to Terrell Street and approve the supporting Resolution No. 2005-15 for the December 9-11, 2005, Living Nativity sponsored by Word of Victory Outreach Center. Councilmember Brockman seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDING TAXI LICENSE TO CHARLES DENNIS FOR OPERATION OF CANTON CAB AND COURIER SERVICE – After a brief discussion about the details of operating a cab and courier service in Canton, Councilmember Brock suggested to Mr. Dennis that he put together a specific proposal before a license could be granted. Mayor Anderson pointed out the license would not be exclusive. Mayor Anderson instructed Lonny Cluck, Chief Echols, and Mr. Dennis meet to determine a location for a downtown cab stand.

DISCUSS AND CONSIDER REQUEST FROM CITIZENS TO INVITE YMCA TO ESTABLISH AND MANAGE ADULT SOFTBALL PROGRAM AT OLD CITY LAKE BASEBALL FIELD – Item tabled to the next regular meeting.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE APPROVING OR DENYING ATMOS ENERGY CORPORATION, MID-TEX DIVISION'S REQUEST FOR ANNUAL GAS RELIABILITY INFRASTRUCTURE PROGRAM RATE ADJUSTMENT –After a brief discussion, Councilmember Brockman moved to adopt Ordinance 2005-35 denying Atmos Energy Corporation and Mid-Tex Divisions Request for Annual Gas Reliability Infrastructure Program. Councilmember Wilson seconded, and all voted in favor of denying the request.

FIRST PUBLIC HEARING ON ANNEXATION OF 7.59-ACRE TRACT SITUATED IN THE Q.C. NUGENT SURVEY, LOCATED NORTH OF COMPLEX ADDRESSED 542 HIGHWAY 64 EAST, OWNED BY CORRY DAVIS MARKETING, INC. – A public hearing on the issue of annexation was opened at 7:27 p.m. Mayor Anderson explained the individuals at Old Mill Marketplace had requested a water meter which was granted upon the condition they petition for annexation. Hearing no further discussion, the public hearing was closed at 7:28 p.m.

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION APPOINTING CITY OF CANTON CHARTER COMMISSION – Mayor Anderson stated a group of citizens was necessary to develop a proposed city charter changing the City from General rule to Home Rule. Councilmember Brockman made the motion to adopt Resolution No. 2005-16 appointing a City of Canton Charter Commission consisting of Chairman Don Hackney, Joe Groves, Jason Hesskew, Kris Ingram, Ray Brumley, Mike Malouf, Kent Eubank, Ben Shirey, Amy Huddle, Mary Ann Marshall, Merillee McLemore, Janice Brown, and Lynn Etheridge. Councilmember Maris seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF CONSULTING AGREEMENT WITH THE CHILDERS GROUP, LC TO FACILITATE CITY CHARTER COMMISSION – Mayor

Anderson said Mr Childers of the Childers Group, LC had given him good information about setting up a City Charter Commission and he anticipated having one meeting of the commission per month for a period of five to six months Councilmember Maris suggested having town hall meetings to bring the matter to the citizens Councilmember Brockman made a motion to approve the consulting agreement with the Childers Group, LC to facilitate the City Charter Commission. Councilmember Sanford seconded, and all voted in favor

UPDATE FROM GARY BURTON ON EAST OUTFALL SEWER LINE PROJECT AND DISCUSS AND CONSIDER ANY ACTION PURSUANT THERETO – Lonny Cluck explained the east outfall sewer line project was a city project funded by CEDC that would affect existing city easements and city property He asked the Council to ratify CEDC's selection of low bidder Rice Construction Co with a bid of $430,000 for the job Councilmember Brockman so moved Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER AWARDING BID FOR NEW WATER WELL – Lonny Cluck requested this matter be tabled

DISCUSS AND CONSIDER ADOPTION OF INTERLOCAL AGREEMENT WITH VAN ZANDT COUNTY REGARDING DISASTER RELIEF SHELTER SERVICES RELATED TO HURRICANE RITA – Rhita Koches explained all expenses were being funneled through the county and they were turning them into FEMA for reimbursement Judge Koches said the total had been surprising low so far, only about $34,000 Anderson acknowledged that, although the evacuees were taken to the City's Civic Center, the whole effort could not have happened if not for the county Councilmember Sanford made a motion to adopt the interlocal agreement with Van Zandt County regarding disaster relief shelter services related to Hurricane Rita Councilmember Wilson seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION APPROVING 2005 TAX ROLL LEVY – Based on figures provided by the Van Zandt County Appraisal District, Councilmember Maris moved to adopt Resolution No 2005-17 approving the 2005 tax roll levy of $863,978 Councilmember Brockman seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AUTHORIZING AMERICAN NATIONAL BANK OF TEXAS VISA BUSINESS CARD APPLICATION – After a brief discussion, the matter was tabled until the next regular meeting to see if better terms could be found on another account

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING FISCAL YEAR 2005-2006 BUDGET FOR PURCHASE OF REAL PROPERTY – Mayor Anderson pointed out the City was currently spending $50,000 a year in rent Councilmember Brockman made a motion to adopt Ordinance No 2005-36 amending the fiscal year 2005-2006 budget for the purchase of real property in the downtown area increasing the Administration Land Capital Expenditure Account No 01 100 1540 by $345,000 and increasing the Administration Beginning Fund Balance Account No 01 4001 by $345,000, with $154,707 01 taken from a cash reserve account earmarked for Land, and $190,292 99 taken from the general cash reserves. Councilmember Maris seconded Councilmember Pruitt opposed and all others voted in favor

Councilmember Pruitt stated he would rather have the funds go toward repairing streets and sewer lines.

DISCUSS AND CONSIDER FIRST MONDAY LEASE AGREEMENTS – Councilmembers Pruitt and Maris excused themselves for this discussion. Councilmember Wilson suggested the following change to the lease allowing the vendor to place a lien against the property for reasons other than for the purchase of the business or for improvements to the property. Richard Davis did not object to adding the language that a vendor could put a lien on the leasehold and it does not encumber the land. The matter was tabled until the next meeting to give Mr. Davis time to add proposed language regarding placing a lien and clarifying that a transfer fee would be due at the time the leasehold might be sold.

STAFF REPORTS AND DISCUSS AND CONSIDER ACTION PURSUANT THERETO – Tim Gothard reported he and Chuck Allen had begun preparing an emergency plan for First Monday. He stated a FEMA grant would fall right in place with the emergency plan they were developing. Lonny Cluck reported they were considering putting in a store front in the front of Trade Center III and were having trouble getting anyone to bid on the job. Rick Malone reported he was communicating with Gary Burton about the design for the bridge across the new First Monday road. The preparation and design for the bridge will be done in-house but the concrete and welding will be bid out. Mr. Malone further reported the bids on the bathroom were supposed to come in on December 15, Rice Construction was awarded the bid for the east outfall sewer line, and he was trying to expedite matters regarding permission from TCEQ to drill the new water well. He added the bids for the well were in but there was such a wide range, Mr. Burton would have to review each one. Mr. Malone also reported the new computer system was in at City Hall and training had begun. He said the new internet system was up and running.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL SALE, LEASE OR PURCHASE OF REAL PROPERTY (Section 551.072) – The Council recessed at 8:02 p.m. and convened in closed session at 8:14 p.m. for deliberations regarding real property and personnel matters, in addition to consultation with the attorney.

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

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (Section 551.071)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 9:31 p.m. Councilmember Maris made a motion to discuss offering the City Manager's position to Cliff Bowden contingent on working out the details. Councilmember Sanford seconded, all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None

ADJOURN - There being no further business to come before the Council, the meeting adjourned at 9:33 p.m. upon motion by Councilmember Pruitt and second by Councilmember Wilson.

R C Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
11:00 A M., TUESDAY, NOVEMBER 22, 2005
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 R C. Anderson, Ross Maris, Robert Brockman, Ron Sanford, Raymond Pruitt and Rusty Wilson Also present was the city attorney, Richard Davis. Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Anderson called the meeting to order at 11:02 a m and declared a quorum present

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM AUGUST 31, 2005, SEPTEMBER 12, AND 19, 2005 MEETINGS OF THE CANTON CITY COUNCIL – Item tabled

SECOND PUBLIC HEARING ON ANNEXATION OF 7 59-ACRE TRACT SITUATED IN THE Q.C NUGENT SURVEY, LOCATED NORTH OF COMPLEX ADDRESSED 542 HIGHWAY 64 EAST, OWNED BY CORRY DAVIS MARKETING, INC. – A public hearing was opened at 11:06 a m and closed with no comments made

Mayor Anderson announced he had spoken at length with Mr. Bowden and would like to go through the motion of accepting the contract and hiring him It was determined a vote would be postponed to later in the meeting

Councilmember Pruitt stated he had a problem closing Highway 19 for the length of time required for the Christmas parade After a brief discussion regarding the road closures, Councilmember Wilson made a motion that the Christmas parade begin at the Junior High and end at Old Mill Marketplace Councilmember Sanford seconded, and all voted in favor

DISCUSS AND CONSIDER APPROVAL OF BUFFALO STREET CLOSURE FOR CHRISTMAS LIGHTING CEREMONY NOVEMBER 25, 2005 –Linda Jones announced the Christmas Lighting Ceremony had been moved to November 26, 2005, due to the football playoffs. She requested Buffalo be closed from Highway 64 to Tyler Street from 3:00 – 8:00 p.m. on November 25. Upon consent by Tim Gothard, Councilmember Brockman made a motion to approve the requested street closure Councilmember Pruitt seconded, and all voted in favor

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AUTHORIZING AND APPROVING RENEWAL AND EXTENSION OF A $439,076 70 LOAN FROM AMERICAN NATIONAL BANK OF TEXAS – Resolution No 2005-18 authorizing and approving the renewal and extension of a $439,076 70 loan from American National Bank of Texas was unanimously adopted upon motion by Councilmember Wilson and second by Councilmember Maris

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING FISCAL YEAR 2005-2006 BUDGET FOR CONSTRUCTION OF NEW WATER WELL – Mayor Anderson explained that major repairs were needed to the clarifier at the water plant which would require shutting it down for five to seven days He said the City was drilling a new well to supplement the water supply during that shut down and to provide additional water in the future. He said the estimated cost was approximately $500,000, which would be taken out of the City's cash reserves. Councilmember Brockman made a motion to adopt Ordinance 2005-37 amending the fiscal year 2005-2006 budget as follows: Increase City Lakes & Wells Capital Expenditure Account No 02 600 1550 by $500,000 for the construction of a new water well; and Increase the Water and Sewer Beginning Fund Balance Account No 02 4001 by $500,000 taken from the general cash reserves Councilmember Maris seconded, and all voted in favor

DISCUSS AND CONSIDER FIRST MONDAY LEASE AGREEMENTS – Councilmembers Maris and Pruitt declared conflicts of interest and excused themselves from the discussion at 11:19 a m. Councilmember Wilson said he approved the new language in Paragraph 3 allowing lienholds for improvements or for financing the transfer of ownership and other after written consent of the landlord Councilmember Wilson was against the language about the leasehold in paragraph 4 about the policies and procedures He preferred to vote and then table any further amendments until the new city manager had taken over Richard Davis did not recommend the lease, not because of the two items discussed at that time, but because of other issues concerning the sale or transfer of leases without the approval of the City Richard Davis informed the council he had inserted the language on the top of page 4 to make sure the City could collect a transfer fee. He said the purpose for the addition was so any future transfer would be subject to a transfer fee effective at the time of the transfer He said an issue on an existing lease was raised regarding what rate would be applicable since the lease did not specifically refer to it even though another section referred to the policies and procedures. Lonny Cluck mentioned that transfer fees had been collected under the old leases even if it was not specifically set out in the lease Councilmember Wilson recommended on that particular lease that the City fulfill its obligation and he said most thought that the lease followed whatever the transfer fees were at the time of the original lease Councilmember Brockman disagreed Mr Davis said he thought the lessees had operated under the assumption that they always charge the current price on the transfer After a general discussion about transfer fees, the matter was tabled to allow the new city manager time to research the matter Two changes to the lease were proposed – on page 3 regarding leasehold interests and going forward with the transfer fees applied to policies and procedures at time of the transfer. Councilmembers Wilson and Sanford voted to approve the new changes in the lease, Councilmember Brockman opposed. Richard Davis explained that as far as new leases exercising options were concerned, the parties would follow the old lease unless both parties agreed to modify the terms. The option of renewal would be under the old terms. Mr Davis said one

would have to look at each one individually. Mayor Anderson pointed out that the vote had nothing to do with coloring the issues of existing leases.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551 074) - Councilmembers Pruitt and Maris returned to the meeting at 11:37 a m The Council convened in closed session at 11:37 a m. for review of the proposed contract with Cliff Bowden

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 11:51 a.m

DISCUSS AND CONSIDER APPROVAL OF CITY MANAGER'S CONTRACT WITH CLIFF BOWDEN – Councilmember Brockman made a motion to hire Cliff Bowden and to approve the contract as written Councilmember Maris seconded, and all voted in favor

ADJOURN - There being no further business to come before the Council, the meeting adjourned at 11:52 a m upon motion by Councilmember Pruitt and second by Councilmember Wilson.

R C Anderson, Mayor

ATTEST:

Julie H Seymore, City Secretary

CITY COUNCIL WORK SESSION
5:30 P.M., TUESDAY, DECEMBER 20, 2005
City Hall Council Chambers, 290 East Tyler Street
Canton, Texas 75103

MINUTES

1. Call to Order – Councilmember Pruitt called the meeting to order at 5:32 p.m with Councilmembers Raymond Pruitt, Robert Brockman, Ron Sanford and Ross Maris in attendance Mayor Anderson joined the meeting at 5:34 p m Councilmember Rusty Wilson was absent City Attorney Richard Davis also attended.

2. Invocation

3. Pledge of Allegiance

4. Declarations Regarding Conflicts of Interest - None

5. Proclamations and Announcements – Mayor Anderson noted a letter of appreciation from the Mayor of Beaument, Texas, thanking Canton for taking care of his citizens during the Hurricane Rita evacuation

CITIZEN'S FORUM

6. Citizen's Forum – City Manager Cliff Bowden explained the purpose of the citizen's forum and noted the three minute limit per speaker.

CONSENT AGENDA

Mr. Bowden explained the consent agenda was for housekeeping measures that could be approved in one motion. He noted questions on the consent agenda could be addressed during the workshop and any item could be pulled off and placed under individual consideration if necessary

7. Consider Approval of Minutes from August 31, September 12 and 19, October 5 and 18, and November 15 and 22, 2005 City Council Meetings – Minutes from the September 19th meeting were pulled from the consent agenda and tabled to the next meeting

8. Consider Approval of November 2005 Financial Statements – No discussion.

9. Consider Adoption of Ordinance Annexing a 7.59-acre Tract Situated in the Q.C. Nugent Survey, Located North of Complex Addressed 542 Highway 64 East, Owned by Corry Davis Marketing, Inc. – Mayor Anderson reported public hearings on the proposed annexation of the RV Park property had been held.

10 Consider Acceptance of Petition for Annexation of a 1 0-acre Tract Situated in the Q. C. Nugent Survey, A-618, Located on I-20 North Service Road West of Highway 17, Owned by Kelly Cox – Mr. Bowden explained the owners were petitioning for annexation to put a billboard on the interstate The Council determined the public hearings should be at 6:30 p.m on January 17, and 11:00 a.m on January 24, 2006

11 Consider Adoption of Ordinance Amending Subdivision Ordinance No 94-04 to Require and Establish Regulations for House Numbering on Curbs in New Subdivisions – Councilmember Pruitt asked about with the organization that was earlier granted permission to paint house numbers on curbs as a fundraiser Rick Malone said they stopped the project shortly after it began.

12. Consider Adoption of Resolution Authorizing Signers on All Accounts with American National Bank – Mayor Anderson explained the proposed resolution added the new city manager to the bank signature cards

13. Consider Awarding Bid for Construction of New Water Well – Councilmember Pruitt recommended awarding the bid to Danny Ayers, a local contractor, who drilled the test well at no charge, noting his bid was only $6,000 higher than the low bid. He said he felt more comfortable with someone local who was accessible twenty-four hours a day, who did good work and who probably needed to recoup some of the cost he had into drilling the test well Lonny Cluck explained that a city needed justification not to accept the low bid, e.g a bad reference, and then had to allow thirty days for a rebuttal. Engineer Gary Burton stated the low bidder had received good references. Councilmember Brockman also warned that it if the city didn't accept the low bid and they were qualified, it would be difficult to get bidders in the future. Councilmember Pruitt did not want to pull the item from the consent agenda, but Mayor Anderson said he would ask for comments so

Councilmember Pruitt could state his position Mayor Anderson asked local vendors to present their best bids because the city would prefer to use local companies.

14. Consider Adoption of Ordinance Establishing a Juvenile Case Manager Fee -- Cliff Bowden reported the item was requested by Judge Durham in order to asses a new $5 fee per offense to fund a part-time municipal clerk/juvenile case manager in the future, yielding an estimated annual revenue of $2765 He noted the city did not have to employ a clerk at this time, and it could collect the fee until it reached a level to justify a salary. He said the fee was created for misdemeanor cases and earmarked for a juvenile case manager.

INDIVIDUAL CONSIDERATION

15. Public Hearing and Consider Request by Edgar Jimenez for a Specific Use Permit to Allow a Charitable Organization to Operate at 547 South Buffalo, Canton, Texas, Zoned Single Family Detached Residential (R-1) – Rick Malone explained the specific use permit was requested in order to open a children's advocacy center with the purpose of interviewing young witnesses or victims of violent crimes in a safe and welcoming environment. He said it would be minimally staffed with no more than one to three cars there at any one time, there was adequate parking for that on site, and they had received a letter granting permission for additional parking at the United Methodist Church for the monthly board meetings. He said the house now used was in Grand Saline, but the County and District Attorney prefered to have it in Canton. Mr Malone noted the permit would be void if the center closed or never opened He said the Planning & Zoning Commission and staff recommended granting the permit with the noted restrictions.

16. Consider Approval of Agreement with Land Design Partners, Inc to Provide Application Services for a Texas Parks & Wildlife Department Outdoor Recreation Grant and a Small Community Grant for the Recreational Facility at the Site on Cherry Creek – Cliff Bowden reported the contract with Land Design Partners would allow them to apply for a grant for the new park. Rick Malone further explained it would be for Phase 2 for infrastructure inside and around the park trails area – an amphitheater, lights, Frisbee golf course, pavilions and workout equipment along the trails. He said they were hoping the playscape and property would be enough for the city's match. He also reported they were working on the specifications for Phase 1 Park Trails and hoped to go out for bid in January or February Mayor Anderson said he talked with a citizen who thought the City should include a botanical garden and that she had researched grants to build and maintain it. He noted he had directed her to talk with Mr Malone. Councilmember Pruitt asked about money to hire someone to maintain the park. Julie Seymore indicated it was not budgeted Lonny Cluck added the current staff was a certified jailer and they hoped to get trustees to help

17. Consider Acceptance of Dedication of Streets and Easements by Lake Meadows Subdivision -- Lake Meadows subdivision – Rick Malone reported the subdivision was built in 1998, but the contractor went bankrupt and the bonding company was slow to pay. He said he had issues with the entryway and told the owners he would not present the roads to the Council for acceptance until it was fixed He added it had been fixed this year and was before them for acceptance. Councilmember Brockman stated it looked like it still had soft spots two-foot from the curb line. Mr. Malone said the only noticeable problems he saw was some cracking on the south loop, but he had not inspected the entire road.

Councilmember Brockman requested the item be tabled until the street could be inspected by an engineer

Cliff Bowden requested the Council to return to Item 14 since Judge Durham was now available Judge Durham said the clerk would facilitate the court, write letters, look at pending juvenile cases, and follow up at the schools to make sure court orders were being followed She said they have approximately one hundred fifty juveniles come through the court annually, but the ordinance would allow for the fee to be assessed on all cases. She said the case manager could be part-time and she wouldn't hire anyone until the next budget.

APPOINTMENTS AND REPORTS

18. Mayor's Report

19. City Manager's Report – Cliff Bowden reported the Production Co. 44 Blue had visited the First Monday grounds and was planning to film the flea market backdrop portion of ten episodes of the home decorating cable program called "Find & Design" at First Monday beginning in February for four months He noted it was nationally-syndicated and aired weekly, marketing our venue to millions of people. He also reported the development of a city newsletter. Jim Stephens distributed the format and stated 2000 copies would be mailed around the 20th of each month under a third-class mailing permit at $.24 each Councilmember Maris asked if it could be combined with the water bill Mayor Anderson noted some logistical obstacles.

20. Staff Reports
    i Northeast Texas Regional Water Plan – Lonny Cluck presented a map of the region containing four large area lakes for which Canton had no water rights He said the County had not been represented at the regional level and the only thing allowed for Canton in the plan was the drilling of water wells He added the City had since opened communication with the planning committee and he thought the plan could be amended to allow Canton to buy water from nearby lakes if any developed. He said Canton's first lake was built in 1929 and another in 1970, but Canton probably needed to consider building another one. He said there was a lot of opposition to big lakes, but a lake under 1000 acres, as would be needed by Canton, went by different rules because the impact on the environment was not as great Mr Cluck noted the farther down Mill Creek the lake, the smaller it would need to be because drainage and recovery of run-off would be greater. He said Canton also needed to look at the Old City Lake because at its original size, it could pull 300 gallons per minute which could be pumped to the New City Lake. He said he would start looking at another well site also, and that professionals recommended they be one mile apart, which raised the expense of piping He also noted there were a lot of options and that Canton was on the corner of three water regions that might have projects that would be beneficial to Canton He stated the closest bought water was Edgewood which piped from Lake Tawakoni. He said the staff was working to get Canton's plans in Northeast Texas Regional Water Planning Area's long-range plans He added there would be more procedures required if Canton decided to build a lake since it was not called for in the plan, and that grants would be harder to get. He noted the plan would be revised every five years Cliff Bowden stated the purpose of the report was to let the Council know staff was working on the issue.

ii First Monday Revenue -- Lonny Cluck reported there were 104 spots open in the Trade Centers and 27 spots open in the Civic Center for the next First Monday, and no one came to sign up for outdoor lots on Super Tuesday He did note the Log Cabin reserved area was well reserved for the month Mr Bowden indicated the purpose was to ensure the council was aware the revenue was decreasing below expectations and that the staff would be reviewing the budget on January 10th and would probably make suggestions based on this information

20. Items for Future Agendas – None discussed

EXECUTIVE SESSION

Cliff Bowden reported there was nothing to discuss in executive session at the regular meeting.

21 Deliberations Regarding Potential Purchase, Lease or Sale of Real Property (Section 551.072)

22. Deliberations Regarding Personnel Matters (Section 551 074)

23. Consultation with Attorney Regarding Pending Litigation (Section 551 071)

RETURN TO OPEN SESSION

24 Reconvene to Open Session and Consider Action, if Any, on Items Discussed in Executive Session

25 Adjourn – The workshop adjourned at 6:27 p.m.

R C. Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CITY COUNCIL REGULAR MEETING
6:30 P.M., TUESDAY, DECEMBER 20, 2005
City Hall Council Chambers, 290 East Tyler Street
Canton, Texas 75103

MINUTES

1. Call to Order – Mayor R.C Anderson called the meeting to order at 6:30 p.m. with Councilmembers Raymond Pruitt, Robert Brockman, Ron Sanford, and Ross Maris. Councilmember Rusty Wilson joined the meeting at 6:42 p.m City Attorney Richard Davis also attended.

2. Invocation -- Given by Jim Stephens

3 Pledge of Allegiance -- Led by Lonny Cluck

4. Declarations Regarding Conflicts of Interest - None

5. Proclamations and Announcements – Mayor Anderson announced the receipt of a letter from the Mayor of Beaument thanking Canton for housing evacuees from Beaument during Hurricane Rita He noted it was a county effort and the thanks were shared with the County He also welcomed the first meeting with the new city manager who introduced a 5:30 workshop to review agenda items prior to the regular meeting in order to streamline the process and be more effective. He noted the workshop was open for anyone to attend.

CITIZEN'S FORUM

6 Citizen's Forum – Citizens are invited to speak for three (3) minutes on matters relating to City government that are not listed on the regular agenda

Henry Lewis, 131 Eubank, Canton, Texas, noted the media did not investigate city council decisions as was done in Dallas and comments usually had to come from the taxpayers He said the Council should be keeping their ear to the ground and vote the will of the people. He stated the forty cent tax increase would generate approximately $800,000 per year, and the water tower property the City was in the process of buying would probably end up costing 30% to 40% of that total. He asked if the voters would vote for buying that property and if the Council wanted to know the voters opinion they could place the question on everyone's water bill He also stated that while leasing office space, a questionable business decision, the Oaks Village Shopping Center which could have been easily renovated was available for sale for less than the cost of the water tower lot He also mentioned the Ochoa Café property He said when he was in office, he recommended the city purchase property on three occasions with the understanding he would purchase the property if the City decided later the money could benefit taxpayers in a better way. He said the majority of voters would support a tax increase if it showed good judgment and was presented with integrity and full disclosure. He asked what the property procedure was for setting the City tax rate, if generally accepted credentials were recommended, and if expertise in understanding in depth a city budget was recommended. He noted in early September according to a newspaper article, Rusty Wilson made the motion which passed 4-1 to increase the tax rate 40 cents He then asked if Mr Wilson or anyone else had the expertise, credentials and budgetary knowledge to set that rate. He noted two weeks later, Rusty Wilson voted against the tax increase and he wondered if he had made a detailed study of the budget since his earlier vote or a detailed study of his chances of being re-elected He asked if the City was 100% procedurally and legally correct in increasing the taxes from 0 to 40 cents He also said First Monday was originally operated without approved subleasing and with the City having veto power as to the type of merchandise offered by the vendors for sale He said his daughter and daughter-in-law still operated that way He asked in an atmosphere of First Monday conflict of interest and favoritism would the prospect of a lucrative vendor proposal to sell alcoholic beverages lead to a city council veto in the City area. He said when the city weakens its subleasing and veto position, it applies pressure for other sections to weaken theirs He stated it was his understanding the city council used a legal loophole to increase the census population to over 5,000 to make the City eligible to operate under a different charter He asked if one of the principal reasons was to allow Canton control and tax property owners including the

Wynne Community located outside the city limits. He asked if so, would it not be fair to include those on the committee.

Andy Reese provided an update on the Playscape Project and the Pennies for the Park fundraising. He said the expenses totaled $110,299 in design, construction, materials, fundraising and administrative expenses; and they raised $70,850 with money still coming in. He announced a workday scheduled for January 14 and reported the structure was built by 800 volunteers with $25,000 in loaned equipment, in six days and was valued at three to four times the cost of materials.

Amy Huddle reported the Park Board members met with Land Design Partners the previous week and their main concerns were the dismantling of the old VFW building and the placement of the budgeted bathroom. She said they had the specifications for the trails since October, but there were some drainage issues which they hoped to have resolved by Mr. Malone. She announced they also hoped to put the project out for bid on January 15th and open bids by mid-February, with a March 1 start date and an April 1 completion date. She said they sold 585 pickets for the Playscape Project and had received enormous community involvement and use of the park. She thanked those who participated.

Mrs. Betty Thompson, 620 Cherry Creek, Canton, representing the Heritage Quilt Guild, thanked the City, Chamber, CEDC and Canton Merchants for their support of their recent Quilt Show. She reported they raised $4,700, and were able to donate $4,650 to various organizations.

CONSENT AGENDA

7. Consider Approval of Minutes from August 31, September 12 and 19, October 5 and 18, and November 15 and 22, 2005 City Council Meetings — The September 19, 2006 minutes were stricken from the item and tabled to the next meeting.

8. Consider Approval of November 2005 Financial Statements.

9. Consider Adoption of Ordinance Annexing a 7.59-acre Tract Situated in the Q. C. Nugent Survey, Located North of Complex Addressed 542 Highway 64 East, Owned by Corry Davis Marketing, Inc. – Mayor Anderson noted the property was the RV Park located at Old Mill Marketplace. (Ordinance No. 2005-38)

10. Consider Acceptance of Petition for Annexation of a 1.0-acre Tract Situated in the Q. C. Nugent Survey, A-618, Located on I-20 North Service Road West of Highway 17, Owned by Kelly Cox – Mayor Anderson noted the annexation was for the erection of a billboard.

11. Consider Adoption of Ordinance Amending Subdivision Ordinance No. 94-04 to Require and Establish Regulations for House Numbering on Curbs in New Subdivisions - (Ordinance 2005-39)

12. Consider Adoption of Resolution Authorizing Signers on All Accounts with American National Bank – Mayor Anderson noted the resolution added Cliff Bowden to the signature cards. (Resolution No. 2005-19)

13 Consider Awarding Bid for Construction of New Water Well – Mayor Anderson noted the motion was to award the bid to the low bidder, Pender & Sons, at $434,200.

14 Consider Adoption of Ordinance Establishing a Juvenile Case Manager Fee – Mayor Anderson explained the ordinance provided for the addition of a $5.00 fee on any misdemeanor fine to fund a future juvenile case manager. (Ordinance No. 2005-40)

Mayor Anderson asked for any comments. Councilmember Pruitt stated a local man bid on the water well project and came in third, and he had drilled a test well for the city at no charge. He said he would like to stay with the local man if they could because the City knew where to find him. Mayor Anderson noted the City received four bids on the water well ranging from $434,000 to $442,000, with the local man bidding at $440,000, $6,000 more than the low bid. He said the engineer investigated the low bid and found the bidder to be reputable. He noted if the City did not select the low bid it had to justify its actions, such as finding unacceptable credentials, which it had not. He said the City's desire was to use local businesses whenever possible, but in the vein of doing the right thing for the community, the council would have to accept the low bid. Councilmember Brockman noted that if it didn't, it would have trouble getting other people to bid.

Councilmember Brockman made the motion to approve the consent agenda items. Councilmember Sanford seconded. The motion passed with all voting in favor, with the exclusion of Councilmember Pruitt voting against item 13.

INDIVIDUAL CONSIDERATION

15, Public Hearing and Consider Request by Edgar Jimenez for a Specific Use Permit to Allow a Charitable Organization to Operate at 547 South Buffalo, Canton, Texas, Zoned Single Family Detached Residential (R-1) – Mayor Hilliard opened the Public Hearing at 6:55 p.m. He explained Mr. Jiminez was representing a Children's Advocacy Center who wanted to use the property as a safe house for children removed from the scene of a crime. He noted the Planning & Zoning Commission recommended approval of the permit with the conditions: that the permit be revoked if the center discontinued use of the property, that no additional on-site or street parking would be allowed, additional parking requirements would be waived as long as the First United Methodist Church continued to allow board members to park at their facility, and the center did not erect signage. He said the permit only granted use of the house for that purpose. Rick Malone explained no one would be living on the premises. Councilmember Brockman requested that be added to the list of restrictions. The Public Hearing was closed at 7:00 p.m. Councilmember Brockman made the motion to grant the Specific Use Permit for the Children's Advocacy Center to operate at 547 South Buffalo, with the following qualifications: (1) the permit is granted for the operation of the Children's Advocacy Center and is to be revoked upon the Center's discontinued use of the property, (2) the permit is granted with the understanding the Center will not require additional onsite or street parking, (3) parking requirements are to be waived as long as the First United Methodist Church agrees to allow parking on their property and the Center does not require street parking, (3) the Center does not erect signage, and (4) no one would permanently or temporarily live or stay overnight at the address. Councilmember Maris seconded and all voted in favor.

16. Consider Approval of Agreement with Land Design Partners, Inc. to Provide Application Services for a Texas Parks & Wildlife Department Outdoor Recreation Grant and a Small Community Grant for the Recreational Facility at the Site on Cherry Creek – Amy Huddle

explained the agreement would allow Land Design Partners to apply on the City's behalf for a $500,000 grant and a $50,000 grant She said they had a history with Land Design Partners and they were prepared to work on the grant application due January 31. Councilmember Maris made the motion to approve the proposed agreement with Land Design Partners for Grant application services. Councilmember Wilson seconded, and all voted in favor.

17. Consider Acceptance of Dedication of Streets and Easements by Lake Meadows Subdivision – Item tabled in order to check on the quality of the streets.

APPOINTMENTS AND REPORTS

18. Mayor's Report – Mayor Anderson deferred to later in the meeting

19. City Manager's Report – Cliff Bowden stated the staff reports were provided during the workshop In order to make efficient use of time, he retuned the reports back to the council.

20 Staff Reports
   i. Northeast Texas Regional Water Plan
   ii. First Monday Revenue

20. Items for Future Agendas – None

Mayor Anderson answered Mr Lewis' earlier remarks, noting Mr Wilson would answer his own decisions. He said the other properties mentioned by Mr. Lewis were not large enough and the cost of renovating dilapidated properties was not to the City's benefit. He added they were not downtown and noted the property was partly purchased by funds set aside from the sale of the Ace Hardware property, originally owned by the City as a potential site for a City Hall. He said he had tried to put the information in the paper, but the paper would no longer publish the mayor's comments without paying. He said the City would instead put out a newsletter or contact the Tyler paper Mayor Anderson stated it was irrelevant when the shopping center property was available, because the right property downtown was available today and the City either had to take it or lose a great opportunity He said the City could not build on it now, but future councils would have that honor.

As to whether any of the Council were qualified to look at the budget, he said he met with the auditors who had reported for several years that the current way of doing business could not be sustained He said the Council held workshops at which they heard First Monday revenue was dropping and that to assume it would continue to pay for the City forever was a dream. He added that as the city grows, so do the expenses.

Councilmember Brockman mentioned the population estimate was required for Home Rule. Jim Stephens explained the company that verified the population took into consideration apartments and nursing homes that were not considered during the census and that the firm was reputable and had done Mineola's recent estimate. He said that if First Monday were taken into consideration, the population could be estimated at 14,000. He said the citizens could feel sure the population estimate was a true number. Mayor Anderson explained a population of 5,000 was required for Home Rule and that the state currently dictated how the city was run, but with Home Rule, citizens could adopt their own charter. He noted of 309 cities in the state with 5000 or more population, only thirteen had not adopted a home rule

charter. Councilmember Maris clarified the charter was not drawn up by the council, but by a cross-section of citizens, which would go to the citizens for a vote He said the council had nothing to do with it, and public meetings would be called and everyone's input was welcome. He said the charter would design the structure of the city government and would be a roadmap for how the City conducts business.

EXECUTIVE SESSION

An executive session was not required, therefore the Council did not convene in closed session

21. Deliberations Regarding Potential Purchase, Lease or Sale of Real Property (Section 551.072)

22. Deliberations Regarding Personnel Matters (Section 551 074)

23. Consultation with Attorney Regarding Pending Litigation (Section 551 071)

RETURN TO OPEN SESSION

24. Reconvene to Open Session and Consider Action, if Any, on Items Discussed in Executive Session

25 Adjourn - There being no further business to come before the Council, the meeting adjourned at 7:13 p.m upon motion by Councilmember Maris and second by Councilmember Brockman

R.C. Anderson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CITY COUNCIL WORKSHOP
5:30 P.M., TUESDAY, JANUARY 17, 2006
City Hall Council Chambers, 290 East Tyler Street
Canton, Texas 75103

MINUTES

1. Call to Order – Mayor Anderson called the meeting to order at 5:37 p.m. with Councilmembers Ross Maris, Ron Sanford, and Rusty Wilson in attendance. Councilmember Robert Brockman and Raymond Pruitt were absent. Also present was City Attorney Richard Davis.

2. Invocation - None

3. Pledge of Allegiance - None

4. Declarations Regarding Conflicts of Interest - None