were water-related but not lake-related. The proposed size of the lake was 750 acres, with 1500-2000 acres involved. Mayor Wilson reminded everyone the study was available for review at City Hall. Following a brief discussion about delaying consideration of an aerial survey, Councilmember Everett made a motion to approve the Lake Canton siltation study. Councilmember Brockman seconded and all voted in favor.

4. ITEMS FOR FUTURE AGENDAS – None

5. ADJOURN- There being no further business to discuss, the meeting adjourned at 4:54 p.m. upon motion by Councilmember Brockman and second by Councilmember Huddle.

Rusty Wilson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, JANUARY 18, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Lou Ann Everett, Charles Huddle, Ross Maris, Clay Nicklas and Robert Brockman. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, CEDC Director Mercy Rushing, Police Chief Mike Echols, Fire Chief Bud Sanford and Municipal Judge Lilia Durham were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Pro Tem Everett declared a quorum present and called the meeting to order at 6:03 p.m.

2. INVOCATION was led by Councilmember Nicklas.

3. PLEDGE OF ALLEGIANCE was led by Mayor Pro Tem Everett.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Andrew Eli Hill, 690 Athens Street was unhappy with the condition of Athens Street. He felt it was unsafe due to the loose gravel. A petition was signed by residents on Athens Street requesting the street be sealed with a surface which was safe

for children and for those walking across the street to church. If they put down chip seal during the summertime, it would last ten to twenty years if laid over asphalt. Kim Hill, 690 Athens Street, said her yard was washing away. She had waited three years for a curb. They were told they were going to have a nice road. The mailman was not happy with the road. She would like normal-sized rocks on the road, not huge chunks. It was not safe or healthy. The neighbor across the street could not sell his house because of the road.

Mayor Wilson joined the meeting at 6:10 p.m.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM DECEMBER 14, AND 27, 2010, CITY COUNCIL MEETINGS – Julie Seymore stated the minutes available for voting were from the December 14, 2010 meeting. The minutes from the December 14, 2010, meeting were unanimously approved upon motion by Councilmember Everett and second by Councilmember Brockman.

8. CONSIDER APPROVAL OF DECEMBER 2010 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of $4.3 million. Debt service was $7.6 million and revenue to date was $3.4 million. Expenses as of December 31, 2010, were $2.57 million. Councilmember Maris made a motion to accept the December 2010 financial statements as presented. Councilmember Nicklas seconded and all voted in favor.

9. CONSIDER REQUEST FROM NICK PRITCHETT FOR DOOR-TO-DOOR SOLICITATION PERMIT FOR TXU SMI ENERGY – Julie Seymore said Mr. Pritchett had presented an application for a solicitation permit. The Police Department had reviewed the application and had no objections to the permit. Upon Councilmember Brockman's suggestion, Mayor Wilson tabled the matter until the next meeting due to the absence of Mr. Pritchett.

10. CONSIDER RESPONSE REGARDING INTERPRETATION OF GROSS REVENUES IN FRANCHISE FEE AGREEMENT WITH ATMOS ENERGY – Mr. McCuistion said Darwin Winfield with ATMOS had requested Council take a position on whether they wanted to include franchise fees as discretionary revenue on which franchise fees would be assessed. The City has the option of assessing "fees on fees"; however they would be passed along to the consumer and the staff recommended they did not do so. It would only generate $1,500 should the option be elected. Mayor Wilson agreed. Councilmember Everett made a motion to instruct ATMOS not to consider the franchise fees as discretionary revenue. Councilmember Brockman seconded and all voted in favor.

11. CONSIDER ADOPTION OF RESOLUTION NO. 2011-01 SUSPENDING THE FEBRUARY 14, 2011 EFFECTIVE DATE OF ONCOR ELECTRIC DELIVERY COMPANY'S REQUESTED RATE CHANGE; APPROVING COOPERATION WITH STEERING COMMITTEE OF CITIES SERVED BY ONCOR TO HIRE LEGAL AND CONSULTING SERVICES AND NEGOTIATE WITH COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS - Mr. McCuistion explained Canton was a member of a steering committee which advocated in the courts on the rate increases. ONCOR has requested rate increases of over 14.6% for residential customers, 15.5% for commercial customers and 25.9% on street lighting. A resolution from the City was necessary in order to suspend the rate increasing while the Steering Committee moved forward with negotiations. Councilmember Brockman made a motion to adopt Resolution No. 2011-01 suspending the February 14, 2011, effective date of ONCOR Electric Delivery Company's requested rate change; approving cooperation with the steering

committee of the cities served by ONCOR to hire legal and consulting services and negotiate with the company and to direct any necessary litigation and appeals. Councilmember Nicklas seconded and all voted in favor.

12. DISCUSS PROVISION OF IMPROVED SERVICES WITH VERIZON REPRESENTATIVES – Julie Seymore reported the representatives at last month's meeting passed on the City's request for an update to their public relations department; however, they were not able to attend this month. She would remind them prior to the next meeting that Council would like to speak with them.

13. CONSIDER APPROVAL OF NORTH BUFFALO PARKING LOT PROJECT AND BURTON ENGINEERING TASK ORDER FOR SAME – Mr. McCuistion said CEDC would consider helping to fund the water tower parking lot. The engineers had given a cost estimate of $216,000, which he felt was too high. He felt that amount could be reduced by about $43,000 if the City did oversight on the project and delayed some of the project, such as the landscaping. Councilmember Maris said CEDC had approved funding a big part of the project but felt the work could be done in-house with various parts subcontracted out to save money. Mr. McCuistion anticipated the actual bids for the project would be lower than the estimate. Councilmember Everett suggested using some of the lights on Highway 19 by the cemetery in order to save additional costs. Mayor Wilson added this matter was only to approve obtaining bids for the project. If the parking lot were used for First Monday parking, Mr. McCuistion calculated at $5.00 per car, parking 50 cars per day, the annual revenue would be about $12,000. Councilmember Maris felt the parking lot would enhance the City's ability to use the property as a downtown parking lot and would also connect First Monday with the downtown area. Mr. McCuistion said the landscaping would really improve the downtown area. He said Mr. Burton could roll $2000 for the surveying into the design cost. They also were unsure what was underneath the lot such as utility lines or butane tanks. Councilmember Nicklas made a motion to approve the North Buffalo parking lot project and the Burton Engineering task order for same with the stated amendments and changes. Councilmember Brockman seconded and all voted in favor.

14. RECONSIDER SILTATION SURVEY OF EXISTING LAKE – Mr. McCuistion said the engineers advised him the siltation survey was not a requirement for the permitting process. He felt the $20,000 should not be spent on the survey at this time. Councilmember Brockman recommended the project not be done. Mayor Wilson said even if the lake were dredged, the city could not take additional water out of the lake. Councilmember Brockman made a motion to stop the siltation survey of the existing lake. Councilmember Nicklas seconded and all voted in favor of not proceeding with the siltation survey.

15. CONSIDER AUTHORIZATION FOR AERIAL SURVEY OF FUTURE LAKE SITE AND OTHER COSTS RELATED TO WATER RIGHTS PERMIT APPLICATION – Mr. McCuistion reported he and Councilmembers Everett and Nicklas met with the Sabine River Authority to obtain answers to questions raised during several meetings. One question was why water could not be used from Lake Tawakoni. The answer was there were no more water rights available for Lake Tawakoni. The Sabine River Authority was trying to ensure everyone in the Sabine Basin had water and they stated they would not oppose Canton's project. The first step in the permitting process was to conduct an aerial survey of the proposed lake area. He had spoken with Gary Burton to confirm this process was necessary in obtaining water rights. Councilmember Nicklas made a motion to authorize the aerial survey of the future lake site and other costs related to the water rights permit application. Councilmember Everett seconded and all voted in favor.

Councilmember Everett said the survey would cost approximately $40,000 for a black and white photo and $50,000 for color. Mr. McCuistion said the proposed site was between FM 17 and FM 1255 just north of I-20. Mayor Wilson explained the City was only trying to secure water rights for the future. They might never use the rights to build a lake. He also said the survey and "associated costs" would not exceed $50,000 according to the agreement. Councilmember Nicklas clarified his motion was just to approve the aerial survey. Mayor Wilson said this would ensure the Citizens of Canton an option in the future. Mr. McCuistion said the estimate for the entire permitting process was half a million dollars. A man in the audience suggested the City look into buying 2800 acres by Grand Saline that was for sale and was a previous lake site. Councilmember Everett explained the proposed Saline Creek site was preferred for its geological features. Three different size lakes could be built on it. Councilmember Nicklas explained water rights were purchased from the State. A woman in the audience said it would make it difficult for someone to sell their house in the area if a lake were under consideration. Mayor Wilson said Van and Grand Saline both expressed interest in participating in the project. Right now, Canton was just trying to secure water rights for future growth.

16. CITY MANAGER'S REPORT

A. DESIGNATION AS CERTIFIED RETIREMENT COMMUNITY – Mercy Rushing announced Canton had been named a Certified Retirement Community. Commission Todd Staples would make a presentation on Thursday at City Hall. She acknowledged the hard work put in by all the committee members and thanked them for their participation. She said the State would now also market Canton in advertising and at travel shows when they encouraged retirees moving to Texas.

B. RECENT STRUCTURE FIRES – Chief Bud Sanford explained the events that happened during two recent structural fires. One was on Forrest Drive and another in Country Club Estates. He felt the response time was good and the actions of the firefighters had gone according to their standard procedures.

C. REQUEST TO RENAME STATE HWY 243 TO VETERANS MEMORIAL PARKWAY – Mr. McCuistion said Judge Koches had approached him about renaming Highway 243 to Veterans Memorial Parkway. They were still investigating whether it would be better to designate the highway as such and not rename the highway. There were many other considerations, such as how it would affect businesses who might be required to change their address.

Mr. McCuistion said sales taxes for November were 20% higher than last year. Sales tax collections were 9.8% and $83,000 over the first four months of last year. First Monday revenues were up $70,000 from last year.

EXECUTIVE SESSION

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

17. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072) – Mayor Wilson called a recess at 7:15 p.m. and convened into closed session at 7:19 p.m. for consultation regarding the potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

18. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 7:33 p.m. with no action taken.

19. ITEMS FOR FUTURE AGENDAS – Councilmember Huddle asked that two credits be given for taking down the two signs by Taylor Services. Julie Seymore said staff would look at the ordinance and if variances were granted by the Council or the Board of Adjustment. After a short discussion, it was decided the next meeting would be held February 22, 2011. Mayor Wilson requested Athens Street also be included on the agenda if still necessary. Lonny Cluck said the loose gravel would go away with time.

20. ADJOURN - With no further business to discuss, Councilmember Brockman made a motion to adjourn at 7:39 p.m. which was seconded by Councilmember Nicklas.

Rusty Wilson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, FEBRUARY 22, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Pro Tem Lou Ann Everett and Councilmembers Charles Huddle, Ross Maris, and Clay Nicklas. Mayor Rusty Wilson and Councilmember Robert Brockman were absent. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, CEDC Director Mercy Rushing, Police Chief Mike Echols, and Municipal Judge Lilia Durham were also in attendance. Also present were Canton Economic Development Corporation board members Jack Etheridge, Ernie Barbee, Joe Groves, Karen Hendricks and Cindy Malouf.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Pro Tem Everett declared a quorum present and called the meeting to order at 6:03 p.m.

2. INVOCATION was led by Councilmember Nicklas.

3. PLEDGE OF ALLEGIANCE was led by Mayor Pro Tem Lou Ann Everett.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

5. PROCLAMATIONS AND ANNOUNCEMENTS
   A. OATH OF OFFICE – MICHELLE RICHARD, MUNICIPAL COURT CLERK / JUVENILE CASE MANAGER – Judge Durham introduced her new deputy clerk

and juvenile case manager, Michelle Richard.

B. PROCLAMATION OF APRIL AS FAIR HOUSING MONTH IN THE CITY OF CANTON – Mayor Pro Tem read the proclamation naming April to be Fair Housing Month for the City of Canton.

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 – Ron Perkins requested Council change the official population to reflect that of the 2010 census. Ms. Venable inquired when the proposed lake would be on the agenda. Juanita Mewbourne Hale wanted the gas line fixed at Athens and Elm Streets. Mr. McCuistion advised he would contact Atmos to have the line repaired. Justin Brown also asked when the new lake would be on the agenda.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM DECEMBER 27, 2010, AND JANUARY 18, 2011, CITY COUNCIL MEETINGS – The minutes from the December 27, 2010 and January 18, 2011 City Council meetings were unanimously approved upon motion by Councilmember Nicklas and second by Councilmember Maris.

8. CONSIDER APPROVAL OF JANUARY 2011 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of $4.67 million, debt service of $7.6 million and revenue of $4.5 million. Expenditures to date were $3.34 million. The January 2011 financial statements were unanimously accepted upon motion by Councilmember Huddle and second by Councilmember Maris.

9. CONSIDER ADOPTION OF ORDINANCE NO. 2011-01 AMENDING SOLICITATION ORDINANCE NO. 2009-05 AMENDING HOURS FOR DOOR-TO-DOOR SOLICITATION AND HANDBILL DISTRIBUTION – Upon the recommendation of Mayor Pro Tem Everett, Councilmember Huddle made a motion to adopt Ordinance No. 2011-01 amending Ordinance No. 2009-05 amending the hours for door-to-door solicitation and handbill distribution to no later than 6:00 p.m. during winter months and 8:00 p.m. during daylight savings time. Councilmember Maris seconded and all voted in favor.

10. CONSIDER REQUEST FROM NICK PRITCHETT FOR DOOR-TO-DOOR SOLICITATION PERMIT FOR TXU SMI ENERGY – Mr. Pritchett said he would be the only one soliciting and he would not visit any houses after 6:00 p.m. Councilmember Maris made a motion to grant the request for door-to-door solicitation to Nick Pritchett for TXU SMI Energy for a six-month period. Councilmember Nicklas seconded and all voted in favor.

11. CONSIDER ADOPTION OF RESOLUTION 2011-02 DESIGNATING THAT PORTION OF STATE HIGHWAY 243 BETWEEN STATE HIGHWAYS 64 AND 198 AS VETERANS MEMORIAL PARKWAY – Mr. McCuistion explained with a highway name designation by the State, all the individuals on the street did not have to change their addresses. A resolution was necessary to indicate the City was in favor of the designation. Councilmember Maris stated he would like to see larger signs at the intersections. Mr. McCuistion said he would approach Mr. McClanahan about the size of the signs. Councilmember Maris made a motion to adopt Resolution 2011-02 designating that portion of State Highway 243 between State Highways 64 and 198 as Veterans Memorial Parkway. Councilmember Huddle seconded and all voted in favor.

12. CONSIDER APPROVAL OF CONTRACT FOR WI-FI SERVICES AT FIRST MONDAY – Joe Birmingham proposed charging $1.70 per day for unsecured Wi-Fi on the First Monday grounds. T-Mobile charges would be $8.00 per day. He said his company had experience in other cities. They had the ability to bring in the large amount of bandwidth needed. He mentioned the service had to be streamlined so users did not have to call for technical support. Truckers also used his service. He would use the water tower and other towers around town for the signal. The Wi-Fi could also be used in other parts of the city. Users paid for the service using PayPal. The service could also be used for credit cards with a 15% service charge. The City would be paid a franchise fee with a possible monthly minimum. He estimated profits to be $10,000-15,000 per month. Rick Frey said he had a similar proposal for Wi-Fi at First Monday. His company would offer a much higher percentage of the gross to the City. They would also take care of maintaining the hot spot and provide service to customers. They were a local business and could provide immediate assistance. They would be present during First Monday weekends. Using a conservative approach, they estimated the City would be paid from $57,000-$141,000 annually. Quality of service would be exceptionally high. Mr. McCuistion was unsure customers would pay them $7.50 per day if another vendor only charged $1.75. Mr. Frey said he had received a positive response from the vendors on the $7.50 charge. Mr. McCuistion suggested this matter be deferred in order for him to speak with both parties about their proposals. Mayor Pro Tem Everett suggested the item be tabled in order to allow Mr. McCuistion to obtain more information from the parties. Councilmember Maris made a motion to table this item until the next meeting. Councilmember Huddle seconded and all voted in favor.

13. CONSIDER APPROVAL OF ATLAS ENTERPRISES, INC. CONTRACT FOR 2011 FIREWORKS DISPLAY – Julie Seymore said the proposed contract was the same as the previous year at a cost of $13,000. The fireworks would be set to music but not choreographed. She suggested rainout days of July 5 or Labor Day. Councilmember Nicklas made a motion to approve the contract with Atlas Enterprises, Inc. for the 2011 fireworks display with a backup date of July 5. Councilmember Maris seconded. All voted in favor.

14. CONSIDER ADOPTION OF ORDINANCE NO. 2011-02 CALLING THE MAY 14, 2011 CITY OF CANTON GENERAL ELECTION TO ELECT A MAYOR AND TWO COUNCILMEMBERS AND DESIGNATING THE POLLING PLACES AND TIMES FOR EARLY VOTING AND ELECTION DAY – Julie Seymore said the ordinance called the May 14, 2011 general election to elect a mayor and two council positions currently held by Lou Ann Everett and Robert Brockman. Voting would be held at the Canton Junior High Library on May 14 from 7:00 a.m. to 7:00 p.m. Early voting would be at City Hall from 8:00 a.m. to 5:00 p.m. with two extended days on May 9 and 10. The deadline for filing for a position on the ballot was March 14. Automated equipment would be used for voting. It would be a joint election with Canton Independent School District on Election Day. Councilmember Nicklas made a motion to adopt Ordinance No. 2011-02 calling the May 14, 2011 City of Canton General Election to elect a mayor and two councilmembers and designating the polling places and times for early voting and election day. Councilmember Maris seconded. All voted in favor.

15. CONSIDER APPROVAL OF JOINT ELECTION AGREEMENT WITH CANTON INDEPENDENT SCHOOL DISTRICT FOR MAY 14, 2011 GENERAL ELECTION – Julie Seymore explained the election would be held at the Junior High Library. They would share the room with the CISD. No judges or equipment would be shared. There would be no cost to the City unless CISD cancelled its election. Councilmember Huddle made a motion to approve the Joint Election Agreement with Canton Independent School District

for the May 14, 2011 General Election. Councilmember Nicklas seconded. All voted in favor.

16. CONSIDER ADOPTION OF ORDINANCE NO. 2011-03 PROHIBITING THE BURYING OF WIRING, CABLE, FIBER OPTICS OR OTHER TELECOMMUNICATIONS FACILITIES UNDERGROUND WITHIN THE CITY LIMITS OF CANTON – Mr. McCuistion said by previous Council action, companies were not allowed to bury cables underground due to the risk of someone accidently digging them up. Requests were considered on a case-by-case basis. There had been several recent inquiries from companies, including one from Verizon, asking to bury cables underground. The proposed ordinance would codify the existing Council action. Councilmember Nicklas said it looked better for the cables to be hidden. Mr. McCuistion said gas lines had to be buried. Electric, cable and fiber optic lines did not. Ms. Seymore said more cities were burying lines underground. Canton required underground lines in new subdivisions. She said there were concerns with already congested areas and how expensive it was to replace fiber optic lines if they were damaged. Mr. McCuistion confirmed dig tests were currently performed to find buried lines before digging was begun. Ms. Seymore said if someone wanted to bury a line, they currently had to obtain Council's permission. The proposed ordinance stated variances would be reviewed by Council on a case-by-case basis.

Lonny Cluck entered the meeting at 6:50 p.m.

Lonny Cluck said there was nothing wrong with burying cables. The issue was the fiber optic lines would cost much more to replace than other lines if they were damaged. Julie Seymore said she was told fiber optics could be buried fifteen feet deep and the company could identify exactly where the line was located. Mr. McCuistion confirmed this ordinance did not change the City's current policy, it just added a penalty for noncompliance and confirmed burying lines was prohibited without Council approval. Councilmember Nicklas made a motion to adopt Ordinance No. 2011-03 prohibiting the burying of wiring, cable fiber optics, or other telecommunications facilities underground within the city limits of Canton. Councilmember Maris seconded. All voted in favor.

17. CONSIDER RECOMMENDATION ON VARIANCE TO SIGN ORDINANCE NO. 2010-03 REQUESTED BY HENRY LEWIS – Mr. McCuistion explained Henry Lewis wanted a variance from the sign ordinance to receive two credits for taking down the two signs at Taylor's on Hwy 19, instead of one credit as stipulated by the ordinance. Mr. Lewis had requested he be allowed to add signs on I-20 close to FM 1255. A variance would also be necessary to reduce the amount of space between signs from 4500 feet to 1500 feet. The tract where the signs would be placed was not currently within the city, although Mr. Lewis indicated he would like to annex the property contingent upon his receipt of a sign permit from the state. Mr. Lewis has requested Council give its recommendation to the Board of Adjustment to grant the variance. Mr. McCuistion suggested handling these matters on a case-by-case basis. Ms. Seymore pointed out the sign ordinance still applied to the signs whether or not the I-20 property was annexed. Councilmember Huddle made a motion to recommend to the Board of Adjustment that the variances to Ordinance No. 2010-03 requested by Henry Lewis be granted. Councilmember Everett seconded. Councilmembers Huddle and Everett voted in favor of making the recommendation. Councilmember Nicklas and Maris were opposed. Councilmember Nicklas said he would like some questions answered. Councilmember Maris suggested tabling the item to the next meeting. Mr. McCuistion noted Mr. Lewis could still go to the Board of Adjustment for a variance without the recommendation of Council.

18. CITY MANAGER'S REPORT
    A. RECOGNITION OF CITY WATER SUPPLY AS "SUPERIOR" SYSTEM BY TCEQ - Mr. McCuistion announced the TCEQ had recognized Canton's water system as excellent.
    B. MAIN STREET PROGRAM – Lynn Kitchens presented a report on the Main Street Activities from October 1, 2010, to the present. They included the Autumn Stroll, which was well received by citizens and had good participation from downtown businesses. The 2011 Autumn Stroll would be held on Saturday only and would include a car show by the National Custom Car Club and a state championship BBQ cook-off. Ms. Kitchens further reported, Miss Main Street rode in the Christmas parade on the old fire truck. Main Street had conducted a holiday window-decorating contest with good participation. Seven new businesses had started downtown since October 1. Main Street had received a $150,000 grant for the East Tyler Sidewalk project. CEDC would provide the $48,000 in matching funds. They planned to apply for an additional grant to renovate the east section of Capitol Street which would also wrap around to City Hall. Main Street initiated an incentive grant program which would give grants in $1000 increments for businesses to improve their outside facades and lighting. Three grants had already been awarded. Main Street also planned to have an historical marker made for the Towles Building downtown. Canton was beginning its 10th year in the Main Street program and they planned to have a celebration in May or June. A pocket park was planned for the corner of Buffalo and Dallas Streets. It would have a public restroom at the back of the lot. A window decorating contest was planned for the spring.
    C. CITY ENTRANCE SIGNS – Mercy Rushing said TxDOT had given a go-ahead to proceed with the entrance signs at Highway 19. Bids would be opened March 31, 2011. The contract would be awarded in April. TxDOT said the words "world famous" could not be used on the signs. The signs would be eight feet tall and 20 feet wide.
    D. FIRST MONDAY APP FOR I-PHONE AND ANDROID – Ms. Rushing explained the First Monday application for the Androids would begin the following week. She looked at some of the applications mentioned previously by Council, but did not have the funds to do any additional application features at this time.
    E. COMPREHENSIVE PLAN UPDATE – Mr. McCuistion explained he had spoken to two different firms about updating the Comprehensive Plan. He had received one proposal and was awaiting the other.
    F. VERIZON MEETING UPDATE – Ms. Seymore said a Verizon representative planned to attend the next meeting.

Mr. McCuistion said the numbers they received on the new well were only 200 gallons per minute. They had questions about the testing for the water quality and would be conducting another test.

19. OPEN JOINT MEETING WITH CANTON ECONOMIC DEVELOPMENT CORPORATION'S BOARD OF DIRECTORS – Jack Etheridge declared and quorum present and called a meeting of the Canton Economic Development Corporation board into session at 7:18 p.m.

Mercy Rushing mentioned she had attended Van Zandt County Days in Austin, along with Councilmember Nicklas and Lynn Kitchens. They visited the Office of Rural Affairs, the Texas Department of Agriculture and the Governor's Office of Economic Development and felt they were well received. They had learned more about available grant monies. They also attended a reception hosted by Visions. Councilmember Nicklas read the

proclamation from the floor of the Senate.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.072 and 551.087.

20. CITY COUNCIL AND CANTON ECONOMIC DEVELOPMENT CORPORATION JOINT EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS (Section 551.087) – Mayor Pro Tem Everett called a recess at 7:33 p.m. She convened the Council into executive session at 7:40 p.m. Jack Etheridge also convened the CEDC board into executive session at 7:40 p.m.

21. CITY COUNCIL EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072) – The CEDC board members left the meeting at 8:50 p.m.

RETURN TO OPEN SESSION

22. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council and CEDC board reconvened into open session at 9:06 p.m. with no action taken.

23. CONSIDER APPROVAL OF CANTON ECONOMIC DEVELOPMENT CORPORATION'S PROJECT EXTENDING ECONOMIC DEVELOPMENT INCENTIVES TO ZANBAKA USA, LLC – Richard Davis advised he would need additional time to draft a contract based on new information. Mercy Rushing suggested CEDC have a special meeting so all the options could be explored before a vote was taken. Luke Deen said from FM 859 West along I-20 offered the largest opportunity for development in the Canton area. A sewer line would help make the interstate more promising to future businesses and housing developments. The lack of sewer in that area restricted the growth. When the matter was brought up before, he had researched all the landowners in the area for Jim Stephens who sent a letter to them asking if they would contribute. A majority had responded in favor. Mercy Rushing said the property owners had to be contacted again to see if they would cooperate in splitting the cost or donating property. Ron Perkins questioned about how the CEDC and the City would pay for the sewer line in that area. Jim Fuller said there were people in that area who did not want to annex. He felt if a sewer line was in the area, there would be housing developments and people would be willing to annex. He felt anyone on that sewer line would be willing to pay a higher rate. He felt the CEDC and City should come to some sort of terms and put in a sewer line on at least one side of the interstate. Mr. Perkins said the candidates in 2009 had indicated they would be against development outside the city limits. Juanita Hale asked why the City would consider expanding the sewer line to the interstate when they could not repair the broken gas line already in the city limits.

    Jack Etheridge reported the CEDC would take no action on the matter at that time. He then adjourned the CEDC board meeting at 9:14 p.m.

24. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF 9.26-ACRE TRACT IN C. BECKETT SURVEY, A-093, LOCATED AT 21620 INTERSTATE 20, OWNED BY ZANBAKA USA, LLC – Mayor Pro Tem Everett announced no action would be taken by Council at that time.

25. CONSIDER RESOLUTION NO. 2011-03 AUTHORIZING PURCHASE OF 0.288-ACRE PROPERTY SITUATED IN THE Q.C. NUGENT SURVEY, A-618, CURRENTLY OWNED BY KELLY COX, AUTHORIZING SETTLEMENT OF CONDEMNATION ACTION FOR SAID PROPERTY AND AFTER CLOSING TO WITHDRAW THE PETITION FOR CONDEMNATION – Councilmember Maris made a motion to approve Resolution No. 2011-03 authorizing the purchase of an 0.288-acre property situated in the Q.C. Nugent Survey, A-618, currently owned by Kelly Cox, authorizing settlement of condemnation action for said property at a price not to exceed $3500 and, after closing, to withdraw the petition for condemnation. Councilmember Huddle seconded and all voted in favor.

26. CONSIDER APPROVAL OF EAST OUTFALL I-20 SANITARY SEWER BORE PROJECT – Mr. McCuistion explained the project had been pending while the necessary easement was obtained. The bore under I-20 would be paid by impact fees already collected in the amount of $210,000 and approximately $24,000 still to be collected from the Bridwell property. Approval would authorize Gary Burton to move forward on bids for the project. Councilmember Maris made a motion to approve proceeding with the East Outfall I-20 sanitary sewer bore project. Councilmember Nicklas seconded. All voted in favor.

27. ITEMS FOR FUTURE AGENDAS - None

28. ADJOURN - With no further business to discuss, Councilmember Huddle made a motion to adjourn at 9:18 p.m. which was seconded by Councilmember Maris.

Rusty Wilson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., MONDAY, MARCH 21, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris, and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, CEDC Director Mercy Rushing, Fire Chief Bud Sanford, Municipal Judge Lilia Durham and Building Inspector David Smith were also in attendance.

Discussion and action were as follows:

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

2. INVOCATION was given by Councilmember Nicklas.

3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Pat Hammond expressed concern about the proposed lake. She mentioned that, in the 2008 long-term water study, the engineer had provided a population figure in excess of 5,000 and a projected population of 34,268 for the year 2065. Since the 2010 census was lower than that, she felt the City's needs were different than that shown in the study and the lake was not necessary. Ms. Hammond said there were five sites initially proposed in the study. Two were dismissed because water rights were not available. The Saline Creek location was eliminated due to excessive relocation costs. She asked why other options were not considered first, such as dredging the lake or purchasing water from other cities. Taking people's heritage, livelihood and hopes and dreams should be a last resort. She requested Council abandon the entire lake project.

   Jimmy Hair stated he was adamantly against a lake in the proposed area. He had moved to the area because of the Wilcox aquifer. He felt the city should drill more wells instead of building a lake. He agreed with Pat Hammond that the lake project should be abandoned. Buying property from all the people in the area would be a great expense.

   Ron Perkins said the 2010 census reported Canton's population as 3581. A Canton real estate website indicated the population was 3621 with a population change of 10% since 2000. The population for Canton in 1980 was 2845 and 2949 in 1990. The 2000 census indicated the population was 3292. Mr. Burton projected Canton's population to be 6139 in 2010. In the October 2005 Council meeting, Jim Stephens stated Canton could be treated more like a college town due to First Monday, which would bring the population close to 14,000. The City hired MPRG to determine an accurate population count, which they determined to be 5147. Council adopted this as the population figure. In 2006, an election was held and the issue of home rule was defeated. Mr. Perkins questioned how the 5147 number was calculated. In 2008, Charles Huddle and Ross Maris had both stated they would support the modification of the city's population. While running for office in 2009, Rusty Wilson, Lou Ann Everett and Robert Brockman all said they would reject commercial or residential projects outside the city limits. Council was elected to represent the City of Canton and he felt they should do what was best for its citizens.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM FEBRUARY 22, 2011, CITY COUNCIL MEETING – The minutes from the February 22, 2011 City Council meetings were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Maris.

8. CONSIDER APPROVAL OF FEBRUARY 2011 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of $5,269,000, a debt service of $7.6 million, total revenue of $5,786,139 and total expenses of $3,951,731. The February 2011 financial statements were unanimously accepted upon motion by Councilmember Everett and

second by Councilmember Huddle.

9. PRESENTATION AND CONSIDER ACCEPTANCE OF 2009-2010 FISCAL YEAR AUDIT – Neil Conway presented the 2009-2010 fiscal year audit report to Council. Canton was given a clean, unqualified opinion. Total assets were up $2,625,000 from the previous year due to an increase in the capital infrastructure. Charges for services decreased from $6.2 million to $5.1 million because the City no longer handled the Arbors and the T-section. There was a corresponding decrease in expenditures for the same reason. The increase in grants and contributions was a result of an influx of cash from the CEDC to pay the water well debt. The decrease in First Monday was a result of losing the Arbors and T-section operation. Business-type activities assets increased to $25.1 million because of the completion of the Dry Creek Landing building and the completion of the water and sewer plant improvements. The outstanding debt increased from $6.3 million in 2009 to $6.5 million in 2010. First Monday showed an operating income of $747,710. The Sanitation Fund broke even. The Water & Sewer Fund had a loss of $121,180. Mr. Conway said the budget pretty closely reflected what happened during the year. He felt they had open communication with the City management and were able to gather information in a productive fashion with no disagreements. One recommendation for internal control was to review the personnel policy and procedures manual to make sure it was current. Councilmember Maris made a motion to accept the 2009-2010 fiscal year audit. Councilmember Nicklas seconded. All voted in favor.

10. DISCUSSION WITH VERIZON REPRESENTATIVES REGARDING IMPROVEMENT OF LOCAL SERVICES – Cezar Moncada was the Verizon representative present. He introduced Charlie Watts who was the local field manager who ran the repairs for Verizon. Mr. Moncada announced Verizon would soon be releasing the 4th generation wireless service platform which would be standardized worldwide. Verizon customers would be able to enjoy the 4th generation service worldwide. Over the last two years, they have been upgrading all their cell towers to give people superior service. The key issue was people everywhere, including Canton, Texas, would have the same services at the same level of quality as other cities in the world. The United States would be completed by 2013. Canton residents would be able to wirelessly do anything that could be done now with the file services in town. Verizon planned to use a portion of the spectrum purchased to provide much more robust services. This allowed deeper penetration into buildings and into parking lots under buildings. Cell towers might be taken down because the signal would travel further from one cell tower to another. Everywhere would have high speed, high data service. Fiberoptic DSL landlines would be obsolete. Landlines could be a safety line for people in a disaster. Mayor Wilson said for the last ten years there was a feeling Verizon did not care about servicing Canton. Mr. Moncada said Verizon had brought AllTel Wireless, which covered a lot of rural America, but not some of East Texas. The 4th generation service should take care of the problems Canton has had. Councilmember Maris said Canton had Verizon service and surrounding areas had AT&T and they were able to have services Canton did not. The service areas are regulated, giving no choice to providers and users. Mr. Moncada pointed out the service areas are regulated, giving no choice to providers and users. Verizon Wireless did not provide Wi-Fi services but it had gadgets to help create Wi-Fi. Services were limited in this area by all providers, not just Verizon. AT&T was headquartered in Texas and was able to serve more people here. Everyone in the nation would have Verizon's 4th general improved service by the end of 2013. Councilmember Maris emphasized the difficulties during First Monday using a cell phone.

11. CONSIDER REQUEST FROM EAST TEXAS SHRINER'S FOR SOLICITOR'S PERMIT TO COLLECT DONATIONS FOR CRIPPLED CHILDREN'S HOSPITAL AT

DALLAS/BUFFALO INTERSECTION SEPTEMBER 30, 2011 – OCTOBER 2, 2011 – Julie Seymore indicated the application was forthcoming. Councilmember Brockman made a motion to grant the request from East Texas Shriner's for a solicitor's permit to collect donations for the Crippled Children's Hospital at the intersection of Dallas and Buffalo from September 30, to October 2, 2011. Councilmember Huddle seconded and all voted in favor.

12. CONSIDER RENEWAL OF AARON'S PERMIT FOR DOOR-TO-DOOR SOLICITATIONS – Chris Hartlett with Aaron's said their permit expired April 1. They requested a one-year extension of the permit to be able to place door-hangers at customers' homes when making deliveries. Julie Seymore pointed out the solicitor's ordinance had been amended to prohibit solicitations after 6:00 p.m. during the winter and 8:00 p.m. during daylight savings time. Councilmember Everett made a motion to renew Aaron's permit for door-to-door solicitations for one year. Councilmember Nicklas seconded, and all voted in favor.

13. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF 9.26-ACRE TRACT IN C. BECKETT SURVEY, A-093, LOCATED AT 21620 INTERSTATE 20, OWNED BY ZANBAKA USA, LLC – Mr. Zube stated was requesting annexation of the 9.26-acre tract where he was currently building an 11,000 square foot truck stop with two restaurants—Duke's BBQ and Taco Casa, and a picnic area. He also planned to have future projects for which he needed services. He estimated around $4 million in sales annually. He planned to employ about 75 people because Taco Casa required 35 employees by itself. He has four other locations in Wilmer and Crandall. He has been looking for a location in this area three years. This site had a lot of potential for a restaurant or motel. Zanbaka USA was a Texas company. He has lived in the United States thirty years. Mayor Wilson indicated the item would be considered after the executive session.

14. CONSIDER APPROVAL OF EMERGENCY ACTION PLANS FOR MILL CREEK AND DRY CREEK WATERSHEDS – Jason Brown explained they were updating the Emergency Action Plans for Mill Creek Lake Dam and the Old City Lake dam pursuant to a request from TCEQ. This was a formal document that identified emergency conditions and what actions would be taken in the event of an emergency. It consisted of a map of the inundation area and an evacuation plan. The plan identified who was responsible for what procedures and the means to warn downstream residents. The plans were sent to the State for approval. TCEQ required a tabletop exercise to practice the implementation of the plans. Julie Seymore said the original plan was adopted in the Spring of 2007. Councilmember Maris made a motion to approve the Emergency Action Plans for the Mill Creek and Dry Creek watersheds. It was seconded by Councilmember Brockman, and all voted in favor.

15. CONSIDER PETITION FOR VOLUNTARY ANNEXATION OF 22.24 ACRE TRACT SITUATED IN D. TOWNS SURVEY, A-845, LOCATED ON NORTH SIDE OF INTERSTATE 20 EAST OF STATE HIGHWAY 17, CURRENTLY OWNED BY HENRY LEWIS – Councilmember Huddle made a motion to accept the petition for voluntary annexation of the 22.24-acre tract situated in the D Towns Survey, A-845, located on the north side of Interstate 20 and east of State Highway 17, currently owned by Henry Lewis, with public hearings to be held April 14 and April 19, 2011, at 6:00 p.m. contingent upon the owner signing a waiver regarding the provision of utilities. Councilmember Nicklas seconded. All voted in favor.

16. CONSIDER RECOMMENDATION ON VARIANCE TO SIGN ORDINANCE NO. 2010-03 REQUESTED BY HENRY LEWIS – Mr. McCuistion explained the billboard at Taylors

would be taken down altogether, including the post. Mr. Lewis has requested a variance to receive two credits for taking down the two-sided sign and a variance to reduce the distance between signs from 4,500 feet required by our ordinance to 1,500 feet, which was required by the state. Mr. McCuistion added Council was trying to reduce the number of billboards in the City. He wanted to encourage owners removing billboards from the main core area of downtown to the interstate. Mr. Lewis had requested Council give a recommendation to the Board of Adjustment regarding his request. Julie Seymore mentioned that the ordinance could also be amended. Councilmember Brockman made a motion to recommend to the Board of Adjustment that the variances requested by Mr. Lewis be granted. Councilmember Huddle seconded. All voted in favor. Mr. McCuistion reminded them if the Board of Adjustment denied the request, the matter would have to be appealed to the court unless Council amended the ordinance.

17. CONSIDER AWARDING BID FOR MAIN STREET SIDEWALK REHABILITATION PROJECT – Jason Brown from Gary Burton Engineering recommended the low bidder, Stark Built. He confirmed they provided a bid bond. They have previously done work for Lewisville and Farmersville. Councilmember Everett made a motion to award the bid for the Main Street sidewalk rehabilitation project to Stark Built for the base bid plus alternates totaling $95,065.50. Councilmember Maris seconded, and all voted in favor.

18. CONSIDER APPROVAL OF CONTRACT FOR WI-FI SERVICES AT FIRST MONDAY – Mr. McCuistion reminded Council both sides made a presentation at the last meeting but they requested he meet with the parties and ascertain additional information before a vote was taken. He recommended Council approve the contract with SysLogic, a local firm. Mayor Wilson asked how much broadband service would be available from each party. Joe Birmingham said he could bring in 100 and then 250 megabits, which was considerably more than they could get into town. He would bring the bandwidth in by antenna, which was the same thing Verizon had mentioned doing. He would backhaul in the bandwidth with wireless units from downtown Dallas. Most companies could not afford to have bandwidth sitting around without using it. He could. Only a handful of companies provided the service he does. Mr. Birmingham said he provided a lot of cities with internet. He had 2300 clients and not a lot of overhead. He could provide computer services at houses outside the city. Mr. McCuistion said the City's original focus was on the City's portion of First Monday only. Mr. Birmingham said his service would benefit customers who were on the First Monday grounds because it would help them with the use of their cell phones. It would also allow vendors to use their credit card machines on busy days. They would pay $1.75 per day. He would shoot off antennas on individual buildings and run wire to the router devices. It would fix the Verizon and AT&T problems. Temporary devices would not work. Chris Goldsmith, Syslogic, explained he had worked with the City four and one-half years. He was extremely intimate with First Monday and City operations. He spent the last year evaluating the optimum configuration. There were two halves to consider – one was purely IT and one was wireless. He could not initially bring in 250 mgs. His focus was on the City-owned property at First Monday. He did not want to conflict with the interests of the other property owners. Their range would be 7-12 miles. Councilmember Maris expressed his lack of confidence in making a decision on the matter and suggested they have someone more knowledgeable in technology review both proposals and make a recommendation. Mayor Wilson said he had received unsolicited phone calls from Mr. Birmingham's customers, and they were very positive. Chris Goldsmith emphasized his focus was First Monday. The bandwidth would be focused there. Their point of presence would be in Canton so the amount of time for transmission would be less. He would have fewer points of failure because their distance would not be as long. There was a brief discussion over the costs that would be charged and the revenue paid to the City. Mr. McCuistion said the original scope of the project

was to provide service for the City's part of First Monday and the First Monday employees. After a discussion about the bandwidth, Mayor Wilson directed Mr. McCuistion to find an independent party knowledgeable in this area who could make a recommendation. He said the City wanted to offer good quality service to the vendors at a fair price. They also asked him to obtain information about having service available to the businesses in the City.

19. CONSIDER REQUEST FROM VAN ZANDT COUNTY FOR DESIGNATED PARKING SPACE ON SOUTHEAST CORNER OF COURTHOUSE SQUARE – Mr. McCuistion said Judges Koches and Drum parked in the driveway at the courthouse. Due to the appointment of an additional judge, the County was asking for another designated parking space. Mayor Wilson said he hesitated to take another parking space away from the vendors on the square. Councilmember Brockman suggested the judge use the parking lot they already had. Councilmember Maris mentioned courthouse traffic had lessened since the tax assessor's office moved. Mr. McCuistion said the County had only requested one additional space for the new judge. Councilmember Nicklas said he did not have a problem with allowing them another space since Canton was the county seat and he wanted to keep a good relationship with the County. He made a motion to grant the request from Van Zandt County for an additional designated parking space on the southeast corner of the courthouse square. Councilmember Everett seconded. All voted in favor.

20. CONSIDER ADOPTION OF RESOLUTION NO. 2011-04 APPOINTING ELECTION JUDGE, ALTERNATE ELECTION JUDGE, AND EARLY VOTING BALLOT BOARD JUDGE FOR MAY 14, 2011 GENERAL ELECTION – Julie Seymore explained the proposed resolution appointed Marge George as the Election Judge and Don Bullard as the alternate. Ms. George has lived in the city limits eight years and was a registered voter. Councilmember Brockman made a motion to adopt Resolution No. 2011-04 appointing Marge George as Election Judge and Early Voting Ballot Judge with Don Bullard as Alternate Election Judge for the May 14, 2011 General Election. Councilmember Everett seconded. All voted in favor.

21. CONSIDER CLOSING CANTON-HACKNEY AIRPORT – Mr. McCuistion said three and one-half years prior, the City budgeted $50,000 to improve the runway. He had been instructed not to spend the money on the airport when there were other projects to fund. The airport was landlocked and had no services available. It was appraised at $1.32 million. He said City staff recommended Council sell the airport property and use the money to build a water tower at the highest point. Don Hackney, 1329 Forrest Drive, said he opposed closing the airport. He and his father spent a considerable amount of money to expand the airport and pave it for a sportsman's airport. Very little money had been spent on maintaining it. Government officials and real estate people all use the airport. Darrell Mize and his son have four airplanes based there. People fly in to play golf and to visit First Monday. The economic times were the reason the airport was not used. He felt it would not be good to build in the front yards of those who lived there. Canton needed a small airport. This one did need to be expanded, and it would need work on the surface. He suggested putting the water tower at the water park or other alternative locations. Thompson airport was a private airport with very little outside traffic. It was smaller than Canton's airport by 1000 feet. Mayor Wilson recommended the City review the matter further. Mr. McCuistion recommended the property be sold and the funds used to put a water tower at the highest point of the property. It was excellent commercial property. Mr. McCuistion said a water tower could not be placed behind the City Office Complex because of the elevation and because a water tower was needed on the north side of town. Mr. McCuistion added expansion would take place at I-20 and there was not

currently enough water pressure in that area. A water tower would help improve the pressure. There was a possible location at the industrial park. Councilmember Huddle pointed out that if the City kept the airport it would have to be brought up to state standards and there would not be money left for a water tower. Mayor Wilson requested they do more research on the cost factors. Once the airport was closed, it could not be brought back. Mr. McCuistion asked if Council wanted to spend a lot of money to service just a few users. Councilmember Maris said the airport could always be relocated to another location away from I-20, if necessary. Councilmember Everett pointed out there was an airport in Wills Point. Don Hackney said small jets have landed at the airport. He said he used the airport the previous week. The Thompson airport was two miles away. Councilmember made a motion to table the item until more information could be obtained. Councilmember Brockman seconded. All voted in favor. Mayor Wilson directed staff to get updated information on costs and usage.

22. CITY MANAGER'S REPORT

A. COMPREHENSIVE PLAN UPDATE – Mr. McCuistion reported he had spoken to four different companies about updating the Comprehensive Plan. Estimates were higher than anticipated, but he could remove certain portions of the project to lower the cost. The project could be spread over two fiscal years. The update was required by the State and should have been done in 2009. Councilmember Brockman said an update was required every five years. Mr. McCuistion said there was not enough staff, software or skills to complete the project in-house. Councilmember Maris requested Mr. McCuistion verify an updated was mandated. Councilmember Nicklas also requested an explanation of Comprehensive Plans.

B. FIRST MONDAY AND SALES TAX REVENUE INCREASE – Mr. McCuistion reported First Monday revenue was up $30,000 from February of the previous year. The City was also up $106,000 year-to-date in sales taxes. He warned February sales tax numbers would be low due to the ice experienced during First Monday.

C. FIRE DEPARTMENT MANAGEMENT STRUCTURE SIX-MONTH REVIEW – Chief Sanford gave a review of the fire department and how it had progressed in the last six months. The volunteers had increased in number from six to seventeen. This enabled them to have four night engine crews to respond. The Fire Department has responded to 440 incidents since August 1, 2010. Crews were split during First Monday so they were able to respond with two units. He has recruited and trained city employees as volunteers. Since he has taken over the department, preparedness has been a top priority. They have visited apartment complexes, nursing homes, schools, etc. and prepared pre-fire plans. He has also become involved with ETCOG and participates in their monthly drills. He hoped this connection would aid them with funding in the future. He advised the Emergency Action Plan for First Monday needed to be tested. He has developed the "Hot Stuff" program with the intermediate school where they picked up students and brought them to the fire station for lunch and a tour. The department was also involved as judges in the chili cook-off at the RV rally. They received three minor violations from the State in January, but, as of Friday, they would be in full compliance. All of the issues have been resolved. He felt cross-training throughout the department was important. He has also developed inter-departmental relationships throughout the County. The Canton Fire Department and South Van Zandt Fire Department have been assisting each other on calls, as needed. Chief Sanford said the firefighters were proud and happy to serve the citizens of Canton and were as professional as any department he has been around. He thanked the

community for their support.

D. WARRANT ROUNDUP – Judge Durham said she joined forces with the State from February 21 to March 13 and had cleared out 85 warrants. They had collected $19,374. A team worked every Monday and Tuesday to clear warrants. She had $3,683 outstanding on payment plans. The collection agency sent out 1200 letters and cleared up a lot of old cases. Her clerk has been calling those with warrants on a daily basis and has turned the collections around.

E. EMPLOYEE PICNIC MAY 21, 2011 – Mr. McCuistion announced the employee picnic would be held May 21, 2011 at Cherry Creek Park. There would be a disc golf tournament. The back 9 holes still needed signage, but the course was complete otherwise. A lot of people were already playing. The course seemed to compare favorably with other cities. The entire project had to be completed by July. He hired Eager Beaver to clear out a lot of the trees. An engineer was hired, but he was not paid out of the grant money.

Mr. McCuistion said he attended a City Managers Meeting where the topic of discussion was redistricting. Cities had to wait until June 1 to challenge the census results. There were three criteria to challenge, but just thinking you were undercounted was not one of them. Councilmember Huddle asked why the City wanted to avoid the census results. Mayor Wilson said he had requested Mr. McCuistion look into how to challenge the number. Councilmember Everett said there was a 2% undercount as a national average.

EXECUTIVE SESSION

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

23. CITY COUNCIL EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072) – Mayor Wilson convened Council into executive session at 8:46 p.m.

RETURN TO OPEN SESSION

24. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - Council reconvened into open session at 9:20 p.m. Mayor Wilson asked what action Council would like to take with regard to Item 13, the annexation of the 9.26 acres at I-20 and Hwy. 64. Julie Seymore clarified the service road was in the city along I-20 from around FM 1255 to just past the intersection at Hwy. 64. Mayor Wilson said whoever annexed had to waive the right to be provided water and sewer at this time. There should be no agreement as to when that would be done. Julie Seymore said the annexation plan required provision of services within three years. Mr. McCuistion said that could be changed by agreement. Councilmember Maris stressed if a sewer line were run from the water park at FM 859 to Hwy. 64, no one would be allowed to hook onto it unless they annexed into the city. There was a misconception the City wanted to provide city utilities to those outside the city limits. Mayor Wilson was concerned of the cost to run a sewer line without having the water line. Mr. McCuistion estimated the sales tax from the truck stop would be $80,000 annually, if the sales estimate of $4 million was correct. Councilmember Maris added property tax would also be collected on the property. Councilmember Everett said the new line would allow for new businesses and progress. Mr. McCuistion pointed out the CEDC would pay

$500,000 toward the cost of the line. He felt the project could pay for itself in 3-1/2 years, with part of the revenue going to the City and part to the CEDC. The amount would be accelerated if other individuals along the line also requested annexation. He said City staff recommended going forward. Councilmember Huddle felt the City should proceed. Councilmember Everett made a motion to accept the petition for voluntary annexation of the 9.26-acre tract in the C. Beckett Survey, A-093, located at 21620 Interstate 20, owned by Zanbaka USA, LLC with the public hearings to be held April 14 and April 19, 2011, at 6:00 p.m. Councilmember Maris seconded. All voted in favor.

25. ITEMS FOR FUTURE AGENDAS – Councilmember Maris requested Council consider increasing the parking rates for First Monday parking to $5.

26. ADJOURN - With no further business to discuss, Councilmember Brockman made a motion to adjourn at 9:35 p.m. which was seconded by Councilmember Nicklas.

Wm. R. Wilson

Rusty Wilson, Mayor

ATTEST:

Julie H. Seymore

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., THURSDAY, APRIL 14, 2011
City Hall Council Chambers, 290 East Tyler Street
Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Pro Tem Lou Ann Everett and Councilmembers Robert Brockman, Charles Huddle, Ross Maris, and Clay Nicklas. Mayor Rusty Wilson was absent. City Manager Andy McCuistion, City Secretary/Finance Officer Julie Seymore, and CEDC Director Mercy Rushing, were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Pro Tem Everett declared a quorum present and called the meeting to order at 6:00 p.m.

2. INVOCATION was given by Councilmember Nicklas.

3. PLEDGE OF ALLEGIANCE was led by Councilmember Nicklas.

INDIVIDUAL CONSIDERATION

4. FIRST PUBLIC HEARING ON PETITION FOR VOLUNTARY ANNEXATION OF 9.26-ACRE TRACT IN C. BECKETT SURVEY, A-093, LOCATED AT 21620 INTERSTATE 20, OWNED BY ZANBAKA USA, LLC – Mayor Pro Tem Everett opened the first public hearing on the petition for voluntary annexation of a 9.26-acre tract in the C. Beckett Survey, A-093, located at 21620 Interstate 20, owned by Zanbaka USA, LLC. There

being no comments, the public hearing was closed at 6:03 p.m.

5. FIRST PUBLIC HEARING ON PETITION FOR VOLUNTARY ANNEXATION OF 22.24 ACRE TRACT SITUATED IN D. TOWNS SURVEY, A-845, LOCATED ON NORTH SIDE OF INTERSTATE 20 EAST OF STATE HIGHWAY 17, CURRENTLY OWNED BY HENRY LEWIS – Mayor Pro Tem Everett opened the first public hearing on the petition for voluntary annexation of a 22.24-acre tract situated in the D. Towns Survey, A-845, located on the north side of Interstate 20, east of State Highway 17, currently owned by Henry Lewis. Ethel Sanders asked if the land was being annexed so Mr. Lewis could get a sign on the property. Mayor Pro Tem Everett responded affirmatively. There being no further comments, the public hearing was closed at 6:04 p.m.

6. ITEMS FOR FUTURE AGENDAS - None

7. ADJOURN - With no further business to discuss, Councilmember Brockman made a motion to adjourn at 6:04 p.m. which was seconded by Councilmember Maris. Mayor Pro Tem Everett announced the second public hearings on the annexations would be at the next regular Council meeting on April 19, 2011, at 6:00 p.m.

Rusty Wilson, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, APRIL 19, 2011
City Hall Council Chambers
290 East Tyler, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Robert Brockman, Lou Ann Everett, Ross Maris and Clay Nicklas. Councilmember Charles Huddle was absent. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, CEDC Director Mercy Rushing, and Fire Chief Bud Sanford were also in attendance.

Discussion and action were as follows:

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

2. INVOCATION was led by Councilmember Nicklas.

3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None

5. PROCLAMATIONS AND ANNOUNCEMENTS

A. MAY 14, 2011 GENERAL ELECTION – Julie Seymore announced the election would be held May 14, 2011. Early voting would be at City Hall starting May 2 to May 6 from 8 a.m. to 5 p.m. and May 9 to May 10 from 7 a.m. to 7 p.m. Election Day voting would be held at the Junior High Library. The canvass would be conducted on May 17, 2011, during the regular meeting. New councilmembers would not be eligible to take office until May 20, 2011.

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 – Lawrence Greer spoke about the area landowners' opposition to the lake. He said the landowners had always supported Canton as a community and felt Council had been disrespectful to them. The proposed lake basin was shallow and narrow and it would be a short-lived lake. Council depended on gross misinformation regarding the population when making decisions. Council should try to preserve the rural heritage of Canton. The lake was a terrible idea and would ruin five communities, if built.

Ed Sanders said citizens had come to Council before to request something be done about Athens Street. It was still not finished. The contractor should be called back to finish. The engineer on the project did not do his job either. Mr. Sanders said his neighbor's house caught fire and was completely destroyed. He did not feel there was enough manpower on the scene to fight the fire. He proposed another fireman be hired. He requested that all work outside the city limits be stopped until the people of Canton were satisfied with the streets, water facilities, etc. inside the city.

Ron Perkins addressed the increase to the water and sewer rates over the years. He feared the rates would be increased, along with the property taxes, to pay for the proposed lake.

Jimmy Hair asked why this area needed a new lake. He moved outside of Canton for the small-town atmosphere. First Monday created a great atmosphere and generated income for the City. Sitting in limbo waiting for a decision about the lake was unacceptable. He had no desire to move. He did not see the need for the lake based on the population. He requested the population on the city limits signs be corrected to reflect the population shown on the 2010 census. Because there were other lakes in the area, there was no need for an additional lake for recreational purposes. He did not think citizens understood the financial obligation the Council was about to undertake.

Cary Hilliard, on behalf of the Van Zandt County Library Board, announced Judy Morris was retiring. A reception was being held for her April 28 and everyone was invited to attend. He also thanked Lonny Cluck for attending the Library Board meeting and for being responsive to the needs of the library.

Mayor Wilson explained Council was only trying to obtain the water rights so future generations could build a lake. Drilling wells was part of the short-term plan for the City. There was a study done by the State in 2010 that said Canton would have a water deficit by 2030. That study used the population figure of 3537. Drilling wells could extend the time period before a lake was needed. He felt the State would soon be determining what cities could do as far as when and where wells could be drilled. If the water from the well did not meet state standards, the water had to be treated at the water plant. Water from the two recent test wells had not been up to state standards. A lake would not be built for another thirty years. If the City decided to buy water from other cities, it would be at their mercy as to what was paid and how much could be bought. A pipeline from Tyler

would cost approximately $40 million. Saline Creek and Mill Creek were not the first choices for the lake locations. They were looking at other options as far as the location. The City would have to pay for any land they used for the lake. They would not just take the property from the owner.

7 CONSIDER APPROVAL OF MINUTES FROM MARCH 21, 2011, CITY COUNCIL MEETING – Councilmember Everett made a motion to approve the minutes from the March 21, 2011, City Council meeting. Council Maris seconded and all voted in favor.

8. CONSIDER APPROVAL OF MARCH 2011 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of $5,391,881. The debt service balance was $7,606,636. Revenue to date was $6,582,006. Expenses to date were $4,779,985. She added they had closed on the property needed for the East Outfall sewer line to the wastewater treatment plant. The March 2011 financial statements were unanimously accepted upon motion by Councilmember Brockman and second by Councilmember Nicklas.

9. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF 9.26-ACRE TRACT IN C. BECKETT SURVEY, A-093, LOCATED AT 21620 INTERSTATE 20, OWNED BY ZANBAKA USA LLC – Mayor Wilson opened the second public hearing on the voluntary annexation of the 9.26-acre tract in the C. Beckett Survey, A-093, located at 21620 Interstate 20, owned by Zanbaka USA LLC. At 6:32 p.m. Mayor Wilson said the City would not be able to provide water to the location at the current time. Mr. McCuistion said a city normally had three years to provide water and sewer. The owner would have to agree not to have services until they were available to the area. Mr. McCuistion said Mr. Lewis waived his rights for water and sewer to the property he had under consideration for annexation until they were available in the area. Julie Seymore said the annexation hearings for both tracts had been advertised in the paper. Mr. Cluck explained to Mr. Perkins the lift station at Splash Kingdom was a CEDC project done in order to negotiate with someone who wanted to build in the area. It was built and donated to the City. Ms. Seymore explained there was an annexation ordinance with a plat and boundaries that explained where the city limits were on Interstate 20. It was available for review at the Canton City Office Complex. Mayor Wilson closed the public hearing at 6:42 p.m.

10. SECOND PUBLIC HEARING ON VOLUNTARY ANNEXATION OF 22.24 ACRE TRACT SITUATED IN D. TOWNS SURVEY, A-845, LOCATED ON NORTH SIDE OF INTERSTATE 20 EAST OF STATE HIGHWAY 17, CURRENTLY OWNED BY HENRY LEWIS – Mayor Wilson opened the second public hearing on the voluntary annexation of the 22.24-acre tract situated in the D. Towns Survey, A-845, located on the north side of Interstate 20 east of State Highway 17, currently owned by Henry Lewis at 6:42 p.m. In response to a citizen's question, Julie Seymore said all Canton annexations were done on a voluntary basis and it was not required that a sign be posted which stated the property was under consideration for annexation. The City could not legally require the owner to post such a sign. The notice was published in the paper and on the City's website. Owners of property in the city within 200 feet of the property under consideration were sent letters about the annexations. It was not part of the procedure to notify owners outside the city limits. Mayor Wilson closed the public hearing at 6:46 p.m.

11. CONSIDER AWARDING BID FOR I-20 EAST OUTFALL SANITARY SEWER BORE LOCATED BETWEEN STATE HIGHWAYS 17 AND 19 – Ray Brumley reported bids were opened for the I-20 East Outfall Sanitary Sewer Bore on April 7, 2011. The low bid was from JDR Contracting for $262,458 for a 48" bore. The alternate bid price from JDR for a 36" bore was $132,158. He had checked their references. JDR had done the bore

on I-20 for the FM 859 water line. They decided for the East Outfall to accept a bid for $223,000 for a 24" pipe inside a 36" casing. They laid a 24" line from the sewer plant back to Interstate 20 and now had to bore under Interstate 20. Councilmember Brockman made a motion to award the bid with the alternate for the I0-20 East Outfall sanitary sewer bore located between State Highways 17 and 19 to JDR Contracting at a cost of $223,000. Councilmember Maris seconded. All voted in favor.

12. CONSIDER INCREASING RATES FOR CITY-OWNED FIRST MONDAY PARKING LOTS – Councilmember Maris said the parking lots surrounding those owned by the City had all raised their rates to $5 per vehicle except for one lot owned by Henry Lewis by the Senior Citizens building. The City could raise an additional $30,000 per year by increasing the parking lot fee from $4 to $5. He felt this was a fair price because there was no admission fee to get onto the First Monday grounds. He felt the City should be competitive with its rates. Mr. McCuistion said the matter had been reviewed by the First Monday Committee, and they were in favor of the change. Councilmember Everett made a motion to increase the rate for city-owned First Monday parking lots from $4 per vehicle to $5 per vehicle. Councilmember Maris seconded. All voted in favor.

13. CONSIDER APPROVAL OF AMENDED FIRST MONDAY MASTER PLAN – Mr. McCuistion said some changes had been made to the plan. One amendment was to place flag poles by each of the restrooms. If needed, additional antennas could be added to the flag poles. Another suggestion was to charge scooter vendors $200 for the first lot and $50 for each additional lot. Mr. McCuistion said the law had changed regarding handicapped vehicles and after March 15, 2012, First Monday would be required to allow Segways on the grounds. Golf carts could still be prohibited. Another amendment to the plan was to add concrete slabs behind Dry Creek Landing so portable sheds could be built and rented at a higher rate. Rentals in the area should improve. The City had been working on improving the creek way from the beginning to improve the flow of water on the grounds. In the upcoming budget year, staff wanted to improve the creek walls south of the Antique Alley bridge. Doors were added to Trade Center I. Vendors appreciated those improvements. The plan next called for doors on Trade Center II. It would take only four and one-half years to earn back the money spent for the doors. Another idea was to build covered walkways from Row 94 to the OP parking area. He felt the City should consider negotiating with Paul Michael to buy his building. They recently added crosswalk markings on the walkways from Trade Center III and Trade Center IV and on walkways from Highway 19 to the unreserved grounds which should improve safety. Councilmember Maris felt it would be advantageous to have the flags at each restroom because it would draw people to the City's grounds. He also felt the cost of the first lot to the scooter rentals should be more than $200. Councilmember Maris felt the sheds on concrete slabs would look better than having vendors under tents. The sheds could be made so they could be unbolted and moved. He also felt the roll-up doors on the Trade Centers would pay for themselves because they could charge more to existing vendors. He suggested taking the extra money earned by increasing the parking rate and using it to put doors on all the trade centers. Councilmember Nicklas made a motion to approve the amended First Monday Master Plan. Councilmember Brockman seconded. All voted in favor.

14. CONSIDER ADOPTION OF RESOLUTION NO. 2011-05 APPOINTING DEPUTY CITY SECRETARIES – Julie Seymore explained the resolution appointed Debra Johnson, Debbie Phillips and Rita Ragsdale Deputy City Secretaries so they would be eligible to serve as election clerks during early voting. This was necessary because they lived outside the city limits. Councilmember Maris made a motion to adopt Resolution No. 2011-05 appointing Debra Johnson, Debbie Phillips and Rita Ragsdale as Deputy City

Secretaries. Councilmember Everett seconded and all voted in favor.

15. CONSIDER ADOPTION OF RESOLUTION NO. 2011-06 REVISING THE BOUNDARIES OF THE DEDICATED NATURAL OPEN SPACE AT CHERRY CREEK PARK – Mr. McCuistion explained the original dedicated open space ran along the back of the properties off Cherry Creek to Cherry Creek itself. When building the disc golf course, that area was encroached upon and they revised the boundaries to retain 5 acres for the natural open space required by the state. Resolution No. 2011-06 was unanimously adopted upon motion by Councilmember Brockman and second by Councilmember Nicklas.

16. CONSIDER ADOPTION OF RESOLUTION NO. 2011-07 APPROVING THE AMENDED 2010-2011 BUDGET OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – Julie Seymore said the Canton Economic Development Corporation had already approved the changes. They added $99,071 dollars to the marketing revenue and expense accounts, having a net zero impact to fund balance. Mercy Rushing said her office was now collecting the hotel/motel taxes and that was merged into the CEDC account which was approved by Council; however it had not been updated in the budget. Councilmember Everett made a motion to adopt Resolution No. 2011-07 approving the amended 2010-2011 budget of the Canton Economic Development Corporation. Councilmember Maris seconded. All voted in favor.

17. CONSIDER APPROVAL OF FISCAL YEAR 2011-12 BUDGET CALENDAR – Mr. McCuistion said they were starting to develop the 2011-2012 budget information. Some dates were set by law and the meeting dates were set according to those deadlines. He provided them with the current goals for 2010-2011 so they could review them when creating goals for the upcoming year. The budget would be presented to them for the first review on July 5. The first meeting to discuss the budget would be July 9. Mayor Wilson said they would use those dates when moving forward on the budget.

18. CONSIDER ADOPTION OF ORDINANCE NO. 2011-05 REGULATING OUTDOOR BURNING WITHIN THE CITY OF CANTON – Chief Bud Sanford said the Fire Department had reviewed the current burn ordinance and requested a small amendment be made. In Section 3, Item 2, Letter C, the ordinance allowed citizens to burn in a 20 mph wind. He requested that be reduced to 14 mph. He said the wind speed could be determined from the local weather forecasts. Councilmember Brockman made a motion to adopt Ordinance No. 2011-05 regulating the outdoor burning within the City of Canton. Councilmember Maris seconded. All voted in favor.

19. CITY MANAGERS REPORT

    A. CANTON ECONOMIC DEVELOPMENT CORPORATION QUARTERLY REPORT – Mercy Rushing reported the CEDC had worked with several businesses to bring them into the community. They had worked with Merritt Partners at Trading Shopping Center. The new nursing center on Highway 19 South would open in June of the current year. They had been given incentives to help them place a gas line to their property. That business would employ 106 people. The groundbreaking ceremony for Denny's would be the following day at 10 a.m. Denny's would employ 30 employees. She worked with Duke's Plaza on the I-20 service road which planned to open in May. They had hired over 100 employees. They were working with three more businesses they hoped to bring to the City within the next year and a half. CEDC provided a grant to Marshall Merritt for a water line extension. Canton had received its certification as a

certified retirement community. They planned to make a pocket park green space with restroom facilities in a vacant lot downtown. They just finished doing new signs for the CEDC and Main Street. They worked with the City to redo the corporate structure. They amended their By-Laws to include term limits. They entered into an agreement with the City to collect hotel/motel taxes and to fund the Canton Visitors Bureau. Tam Erwin was hired for that office. They had obtained permission from TxDOT to build the entrance signs on I-20. They participated in Van Zandt County Days with Councilmember Nicklas. They were working with Educate Van Zandt on a Dallas initiative and hoped to partner with Dallas Baptist University.

B. CVB/MARKETING QUARTERLY REPORT – Mercy Rushing reviewed the expenditures on the budget. She said they attempted to diversify their marketing by using billboards, TV ads, radio ads, the internet and travel shows. They attended travel shows at the Texas State Fair, in Oklahoma and they also co-op'd with the Texas Trail Region to attract tourists to visit Canton. They spent money on advertising in various magazines that targeted those over age 50, such as Senior Voice, Today's Seniors, and Mature Seniors. They were in negotiations with AT&T to be on the cover of their phone book for the third consecutive year at no expense. Ms. Rushing was working with the marketing director of National Geographic for a story about First Monday. Other stories about Canton were featured in Holiday Rambler Club magazine and Cowboys and Indians magazine. From October 2010 to April 2011, they sent out 11,859 pieces of literature about Canton. Their analysis showed 122 calls generated from an ad in Texas Highways. Requests for information had come from Texas, Kansas, California, Indiana, Missouri, New York, Oklahoma and Louisiana. These were a direct result of the national magazine ads and from the CVB website. They obtained applications for the I-Phone and Android to download information about First Monday. They had inquiries from India, Mexico, Russia, Canada, Germany, Muldova, Costa Rica and the United Kingdom. They had two big RV rallies this year. Ms. Rushing also presented the new display she took to travel shows.

C. CANTON-HACKNEY AIRPORT – Mr. McCuistion reported he spoke with the State Inspector about the airport and was told the City was not required to make all the changes recommended. To bring the airport up to the minimum requirements, the City would have to eliminate the grassy areas and improve the surface areas. The airport would not be used at night. He determined the number of people who used the airport during First Monday ranged from zero some months to four or five in the busy months, totaling about twenty per year. People also used the airport to fly in to play golf. One gentleman housed five airplanes there. Mr. McCuistion had previously thought the airport property could be sold and the funds used for a new water tower. He asked if Council would like to defer that decision to a later date so staff could find funding for the water tower elsewhere. Mayor Wilson felt it was beneficial to have an airport. It was his recommendation to maintain it. Councilmember Everett said the City should keep the airport if it planned to bring more tourist facilities to the area. Mr. McCuistion said if it reached the point where more money had to be spent to maintain the airport, he would raise the issue again.

D. COMPREHENSIVE PLAN UPDATE – Mr. McCuistion asked for direction on how to proceed with the updates for the zoning ordinance and the Comprehensive Plan. The City's plan stated the plan should be updated every five years. That is the time frame also suggested by the professionals. Mr. McCuistion

recommended the plan be updated by professionals and not the staff.

E. FIRST MONDAY REPORT – Mr. McCuistion reported First Monday made $25,000 more in March than it had in the previous year. Revenue was up $128,000 year-to-date over the previous year. Sales tax revenue increased in February. The City was currently at $512,000 in sales tax revenue.

20. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY – Mayor Wilson called a recess at 7:30 p.m. and then convened Council into executive session at 7:49 p.m. pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 551.072 and 551.087.

21 EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS -

22. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY -

23. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened into open session at 8:23 p.m. with no action taken.

24. CONSIDER APPROVAL OF CANTON ECONOMIC DEVELOPMENT CORPORATION'S PROJECT EXTENDING ECONOMIC DEVELOPMENT INCENTIVES TO DENNY's – Mercy Rushing stated background checks had been done on the owners. All the companies seemed solid. The financials of the companies were reviewed by Board Members, the Treasurer and the City Attorney. The restaurant would be located inside the city limits on the north Interstate 20 service road. It would be a 4,350 s.f. building with one hundred seventy-five available seats. They would employ thirty full-time employees with a projected payroll of $566,000. The restaurant would be open all twenty-four hours per day. It was projected to open September 2011. Owners requested a $45,000 incentive for site construction. It was structured as a forgivable loan. Half of the money would be given in June or July to help with construction costs and the other half after Denny's opened. They would verify that thirty employees were on the payroll after six months of operation and after one year. This is the fourth business opened by the owners. Edith Elliott expressed her feeling that it was unfair to bring in chains that would compete with local restaurants. Lucia Deen said restaurants in the metroplex generally were located in the same area to bring in business for them all. Councilmember Nicklas made a motion to approve the Canton Economic Development Corporation's project extending economic development incentives in the amount of $45,000 to Denny's. Councilmember Maris seconded. All voted in favor.

25. CONSIDER APPROVAL OF CANTON ECONOMIC DEVELOPMENT CORPORATION'S PROJECT EXTENDING ECONOMIC DEVELOPMENT INCENTIVES TO ZANBAKA USA LLC – Mercy Rushing explained the project was almost completed. They planned to open May 2011. Phase II included a couple more service businesses behind the truck stop. All 9.25 acres were being annexed. They could not do the additional businesses without having a sewer line. The owner had several other travel center businesses. There will be two restaurants on site – Taco Casa and Duke's BBQ. The Center would also be open twenty-four hours per day. They would also have a convenience store, souvenir store, drivers' lounge, laundromat, dog park, an ATM machine, free Wi-Fi and numerous restroom and shower facilities. The Center would hire up to seventy-five

people, creating sixty new full-time jobs. The payroll would be $904,800 annually. The tax base would be $4 million with $97,000 projected for new city tax revenue. They are asking for extension of a sewer line to the property for future development. There were no other incentives offered. Councilmember Maris made a motion to approve the Canton Economic Development Corporation's project extending economic development incentives to Zanbaka USA, LLC in the form of the extension of a sewer line to the property. Councilmember Nicklas seconded. All voted in favor.

26. CONSIDER APPROVAL OF I-20 SANITARY SEWER PROJECT FROM FM 859 TO HWY 64 – Mercy Rushing stated she was working with property owners along the north Interstate 20 service road regarding easements for a sewer line. Out of the twenty-six owners, she has letters signed by twenty-two stating they would grant a thirty-foot easement. Eleven owners said they would annex into the city once the sewer line was completed. She had not yet received responses from two owners and was planning to speak with two additional owners who said no. The CEDC would fund the sewer line up to $550,000. The estimated cost for the line was $537,000. Ray Brumley said for the property owners who had said no, they would have to go into the existing right-of-way to place the line. It would cost a little more because they were dealing with fiber optics in the same space. Councilmember Maris explained the sewer line would be there for years and other businesses could tie onto it if they agreed to annex. That would bring in additional property and sales tax revenue. Even with one business on the line, they would make the expenditure back in five and one-half years. The City would also receive an economic impact in the community from the salaries paid at the businesses. Councilmember Everett made a motion to approve the I-20 sanitary sewer project from FM 859 to Highway 64. Councilmember Brockman seconded. All voted in favor.

27. ITEMS FOR FUTURE AGENDAS – Councilmember Maris said he would like to discuss the transfer fee rates. Julie Seymore added appointments to the Planning & Zoning Commission and Board of Adjustment.

28. ADJOURN - With no further business to discuss, Councilmember Brockman made a motion to adjourn at 8:46 p.m. which was seconded by Councilmember Maris.

Wm. R. Wilson

Rusty Wilson, Mayor

ATTEST:

Julie H. Seymore

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, MAY 17, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer

Julie Seymore, City Attorney Richard Davis, Judge Lilia Durham and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

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

2. INVOCATION was led by Councilmember Nicklas.

3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

5. PROCLAMATIONS AND ANNOUNCEMENTS

   A. PRESENTATION TO RECIPIENTS OF CITY OF CANTON FIRST MONDAY SCHOLARSHIP AND RAYFORD HUTCHERSON MEMORIAL SCHOLARSHIP – Mayor Wilson presented the First Monday Scholarship to Heather Sterling and the Rayford Hutcherson Memorial Scholarship to Cassandra Taylor.

   B. PROCLAMATION OF MAY 2011 AS NATIONAL PRESERVATION MONTH – Julie Seymore announced the Main Street Board had requested the City of Canton recognize National Preservation Month in Canton, Texas. The proclamation was unanimously approved upon motion by Councilmember Brockman and second by Councilmember Everett.

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 – Ron Perkins explained the process they used to survey the candidates who ran for council. Jimmy Hare felt there were other ways for the City to obtain water besides building a new lake. He said he would do whatever he could to stop progress of the lake project.

INDIVIDUAL CONSIDERATION

7. OFFICIAL CANVASS OF MAY 14, 2011 GENERAL ELECTION RETURNS – Mayor Wilson read the results of the May 14, 2011 election. There were 575 votes cast. The results in the mayoral race were as follows:

Clay Nicklas	127
Jim Stephens	84
Cary Hilliard	362

The results of the race for two council positions were as follows:

Vicki Marshall Chambless	337
Candice Benson	290
Lou Ann Everett	232
Jim Fuller	198

Mayor Wilson declared the duly-elected officers to be Mayor Cary Hilliard and

Councilmembers Vicki Chambless and Candice Benson. He noted the new officials would be sworn in on May 20, 2011, at 8:00 a.m., the first day they were eligible to assume office

8. CONSIDER ADOPTION OF RESOLUTION NO. 2011-08 DECLARING RESULTS OF MAY 14, 2011 GENERAL ELECTION – Resolution No. 2011-08 declaring the results of the May 14, 2011, General Election was unanimously adopted upon motion by Councilmember Nicklas and second by Councilmember Maris.

9. ISSUE CERTIFICATES OF ELECTION, ADMINISTER STATEMENTS OF ELECTED OFFICER AND OATH OF OFFICE TO NEWLY-ELECTED MAYOR AND COUNCIL MEMBERS – Ms. Seymore announced the oath would be administered to each official on May 20, 2011 at 8:00 a.m.

10. PRESENTATION TO OUTGOING MAYOR AND COUNCIL MEMBERS RECOGNIZING THEIR DEDICATED SERVICE TO THE CITY OF CANTON AND ITS CITIZENS – Mayor Wilson presented Councilmembers Everett and Brockman with plaques and expressed his appreciation for their service. Councilmember Maris presented a plaque to Mayor Wilson and expressed his appreciation to the Mayor for his years of service both as councilmember and mayor. He stated Mayor Wilson had focused on making Canton a better place to live. Mayor Wilson asked the new councilmembers to stand and be recognized.

11. CONSIDER APPROVAL OF MINUTES FROM APRIL 14, AND 19, 2011, CITY COUNCIL MEETINGS – Councilmember Everett made a motion to approve the minutes from the April 14 and 19, 2011, council meetings. Councilmember Brockman seconded. All voted in favor.

12. CONSIDER APPROVAL OF APRIL 2011 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of $5,391,881, debt service of $7,606,636, revenue of $6,582,006 and expenses of $4,779.985. Councilmember Nicklas made a motion to approve the April 2011 financial statements. Councilmember Maris seconded, and all voted in favor.

13. CONSIDER APPROVAL OF CHANGE FROM ACCOUNTING COORDINATOR POSITION TO ACCOUNTANT POSITION – Mr. McCuistion explained there was an opening in the administrative staff because of a recent resignation due to illness. He hoped to strengthen that position with someone with more advanced accounting skills so that individual could assist with the general ledger work and special projects. The auditors also recommended someone stronger in accounting be in this position. There would be the same number of staff members. The position would be at a supervisor level in the $30,000-45,000 salary range. Staff was about to begin the budget process, and he would like to have this position filled as soon as possible to help in that. Councilmember Brockman made a motion to change the position from accounting coordinator to accountant. Councilmember Everett seconded and all voted in favor.

14. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-09 AMENDING THE 2010-2011 BUDGET OF THE CITY OF CANTON – Julie Seymore explained amendments were made in the middle of every fiscal year to allow for projects Council approved during the first six months or for projects carried over from the previous year. The proposed changes in the General Fund involved an increase to revenue due to increase in sales tax revenue and the CEDC reimbursement for employees at 100%. Expenditure amendments included an increase for the accountant position, maintenance

on police vehicles, repairing concrete at the fire station, roof repair on the library caused by a storm, additional maintenance for the chlorine pump at the water plant, additional water meters, and water line maintenance. In the Wastewater Fund, there was additional revenue from the CEDC for the I-20 sewer line project, an additional $12,000 expenditure for sludge disposal, an increase for plant maintenance, $5,000 for permit renewal, and $70,000 for sewer line maintenance for the West Outfall. First Monday revenue was increased by $130,000. There was a $726,000 increase in Capital Improvement Fund expenditures due to carrying over the water well project from the previous year. The Marketing & Tourism Fund had a net decrease of $16,670 since CEDC took over the Canton Visitors' Bureau function. Total fund balance change was negative $593,130. Excluding the Capital Improvement and Forfeiture Funds which are not intended to maintain a fund balance, the net change to the fund balance was a positive $69,570.

Mr. McCuistion said there should be $150,000 to fix the additional streets of Mulberry, Goshen, two blocks on Grand Saline, one block on Church and two blocks of Peace Street. Ms. Seymore said even though street maintenance was reduced to offset an increase in water and wastewater expenditures, most of the street projects were funded in the Capital Improvement Fund by the proceeds from the 2010 limited tax notes. Mayor Wilson opened a public hearing at 6:34 p.m. regarding the adoption of Ordinance No. 2011-09 amending the 2010-2011 budget of the City of Canton. There being no comments, Mayor Wilson closed the public hearing at 6:34 p.m. Councilmember Everett made a motion to adopt Ordinance 2011-09 amending the 2010-2011 budget of the City of Canton. Councilmember Brockman seconded. All voted in favor.

15. CONSIDER ADOPTION OF RESOLUTION NO. 2011-09 APPROVING THE AMENDED 2010-2011 BUDGET OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – Julie Seymore explained the proposed amendment included the previously- pproved I-20 sewer project. The loan proceeds were $500,000 and the project cost was $540,000. There would also be debt service of $36,115. The amendment also included an increase in reimbursement to the City for CEDC staff salary at 100% versus 70% per previously-approved reorganization agreement. The total net fund balance change was negative $109,095. Councilmember Maris made a motion to adopt Resolution No. 2011-09 approving the amended 2010-2011 budget of the Canton Economic Development Corporation. Councilmember Nicklas seconded, and all voted in favor.

16. CONSIDER APPROVAL OF CROWN CASTLE'S REQUEST FOR ANTENNA SITE (802 FIRST MONDAY LANE) SALE OR LEASE EXTENSION AGREEMENT WITH GLOBAL SIGNAL ACQUISITIONS (GSA) IV LLC – Julie Seymore said the City was in the second five-year term of a 25-year lease with Crown Castle. The rent was $1495 per month. Crown Castle was trying to bring on a new tenant who required a longer lease. Crown was asking for an extension of the lease by four five-year terms or to buy the property. The sale of the 2500 sq. ft. property would also require a permanent easement to it. Richard Davis had advised that twenty-year leases had been upheld in the courts. Longer terms had not. Ms. Seymore said with the extension request included an offer to continue the 15% escalation of rent very five years plus a one-time additional 15% bump upon entry into the extended period. Andy McCuistion advised, in the long-term, selling the property for $215,000 would bring in less revenue than extending the lease. Councilmember Huddle made a motion to approve the request by Crown Castle to extend the term of the lease for the antenna site at 802 First Monday Lane as stated in the offer. Councilmember Brockman seconded the motion. All voted in favor.

17. CONSIDER ADOPTION OF ORDINANCE NO. 2011-06 ANNEXING A 9.26-ACRE TRACT IN THE C. BECKETT SURVEY, A-093, LOCATED AT 21620 INTERSTATE 20,

UPON VOLUNTARY PETITION FROM OWNER ZANBAKA USA, LLC – Councilmember Maris made a motion to adopt Ordinance No. 2011-06 annexing the 9.26-acre tract in the C. Beckett Survey, A-093, located at 21620 Interstate 20, upon voluntary petition from the owner, Zanbaka USA, LLC. He said both public hearings had been held, as required. Councilmember Everett seconded. All voted in favor.

18. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-07 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) OF A 9.26-ACRE TRACT IN THE C. BECKETT SURVEY, A-093, LOCATED AT 21620 INTERSTATE 20, OWNED BY ZANBAKA USA, LLC – Mayor Wilson opened a public hearing at 6:44 p.m. Councilmember Maris explained all newly-annexed land was zoned Rural Agricultural. The owner had to request the zoning be changed for other uses. Councilmember Brockman made a motion to adopt Ordinance No. 2011-07 effecting a zoning change from Rural Agricultural (RA) to General Business District (B-2) of the 9.26-acre tract in the C. Beckett Survey, A-093, located at 21620 Interstate 20, owned by Zanbaka USA, LLC. Councilmember Nicklas seconded and all voted in favor.

19. CONSIDER REQUEST FROM CANTON LITTLE DRIBBLERS FOR A SOLICITOR'S PERMIT TO COLLECT DONATIONS AT THE INTERSECTION OF BUFFALO AND DALLAS STREETS ON MAY 21, 2011 FOR THE SENIOR TEAM AND MAY 28, 2011 FOR THE MAJOR TEAM TO OFFSET COSTS OF A NATIONAL TOURNAMENT TRIP – Carol Slider verified there would be plenty of adult supervision available. She said they would like to solicit from 10:00 a.m. to 2:00 p.m. on both Saturdays. Councilmember Brockman made a motion to grant the request from Canton Little Dribblers for a solicitor's permit to collect donations at the intersection of Buffalo and Dallas Streets on May 21, 2011, and May 28, 2011, from 10:00 a.m. to 2:00 p.m. Councilmember Nicklas seconded. All voted in favor.

20. CONSIDER AWARDING CONTRACT FOR WI-FI SERVICES AT FIRST MONDAY – Mr. McCuistion explained Council previously considered proposals from Wi-Five and SysLogic for wi-fi service. Wi-Five has since found it would be unable to provide the service they promised and had withdrawn their proposal. SysLogic, the local company originally involved, wanted to proceed with the service for vendors on the First Monday grounds and for citizens of Canton as outlined in their proposal. Revenue would be generated for the City from this arrangement and there would be no cost. Staff's recommendation was to award the contract to SysLogic Technology Services with the terms specified in the proposal. A final contract still needed to be drafted. Councilmember Everett recommended Mr. McCuistion be authorized to negotiate a contract for a two-year term with SysLogic Technology Services for Wi-Fi services on the First Monday grounds. Councilmember Nicklas seconded. All voted in favor.

21. CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – Mr. McCuistion reported all current members whose terms were expiring had agreed to serve for another term. Councilmember Maris made a motion to appoint Elisa Heard, Mike Phillips and Brad Williams for additional two-year terms on the Planning and Zoning Commission. Councilmember Nicklas seconded. All voted in favor.

22. CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENT – Councilmember Nicklas made a motion to appoint Dan McLemore and Sandra Perry for additional two-year terms and Robert Reese as the alternate for an additional term. Councilmember Brockman seconded. All voted in favor.

23. CITY MANAGER'S REPORT

A. REVIEW CPM PROGRAM – Mr. McCuistion announced he had completed his Certified Public Manager courses and would be graduating June 6. He thanked Council for allowing him to participate in the program. He felt he had already been able to utilize some of the information he learned.

B. ONCOR RATE INCREASE - Mr. McCuistion reported the steering committee had challenged the proposed rate increase by Oncor. An agreement had been reached and there would be a decrease in the rates originally requested. He felt being part of the steering committee was advantageous for the City.

C. FIRST MONDAY AND SALES TAX REVENUE – Mr. McCuistion reported sales tax revenue was $24,000 more than last year at this time. First Monday revenue was up an additional $25,000 over last year.

D. SPRING CLEAN-UP – Lonny Cluck reported 200 yards of brush, 550 yards of trash, and approximately ten loads of brush had been removed from the city during the recent spring cleanup.

E. PUBLIC WORKS PROJECTS – Lonny Cluck said construction of the I-20 bore would be started May 9 and should be completed by August 15. The bore pits would be 25-30 feet deep and wider than the council room. They would be located at the base of the ditch going to the creek. There were two more phases left of the project. They were also working by Brookshires on the sewer line. Work to repair Peace Street, Grand Saline, Goshen and Ridge Road was estimated to be $170,000. Approximately $150,000 would be left in the budget. Mr. Cluck said Gary Burton's recommendation was to go back to the location on FM 2909 to drill water well No. 3. They anticipated the well would yield 150 GPM at that location. It was not as much as they had hoped to get, but the only other option was to drill another test well. He had hoped for a 250-300 GPM well. Mr. Cluck said the Highway 19 well had dropped eight feet in the last eight years. Another test well would cost $20,000. Other possible drill sites included the Industrial Park on Wynne Road and near the compost site on Arnold Paul Road. David Gerkins offered suggestions on how to deal with the manganese at the first test well. He said they could guarantee 150 GPM at that site. Mr. Burton suggested drilling the well to about 500 feet at the FM 2909 location. Councilmember Huddle was in favor of drilling on the FM 2909 location. Councilmember Brockman wanted to follow the engineer's recommendation also. Mr. McCuistion was unsure if the location of the City Office Complex would be a good location for a well because it would be close to an existing well. He said they had other possible sites. Mr. Cluck reminded Council there was a Little Hope well over by the compost area that had been shut down because manganese and iron got into the water. Councilmember Maris said there were not many options unless another site was tested. He was concerned that the City would become totally dependent on wells. Mayor Wilson instructed Mr. McCuistion to get an opinion about the CEDC property first to see if any wells would be good in that area.

F. CITY ENTRANCE SIGNS – Mercy Rushing reported they were waiting for the contract to come back on the two entrance signs on the interstate. They had removed the lighting until later due to the cost. They should receive the contract in two weeks and would start construction then.

G. CANTON'S PARTICIPATION IN ETCOG'S EMERGENCY RESPONSE DRILL – Mr. McCuistion said the item would be deferred until next month in the absence of Chief Sanford.

EXECUTIVE SESSION

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

24. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – EVALUATION OF CITY MANAGER'S PERFORMANCE AND CONTRACT (Section 551.074) - Mayor Wilson called a recess at 7:21 p.m. and then convened Council into executive session at 7:28 p.m.

RETURN TO OPEN SESSION

25. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened into open session at 8:30 p.m. No action was taken.

26. ITEMS FOR FUTURE AGENDAS - Councilmember Everett requested Chief Echols look into the sale of Larry Lazycakes, which were similar to K-2. Councilmember Brockman expressed his appreciation to the citizens of Canton for allowing him to serve. Councilmember Huddle requested the Council consider the matter of the population count on the city limit signs being changed to 3581. Mayor Wilson said it had been a pleasure to serve the community.

27. ADJOURN - With no further business to discuss, Councilmember Brockman made a motion to adjourn at 8:34 p.m. which was seconded by Councilmember Everett.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
8:00 A.M., TUESDAY, MAY 20, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Outgoing Mayor Rusty Wilson, newly-elected Mayor Cary Hilliard, Councilmember Charles Huddle, and newly-elected Councilmembers Candice Benson and Vicki Chambless. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, Police Chief Mike Echols, Judge Lilia Durham and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

Mayor Wilson distributed certificates of election and Judge Lilia Durham gave the oath of office to the new mayor and councilmembers, Cary Hilliard, Vicki Marshall Chambless and Candice Benson. The new mayor and councilmembers then attended orientation and toured the city facilities with Andy McCuistion, Lonny Cluck, Julie Seymore and Mercy Rushing.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, JUNE 21, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, Judge Lilia Durham and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:00 p.m.

2. INVOCATION was led by Dr. Paul Fike, pastor from the Church of Christ.

3. PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

4. MAYOR'S WELCOME – Mayor Hilliard introduced the new council. He announced there was a new suggestion box in the lobby of City Hall. Suggestions would be reviewed by him and the city manager. He explained there was now an office for the mayor at City Hall and they could either come by or call to make an appointment.

5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

6. PROCLAMATIONS AND ANNOUNCEMENTS
   B. PRESENTATION OF SANITATION SOLUTIONS SCHOLARSHIPS – Josh Bray of Sanitation Solutions presented scholarships to Preston Hutcherson and Teddie Owen. Mayor Hilliard congratulated the recipients and expressed appreciation to Sanitation Solutions for awarding the scholarships.
   C. INTRODUCTION OF CITY ACCOUNTANT – This matter was postponed.

CITIZEN'S FORUM

7. CITIZEN'S FORUM – Mayor Hilliard clarified the procedure for speaking in the Citizen's Forum. Jimmy Hare again requested the project for a lake in the Saline Creek area be terminated. He did not understand why the city previously passed on the opportunity to buy 1000 acres for a lake. Mr. Hare recommended Council speak with Mr. Gerkle about the new water well. Ed Sanders, 1430 Forrest Drive, suggested Council go into the kitchen for executive sessions to accommodate senior citizens during the hot weather. Ann Riley, 607 Athens Street, expressed her displeasure with the paving on Athens Street. She said residents had a reasonable expectation that the new pavement would be at least as good as the old after the water lines had been fixed. There were still issues with oil puddling on the surface. Ms. Riley questioned whether or not this was the best quality paving the City could afford. She felt it was more economical in the long run to have a surface that would last a longer period of time.

INDIVIDUAL CONSIDERATION

8. CONSIDER APPROVAL OF MINUTES FROM MAY 17, AND 20, 2011, CITY COUNCIL MEETINGS – The minutes of the meetings on May 17 and May 20, 2011, were unanimously approved upon motion by Councilmember Maris and second by Councilmember Nicklas.

9. CONSIDER APPROVAL OF MAY 2011 FINANCIAL STATEMENTS - Julie Seymore reported a cash balance at the end of May of $5.25 million, debt service of $7.6 million, revenue of $8.27 million and expenses of $6.35 million. The May 2011 financial statements were unanimously approved upon motion by Councilmember Nicklas and second by Councilmember Huddle.

10. CONSIDER APPOINTMENT OF MAYOR PRO TEM – Councilmember Maris made a motion to appoint Charles Huddle as Mayor Pro Tem to preside over the meetings in the event of the Mayor's absence. Councilmember Benson seconded. All voted in favor.

11. MAYORAL APPOINTMENTS TO COUNCIL COMMITTEES – The following committee appointments were made by Mayor Hilliard:

First Monday	Candice Benson, Ross Maris, Andy McCuistion, Lonny Cluck, Connie Odic and Ken Perkins
Public Safety / Emergency Management	Ross Maris and Clay Nicklas
Streets / Public Works	Candice Benson and Charles Huddle
Water / Wastewater Planning	Candice Benson and Ross Maris
Finance / Audit	Vicki Chambless and Charles Huddle
Parks	Vicki Chambless and Clay Nicklas
Ad-Hoc Library Expansion Committee	Rollin Sininger, Sarah Norman, Susie Pulley, Al Coleman, Kitty Wheeler and Lonny Cluck
Ad-Hoc Marketing Committee	Linda Hatfield, Martha Jane Wallace, Debbie Davis, Jennifer Johnson, Mike Malouf and Johnny Blevins

12. CONSIDER APPOINTMENTS TO MAIN STREET ADVISORY BOARD – Mayor Hilliard explained there were two vacancies on the Main Street Advisory Board. CEDC made two recommendations to fill those positions – Julie Vaughn and Shawn Stewart. Councilmember Huddle made a motion to appoint Julie Vaughn to the Main Street

Advisory Board in the position with the term expiring October 2011 and Shawn Stewart to the position with the term expiring October 2012. Councilmember Nicklas seconded. All voted in favor.

13. CONSIDER ADOPTION OF RESOLUTION NO. 2011-10 AUTHORIZING SIGNERS ON ALL CITY ACCOUNTS WITH AMERICAN NATIONAL BANK – Mayor Hilliard said this was a standard Resolution removing Mayor Wilson and substituting Mayor Hilliard as an authorized signer on all city accounts with American National Bank. Councilmember Maris made a motion to adopt Resolution No. 2011-10 authorizing Mayor Cary Hilliard, City Manager Andy McCuistion, Asst. City Manager-Operations Lonny Cluck and City Secretary/Finance Officer Julie Seymore as signers on all city accounts with American National Bank. Councilmember Nicklas seconded and all voted in favor.

14. CONSIDER ADOPTION OF RESOLUTION 2011-11 DESIGNATING PERSONS AUTHORIZED TO EXECUTE TREASURY MANAGEMENT AGREEMENTS WITH AMERICAN NATIONAL BANK AND TO DESIGNATE THOSE PERSONS WHO MAY TRANSACT BUSINESS ON BEHALF OF THE CITY – Mayor Hilliard said this was another housekeeping matter removing Mayor Wilson as a person designated to execute treasury management agreements with American National Bank and replacing his name. Councilmember Nicklas made a motion to adopt Resolution 2011-11 designating Mayor Hilliard, City Manager Andy McCuistion, and City Secretary/Finance Officer Julie Seymore to execute treasury management agreements with American National Bank and transacting business on behalf of the City. Councilmember Benson seconded. All voted in favor.

15. CONSIDER ADOPTION OF RESOLUTION NO. 2011-12 AMENDING AUTHORIZED REPRESENTATIVES ON ALL CITY ACCOUNTS WITH TEXPOOL – Councilmember Benson made a motion to adopt Resolution No. 2011-12 amending the authorized representatives on all city accounts with TexPool to remove Mayor Wilson's name and replace it with Mayor Hilliard, along with City Manager Andy McCuistion, City Secretary/Finance Officer Julie Seymore and the new City Accountant. Councilmember Chambless seconded. All voted in favor.

16. CONSIDER ADOPTION OF RESOLUTION NO. 2011-19 AUTHORIZING INDIVIDUALS TO SIGN CONTRACTUAL DOCUMENTS ASSOCIATED WITH THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – Mayor Hilliard explained this changed from particular individual names to that of the position so the documents did not have to be amended when anyone left. Councilmember Nicklas made a motion to adopt Resolution No. 2011-19 authorizing the Mayor, City Manager or City Secretary to sign contractual documents associated with the Texas Community Development Block Grant Program. Councilmember Maris seconded. All voted in favor.

17. CONSIDER REQUEST FROM CANTON FIRE DEPARTMENT FOR A SOLICITOR'S PERMIT TO COLLECT DONATIONS AT THE INTERSECTION OF BUFFALO AND DALLAS STREETS ON SEPTEMBER 2-4, 2011 FOR THE MDA BOOT DRIVE AND ON DECEMBER 2, 2011 FOR THE CHRISTMAS FOR KIDS BOOT DRIVE – Upon request by Chief Sanford to continue with collections as in the past several years, Councilmember Maris made a motion to grant the Canton Fire Department a solicitor's permit to collect donations at the intersection of Buffalo and Dallas Streets on September 2-4, 2011, for the MDA Boot Drive and on December 2, 2011, for the local charity "Christmas for Kids" Boot Drive. Councilmember Nicklas seconded and all voted in favor.

18. CONSIDER ADOPTION OF RESOLUTION 2011-13 APPROVING A $7,000 GRANT FROM THE CANTON ECONOMIC DEVELOPMENT CORPORATION TO RECLAMATION STATION FOR ITS GREEN TEAM CERTIFICATION PROGRAM – Mercy Rushing explained the Reclamation Station had requested a $7,000 grant for a business extension. They wanted to encourage businesses to recycle and conserve. CEDC saw the Reclamation Station as a great partner for Canton and a good business to help. CEDC board had unanimously approved the grant. Mayor Hilliard added that the Reclamation Station also trained individuals and provided jobs for those who might have a difficult time gaining employment. They also provided a place to recycle cardboard and aluminum. Councilmember Benson made a motion to adopt Resolution 2011-13 approving the $7,000 grant from the Canton Economic Development Corporation to Reclamation Station for its Green Team Certification Program. Councilmember Chambless seconded. All voted in favor.

19. CONSIDER ADOPTION OF RESOLUTION NO. 2011-14 APROVING A CONTRACT WITH THE CANTON ECONOMIC DEVELOPMENT CORPORATION TO PROVIDE FUNDING FOR WATER WELL NO. 3 – Mercy Rushing said the City requested CEDC provide funding for the new water well, the citizens approved CEDC spending funds on the project in a recent election, and the City had issued $1,000,000 in utility revenue bonds for that purpose. Councilmember Nicklas made a motion to adopt Resolution No. 2011-14 approving the contract between the City of Canton and the Canton Economic Development Corporation for CEDC to provide the funding for the 20-year debt service for Water Well No. 3. Councilmember Maris seconded. All voted in favor.

20. CONSIDER DIRECTION ON WATER WELL NO. 3 PROJECT – Mr. McCuistion recommended the city test the water at a site on east Highway 64 and at another by site the dog grounds for presentation to Council at the next regular meeting.

21. CONSIDER PLANS FOR A NEW WATER TOWER – Mayor Hilliard said a lot of people felt the City needed a new water tower. He had spoken with Mr. McCuistion and Mr. Burton, and they had pinpointed some good locations. The water tower would be located on the other side of town from the existing tower in order to balance the pressure. Gary Burton said a long-term water study had been developed identifying five different locations that would be good for a water tower. Based on the elevations, the higher the size of the hill on which the tower was built, the lower the cost would be to build the tower. Site 1 was at Industrial Park 1 on FM 859. Site 2 was also on FM 859 on the other side of I-20. Site 3 was located on Highway 64 behind the City Office Complex. Site 4 was just west of Highway 19. Site 5 was located outside of town on the highest hill in the area. Sites 1 and 2 could hold a tower at least as tall as the existing tank. Adding an elevated tower would decrease the run times for the booster pumps, which would also decrease electrical costs. Site 5 would cost almost $1 million to tie into the city's system because it was so far out. He recommended Site 1 or 2. Bids could be taken for various size tanks. A half million gallon tank was not much more expensive than a quarter million gallon tank. Having two different pressure sources feeding the system would help the water pressure. One of the tanks could also be taken out of service, if necessary. Having the tower out on I-20 would bring the pressure source closer to the demand and could only help that area. If the current water tower was out of service, the city would have to run the system manually from the water treatment plant. Mr. Cluck added the city had high service pumps which filled the water tower. If a tornado damaged the water tower, they could regulate the pumps and run off the pump pressure for a while. Gary Burton explained the city's average usage was 800,000 gallons per day. One tank held 250,000 gallons. Adding another tower would give one more day's worth of storage. Mr. Burton felt either Site 1 or 2 would be equally beneficial, although he preferred Site 2 because it was on the

other side of I-20 and would serve that whole corridor. Mr. Burton indicated he also like Site 5 for the future because the pressure level could be raised easily and the booster station on Etheridge could be eliminated. The new water tower would make the existing water tower obsolete unless it was raised to the same elevation. They were investigating the cost of raising the existing tank and whether or not that would increase pressure. Councilmember Maris said CEDC included paying for the new water tower in the upcoming year's budget. Mayor Hilliard tabled this item until the next regular meeting so more information could be obtained. He said the new water tower would not be operational for about a year after a decision was made. He believed Council needed to go forward with the tower. Mr. McCuistion added the tower still had to be engineered and they should go ahead and get the task order so the project could be started in October.

22. FURTHER CONSIDERATION OF I-20 SEWER LINE PROJECT – Mayor Hilliard stated there was a proposal to build a 2.9 mile sewer line from FM 859 to Highway 64 to be funded by CEDC to serve a recently-annexed property where the new truck stop was located. Virginia Jones said she hoped the Council would not consider helping businesses out of town. It was one of the best-kept secrets until it was already built. Larry Robinson said he would like to build a big building on his property in the area. He said the new truck stop would be an asset to the City. The sewer line should pay for itself in five years. That money could be used to fund new water towers. He also spoke against impact fees, citing instances where they did stop or would have stopped projects in town while they were in effect. Ken Martin, designated representative of Van Zandt County, said the truck stop was already in business without a sewer line there. They granted a variance to the septic permit based on a commitment from the City that a sewer line would be available by the end of December. The truck stop needed the sewer line. Any business that tried to open up in this county not on city sewer was faced with an overwhelming cost of putting in a septic system. Bob Stringer said he lived close to the truck stop. He wanted to make it clear the landowners in the area were contributing to make the sewer line possible. They were granting 30' easements across the front of their properties, some up to an acre, and they would be paying taxes from the point of annexation forward. It could make the rest of his land easier to sell. He planned to annex his farm (425 acres) into the city limits and would start paying taxes immediately. Larry Robinson added the roads in the area were maintained by TxDOT so there wouldn't be an additional cost to the City on roads. Billy Jack Deen said twenty other property owners in the area wanted the sewer line, not just the truck stop. More businesses would build in the area once a sewer line was there. A lot of businesses went to Lindale rather than build in Canton. The truck stop hired eight-five people already. He also asked the Council not to consider reinstating impact fees. Mayor Hilliard said there was no question the truck stop would need sewer in the future. The question was its priority to the citizens of Canton. Council was not here to do a project here and there because it was a good project. The previous mayor had stated whoever annexed had to waive the right to be provided with water and sewer at this time. He said Mayor Wilson had been concerned about running a sewer line without a water line. Mayor Hilliard stated Council was there to serve the citizens of the city. There were a lot of good projects. They could not all be done. He believed the water tower would serve the citizens better. Councilmember Chambless made a motion to postpone the sewer line at this time. Councilmember Benson seconded. Councilmember Maris said there was a written agreement with the travel center owner. We asked them to come into the city and told them we would provide a sewer line. An extensive analysis of the business was done. The resulting property and sales taxes would pay for the line within five years. The owner installed a septic system designed to carry him until he got the sewer line. Councilmember Maris was embarrassed Council was trying to get out of a written agreement. Mayor Hilliard said no start date was specified in the agreement. He was not saying the sewer line would not be

done. Councilmember Maris said payment for both the sewer line and the water tower were in the CEDC budget for next year. It could be done as well as the water tower. Without the sewer line, they wouldn't have that income. It was unethical to back out on the agreement. Mayor Hilliard said the motion was to delay the line. Larry Robinson said surveyors were already surveying the property. He thought everything had been voted on. Mayor Hilliard again stated there was no agreement as to when the sewer line would be done. The City had three years to complete it. The motion was not to do the line at this time. Cindy Malouf, CEDC Board Member, said that was not the intent of the agreement. CEDC understood the spirit of the agreement. The City was trying to go on a technicality and back out of the agreement. The City had to protect its reputation or other businesses would never consider coming to Canton. Bobby Stringer asked how installing the sewer line would prohibit the water tower construction. The loan was already approved. The water tower would not be built for a year. Mayor Hilliard said they should move forward on the water tower first. Mr. Stringer said they should do both projects. It did not make good economic sense. Mercy Rushing said when Mr. Zoubi bought the property she contacted his attorney and asked what they were building. She said CEDC wanted to talk to them about coming into the city limits. She told him she could do nothing about the water because it was handled by Myrtle Springs. CEDC held public hearings and voted in an open meeting to approve the project. She had received approval from Council and was told to move forward. She said they never put the time frame in the agreement when doing CEDC projects. She sent a memo that stated Gary Burton said it would take four to five months to complete the project after Council approval. That was also what she told Mr. Zoubi to convince him to annex into the city. The truck stop would pay property tax and sales tax. Council also approved the resolution for the loan. Don Bullard felt the project should go forward as planned. He did not feel it was the citizens who did not approve the project. Both projects could be worked at the same time, as planned. Councilmember Maris said it would be a year before they could build a water tower. Mayor Hilliard stated there was no date set out in the agreement. Councilmember Maris apologized to Mr. Zoubi for the lies told to him. Councilmembers Chambless, Benson and Huddle voted in favor of the motion to postpone the sewer line at this time. Councilmembers Maris and Nicklas voted against the motion. Councilmember Maris said this did not speak well for the City of Canton.

23. FIRST READING AND CONSIDER ADOPTION OF RESOLUTION NO. 2011-18 APPROVING A PROJECT OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION FOR EXTENSION OF A SEWER LINE ON INSTERSTATE 20 TO HIGHWAY 64; AND CONTAINING OTHER MATTERS RELATED TO THE SUBJECT – Not considered following vote in item 22.

24. SECOND READING AND CONSIDER ADOPTION OF RESOLUTION NO. 2011-18 APPROVING A PROJECT OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION FOR EXTENSION OF A SEWER LINE ON INTERSTATE 20 TO HIGHWAY 64; AND CONTAINING OTHER MATTERS RELATED TO THE SUBJECT – Not considered following vote in item 22.

25. CONSIDER CEASING PURSUIT OF WATER RIGHTS ON SALINE CREEK – Gary Burton reviewed the steps the City has taken toward applying for water rights from the State of Texas and the 404 permit. The timeline he presented was from 2011 to 2024. They had not yet begun the survey of the site. His firm developed various long-term water supply alternatives and had determined building a reservoir would be less expensive than some of the other alternatives. They had also named the Grand Saline Creek site as the potential strategy to meet the future water deficiency. Mayor Hilliard said it would cost an estimated $500,000 for the first step of this project. The remainder would cost millions.

The City was working to drill one well and planned to drill another as backup for the city lake. Mr. Lewis had offered the use of a lake he owned upstream from the City's lake during a drought situation. Mayor Hilliard saw no need to go forward on the water rights on Saline Creek at this time. Councilmember Maris asked if Mr. Lewis had put that agreement in writing. Mayor Hilliard said he could get a written agreement from Mr. Lewis. He believed the City could save half a million dollars by not pursuing the water rights at this time. Councilmember Chambless made a motion the City cease pursuit of the water rights on Saline Creek. Councilmember Benson seconded. Councilmember Maris stated the State required cities to plan fifty years in advance. Future water needs would not be known for years. After years of considering all alternatives, the present plan was still in the early stages of development. He felt the new councilmembers had not had an opportunity to study the issue yet. Councilmember Nicklas added that to completely abandon this site and turn away from any plan already in place would be wrong. Future citizens would pay. Councilmember Chambless said they had studied the plan. Mayor Hilliard suggested all options be considered. He did not think the plan for the Saline Creek site was feasible. It was not fair to hold the uncertainty over the citizens in that area. There were other viable options, such as the lake previously mentioned. Councilmember Maris said he had never heard the option for the other lake mentioned. Mayor Hilliard said Mr. Lewis had pledged he would give the city water from his endless spring water lake. Councilmember Maris asked if a study had been done on that lake to see if it would meet the needs of the city. Mayor Hilliard said Council needed to look at the most economical options and they were not rejecting the whole plan. They were trying to develop a more common sense plan. Mr. Douthit, a representative of the regional water development board, said their job was to see everyone in the state had water, not just Van Zandt County. The upcoming five-year plan included drilling two water wells, the reuse of city sewer water and building a lake at an unspecified location. The people using the community water systems would have bigger problems getting water than the City of Canton. Councilmembers Chambless, Benson and Huddle voted in favor of ceasing pursuit of the water rights on Saline Creek. Councilmembers Nicklas and Maris voted in opposition. The motion passed.

26. CONSIDER ALL MATTERS RELATING TO WATER AND WASTEWATER IMPACT FEES, INCLUDING REINSTATEMENT – Mayor Hilliard said he no longer wanted to pursue this issue. Councilmember Chambless made a motion to take no action regarding the water and wastewater impact fees. Councilmember Huddle seconded. All voted in favor of taking no action on the matter.

27. CONSIDER DIRECTION ON STREET PROJECTS – Mr. McCuistion explained the City had borrowed $750,000 for street projects. Half of that money remained. There were nine streets left on the list to repair. He was trying to determine Council's wishes on asphalting rather than chip-sealing streets. Mayor Hilliard said a camera had been ordered to look at sewer lines before streets were repaired. He indicated he would rather have streets asphalted than chip-sealed, but there was a matter of cost. Asphalt was more expensive, but lasted longer. Mr. McCuistion said if asphalt were used, they would probably not be able to repair all the streets in question. If there were no issues with the base, some of the streets could be completed. He requested direction from Council in order to prioritize the projects. Gary Burton said he would supply cost estimates for asphalt vs. chip-sealing the streets. Councilmember Huddle said he did not want to consider asphalt on streets that were not highly travelled.

28. CONSIDER ADOPTION OF RESOLUTION NO. 2011-15 APPROVING ENGAGEMENT OF ROY ROBINSON FOR EMERGENCY PREPAREDNESS PLANNING SERVICES – Mayor Hilliard contacted Chief Sanford about preparing an Emergency Preparedness

Plan. Consultant Roy Robinson was staging a comprehensive, multi-faceted exercise on August 29 with people from around the county which would identify shortcomings in the City's emergency preparedness. Mr. Robinson would help the City build a plan that could work. It would cost $17,000 funded by an ETCOG grant. Chief Sanford and Brad Allison would assist in developing the plan. They would have access to state level resources. The plan should be all encompassing. The plan should be completed and in place by November 11. Councilmember Benson made a motion to adopt Resolution No. 2011-15 approving the engagement of Roy Robinson for emergency preparedness planning services. Councilmember Chambless seconded. All voted in favor.

29. CONSIDER ADOPTION OF RESOLUTION NO. 2011-16 RESCINDING RESOLUTION NO. 2008-10 REGARDING GUIDELINES FOR COUNCIL INTERACTION WITH CITY STAFF – Mayor Hilliard felt two previous ordinances were in conflict on this issue. One ordinance gave Council authority to approve the hiring and firing of city directors, the resolution behind it did not. Upon Mayor Hilliard's recommendation, Councilmember Huddle made a motion to adopt Resolution 2011-16 rescinding Resolution No. 2008-10 regarding guidelines for Council interaction with City staff. Councilmember Chambless seconded. Mayor Hilliard felt Council should be in a position to approve and concur regarding key positions, such as directors. All voted in favor of adopting the resolution.

30. CONSIDER ADOPTION OF RESOLUTION NO. 2011-17 ACCEPTING CENSUS DATA AS THE CITY'S OFFICIAL POPULATION – Mayor Hilliard said the recent census showed the population to be 3,581. The proposed resolution would allow city limits signs to be changed to the 3,581 population. Councilmember Huddle made a motion to adopt Resolution No. 2011-17 accepting the census data as the city's official population. Councilmember Chambless seconded. Jim Fuller stated he never heard of a city that had regressed its population count. It would shrink the city's ETJ from one mile to one-half mile. It would show everyone Canton was not interested in anything but First Monday and would make it difficult to develop the city. It would make it more difficult to get the hospital, bowling alley, and swimming pool if the population were reduced. The government admitted there was a 27% possibility of error in the census. Reducing the population would look bad. Ed Sanders asked how many hospitals or other businesses had come in since the population was shown to be 5,147. It was done against the will of the people. Richard Davis advised he had not seen any law about what happened to the ETJ when the population of a city was reduced. Logic said it would be reduced along with the population. There was a difference between inhabitants and population. Inhabitants was what the last resolution meant. It was a number which could be determined by Council. Population was what the census showed it to be. The terms were used interchangeably. If nothing on the books showed the number of inhabitants was over 5000, he did not see how the City would be allowed to have the ETJ stay at one mile. If the Council said the number of inhabitants was over 5,000, and had justification for that, the courts would uphold the one-mile ETJ. The Council could not designate population, that was done by the census only. The law definitely gave Council authority to set the number of inhabitants. Councilmember Maris cautioned the sign ordinance could not regulate anything more than one-half mile outside the city limits. More billboards could come closer to town. It was taking a step backwards. The census figures were widely disputed as being too low. The state did not require cities to adopt the census figures. The only guideline given was that councils were not obligated to use census figures. Canton was unique because of First Monday. College towns were allowed to count students in the census numbers. Canton's considerable commercial development and First Monday were indicative of a much larger city. Reducing the number would also make it more difficult to acquire grant money. Councilmember Nicklas was puzzled as to why anyone thought this was such a big issue. The population was what it was. The ETJ

served as a buffer for the citizens. The ETJ could only be changed by ordinance. He requested the city attorney research the matter in more detail. Mayor Hilliard said there was a motion and a second to adopt Resolution 2011-17 and accept the census data. It did not rescind the previous number of 5,147. Councilmembers Maris and Nicklas opposed the motion, all others voted in favor. Motion passed.

31. CITY MANAGER'S REPORT
    A. EMPLOYEE HANDBOOK REVIEW – Mr. McCuistion said an attorney was revising the personnel handbook and he hoped to bring the revisions to Council in the next month or two.
    B. SALES TAX – Mr. McCuistion reported June sales tax revenue was $223,000. That was $10,000 more than June of last year.
    C. FIRST MONDAY – Linda Hatfield reported First Monday revenue was $143,929.43 over last year's thus far. Revenue for last month was $9,624.55 over the same period the previous year. Explanations for the increased revenue were the rental of underused areas to vendors and customers for parking; having revenue paid in advance; the improvement to the roads as well as the addition of new roads on the grounds which resulted in more corner lots; the lock and leave building improved rentals in the area around the building; and the roll-up doors on Trade Center I made the building more useful for events during the month. She pointed out that many events occurred in addition to First Monday. The First Monday grounds had been used for three RV rallies so far this year and three more were booked. They also had scheduled four gun shows, the Western Swing and the East Texas Baptist Camp Meeting. SCA held an event on the grounds every Memorial Day. Mayor Hilliard read a letter from Roberts Antiques and Collectibles commending Linda Hatfield and Lonny Cluck for their helpfulness.
    D. EMERGENCY OUTDOOR WARNING SIRENS – Mayor Hilliard said Chief Echols received a letter from the U.S. Attorney commending the police department for an investigation in which they were instrumental in making the case. Chief Sanford reported a problem with the activation of the siren on Tower Street. A new siren was purchased at a cost of $3,500. They were in the process of repairing the siren at the airport. There were currently six sirens which were turned on by the police dispatcher.
    E. STATE COMPTROLLER'S GOLD CIRCLE FINANCIAL TRANSPARENCY AWARD – Julie Seymore stated Canton was one of the first cities in the state last year to apply for and receive the financial transparency award from the State Comptroller. The City had once again received the highest gold award for providing financial information on the website within a few clicks. The website offered citizens access to the budget, audits, monthly financial reports, check registers, and payroll reports. Mayor Hilliard said the website also contained ordinances, agendas, and a wealth of other information.

EXECUTIVE SESSION

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

32. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OR SALE OF REAL PROPERTY (Section 551.072) – Mayor Hilliard convened Council into executive session at 8:19 p.m. Councilmember Huddle left the meeting at that time.

RETURN TO OPEN SESSION

33. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - Council reconvened into open session at 8:33 p.m. No action was taken.

34. ITEMS FOR FUTURE AGENDAS -

35. ADJOURN - With no further business to discuss, Councilmember Chambless made a motion to adjourn at 8:34 p.m. which was seconded by Councilmember Benson.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., THURSDAY, JUNE 30, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Ross Maris and Clay Nicklas. Councilmember Charles Huddle was absent. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, Judge Lilia Durham and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 5:30 p.m.

2. CONSIDER ACCEPTANCE OF RESIGNATION OF CITY ATTORNEY – Mayor Hilliard acknowledged the resignation of City Attorney Richard Davis. He expressed his appreciation to Mr. Davis for the wonderful job he had done for the City. Mr. Davis would continue his representation of CEDC for the time being. Councilmember Chambless made a motion to accept the resignation of Mr. Davis. Councilmember Maris seconded and all voted in favor.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.074.

3. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – REVIEW INTERIM CITY ATTORNEY CANDIDATES (Section 551.074) – Mayor Hilliard

convened Council into executive session at 5:33 p.m. for deliberations regarding personnel matters and consultation with the City's attorney.

4. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY (Section 551.071) -

RETURN TO OPEN SESSION

5. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Mayor Hilliard reconvened Council into open session at 7:03 p.m. He announced all discussions in the executive session were to remain confidential.

6. CONSIDER APPOINTMENT OF INTERIM CITY ATTORNEY - Councilmember Benson made a motion to appoint Richard Ray as interim city attorney. Councilmember Chambless seconded. All voted in favor.

7. ITEMS FOR FUTURE AGENDAS – Mayor Hilliard announced the next regular meeting would be held July 19, 2011.

8. ADJOURN – There being no business left to discuss, the meeting was unanimously adjourned at 7:09 p.m. upon motion by Councilmember Maris and second by Councilmember Nicklas.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
8:30 A.M., SATURDAY, JULY 9, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, Judge Lilia Durham, Chief Bud Sanford, Chief Mike Echols and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard called the meeting to order at 8:30 a.m. Mayor Hilliard announced Councilmember Huddle would be late to the meeting. He then introduced Bill Martin, the new accountant.

2. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2011-2012 PROPOSED BUDGET - Mr. McCuistion explained the procedure for budget development. He said the budget would be published on the City's website and two public hearings would be held

before it was adopted on September 13, 2011. He reviewed the proposed goals and objectives and advised that those should be determined first so that all other decisions could be based upon obtaining the goals. Due to the economy, he felt it was better to have short-term planning in order to be more accurate, with the exception of capital improvement projects such as those at the water and wastewater plants. It was the plan to eventually have both water and wastewater stand on their own and not require transfers from First Monday. A camera was ordered which would enable staff to see lines under the streets before repairs were started, which should help with the street work. Another goal was to use long-term debt when it made sense. The City wants to keep 25% of the operating budget in reserve and one year's debt payment in the General Debt Fund. Another objective was to maximize grants and, perhaps, administer the smaller grants in-house. He said he would check with Texas Parks & Wildlife about other grants available for the parks. The Cherry Creek Park grant project was almost complete. Another goal should be to encourage housing development. The City also needs to develop and encourage retail, commercial and industrial development to increase the tax base. Mr. McCuistion said he could add the First Monday plan as one of the goals.

Mr. McCuistion reviewed the financial policies, explaining the City uses fund balances to draw down only if it makes good sense; the cash balance should not be less than 25%, or three months, of operating expenditures; and it was the philosophy that each fund should be self-supporting as though there were no First Monday. He reported that First Monday generated $3 million from rentals and netted $1 million per year. The City collected about $3 million in sales taxes annually. Several things could affect each one of those revenues. Mr. McCuistion would like to decrease the First Monday transfers so that money could be used for other projects. The City's tax rate was low at 42.5 cents. He was not recommending an increase in the tax rate or in water and sewer rates this year. He would also like to find funding to develop a brush pickup service for citizens. He was planning to have Bill Martin develop a vehicle and equipment inventory list to be used in developing the equipment replacement fund. He noted the City tried to provide the best medical insurance coverage it could afford and it received a good renewal rate this year of 2%. The unfunded liability for the TMRS retirement plan had been reduced by adjustments last year to the retirees cost of living increase. He noted cities were now restricted in their choice of investments. Ms. Seymore said the City currently invested with TexPool and the investment policy should be reviewed each year. Mr. McCuistion explained sales taxes were the largest part of the budget. The City also aggressively pursued collections. Gary Burton was updating the capital improvement schedule. Another major consideration affecting the budget was the uncertain economy, but Texas fared better than rest of the country.

Councilmember Huddle entered the meeting at 9:28 a.m.

Mr. McCuistion said there were no proposed increases on tax rates or water, sewer or garbage rates in the budget and there were no fee increases. The General Fund Debt on October 1, 2010, was $5.61 million. On October 1, 2011, it would be $4.66 million. The Utility Revenue debt would increase from $1.01 million to $2.9 million due to the issuance of bonds for the new water tower. Mercy Rushing added the East Outfall was being paid for by CEDC. Delinquencies and penalties on the tax collections were down and total tax collections would be less. Julie Seymore said the taxes would be based on what the appraisal district determined the property values to be. She said the certified values went up .05%. With frozen values going down, there were less frozen taxes. Mr. McCuistion said long-range planning was needed for water. A new well would defer a water shortage for a time. There were issues due to the aging water and sewer plants. Funds from a $750,000 limited tax note were used to repair streets this year. About $360,000 was still

available to use and any remaining could be carried over to next year. Another $119,000 left over from a Certificate of Obligation would also be added for street projects. Whether to use chip seal or asphalt to pave the streets was in question. Asphalt was about 1-1/2 times more expensive. The proposed budget added an additional $100,000 for street maintenance. Mr. McCuistion reviewed the capital projects that needed to be done, such as the West Outfall and East Outfall. The next streets to be repaired would be Mulberry, Goshen, Ridge Road, Grand Saline, Church, Terrell, Live Oak and Billy. The City did patching and small repairs on the streets but contractors were used for major projects. $100,000 was in the budget for First Monday improvements to draw people in to the west side of the property. They wanted to cut down the hill off Hwy. 64 and add signage and landscaping to make a new entrance. A new road would also be put in connecting Row 11 to the On Grounds parking by the creek, which would allow all sides of the grounds to be connected. $30,000 was included in the budget to repair the Civic Center sign. For personnel, he proposed a 3% cost of living raise for everyone, costing an additional $63,000 ($82,000 with benefits and overtime). Councilmember Huddle suggested giving everyone $100 per month raise because 3% of $8 was only $.24. Mayor Hilliard requested information about how much it would cost for the $100 per month raise. Mr. McCuistion said the new labor positions requested would be in Parks, Water Distribution and Streets. Mr. Cluck added they had four part-time workers for both First Monday and Streets to help with mowing and utilities. Mayor Hilliard felt if the City thought its greatest asset was its employees, they should be taken care of. Mr. McCuistion thought management and supervisors should not be discounted.

Mr. McCuistion said the budget proposed a $520,000 transfer from First Monday to the Wastewater fund for a bar screen at the Wastewater Treatment Plant. and a $322,010 transfer from First Monday to debt service. Various funds would transfer $152,000 to the equipment replacement fund. Councilman Maris suggested the salary increase of $100 per month or a minimum 3% be considered. Directors did not get paid overtime yet spent numerous hours working over 40 hours. Julie Seymore pointed out about 50% of employees had overtime built into their regular schedules. Mr. McCuistion proposed ending the 2012 fund balance at $688,438, which was $100,000 more than was budgeted for in the current year. He was still trying to achieve a 25% reserve in each fund. All the money allocated for capital projects was expected to be spent. There would be no new debt in the new budget except for the $2 million for the water tower, which would be paid for by CEDC. The Police Department was acquiring two new vehicles in the proposed budget. One would be paid for from the forfeiture fund. $895,510 total would be transferred from First Monday to other funds including bar screen cost, debt replacement fund and equipment replacement fund.

Mayor Hilliard called a brief recess from 10:13 a.m. to 10:20 a.m.

Julie Seymore reviewed the main sources of revenue for the General Fund. The City received franchise fees based on the volume of sales within the city. The largest General Fund expenditure was on salaries, which was true for all funds. $5000 was added to the budget for a council room facelift. $12,000 was allocated for election equipment due to the recent S.B. 100 which would require a different election calendar and might jeopardize the County's ability to rent election equipment to the City. Elections currently cost about $2500 per year. The Fire Department added $47,245 to repaint the station, redo the entry and buy SCBA equipment. Chief Sanford explained certain equipment had a ten-year shelf life and they were setting up a rotation schedule for replacing equipment. He said there were some gaps in the warning siren coverage. A couple more sirens were needed to fill the gaps. Julie Seymore explained the $50,000 usually allocated for street maintenance was reduced to $20,000 in the current year because the City had loan money for capital

improvements. The remainder of the loan money would be carried over. Street lighting utility expenses were increased to $18,000 because Oncor was raising rates. The Parks Department was budgeted at $290,000 and included an additional laborer and $40,000 for the road to the boat ramp. Mr. McCuistion said the road to the boat ramp would require a lot of base work and then would be chip sealed.

Ms. Seymore explained the water fund was basically funded by fees from water sales. Mr. McCuistion explained there had been an error in billing the high school and this was the last year the City was paying them a refund. That would result in a $100,000 increase between water and water distribution. Ms. Seymore explained the base water and sewer rates. Compared to other cities, Canton tended to be higher on water rates and lower on sewer. Last year, the water rate was increased 3% and sewer was increased 25% to help with the offset. 50% of the Wastewater Fund was supplemented by First Monday funds. It would cost $505,000 for a new bar screen. Revenue from bulk sewer fees was down due to lost business after a temporary ban.

Chief Echols joined the meeting at 11:00 a.m.

Mr. Cluck said the property at I-20 near the sewer plant had been purchased so the new line could be run to the sewer plant. The City also bought the Oxford Priest property for future expansion of the plant. Ms. Seymore explained current wastewater expenditures were significantly below budget since the $560,000 I-20 sewer line project was not initiated.

In the Sanitation Fund, Mr. McCuistion explained Sanitation Solutions paid the City $24,000 for use of the transfer station. They were interested in using the city's transfer station as a collection point for other contracts and were willing to pay for that. They would also make improvements at the site. They would have three to four trucks come in a day and wanted the road widened and road base improved. He and Mr. Bray were working with the County on that. It would generate an additional $24,000 per year and could pay for a brush pickup program. Ms. Seymore said she budgeted a 2% increase for trash pickup per the Sanitation Solutions contract which allowed an increase equal to the CPI. There was no recommendation to increase costs to the customers.

Ms. Seymore stated the total revenue in the First Monday fund was $2.6 million. Revenues were based on more conservative thinking. They brought in $2.2 million from lot rent and $28,000 from special events. Mr. McCuistion said the Wi-Fi contract was on his desk for review. There was no signed contract at this time and it was not included in the budget. Julie Seymore explained the $45,000 "charge for services" revenue reflected parking lot income. Cash was paid for the lock-and-leave building. At the end of 2012, all loans would be paid off, including the Civic Center debt. Proposed First Monday transfers totaled $932,510, which included $505,000 for the bar screen, $322,010 to debt service, $68,500 for a tractor, a bat-wing mower, a zero turn mower, one administrative clerk and one new laborer. Lonny Cluck explained a clerk had been dropped from the budget previously and another was transferred to the CVB. Now, there were just two plus the supervisor and the part-time person. Some of the duties given to the CVB were now back as their responsibility. Julie Seymore said First Monday would also spend $305,000 on capital expenditures such as a road, a bridge to the On Grounds parking area, repair to the Civic Center sign, resurfacing roads and rolling doors for Trade Center II.

Mayor Hilliard called a lunch recess at 11:25 a.m. The meeting resumed at 12:49 p.m.

In reviewing the City's debt funds, Mr. McCuistion explained a $205,000 Certificate of

Obligation would be paid off in 2012 and the General Debt Service would all be paid off in eight years. There would still be water and sewer debt, which the CEDC was paying. If the City took out a loan for the water tower, it would be paid off just past 2030. Julie Seymore said debt payments were scheduled so the City paid approximately $1 million per year.

Mr. McCuistion reported Gary Burton had prepared a chart showing the timeline for capital improvement projects. Mr. McCuistion said they were still awaiting word from the EPA and TCEQ about the variance on the copper limits. Mr. McCuistion said water well No. 3 still had to be completed and there would be $119,250 for street improvements and $2 million for the water tower.

The equipment replacement fund would be used to purchase a patrol car, a patrol Tahoe, a truck for the water plant, a tractor, a bat-wing mower, and a zero-turn mower for First Monday, a zero-turn mower for the Transfer Station and a wacky-packer for water distribution. Chief Echols explained they had obtained the canine unit for free a few years ago but it was starting to have major problems. The Tahoe would be used to replace the current canine unit. The canine unit brought a lot of money into the City. The City received 70% of forfeitures it brought in to the State. The forfeiture money would be used to buy one of the vehicles and to pay for the equipment for both new vehicles. Forfeiture money can be used for overtime, ammunition, radio equipment, radar, lights, etc. There was currently $83,000 in the account. Mr. Cluck said the new vehicle for the water plant would be a standard half-ton. The one they used now was a 1995 or 1996 and they were having a lot of trouble with it, although they would still use the vehicle after purchasing a new one.

Mr. McCuistion spoke about the completion of the Cherry Creek Park project. Next year, they included $7500 for miscellaneous grants they hoped to receive. Mercy Rushing said they had a chance of obtaining another grant to finish the sidewalk projects. There were five planned phases to the project, and they were now working on Phase II.

Mr. McCuistion asked for input on the goals and objectives before the next meeting. He also believed the cost of the water tower could be reduced. Mr. McCuistion said the attorney had advised there were no lawsuits deciding the reduction of population and its effect on the ETJ. Mayor Hilliard asked for justification for the new positions to be added to the next work session. He also requested the warning siren system be checked in order to find where the gaps were in the coverage. He instructed Chief Sanford to put the needed sirens in the proposed budget. Lonny Cluck said they needed to have a siren at Lake Meadows and the lake area. Mayor Hilliard also asked for information about the pay increases for the next meeting. Mercy Rushing said she was working on the CEDC budget. She asked Council if they approved of CEDC's pocket park project on Dallas and Buffalo for the new restroom facilities. It would be left open during First Monday. The restroom would be maintained by the City. Mayor Hilliard asked whether or not that area would be a good location for the statue of "The Trade." Mercy Rushing handed out proposed changes to the CEDC budget to be discussed July 18. Councilmember Maris asked if it would help to put off one of the new positions a year to help reach the salary goal. Mayor Hilliard said Council would provide input to the staff for future budget changes.

3. ADJOURN - There being no business left to discuss, the meeting was unanimously adjourned at 1:21 p.m. upon motion by Councilmember Chambless and second by Councilmember Huddle.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, JULY 19, 2011
City Hall Council Chambers, 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, Interim City Attorney Richard Ray, Judge Lilia Durham, and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:01 p.m.

2. INVOCATION was led by Pastor Mark Moore of Lakeside Baptist Church.

3. PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

4. MAYOR'S WELCOME – Mayor Hilliard announced a budget workshop would be held at the end of the meeting. He commended City employees for the wonderful job they did responding to problems caused by the recent storm. He also cautioned citizens about the need to conserve water due to the drought situation in Texas.

5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

6. PROCLAMATIONS AND ANNOUNCEMENTS

   D. INTRODUCTION OF CITY ACCOUNTANT – Mayor Hilliard introduced the new accountant, Bill Martin, and welcomed him as a new City employee.

CITIZEN'S FORUM

7. CITIZEN'S FORUM – Alvin Ray Murphy proposed shooting a movie in Canton about the time he spent with John Wayne. Mayor Hilliard suggested he speak with Mercy Rushing about his request. Jimmy Hair thanked Council for changing its position on the Saline Creek lake proposal. He asked if Council had bought the land from Henry Lewis for its foreseeable water needs. Mr. Hair suggested the City annex along I-20 to extend its ETJ which might be reduced due to the recent census.

INDIVIDUAL CONSIDERATION

8. CONSIDER APPROVAL OF MINUTES OF THE JUNE 21 AND 30, 2011, CITY COUNCIL MEETINGS – The minutes of the June 21 and 30, 2011, City Council meetings were unanimously approved upon motion by Councilmember Huddle and second by Councilmember Benson.

9. CONSIDER APPROVAL OF JUNE 2011 FINANCIAL STATEMENTS – Julie Seymore reported a total cash balance of $4.3 million, which was down $929,030 from last month due to $1 million in bond payments. The City's bonded indebtedness was reduced to $6.659 million. The City received 96% of the property taxes to be collected. Total expenses were $8.1 million, which was 65.8% of the budget. The June 2011 financial statements were unanimously approved upon motion by Councilmember Nicklas and second by Councilmember Maris.

10. EXPLANATION OF CENSUS DATA – Dr. Steve Murdock of Rice University, and former head of the U.S. Census Bureau, explained how data was gathered for the 2010 census and that it had a ½-1 percent margin of error. He explained the dramatic growth in Texas since 2000 and reviewed how the population age and ethnicity had changed since the last census. Van Zandt County grew by 4,400 people, which was an increase of 9.2%. The City of Canton increased by 289 people. Expectations for Van Zandt County were a little higher than the actual count. Dr. Murdock said projections used by the Texas Water Board for its projections were very close to what actually occurred. He said suburbs within 50 or so miles of Dallas would be the ones to have rapid future growth, but he felt Canton was a little outside that area. Councilmember Maris pointed out Canton had to maintain water and sewer systems comparable to larger towns in order to accommodate First Monday visitors.

11. WATER PLANNING REPORT – Brad Castleberry from Lloyd Gosselink in Austin explained Canton was very proactive in its water plan and had focused on reuse, which was a form of conservation. The City filed an application with TCEQ and the reuse application was currently in technical review. A study was done to identify the direction Canton wanted to pursue for additional surface water supplies. The first choice for the lake was on Mill Creek because it was downstream from the effluent and could be used to capture effluent for reuse. The Grand Saline lake location was later selected. The City met with TCEQ about potential water reservoir sites. No application had been filed yet. Many steps went into permitting for a lake and Canton was still in the preliminary stages. There were still many things to complete prior to filing out an application for water rights. He reported the City also had the ability to drill more wells, although there was nothing to stop another company from drilling a well that took out all the underground water. Mr. Castleberry recommended the City look into protecting its groundwater pumpage. Mr. Castleberry said the City's plan involved a reservoir site and reuse. He urged the City to stay balanced in its plan and not become solely reliant on one source. Surface water could be replenished because rainwater could be captured. Groundwater could not always be replenished. Whether or not the City could just keep drilling wells and not add a lake would depend on the availability of groundwater. Specific projects also had to be stated in the State's plan. One source of funding for drinking water and clean water projects was the State Revolving Fund. There was also a Water Infrastructure Fund for developing raw water supplies.

When asked, Mr. Castleberry said he had to confirm the correct reservoir location before making a determination about permitting for Spring Lake (Henry Lewis' lake). It was currently only permitted for recreational use. The real issue would be what amendments

would be necessary to make water from the lake available for use by the City. The older a water right, the more senior the rights would be. A hydrologist would have to be hired to determine the yield for the lake. Currently, the whole state was in some stage of a drought situation. Mr. Castleberry said they were also trying to determine what Canton's options were if Myrtle Springs Water Coop became unable to provide water to its CCN. Mr. Castleberry said the City was still on track with the planning cycle.

12. CONSIDER DIRECTION ON WATER WELL NO. 3 PROJECT – Mr. McCuistion reported the results from the test wells showed the water was good. The Danny Ayers well also tested showed the water was good quality, but the volume was uncertain. A nearby location for the City's well was behind the baseball fields, but he preferred the site on CEDC's property behind the City Office Complex. Councilmember Maris made a motion to drill the new well (or a test well if C Miller Drilling did not accept the Ayers well test data) on the CEDC property behind the City Office Complex. Councilmember Chambless seconded. Mr. McCuistion added drilling on the CEDC property would be contingent upon receiving authorization from the CEDC. All voted in favor.

13. CONSIDER PLANS FOR A NEW OVERHEAD WATER TOWER – Ray Brumley of Gary Burton Engineering recommended Site #2 at the Industrial Park on FM 859 for the water tower. Mr. McCuistion said they would advertise for RFQs for engineering services to design and evaluate the site. He did not want to select the site until he had the engineer's recommendation. Funding would be in next year's budget.

14. CONSIDER APPROVAL TO ADVERTISE A REQUEST FOR QUALIFICATIONS FOR ENGINEERING SERVICES FOR THE DESIGN AND CONSTRUCTION OF AN OVERHEAD WATER TOWER – Councilmember Nicklas made a motion to advertise a Request for Qualifications for Engineering Services for the design and construction of an overhead water tower. Councilmember Benson seconded. Councilmember Maris requested a nicer looking water tank design than the current tower. Mr. Brumley said the size of the tank affected the cost, as did its proximity to existing water lines. Mr. McCuistion said CEDC would fund the debt service on a project of up to $2 million. All voted in favor.

15. CONSIDER DIRECTION ON STREET PROJECTS – Mr. McCuistion said the camera had arrived, but crews had not yet had a chance to investigate any lines below the proposed street projects.

16. CITY MANAGER'S REPORT
    A. DROUGHT CONTINGENCY PLAN – Mr. McCuistion reported TCEQ sent a letter stating they anticipated the drought would be extended and asked cities to institute Stage 1 of the Drought Contingency Plan. The lake was currently down a foot and the City was in Stage 1, calling for a voluntary effort to conserve. A notice was put in the paper. The City was watering the parks less; however, it had to water the new soccer fields to protect its investment. He also asked staff to fix water leaks faster and to run the hydrants less. Lonny Cluck confirmed water could be pumped from the lake to water the soccer field. Mr. McCuistion said Stage 2 was required conservation instead of voluntary. It would involve a watering schedule and not washing cars.
    B. STORM DEBRIEFING – Mr. McCuistion said the recent storm that travelled through the Old Kaufman Road and First Monday areas created a large amount of damage. Trees had fallen or been uprooted, structures were damaged and RV's had been overturned. Staff worked until 12:30 a.m. to repair the damage and First Monday was up and going again by early the next morning. The compost site had

been opened to the public for drop-off of debris and crews had since been working on brush and limb pickup. Mayor Hilliard cautioned it could have been worse, which was why it was important to have a good Emergency Response Plan. He reminded everyone there would be a tabletop exercise August 19. He again commended City staff for the great job they did in this emergency.

Mayor Hilliard called a break at 7:23 p.m. The meeting resumed at 7:31 p.m.

COUNCIL WORK SESSION

17. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2011-2012 PROPOSED BUDGET – Mr. McCuistion presented his budget overview letter and a few additions to the vision statement, including adding an objective to "develop infrastructure guidelines for future residential and commercial development" to Goal 5 and adding Goal 7 to "maintain/update First Monday master plan annually and fund the plan's capital improvements".

Ms. Seymore said $12,000 for two sirens for the outdoor warning system and projects funded by CEDC were added since the last draft presented to Council. The CEDC-funded projects included $100,000 to improve Buffalo/Groves Street parking lot, $50,000 to paint the old water tower, and $250,000 for the east outfall project. Ms. Seymore said $2 million utility bond revenue was added in the wastewater fund plus $2 million to be spent on the water tower. CEDC would fund the debt service of $15,600. One First Monday laborer had also been cut from the budget.

Mr. McCuistion explained nine positions had been lost in the reduction in force (RIF) of 2009. Several of those positions were from the Parks Department, which had since acquired responsibility of the CYRA, soccer fields, Cherry Creek Park, as well as the disc golf course. The Utilities Department lost three people in 2009 and the current crew had not been able to keep up with the water and sewer breaks. Just before the RIF in 2009, First Monday had an office employee resign who was not replaced. Tam Erwin then left the First Monday department (and wasn't replaced) to work at the CVB office. She was originally going to handle the special events bookings, but that was returned to the First Monday Department. They need another person to help with the increased workload there. Lonny Cluck stated the crews from the various departments helped each other, as needed.

Mr. McCuistion presented the cost analysis of raise alternatives and salary comparisons with cities with 2000-5000 population. Julie Seymore said during the last work session, Council discussed various raise options. The 3% COLA raise, with benefits, would cost $106,141. The $100 per month raise for everyone would cost $125,042. The $100 or 3% option would cost $128,886. The only ones affected by the 3% or $100 would be the city manager, accountant, assistant city manager, city secretary and the police chief. Councilmember Huddle felt no one working full-time should be making less than $10 per hour. Mayor Hilliard was concerned that continuing to give percentage-only raises would increase the gap between the lower paid and higher paid employees. Mr. McCuistion said when just the lower levels were raised, there was no advantage to being a supervisor. Mayor Hilliard said it concerned him employees were not making at least $10 per hour. Mr. McCuistion indicated the chart contained base salaries as well as salaries including overtime and First Monday pay. It showed a comparison between Canton salaries and similar cities. Councilmember Maris pointed out most cities did not have employees who could make overtime through something like First Monday. Ms. Seymore said the overtime was included in the budget based on an historical average. Mr.

McCuistion said Canton was underpaying significantly in some of the positions listed. An organization had to pay people in order to keep them. Mayor Hilliard said the County was not giving raises at all this year. Council had to be sure citizens were comfortable with the decisions made. Julie Seymore explained only those below supervisor level were given raises the previous year. The year before that, no one received a raise. The years before that, employees received anywhere from zero to 5% split between COLA and merit raises. Many years ago, there was a step program and everyone received step increases each year. It had been three years since supervisors and above were given raises. Mayor Hilliard felt the citizens should have more information about the history of the raises.

Mayor Hilliard also said the City should build twice as much into the budget for the new city attorney. The $130 per hour was not enough to be competitive. Mayor Hilliard suggested saving money by designating which meetings the attorney should attend. Ms. Seymore said Mr. Davis was paid $16,000-18,000 in the past year. The deadline for the RFQ was August 5. She said the City also needed to find out how each attorney handled malpractice insurance coverage. Legal notices of the RFQ were in the Van Zandt and Tyler papers and on the City, TML, and SGR websites.

Mercy Rushing explained CEDC was combining the parking lot project with the water tower with the primary project being the parking lot. Mr. McCuistion said the City would do as much of the work in-house as possible in order to minimize costs. Mayor Hilliard suggested doing the project in stages and doing it all ourselves.

18. ITEMS FOR FUTURE AGENDAS – Councilmember Nicklas suggested a review of the policies for the use of the parks and ball fields. Councilmember Huddle requested a review of junk residences. Mr. Cluck cautioned that coming down on property owners could result in lawsuits. People were sensitive about being told what to do with their property. Councilmember Benson suggested having discounted First Monday parking for citizens. Mr. Cluck noted it had been tried before and only seemed to help the citizens who were vendors.

19. ADJOURN - With no further business to discuss, Councilmember Chambless made a motion to adjourn at 8:24 p.m. which was seconded by Councilmember Benson.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., MONDAY, AUGUST 8, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Ross Maris and Clay Nicklas. Councilmember Charles Huddle was absent. City

Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, Judge Lilia Durham, and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 5:31 p.m.

2. CONSIDER REQUEST FROM PEOPLES TELEPHONE COOPERATIVE TO BURY FIBER OPTIC CABLE UNDERGROUND INSIDE THE CITY LIMITS – Lance White of Peoples Telephone Cooperative requested they be allowed to bury cable they were installing which would bring better internet service to the area. He said they would fix any driveways that were damaged in the process and they would bury the lines six feet. They would install an additional tube in order to slide the cable from one to another if one tube was damaged. They wanted to install the cable down Highway 64 to I-20 and continue either down Hwy. 19 or Hwy. 64. Mr. White said any ISP already in town could offer internet service and use the new cable. He hoped the cable would be here by the end of November and the service could be offered by year end. *(Lonny Cluck joined the meeting at 5:41 p.m.)* Mr. White said the line could go six feet down or a little lower. Six to eight feet would not be a problem. If they bored underground and hit an existing line or pipe, it would first be the responsibility of Peoples Telephone and then of the contractor. There might be places they would be able to go twelve feet deep. The cable was mainly for internet and broadband services. Councilmember Maris made a motion to grant the request from Peoples Telephone Cooperative to bury the fiber optic cable underground within the route to be determined with Mr. McCuistion. Councilmember Benson seconded. All voted in favor. Mercy Rushing announced Mr. White would be meeting with ETCOG at the Senior Citizens building at 2:00 p.m. Wednesday should anyone want to attend.

3. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2011-2012 PROPOSED BUDGET – Julie Seymore explained the projected year-end figures and the beginning balances for the proposed budget had been updated. The amount budgeted for the new city attorney had also been modified as requested. The purchase of election equipment had been deferred a year. The $250,000 grant revenue and sidewalk project expenses had been corrected to $200,000. Ms. Seymore stated the proposed budget would be published on the city's website by August 13. She asked for decisions on the proposed goals and objectives and the tax rate. There were no proposed increases in garbage, sewer or water rates. A decision was also needed on any proposed salary increases. The current tax rate was .42523 and the effective tax rate was .414412. The proposed tax rate resulted in a 1.7% increase in tax revenue over the previous year. The proposed tax rate would bring in $1.1 million in revenues, but only 97% of that was budgeted. Public notices were required because tax revenue was increasing. The average home value last year was $102,400 with a tax bill of $435.70. The same tax rate on the same home this year would be $433 because values were down. If the home's value remained the same, the tax bill would be the same. There would be a called vote at the next meeting to propose a tax revenue increase with the tax rate of .42523. Two public hearings would be held and the tax rate would be adopted. Council indicated it was comfortable using the same tax rate. Mayor Hilliard said Councilmember Huddle had suggested a salary increase of $100 per month for all employees with an adjustment for firefighters and CEDC. Mr. McCuistion explained part-time firefighters were paid an amount higher than the full-time firefighters and he wanted to correct that with an adjustment. Mayor Hilliard noted Ms. Rushing also made an adjustment on the CEDC increases. Councilmember Maris favored the option granting $100 per month or

3%, whichever was greater, noting it would only affect 3-4 people on the upper end of the scale. A range between hourly employees and supervisors needed to be maintained. Councilmember Nicklas agreed, stating he did not want to punish the managers who had not received a raise in three years. Mayor Hilliard noted the idea behind the $100 per month raise for everyone was to help the lower-paid employees who had fallen behind on the percentage raises. Councilmember Chambless said she would like to go with the $100 per month option, but her opinion might change after the meeting. Julie Seymore explained the three proposed new positions were Parks laborer, Utilities laborer and an office worker at First Monday. Mayor Hilliard said he was in favor of just the two new labor positions and that First Monday should use part-time people to fill in at the office instead of creating a new position. Councilmember Nicklas said crews had been stretched thin since the reduction-in-force two years prior and there had been an increase in work at the CYRA and parks. Mr. Cluck said First Monday used part-time people in the office during the month to answer the phone and book lots. They had not refilled one position that was vacated 2 years prior plus Tam Erwin's position had not been filled since she left the First Monday office to go to the CVB. The two in the office now were overloaded answering the phones and running the special events during the month. Councilmember Nicklas trusted staff to know what they needed and pointed out a request for a fourth new position had already been withdrawn. He added that if any department in the city did not need to be lapsed on, it was First Monday. Mayor Hilliard suggested waiting until the next meeting to decide on the new hires. Julie Seymore said all revenues proposed in the budget were conservative. Mayor Hilliard advised the salary increase of 3% could be left in the budget until a final decision was made.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.072 and 551.074.

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

5. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – CITY MANAGER (Section 551.074)

Mayor Hilliard convened Council into executive session at 7:18 p.m. for deliberations regarding personnel matters.

RETURN TO OPEN SESSION

6. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Mayor Hilliard reconvened Council into open session at 7:19 p.m. and announced no action would be taken on items discussed in Executive Session.

7. ITEMS FOR FUTURE AGENDAS – Mr. McCuistion advised he would locate a hydrologist for the spring lake project.

8. ADJOURN – There being no further business to discuss, the meeting was adjourned at 7:21 p.m. upon motion by Councilmember Nicklas and second by Councilmember Benson.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., TUESDAY, AUGUST 16, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, Fire Chief Bud Sanford, Police Chief Mike Echols and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 5:30 p.m.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.072 and 551.074.

2. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING REAL PROPERTY (Section 551.072) -.

3. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – REVIEW CITY ATTORNEY APPLICATIONS (Section 551.074) –

   Mayor Hilliard convened Council into executive session at 5:33 p.m. for deliberations regarding real property and personnel matters.

RETURN TO OPEN SESSION

4. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - Mayor Hilliard reconvened Council into open session at 6:03 p.m. Councilmember Maris made a motion to appoint Richard Ray city attorney contingent upon approval of a contract. Councilmember Chambless seconded. Councilmember Nicklas voted against, all others voted in favor.

   Richard Ray entered the meeting at 6:06 p.m.

BUDGET WORK SESSION

5. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2011-2012 PROPOSED BUDGET – Councilmember Chambless made a motion to add three new full-time positions to the budget – one laborer for Parks, one laborer for Utilities and one office clerk for First Monday. Councilmember Benson seconded. All voted in favor. Mayor Hilliard said employees had not had an across-the-board pay raise in three years. The options were to give everyone $100 per month; give everyone $100 per month or 3%, whichever was greater; or give everyone 3%. Councilmember Huddle made a motion to give every employee a salary increase of $100 per month. Councilmember Chambless seconded. Councilmember Maris felt it was not fair to give just $100 to the higher-level employees as this would not even be a 3% increase for them. He said Mr. McCuistion had offered to forego any increase in order for his supervisors to get a better raise. He would like to see a 3% increase with a minimum of $100. Councilmember Nicklas agreed he would like to please everyone without penalizing a certain part of the staff. Councilmembers Chambless, Huddle and Benson voted for a $100 per month increase to all employees. Councilmembers Nicklas and Maris voted against. The motion passed. Mr. McCuistion asked for permission to pursue the First Monday position sooner rather than later so someone could be in the job by October 1. Council agreed.

6. ADJOURN - There being no further business to discuss, the meeting was adjourned at 6:16 p.m. upon motion by Councilmember Maris and second by Councilmember Benson.

Cary Hilliard

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, AUGUST 16, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Ross Maris and Clay Nicklas. Councilmember Huddle was absent. City Manager Andy McCuistion, Assistant City Manager–Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Ray, Fire Chief Bud Sanford, Police Chief Mike Echols and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1 CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:14 p.m.

2. INVOCATION was led by Pastor Mike Burns from Word of Victory.

3. PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

4. MAYOR'S WELCOME – Mayor Hilliard announced there would be an emergency response tabletop exercise led by Chief Bud Sanford and Sgt. Brad Allison on Friday.

5. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None

6. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

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

INDIVIDUAL CONSIDERATION

8. CONSIDER APPROVAL OF MINUTES OF THE JULY 9 AND 19, 2011, CITY COUNCIL MEETINGS – The minutes of the July 9 and 19, 2011, City Council meetings were unanimously approved upon motion by Councilmember Chambless and second by Councilmember Benson.

9. CONSIDER APPROVAL OF JULY 2011 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of $4.4 million and a debt service of $6.675 million. Bond payments had been made at the end of June, reducing long-term debt. Revenue to date was $10.1 million and expenditures were $8.997 million. Councilmember Benson requested the check register include the purpose of the checks. Ms. Seymore explained the check approval process. The July 2011 financial statements were unanimously approved upon motion by Councilmember Nicklas and second by Councilmember Maris.

10. CONSIDER PROPOSAL TO ADOPT 2011 TAX RATE AND SCHEDULE PUBLIC HEARINGS – Julie Seymore explained it was a legal requirement for Council, by record vote, to approve a tax rate proposal and to schedule public hearings on it prior to its adoption. The final adopted rate could be lower, but not higher than the proposed rate. The proposed budget was based on a tax rate of .42523. She said the effective tax rate of .414412 was calculated by comparing revenue generated from the same property as in the previous year. Even though the proposed tax rate of .42523 was unchanged, it would generate a little more revenue, thereby generating a tax revenue increase. If a person's home value remained the same, so did his tax bill. The rollback tax rate was .541448. The total levy was $1.1 million. The budget was based on a 97% collection rate, reducing that to $1,068,000, with $255,505 going to the General Fund and $837,593 to Debt Service. Candice Benson made a motion to adopt a 2011 tax proposal of .42523 per $100 valuation and to schedule two public hearings–one at 6:00 p.m. on September 1, 2011, the other at 6:00 p.m. on September 6, 2011, and final adoption of the tax rate at 7:00 p.m. on September 13, 2011. Councilmember Nicklas seconded and all voted in favor.

11. CONSIDER APPLYING FOR ASSISTANCE FROM TEXAS DEPARTMENT OF TRANSPORTATION, AVIATION DIVISION, FOR AN AIRPORT IMPROVEMENT GRANT THROUGH THE AVIATION CAPITAL IMPROVEMENT PROGRAM – Bob Breedlove and Benny Lybrand from Brannon Corporation in Tyler spoke about a grant available for capital improvements to the airport. It was through the TxDOT Aviation Division and had a 90/10 match. There was a three-year window for the grant and all that was needed to apply was a letter of interest from the City. TxDOT would evaluate the airport and list the criteria for improvements – safety, maintenance of airport, improvements for existing traffic and then extensions. There was no money commitment to be made at this time. If

approached at a time when the funds were not available for the 10% match, the City could be moved further down the list. The grant was for general aviation and reliever airports. Mr. Breedlove explained if the City took the grant it would have to sign a contract that the airport would be kept in useable condition twenty years. He felt the improvements to the airport could cost anywhere from $400,000 to $2 million. The lighting would be a fairly sizeable project and would cost an estimated $250,000. The airport was currently shown unfavorably on the FAA database. Councilmember Maris made a motion to apply for assistance from the Texas Department of Transportation Aviation Division for an airport improvement grant through the Aviation Capital Improvement Program. Councilmember Nicklas seconded. All voted in favor.

12. CLAW PRESENTATION ON MANAGING STRAYS AND SHELTER POPULATION – Lois Steel made a statement regarding the improvements to the Canton Animal Shelter and how it could be expanded to house more animals. More volunteers were needed and scholarships could be given to youth for helping with the animals. Mayor Hilliard directed Ms. Steele to speak with Mr. McCuistion about her ideas.

13. CONSIDER REQUEST FROM RELIANT ENERGY / TECOMEX, AN ENERGY SERVICE PROVIDER, FOR A DOOR-TO-DOOR SOLICITORS PERMIT – Councilmember Nicklas made a motion to deny the request from Reliant Energy/Tecomex for a door-to-door solicitor's permit since they were not present at the meeting. Councilmember Chambless seconded. All voted in favor of denying the request.

14. CONSIDER REQUEST FROM SHAYAN SHAKIBA, AN INDEPENDENT CONTRACTOR WITH THE SOUTHWESTERN COMPANY, FOR A DOOR-TO-DOOR SOLICITOR'S PERMIT TO SELL EDUCATIONAL BOOKS AND COMPUTER SOFTWARE – Councilmember Maris made a motion to deny the request from Shayan Shakia for a door-to-door solicitor's permit to sell educational books and computer software since he was not present. Councilmember Benson seconded. All voted in favor of denying the request.

15. CONSIDER ALL MATTERS RELATED TO CODE ENFORCEMENT ISSUES – Mr. McCuistion showed photos of houses which were out of compliance. David Smith reviewed some of the properties he has had problems with in town. Mr. McCuistion said some cities required certificates of occupancy (CO) be issued before a vacant house could be occupied. Mr. Cluck said the City could adopt different rules, but one option was to require a home inspection before water was turned back on after it had been cut off. He estimated the City cuts off twenty to thirty water customers per cycle for nonpayment. Mr. Smith said he did not recommend that be done. Councilmember Maris said there was a difference in requiring a CO for a vacant property versus if the water was temporarily disconnected. Councilmember Chambless voted to table the issue until more information could be obtained. Councilmember Benson seconded. All voted to table the item.

16. CONSIDER DIRECTION ON STREET PROJECTS – Mr. McCuistion said they used the new camera to inspect sewer and water lines underneath streets that needed repair. The estimated costs of repair were $193,000 for the streets plus $113,000 for the underlying utilities. $350,000 was left from the borrowed funds. They would replace the base where needed and overlay and asphalt all but Terrell. Terrell Street would be chipsealed. Only water and sewer lines in bad condition would be replaced. Mr. Cluck said he would get with Chief Sanford about the location of new fire hydrants. Mr. McCuistion added some manholes would be replaced and additional manholes installed. Mayor Hilliard cautioned that bids should be obtained soon so construction would not drag into cold weather. Councilmember Benson voted to approve the direction Mr. McCuistion proposed for the repair of city streets and underlying utilities, beginning with sections of Peace, Terrell and

Church. Councilmember Chambless seconded. All voted in favor.

17. CONSIDER APPOINTMENT OF A COMMITTEE TO ESTABLISH GUIDELINES FOR FUTURE INFRASTRUCTURE IMPROVEMENTS IN UNDEVELOPED AREAS – Mayor Hilliard appointed Councilmembers Huddle and Benson to a committee to determine guidelines for landowners and developers regarding extension of infrastructure to future developments. Mayor Hilliard said he could serve on the committee if Councilmember Huddle was unable to do so. Councilmember Maris said the committee needed to include a member of the CEDC and to take into consideration the CEDC's standpoint. He added that some projects warranted a different approach than others. Councilmember Benson agreed a blanket policy would not work. Mayor Hilliard said the purpose of the committee was to see how comparable cities approached infrastructure development in undeveloped areas and propose common sense guidelines for future development.

18. CONSIDER APPROVAL TO HIRE HYDROLOGIST TO DETERMINE YIELD AND ANSWER OTHER QUESTIONS RELATED TO THE POTENTIAL PROVISION OF WATER FROM HENRY LEWIS' LAKE – Mr. McCuistion said the attorney, Brad Castleberry, recommended a hydrologist be hired to determine the viability of the lake owned by Henry Lewis as a potential water source. Upon his request Councilmember Maris made a motion to authorize Mr. McCuistion to hire a hydrologist to answer questions related to Henry Lewis' lake. Councilmember Chambless seconded. All voted in favor. Mr. McCuistion requested any suggestions for questions be given to him.

19. CONSIDER ADOPTION OF ORDINANCE NO. 2011-10 PROVIDING FOR THE POLICIES AND PROCEDURES FOR OPERATION OF CITY OF CANTON'S FIRST MONDAY TRADE DAYS –Councilmember Nicklas made a motion to adopt Ordinance No. 2011-10 providing for the updated policies and procedures for the operation of the City of Canton's First Monday Trade Days. Councilmember Maris seconded. All voted in favor.

20. CONSIDER FREE FIRST MONDAY PARKING FOR CANTON RESIDENTS – Councilmember Benson proposed free parking for Canton residents upon presentation of the latest water bill, once per month at the FM 859 parking lot only. Residents should be notified by a notice on the city website, in the Canton Herald, and in the next City newsletter. Councilmember Maris was against free parking for anyone who resided outside the city limits. Councilmember Benson made a motion to approve the policy for free First Monday parking for Canton residents as proposed. Councilmember Chambless seconded. Councilmember Nicklas suggested trying the free parking for a specific length of time to see how it impacted revenues. Councilmember amended her motion to have free parking at First Monday for Canton citizens for a trial period of six months. Councilmember Chambless seconded. Motion passed with Councilmember Maris voting against and all others in favor.

21. CONSIDER ADOPTION OF RESOLUTION NO. 2011-21 APPROVING THE CANTON ECONOMIC DEVELOPMENT CORPORATION BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012 – Mercy Rushing stated the proposed $2,015,490 budget had been approved by the CEDC and was the same as previously presented to Council. Councilmember Chambless made a motion to adopt Resolution No. 2011-21 approving the Canton Economic Development Corporation budget for fiscal year beginning October 1, 2011. Councilmember Maris seconded. All voted in favor.

22. CONSIDER APPOINTMENT TO MAIN STREET ADVISORY BOARD – Councilmember Nicklas made a motion to appoint Ann Moore to the Main Street Advisory Board.

Councilmember Benson seconded. All voted in favor.

23. CONSIDER NOMINATIONS TO VAN ZANDT COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS – Julie Seymore reported Council was allowed to make a nomination to the board. She explained the voting system allocated 126 votes to the City based on its tax levy, and it took 1000 votes to elect a member. The current board members were Edward Bailey, Bobby Mayfield, W.A. Daniels and Kenneth Pruitt. It was noted Kenneth Pruitt was a City resident and provided adequate representation. Councilmember Chambless made a motion not to make a nomination for the Van Zandt County Appraisal District Board elections. Councilmember Nicklas seconded. All voted in favor.

24. CONSIDER APPROVAL OF ENGAGEMENT LETTER WITH CONWAY COMPANY, CPAS FOR FISCAL YEAR 2010-2011 AUDIT SERVICES – Julie Seymore stated Conway & Company had been the auditors for a number of years, but they routinely changed the personnel assigned to the City's audit. The $14,900-$15,900 proposal was $400 more than the prior year. A single audit was required if the City received more than $500,000 in grants at an additional cost of $2,500. Councilmember Nicklas made a motion to approve the agreement with Conway Company, CPAs for fiscal year 2010-2011 audit services. Councilmember Chambless seconded. All voted in favor.

25. CONSIDER APPROVAL OF 9-1-1 DATABASE MAINTENANCE INTERLOCAL CONTRACT WITH EAST TEXAS COUNCIL OF GOVERNMENTS – Julie Seymore explained the City was under contract with ETCOG to maintain the City's 911 addressing system database. Code Red operated off that system. The cost to renew the contract was $2,266 per year. Councilmember Maris made a motion to approve the 9-1-1 database maintenance interlocal contract with East Texas Council of Governments. Councilmember Nicklas seconded. All voted in favor.

26. CONSIDER APPROVAL OF 9-1-1 INTERLOCAL PSAP AGREEMENT WITH EAST TEXAS COUNCIL OF GOVERNMENTS – Chief Echols explained the contract for dispatching/recording equipment was renewed every two years. In the new proposal, ETCOG would no longer be able to maintain the recorders due to a decrease in state funding. They would maintain everything else inside the equipment room. He recommended signing the new contract. Councilmember Nicklas made a motion to approve the 9-1-1 interlocal PSAP agreement with East Texas Council of Governments. Councilmember Chambless seconded. All voted in favor.

27. CONSIDER INVITATION FROM EAST TEXAS COUNCIL OF GOVERNMENTS TO PARTICIPATE IN EAST TEXAS VISION 2040 REGIONAL PLANNING CONSORTIUM – Julie Seymore stated ETCOG had the ability to apply for grant funding to develop a regional plan. One of the grant requirements was the development of a planning consortium, to which they invited a City representative. Mr. McCuistion said the City could opt out if joining was associated with any costs. Mercy Rushing said she would attend on behalf of the CEDC. Councilmember Maris made a motion to accept the invitation from East Texas Council of Governments to participate in the East Texas Vision 2040 Regional Planning Consortium. Councilmember Nicklas seconded. All voted in favor.

28. CITY MANAGER'S REPORT

    A. WATER WELL NO. 3 – Mr. McCuistion reported that he, a surveyor and the engineers had identified an 8-acre site owned by CEDC behind the City Office Complex for the new well. The site had been staked off for a test well and a regular well. There were two options if the test well was good. One was to run the line down existing easements at an estimated cost of $500,000. The other option was to pursue acquiring easements across the fairgrounds property and boring under

Highway 64 at an estimated cost of $300,000. That line would go from the water well to a holding well at the treatment plant. Councilmember Maris made a motion to approve the second option. Councilmember Benson seconded. All voted in favor.

B. CONSTRUCTION PROJECTS – Mr. Cluck reported they were through with the cement on the sidewalk project, were putting up rails, and should be finished by September 8, after which the contractor would have to pay a daily penalty. In October, the CEDC would begin the grant application process to start a new sidewalk project on Capitol Street. Mr. Cluck said the bore was made under I-20 and the pipe was in. They would have to case the total distance of the easement. They completed the west outfall from Sleepy Hollow to Highway 64. They had finished the work on Athens, Church, Jack, College, Elm, Beard and Lisa Circle. They would start work on the other streets and hoped to finish by the end of summer. There had been many major water breaks in the last two weeks and they were low on manpower. They also had Rows 49, 50, 52 and part of Row 54 resurfaced at First Monday.

C. DROUGHT CONDITIONS – Mr. McCuistion said the lake was down 19 inches. The City would go to the next stage if it went down another foot.

D. MAIN STREET QUARTERLY REPORT – Lynn Kitchens stated Main Street was celebrating its 10th year in the program and would hold a celebration in December. She thanked Council for their support. Ms. Kitchens mentioned Main Street was sponsoring the downtown sidewalk project as well as an incentive grant program for downtown building and business owners. They gave up to $1,000 per building if the owner provided a $1,000 match in improvements. Thus far, they had given $5,798 in grants for exterior improvements. The Autumn Stroll was scheduled for October 7-9, with the festival on Saturday only. There would also be a Southwest Regional Car Show in the Trade Centers, an Auto Swap on Mr. Lewis' grounds, and a state championship BBQ cookoff. A fish fry would be held Saturday night along with a concert by Jeff Allen. Ms. Kitchens identified the various committees that made up the Main Street program and reported she attended training twice a year. A new floor was being installed at the Museum. The G.W. Tull building on South Buffalo on the square had received a state historical marker. They were also developing a downtown map and brochure as a marketing tool. Seasonal window decorating contests would be held. Main Street would raise funds and be involved in the development of a pocket park across the street from the Museum. Ms. Kitchens also explained about a QR code that could be added to advertising or websites and could be used as a marketing tool.

29. ITEMS FOR FUTURE AGENDAS – Julie Seymore noted Councilmember Nicklas had previously requested a review of the policies on park rentals.

30. ADJOURN - With no further business to discuss, Councilmember Nicklas made a motion to adjourn at 7:57 p.m. which was seconded by Councilmember Maris.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:00 P.M., THURSDAY, AUGUST 29, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. Manager Andy McCuistion, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Ray, and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 5:01 p.m.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.074.

2. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING PENDING OR CONTEMPLATED LITIGATION INVOLVING ZANBAKA USA, LLC v. CITY OF CANTON, TEXAS (Section 5521.071) – Mayor Hilliard convened Council into executive session at 5:03 p.m. for consultation with attorney regarding pending or contemplated litigation involving Zanbaka USA, LLC v. City of Canton, Texas.

RETURN TO OPEN SESSION

3. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Mayor Hilliard reconvened Council into open session at 7:21 p.m. He announced no action would be taken at this time on anything discussed in Executive Session.

4. ADJOURN – There being no business left to discuss, the meeting was unanimously adjourned at 7:21 p.m. upon motion by Councilmember Benson and second by Councilmember Chambless.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., THURSDAY, SEPTEMBER 1, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary / Finance Officer Julie Seymore, City Attorney Richard Ray, Fire Chief Bud Sanford, and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:00 p.m.

2. PUBLIC HEARING ON PROPOSED TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011, AND ENDING SEPTEMBER 30, 2012 – Mayor Hilliard opened a public hearing at 6:01 p.m. regarding the proposed tax rate for fiscal year beginning October 1, 2011, and ending September 30, 2012. Julie Seymore reported the only changes since the last proposal were the update of the salaries and the new year-to-date figures as of July 31 which changed some of the beginning and ending balances. She gave a brief overview of the tax revenue increase which was a result of new property in the city. There being no further comments, Mayor Hilliard closed the public hearing at 6:04 p.m. He announced the next public hearing would be held September 9, 2011, and a final vote would be taken on September 13, 2011, at the regular meeting.

3. CONSIDER APPROVAL OF BURTON ENGINEERING TASK ORDER 014110501 FOR 2011 MISCELLANEOUS ROAD IMPROVEMENTS – Councilmember Nicklas made a motion to approve Burton Engineering Task Order 014110501 for 2011 miscellaneous road improvements, which included the roadway, water and sewer lines on Peace Street from Athens to Hwy. 19 and Terrell Street from Grand Saline to Little Street; and the roadways and water lines on Church Street from Buffalo to Hwy. 19, using the $350,000 left over from the $750,000 loan for road construction. Councilmember Huddle seconded. All voted in favor.

4. ADJOURN - With no further business to discuss, Councilmember Benson made a motion to adjourn at 6:15 p.m. which was seconded by Councilmember, Nicklas.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, SEPTEMBER 6, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary / Finance Officer Julie Seymore, City Attorney Richard Ray, Fire Chief Bud Sanford, Municipal Judge Lilia Durham, and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:00 p.m.

2. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011, AND ENDING SEPTEMBER 30, 2012 – Mayor Hilliard opened a public hearing at 6:01 p.m. on the proposed budget for fiscal year beginning October 1, 2011, and ending September 30, 2012. Andy McCuistion explained they were in the process of obtaining bids to use the money remaining from the $750,000 borrowed for street projects. Julie Seymore explained the budget process and some of the major considerations in the proposed budget, such as the three new positions in Streets, Parks and First Monday departments, the $100 per month salary increase to all regular employees, the new emergency generator for the water plant, a bar screen for the wastewater plant, $200,000 from CEDC to continue the East Outfall sewer project, adding doors to Trade Center II on the First Monday grounds, work on the Highway 64 entrance to First Monday, repair to the Civic Center sign, funds to buy buildings at First Monday, the $2 million capital improvement project for a new water tower, new vehicles for the Police Department, a new tractor for First Monday, and a zero-turn mower for the Transfer Station. The proposed budget included total revenues of $11.8 million and expenditures of $12.5 million. There being no further comments, the public hearing was closed at 6:11 p.m.

3. SECOND PUBLIC HEARING ON PROPOSED TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011, AND ENDING SEPTEMBER 30, 2012 – At 6:11 p.m., Mayor Hilliard opened the second public hearing on the proposed tax rate for fiscal year beginning October 1, 2011. Julie Seymore announced this would be the final public hearing on the tax rate. There would be a second hearing on the budget and a final votes on the proposed budget and tax rate on September 13, 2011, at 7:00 p.m. She explained if the value of a homeowner's property did not change, their tax bill would not change. $1,068,000 was budgeted for tax collections, with $255,000 going to the General Fund for maintenance and operations and $837,000 going to the Debt Service Fund. There being no further comments, the public hearing was closed at 6:13 p.m.

EXECUTIVE SESSION

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

4. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072) – Mayor Hilliard convened Council into executive session at 6:15 p.m.

RETURN TO OPEN SESSION

5. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened into open session at 6:28

p.m. Councilmember Maris made a motion to authorize the City Manager to negotiate the purchase of First Monday property. Councilmember Nicklas seconded. All voted in favor.

6. ADJOURN - With no further business to discuss, Councilmember Huddle made a motion to adjourn at 6:29 p.m. which was seconded by Councilmember Nicklas.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
7:00 P.M., TUESDAY, SEPTEMBER 13, 2011
(Replacing September Regular Meeting originally scheduled for 9/20/11)
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Councilmember Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary / Finance Officer Julie Seymore, City Attorney Richard Ray, Fire Chief Bud Sanford, Police Sgt. Brad Allison and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 7:00 p.m.

2. INVOCATION was led by Reverend Jon Thornsbury of the First United Methodist Church.

3. PLEDGE OF ALLEGIANCE was led by Councilmember Maris.

4. MAYOR'S WELCOME – Mayor Hilliard thanked the City Manager and his staff for their work on developing the budget for the upcoming year. He invited citizens to the Autumn Stroll October 7 and 8, 2011. Mayor Hilliard announced the City would be going to Stage 3 water restrictions on Thursday and requested citizens' participation in this effort.

5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

6. PROCLAMATIONS AND ANNOUNCEMENTS
   A. PROCLAMATION HONORING PASTORS JIMMY AND ANNETA ALLEN ON THEIR 25TH ANNIVERSARY WITH THE FIRST ASSEMBLY OF GOD CHURCH – Mayor Hilliard read a proclamation honoring Reverend Jimmy and Anneta Allen of the First Assembly of God Church. He invited all citizens to attend the anniversary celebration.

CITIZEN'S FORUM

7. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None. Mayor Hilliard explained about the Open Meetings Act and Roberts Rules of Order and asked citizens who wanted to participate during the meeting to raise their hand and wait to be acknowledged before speaking. He also requested the audience remain quiet during the meeting unless they were recognized by the chair.

INDIVIDUAL CONSIDERATION

8. CONSIDER APPROVAL OF MINUTES OF THE AUGUST 8, 16, AND 29, 2011, CITY COUNCIL MEETINGS – The minutes of the August 8, 16 and 29, 2011, City Council meetings were unanimously approved upon motion by Councilmember Nicklas and second by Councilmember Benson.

9. CONSIDER APPROVAL OF AUGUST 2011 FINANCIAL STATEMENTS – Julie Seymore reported total cash on hand at the end of August was $4.4 million. The debt balance was $6.66 million, revenue to date was $11.1 million, and expenditures to date were $9.94 million. The August 2011 financial statements were unanimously approved upon motion by Councilmember Maris and second by Councilmember Nicklas.

10. SECOND PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011, AND ENDING SEPTEMBER 30, 2012 – Julie Seymore described the budget process and reviewed the major considerations in the proposed budget. Mayor Hilliard opened a public hearing at 7:21 p.m. on the proposed budget for fiscal year beginning October 1, 2011, and ending September 30, 2012. Ms. Seymore announced a copy of the budget would be posted on the City's website. There being no further comments, the public hearing was closed at 7:24 p.m.

11. CONSIDER ADOPTION OF ORDINANCE NO. 2011-11 APPROVING PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012 - Councilmember Nicklas made a motion to adopt Ordinance No. 2011-11 approving the proposed budget for fiscal year beginning October 1, 2011, and ending September 30, 2012. Councilmember Benson seconded. All voted in favor.

12. CONSIDER RATIFICATION OF INCREASED PROPERTY TAX REVENUES REFLECTED IN THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012 – Councilmember Chambless made a motion to ratify the property tax increase reflected in the fiscal year 2011-2012 budget. Councilmember Maris seconded. All voted to ratify the increased property tax revenues reflected in the budget for the fiscal year beginning October 1, 2011 and ending September 30, 2012.

13. CONSIDER ADOPTION OF ORDINANCE NO. 2011-12 LEVYING THE TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012 – Councilmember Huddle made a motion to adopt Ordinance No. 2011-12 and that the property tax rate be increased by the adoption of a tax rate of $0.42523 per $100 valuation, which is effectively a 2.6% increase in the tax rate. Councilmember Chambless seconded. All voted in favor.

14. CONSIDER ADOPTION OF ORDINANCE NO. 2011-13 APPROVING THE AMENDED CITY OF CANTON FEE SCHEDULE – Councilmember Maris made a motion to adopt

Ordinance No. 2011-13 approving the amended City of Canton fee schedule. Councilmember Benson seconded. All voted in favor.

15. CONSIDER ADOPTION OF RESOLUTION NO. 2011-22 DESIGNATING THE CANTON HERALD AS THE OFFICIAL NEWSPAPER FOR THE CITY OF CANTON – Councilmember Huddle made a motion to adopt Resolution No. 2011-22 designating The Canton Herald as the official newspaper for the City of Canton. Councilmember Benson seconded. All voted in favor.

16. CONSIDER AWARDING ENGINEERING CONTRACT FOR WATER TOWER PROJECT – Councilmember Chambless made a motion to award the water tower project to KSA Engineers and for Mr. McCuistion to negotiate a contract with them. Councilmember Benson seconded. All voted in favor.

17. CONSIDER REQUEST FROM MAIN STREET FOR STREET CLOSURES DURING THE OCTOBER 7-9, 2011 AUTUMN STROLL FESTIVAL – Councilmember Nicklas made a motion to close North Buffalo from Dallas Street to Groves; West Terrell from Capital to Grand Saline Street; West Groves from Capital to Grand Saline Street and Grand Saline Street from Groves to ½ of the Main Street Public Parking lot from October 7-9, 2011, for the Autumn Stroll Festival. Councilmember Huddle seconded. All voted in favor.

18. CITY MANAGER'S REPORT
    A. PUBLIC WORKS PROJECTS – Mr. McCuistion reported the completion of the following projects: Athens Street with utilities; Beard, Jack, Slaughter, Elm, College and Church Streets; Lisa Circle; the College Street Bridge; the East Outfall; the I-20 sewer bore; Phase II of the West Outfall; and the soccer fields/disc golf and trails at Cherry Creek Park. Mr. McCuistion also presented a project status report which he would update monthly to keep Council up-to-date on city projects. He said the contractor had started putting up rails on the sidewalk project. The light posts were to be installed Thursday or Friday.

    B. FIRST MONDAY – Mr. McCuistion reported the last First Monday was not as good as last year at the same time, however First Monday was still $130,000 over last year's revenues. He felt the hot weather contributed to the decreased attendance. Sales tax revenue for two months prior was less than $1000 at this time last year. He felt the weather was also a factor in that decrease.

EXECUTIVE SESSION

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

19. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING PENDING OR CONTEMPLATED LITIGATION INVOLVING ZANBAKA USA, LLC v. CITY OF CANTON, TEXAS (Section 551.071) – Mayor Hilliard convened Council into executive session at 7:42 p.m.

RETURN TO OPEN SESSION

20. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened into open session at 8:15 p.m.

21. FIRST READING AND CONSIDER ADOPTION OF RESOLUTION NO. 2011-18 APPROVING A PROJECT OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION FOR EXTENSION OF A SEWER LINE ON INTERSTATE 20 TO HIGHWAY 64; AND CONTAINING OTHER MATTERS RELATED TO THE SUBJECT – Mayor Hilliard read, in its entirety, Resolution No. 2011-18 approving the Canton Economic Development Corporation's project for extension of the sewer line on Interstate 20 to Highway 64. Resolution No. 2011-18 was unanimously approved upon motion by Councilmember Nicklas and second by Councilmember Maris, Mayor Hilliard stated the City had been wrongfully accused of breaking an agreement with Zanbaka LLC. It was the City's position that it had not in any way breached any terms of the Zanbaka agreement. There was no time specified for and/or completion in the agreement and there was not even a "time is of the essence" clause. Under Texas law, the new councilmembers had every right to have certain related legal, engineering and other questions answered, and in fact, had received related information from the engineer, Mr. Breedlove, Myrtle Springs Water Supply, and its attorneys. No contractual term was breached and the City continued to hope they could get the project finished as soon as possible now that the new council members had received additional information concerning implementation of the agreement.

EXECUTIVE SESSION

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

22. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – CITY ATTORNEY'S CONTRACT (Section 551.074) - Mayor Hilliard convened Council into executive session at 8:27 p.m. Council reconvened into open session at 8:47 p.m. No action was taken.

23. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – CITY MANAGER (Section 551.074) – Mr. McCuistion requested the item be discussed in open session. He presented his position regarding statements he made to the media on the I-20 sewer line project and asked the Council to remove the Mayor's written reprimand regarding same from his personnel file. City Attorney Richard Ray advised the Mayor had the authority to make the reprimand and the Council had no authority to overturn his actions or hear Mr. McCuistion's appeal. No action was taken.

RETURN TO OPEN SESSION

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

25. ITEMS FOR FUTURE AGENDAS – Councilmember Maris requested the City Manager establish a truck route to keep gravel trucks from coming through the City. Mr. McCuistion said he would contact TxDOT before the next meeting.

26. ADJOURN - There being no further business to discuss, the meeting was adjourned at 9:05 p.m. upon motion by Councilmember Maris and second by Councilmember Chambless.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, OCTOBER 18, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary / Finance Officer Julie Seymore, City Attorney Richard Ray, Fire Chief Bud Sanford, Police Chief Mike Echols and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:00 p.m.

2. INVOCATION was led by Pastor Mark Robinson of Crossroads Church.

3. PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

4. MAYOR'S WELCOME – Mayor Hilliard expressed his appreciation for the volunteers and staff who worked on the Autumn Stroll.

5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

6. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

7. 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 – Ron Perkins requested the population as determined by the 2010 census be included on the city limits signs. Bob Moore requested a proclamation declaring Canton and Van Zandt County the walking capitol of Texas. Carlos Mora stated he felt the new council was doing a good job. He requested something be done with the downtown water tower, as it is an historical marker and not a cell phone tower.

CONSENT AGENDA

8. CONSIDER APPROVAL OF MINUTES OF THE SEPTEMBER 1, 6, AND 13, 2011, CITY COUNCIL MEETINGS

9. CONSIDER APPROVAL OF SEPTEMBER 2011 FINANCIAL STATEMENTS

10. CONSIDER ADOPTION OF RESOLUTION NO. 2011-24 APPROVING THE 2011 TAX ROLL LEVY – The Consent Agenda was approved upon motion by Councilmember Huddle and second by Councilmember Benson, with Councilmember Maris voting in opposition stating he was not in favor of the new "action minutes" style.

INDIVIDUAL CONSIDERATION

11. CONSIDER ADOPTION OF RESOLUTION NO. 2011-25 DIRECTING PUBLICATION OF NOTICE OF INTENTION TO ISSUE COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION – Councilmember Maris made a motion to adopt Resolution No. 2011-25 directing the publication of a notice of intention to issue $2 million in combination tax and revenue certificates of obligation to fund water improvements, including the water tower project. Councilmember Nicklas seconded. All voted in favor.

12. CONSIDER REQUEST FOR SOLICITORS PERMIT FROM VAN ZANDT COUNTY HUMANE SOCIETY TO COLLECT DONATIONS AT THE INTERSECTION OF BUFFALO AND DALLAS STREETS MARCH 2-3, 2012 AND JUNE 1-2, 2012 – Councilmember Chambless made a motion to grant the solicitors permit to Van Zandt County Humane Society to collect donations at the intersection of Buffalo and Dallas Streets for a period of four-hours each day on the dates of March 2-3, 2012, and June 1-2, 2012. Councilmember Benson seconded. All voted in favor.

13. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-14 AMENDING THE 1985 ZONING ORDINANCE FOR THE CITY OF CANTON, TEXAS, PROVIDING FOR THE ALLOWANCE OF A RESIDENCE BY SPECIFIC USE PERMIT IN DISTRICTS ZONED RPO, B-1 AND B-2 – Mayor Hilliard opened a public hearing at 6:45 p.m. Ms. Seymore explained there was currently no provision to allow residences in commercial districts. The proposed ordinance would allow a property owner to construct a residence with a specific use permit (SUP), which could be considered on a case-by-case basis. The Planning & Zoning Committee recommended approval of the ordinance. Councilmember Nicklas was in favor of allowing someone to rebuild in the event of a loss of a residence, but felt there would be long-term implications if this ordinance were approved. He suggested changing language in Section 16-10 of the Zoning Ordinance dealing with nonconforming uses to allow for the reconstruction of a residence damaged by fire or an act of God. Richard Ray advised a new amendment would have to be drafted for consideration. Mr. McCuistion pointed out a land-use consultant would soon be appointed to redo the Zoning Ordinance. Debbie Murdock, the realtor representing Richard Davis, said the property owner had waited two months to get through the process and not having a vote on it would prolong the whole situation. They were trying to satisfy the lender and needed verbiage about being able to rebuild in the event of a fire. Mayor Hilliard closed the public hearing at 7:02 p.m. Councilmember Chambless voted to deny the adoption of Ordinance No. 2011-14 until it had been rewritten as proposed by Councilmember Nicklas. Councilmember Benson seconded. All voted in favor of denying adoption of the ordinance.

14. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-15 ALLOWING A SINGLE FAMILY DETACHED DWELLING BY SPECIFIC USE PERMIT AT 382 S. CAPITOL STREET CURRENTLY LOCATED IN AN AREA ZONED GENERAL BUSINESS DISTRICT (B-2) – The item was not considered as it was contingent upon the passing of the zoning ordinance amendment in item 13.

15. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-16

PROVIDING FOR THE TAXATION OF TANGIBLE PERSONAL PROPERTY IN TRANSIT WHICH WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE, SECTION 11.253 – Mayor Hilliard opened a public hearing at 7:03 p.m. Mr. McCuistion explained the State of Texas adopted legislation that automatically exempted goods in transit unless the city voted to take away the exemption. There were no goods currently being affected by this tax, but there could be in the future. He asked to retain the ability to tax the goods and requested Council adopt the ordinance. Mercy Rushing said several cities did not tax goods in transit because they wanted to attract distribution centers. Mr. McCuistion noted Canton did not currently have an abatement program, although it was possible to create one. Ms. Seymore mentioned the ordinance would have to be voted on before December 31 and was for 2012 only. Mayor Hilliard closed the public hearing at 7:07 p.m. Councilmember Maris made a motion to deny adoption of Ordinance No. 2011-16 providing for the taxation of tangible personal property in transit which would otherwise be exempt pursuant to Texas Tax Code, Section 11.253 (j-1). Councilmember Chambless seconded. All voted in favor of denying the adoption of the ordinance.

16. CONSIDER ADOPTION OF RESOLUTION NO. 2011-23 APPROVING THE AMENDED BYLAWS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – Councilmember Nicklas made a motion to adopt Resolution No. 2011-23 approving the proposed amended bylaws of the CEDC. Councilmember Benson seconded. All voted in favor.

17. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-17 APPROVING FINAL AMENDMENTS TO THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2010 AND ENDING SEPTEMBER 30, 2011 – Mayor Hilliard opened a public hearing at 7:17 p.m. Julie Seymore explained the year-end amendments. The public hearing was closed by Mayor Hilliard at 7:21 p.m. Councilmember Nicklas made a motion to adopt Ordinance No. 2011-17 approving the proposed amendments to the budget for fiscal year beginning October 1, 2010, and ending September 30, 2011. Councilmember Maris seconded. All voted in favor.

18. CONSIDER BURTON ENGINEERING'S RECOMMENDATION ON WATER WELL PROJECT – Councilmember Nicklas made a motion to follow Burton Engineering's recommendation on the water well project and pursue drilling a water well at the test well location behind the City Office Complex and to determine another location in the same area for an additional well. Councilmember Maris seconded. All voted in favor.

19. CITY MANAGER'S REPORT

    A. WER STUDY – GARY BURTON – Mr. Burton reported favorable results on the WER copper study and anticipated the State would grant the requested testing requirements variance.

    B. DOWNTOWN SIDEWALK PROJECT – GARY BURTON – Mr. Burton reported on the project. Upon Mr. McCuistion's recommendation, Councilmember Huddle made a motion to give the contractor until Monday to finish the project. Councilmember Nicklas seconded. All voted in favor.

    C. PROJECTS STATUS – Gary Burton reported the utilities work and paving on the street projects would be bid separately. The utilities bid packets would be complete by the end of the month with construction scheduled for December through March. Paving would be bid in the spring and constructed in the summer.

    Mr. Burton reported the TxDOT permit to go in the ROW for the I-20 sewer project

had been received. The plans and specs would be completed about the third week of November. The easements had been prepared and signatures were being obtained by Ms. Rushing.

D. DROUGHT STATUS AND RESTRICTIONS – Mr. McCuistion reported the City was four inches away from Stage 4 drought restrictions, which he reviewed.

E. WATER PLANNING REVIEW BY HAYES ENGINEERING – Mr. McCuistion reported on Stan Hayes' of Hayes Engineering's meeting with he, the Mayor, Councilmember Nicklas and Mr. Douthit.

F. WATER FLUORIDATION QUALITY AWARD FROM U.S. CENTERS FOR DISEASE CONTROL AND PREVENTION – Mr. McCuistion commended the water plant staff for receiving the Water Fluoridation Quality Award again this year.

Mayor Hilliard suggested building wells at the other test sites to pipe to the plant for treatment or putting water from one well directly into the lake. Concerns were raised about changing the lake chemistry.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071 and 551.074.

20. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING PENDING OR CONTEMPLATED LITIGATION INVOLVING STATE OF TEXAS V. RONA WATSON (Section 551.071) - Mayor Hilliard called a short recess at 7:54 p.m. and then convened Council into executive session at 8:01 p.m.

21. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – CITY ATTORNEY'S CONTRACT (Section 551.074)

22. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN KSA ENGINEERS AND CITY OF CANTON (Section 551.074)

RETURN TO OPEN SESSION

23. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - Council reconvened into open session at 8:49 p.m. Mayor Hilliard announced no action would be taken on Item 20 at this time.

24. CONSIDER APPROVAL OF FEE AGREEMENT WITH RICHARD L. RAY FOR CITY ATTORNEY SERVICES – Councilmember Benson made a motion to accept the fee agreement with Richard L. Ray for city attorney services with the modifications agreed to by Mr. Ray. Councilmember Chambless seconded. All voted in favor.

25. CONSIDER APPROVAL OF AGREEMENT FOR PROFESSIONAL SERVICES, TASK ORDER EDITION, BETWEEN KSA ENGINEERS AND CITY OF CANTON – Councilmember Benson made a motion to approve the agreement for professional services, task order edition, between KSA Engineers and the City of Canton with the modifications suggested by the City staff and City attorney, and to authorize Mr. McCuistion to close and sign the contract. Councilmember Chambless seconded. All

voted in favor.

26. CONSIDER APPROVAL OF KSA ENGINEERS TASK ORDER NO. 1 FOR THE ELEVATED STORAGE TANK SITE STUDY PROJECT CN.048 – Councilmember Maris made a motion to approve the KSA Engineers Task Order No. 1 for the elevated storage tank site study project CN.048 in the amount of $17,000. Councilmember Benson seconded. All voted in favor.

27. ITEMS FOR FUTURE AGENDAS – Mr. McCuistion said he would have on the next agenda the Sanitation Solutions' contract and, hopefully, the personnel handbook. Mayor Hilliard asked to have Bob Moore placed on the agenda about making Canton the walking capitol of Texas. Mayor Hilliard said he would speak with Judge Koches about the matter. Ms. Seymore said she would have Mr. Nicklas' suggested zoning amendment on the agenda. She also announced there would be a November 30 Council meeting to approve the debt issuance. Mr. McCuistion asked to have on the agenda consideration of Burton Engineering for the bar screen project. He also wanted to include awarding the bids for updating the zoning ordinance and awarding bids on the utilities for the street projects. Ms. Seymore said she would have financial policies that needed to be approved. Councilmember Chambless requested the population signs be an item on the agenda.

28. ADJOURN - With no further business to discuss, Councilmember Huddle made a motion to adjourn at 8:59 p.m. which was seconded by Councilmember Benson. All voted in favor.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:00 P.M., FRIDAY, OCTOBER 28, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Charles Huddle, Ross Maris and Clay Nicklas. Councilmember Vicki Chambless was absent. City Manager Andy McCuistion and City Secretary / Finance Officer Julie Seymore were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Hilliard declared a quorum present and called the meeting to order at 5:00 p.m.

2. CONSIDER DECLARATION OF AN EMERGENCY AND APPROVAL OF AN IMMEDIATE APPROPRIATION FOR THE WATER WELL NO. 3 PROJECT TO RELIEVE A NECESSITY FOR ADDITIONAL WATER RESULTING FROM CURRENT DROUGHT CONDITIONS – Based on the City's eminent implementation of Stage 4

drought restrictions, Councilmember Maris made a motion to declare an emergency and approve the immediate appropriation for the water well no. 3 water transmission line project. Councilmember Nicklas seconded. All voted in favor. Councilmember Benson made a motion to approve Burton Engineering Task Order No. 014110201 for the Water Well No. 3 Transmission Line & Plant Work Project. Motion was seconded by Councilmember Nicklas. All voted in favor.

3. ADJOURN – With no further business to discuss, the meeting was unanimously adjourned at 5:10 p.m. upon motion by Councilmember Nicklas and second by Councilmember Maris.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, NOVEMBER 15, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary / Finance Officer Julie Seymore, City Attorney Richard Ray, Police Chief Mike Echols, Municipal Judge Lilia Durham, City Attorney Richard Ray and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:00 p.m.

2. INVOCATION was given by Councilmember Nicklas.

3. PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

4. MAYOR'S WELCOME – Mayor Hilliard said the November show was one of the biggest First Mondays in memory.

5. DECLARATIONS REGARDING CONFLICTS OF INTEREST – Councilmember Nicklas declared a conflict on Item 19 due to a family member who submitted a proposal for contractual work for the City.

6. PROCLAMATIONS AND ANNOUNCEMENTS
   A. CONSIDER PROCLAMATION OF CANTON AS WALKING CAPITOL OF TEXAS – Mayor Hilliard explained the proclamation would be forwarded to Representative Flynn for recognition by the Texas Legislature. He expressed his appreciation to Bob Moore for spearheading the effort.

CITIZEN'S FORUM

7. 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 – Ray Murphy thanked the newspaper for its article about his movie. He said it led to his working with the high school on the audio/visual crew for the film. He thanked Council for its support.

CONSENT AGENDA

8. CONSIDER APPROVAL OF OCTOBER 2011 FINANCIAL STATEMENTS

10. CONSIDER ADOPTION OF RESOLUTION NO. 2011-25 ADOPTING ETHICAL AND TRAINING STANDARDS FOR JUVENILE CASE MANAGERS EMPLOYED BY THE CITY OF CANTON, TEXAS

11. CONSIDER APPROVAL OF SUBMISSION OF DOCUMENTATION TO RETAIN EMINENT DOMAIN AUTHORITY

12. CONSIDER ADOPTION OF ORDINANCE NO. 2011-18 ENACTING AND ADOPTING A SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF CANTON, TEXAS, AND DECLARING AN EMERGENCY

13. CONSIDER ADOPTION OF RESOLUTION NO. 2011-26 ADOPTING THE CITY'S GENERAL GOVERNMENTAL FUND BALANCE POLICY PER GASB 54

14. CONSIDER ADOPTION OF RESOLUTION NO. 2011-27 ADOPTING THE CITY'S INVESTMENT POLICY -

    Items 8 through 14 were approved unanimously upon motion by Councilmember Maris and second by Councilmember Chambless.

INDIVIDUAL CONSIDERATION

15. CONSIDER REQUEST FROM CHARLES BROWN FOR AMENDMENT TO DROUGHT CONTINGENCY PLAN ADOPTED BY ORDINANCE NO. 2009-15 REGARDING RESTRICTIONS ON COMMERCIAL CAR WASHES – Councilmember Benson made the motion to adopt Ordinance No. 2011-19 amending the Drought Contingency Plan to change the restricted hours of operation for commercial car washes in Stage 4 to 9 a.m. to 5 p.m. Councilmember Huddle seconded. All voted in favor.

16. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-14 AMENDING SECTION 16.10 (NONCONFORMING USES) OF THE 1985 ZONING ORDINANCE FOR THE CITY OF CANTON, TEXAS, TO ALLOW RECONSTRUCTION OF A NONCONFORMING USE RESIDENCE IN THE CASE OF DESTRUCTION BY FIRE, EXPLOSION OR ACT OF GOD - Mayor Hilliard opened a public hearing at 6:15 p.m. There being no comments, he closed the public hearing at 6:15 p.m. Councilmember Maris made a motion to adopt Ordinance No. 2011-14 amending Section 16.10 (nonconforming uses) of the 1985 Zoning Ordinance for the City of Canton, Texas, to allow for the reconstruction of a nonconforming use of a residence in the event of destruction by fire, explosion or act of God. Councilmember Huddle seconded. All voted in favor.

17. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2011-15 AMENDING THE CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE ON A TRACT OF LAND LOCATED AT 203 BOIS D'ARC, CITY OF CANTON, TEXAS – Mayor Hilliard opened a public hearing at 6:16 p.m. Cynthia Davis, the property owner, said she requested a zoning change from R-1 to B-1 in order to operate her bail bonds business. Julie Seymore said it was first necessary to review the future land use plan. She reported the Planning & Zoning Commission recommended the change to B-1 at this location. Julie Seymore said there seemed to be a discrepancy on the Future Land Use Map that showed the property as retail rather than residential. She said she served on the committee and believed it was their intention for properties facing Hwy. 64 to be designated for retail and the property on side streets to be residential. She noted that due to the street alignment, the 203 Bois D'Arc did face the side of the convenience store which was on Highway 64. Other conditions to be considered were the hours of operation, parking, landscaping, and sign allowances. She also cautioned if the property were changed to Local Business District (B-1), it could not ever be used as a residence. She said eighteen property owners had been notified. Two responded in favor and two in opposition. Councilmember Chambless said the homes on the street were close together and she did not think business zoning was a viable option. Ms. Davis said her neighbor next door had approved the change. She also noted she would not store vehicles on the property. She had met with the building inspector who said her parking situation was fine and she just needed to add handicapped parking. Councilmember Chambless said she had lived on that street for eight years and would not want to live on it if a bail bonds business were there. Councilmember Huddle felt the change would be an improvement to the area and Paul Nicklas owned a similar business across the street. Councilmember Huddle stated the person who owned the convenience store said he had mailed in an opposition to the change. Ms. Davis said the owner told her he was in favor of the change. Jerry Teel said it was a bad idea to increase the traffic flow on a residential street. He was also against the possible clientele that a bail bonds business would bring into the area. He was opposed to a change. Mayor Hilliard closed the public hearing at 6:23 p.m. Councilmember Huddle made a motion to adopt Ordinance No. 2011-15 amending the City of Canton 2004 Comprehensive Plan regarding the future land use on a tract of land located at 203 Bois D'arc, City of Canton, Texas, and make it commercial. There being no second, the motion failed. Councilmember Chambless made a motion to adopt Ordinance No. 2011-15 amending the City of Canton 2004 Comprehensive Plan's designated future land use at 203 Bois D'arc to low density residential. Councilmember Benson seconded. Councilmember Maris said he felt the designation on the map of the property as retail was an error and the property was not meant to be commercial. He said he had driven by the property and it appeared to be residential. Councilmembers Maris, Chambless, Nicklas and Benson voted in favor of the residential designation. Councilmember Huddle opposed. The motion passed.

18. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE 2011-16 EFFECTING A ZONING CHANGE FROM SINGLE FAMILY DETACHED RESIDENTIAL (R-1) TO LOCAL BUSINESS DISTRICT (B-1) ON A TRACT LOCATED AT 203 BOIS D'ARC IN THE CITY OF CANTON, TEXAS, OWNED BY CYNTHIA DAVIS – Mayor Hilliard opened a public hearing at 6:26 p.m. He noted the Future Land Use Plan had just been changed to low density residential on that property. Ms. Davis said she would put a hedge between her property and her neighbor. Her neighbor was in favor of the change. She said not many people came to the office. She mostly went to the jail to conduct business. Mayor Hilliard closed the public hearing at 6:28 p.m. Councilmember Maris made a motion to deny the request for a zoning change since it would be in violation of what the future land use plan reflected. Councilmember Chambless seconded. All voted in favor of denying the request.

19. CONSIDER AWARDING THE CONTRACT FOR CONSOLIDATING AND UPDATING THE CITY OF CANTON'S ZONING ORDINANCE – Councilmember Nicklas left the room at 6:29 pm due to his previously-stated conflict. Councilmember Huddle made a motion to award the contract for consolidating and updating the City of Canton's Zoning Ordinance to Bickerstaff Heath Delgado Acosta, LLP. Councilmember Maris seconded. All voted in favor. Councilmember Nicklas returned to the meeting at 6:35 p.m.

20. CONSIDER ENGAGING ENGINEER, JOE HARLE, FOR MILL CREEK LAKE STUDY – Mr. McCuistion suggested a committee, consisting of members from the previous water meeting, define the scope of the project in order to get a cost estimate. Mayor Hilliard recommended talking to Mr. Harle more about the project.

21. CONSIDER ENGAGING AN ENGINEER FOR THE WASTEWATER TREATMENT PLANT BAR SCREEN PROJECT – Councilmember Nicklas made a motion to engage Gary Burton Engineering as the engineer for the wastewater treatment plant bar screen project at an estimated cost of $62,000 ($45,000 for pre-construction phases and an estimated $17,000 based on an hourly fee for the construction phase). Councilmember Benson seconded. All voted in favor.

22. CONSIDER WATER WELL PROPOSAL FROM AYERS DRILLING & PUMP SERVICE – Mayor Hilliard said he, Mr. McCuistion and Councilmember Nicklas would speak more with Mr. Ayers.

23. CONSIDER ENGAGING AN ENGINEER FOR THE FIRST MONDAY SOUTH GATE ENTRANCE PROJECT – Council discussed options for the entrance. Mr. Ross of the engineering firm Shamburg & Polk said he could do a simple pencil marking of the property at no cost and would like to be considered in the future if the project moved forward. He also volunteered to attend a First Monday Committee meeting as an advisor.

24. CONSIDER AWARDING THE BID FOR THE INSTALLATION OF DOORS ON TRADE CENTER II – Mr. McCuistion reported three bids had been received on the installation of the doors for Trade Center II as follows:

Red Dot	$56,339
Van Zandt Steel	$47,964
Fowler Welding	$44,445

Because the lowest bid contained no details and the contractor was unknown, Councilmember Maris made a motion to accept the $47,964 bid from Van Zandt Steel for the installation of the doors on Trade Center II. Councilmember Chambless seconded. All voted in favor.

25. CONSIDER FIRST MONDAY TRAFFIC CONTROL ISSUES – Chief Echols reported traffic control measures taken during First Monday.

26. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2011-19 APPROVING YEAR-END AMENDMENTS TO THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2010 AND ENDING SEPTEMBER 30, 2011 – At 7:21 p.m., Mayor Hilliard opened a public hearing and closed after hearing no comments. Councilmember Nicklas made a motion to adopt Ordinance No. 2011-19 approving the year-end amendments to the budget for fiscal year beginning October 1, 2010 and ending September 30, 2011. Councilmember Benson seconded. All voted in favor.

27. CONSIDER ADOPTION OF RESOLUTION NO. 2011-28 APPROVING CANTON ECONOMIC DEVELOPMENT CORPORATION'S PROJECT TO PROVIDE FUNDING FOR THE VAN ZANDT COUNTY VETERANS MEMORIAL PLAZA – Councilmember Huddle made a motion to adopt Resolution No. 2011-28 approving the Canton Economic Development Corporation's project to provide $5,000 for the Van Zandt County Veterans Memorial Plaza. Councilmember Chambless seconded. All voted in favor.

28. CONSIDER RESOLUTION NO. 2011-29 APPROVING CANTON ECONOMIC DEVELOPMENT CORPORATION'S AMENDED DEBT RATIO POLICY – Councilmember Benson made a motion for Canton Economic Development Corporation to pay off the Shaw property during the current year, delay the parking lot under the water tower and the pocket park project, and keep the water tower painting project. Councilmember Chambless seconded. All voted in favor.

29. CITY MANAGER'S REPORT
    A. WATER WELL – Ms. McCuistion said he asked the engineers to develop another route for the pipeline from the well to the water plant that would be less expensive.
    B. PROJECTS STATUS –Mr. McCuistion reported the streets project was still in the design stage. Mr. Cluck said the construction portion of the sidewalk project was completed. They were still tied up with the contractor due to some products he purchased, but we would be getting some monies back on the project. He was unsure of the amount.
    C. DROUGHT STATUS AND RESTRICTIONS – Mr. McCuistion reported 1.5 inches of rain fell that day. He was waiting to declare Stage 4 drought conditions until after the lake was measured the next day.
    D. FIRST MONDAY – Mr. McCuistion reported November's earnings were $17,000 over the same month the previous year. This year, First Monday averaged about $255,000 per month.
    E. NATIONAL MAIN STREET DESIGNATION AND 10TH ANNIVERSARY – Mercy Rushing reported Lynn Kitchens attended a Main Street meeting at which Canton was recognized as a National Main Street City. Canton has been a National Main Street City for ten years. She commended Ms. Kitchens on the great job she did for Main Street. She added the Main Street board and staff had done a good job keeping Main Street alive in downtown Canton. It was a great benefit to the town. She invited everyone to visit the office any time.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.071, 551.072 AND 551.087.

30. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING FORMAT FOR CITY COUNCIL MEETING MINUTES (Section 551.071) - Mayor Hilliard called a brief recess at 7:58 p.m. Council convened into Executive Session at 8:05 p.m. for deliberations regarding economic development negotiations regarding commercial or financial information, for deliberations regarding the potential purchase of real property, and for consultation with the attorney on council meeting minutes. Mercy Rushing left the meeting at 8:39 p.m.

31. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS REGARDING COMMERCIAL OR FINANCIAL INFORMATION (Section 551.087)

32. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY OR REAL PROPERTY INTERESTS (Section 551.072)

RETURN TO OPEN SESSION

33. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened into open session at 9:03 p.m.

34. SECOND READING AND CONSIDER ADOPTION OF RESOLUTION NO. 2011-18 APPROVING A PROJECT OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION FOR EXTENSION OF A SEWER LINE ON INTERSTATE 20 TO HIGHWAY 64; AND CONTAINING OTHER MATTERS RELATED TO THE SUBJECT – Mayor Hilliard read Resolution No. 2011-18 in its entirety. Councilmember Nicklas made a motion to adopt Resolution No. 2011-18 approving a project of the Canton Economic Development Corporation for an extension of a sewer line on Interstate 20 to Highway 64. Councilmember Benson seconded. All voted in favor.

35. CONSIDER FORMAT FOR CITY COUNCIL MEETING MINUTES – The item was discussed out of order at 9:05 p.m. Councilmember Benson made a motion to have the City Attorney and City Secretary work together to develop an action-minutes format for the official minutes and to also provide unofficial narratives of the meetings with a disclaimer drafted by Richard Ray on the City's website. Councilmember Chambless seconded. All voted in favor.

36. CONSIDER APPROVAL OF MINUTES OF THE OCTOBER 18, AND 28, 2011, CITY COUNCIL MEETINGS – Mayor Hilliard tabled approval of the October minutes until the next regular meeting.

37. ITEMS FOR FUTURE AGENDAS – Councilmember Chambless wanted to discuss direct deposit for all checks written to employees and vendors.

38. ADJOURN – Mayor Hilliard announced a First Monday committee meeting at 4:15 p.m. at the City Manager's office on Wednesday. The meeting was unanimously adjourned at 9:14 p.m. upon motion by Councilmember Maris and second by Councilmember Nicklas

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:00 P.M., WEDNESDAY, NOVEMBER 30, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary / Finance Officer Julie Seymore, City Attorney Richard Ray, and Fire Chief Bud Sanford were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 5:00 p.m.

2. CONSIDER ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF CANTON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2011; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING THE OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT – *(Mr. Ray joined the meeting at 5:09 p.m.)* Councilmember Chambless made a motion that the City Council of the City of Canton, located in Van Zandt County, Texas, award the $2,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2011, to BOSC., Inc., and the Mayor and City Secretary are hereby instructed to take all necessary action to perfect the Sale and authorize the issuance thereof. Councilmember Benson seconded. All voted in favor.

EXECUTIVE SESSION

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

3. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS - DUTIES OF MAYOR / COUNCIL RELATED TO DIRECTING CITY STAFF (Section 551.074) – Mayor Hilliard called a short recess at 5:20 p.m. He then convened Council into Executive Session at 5:23 p.m. under the authority contained in Section 551.074 of the Local Government Code for deliberations regarding personnel matters related to the duties of the mayor and council related to staff. (*Ms. Seymore left the meeting at 6:00 p.m.)*

4. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened in open session at 6:46 p.m.

5. CONSIDER ADOPTION OF RESOLUTION ESTABLISHING GUIDELINES FOR MAYOR/ COUNCIL INTERACTION WITH CITY STAFF –Councilmember Chambless made a motion to pass Resolution 2011-30 with the amendments discussed. Councilmember Benson seconded. All voted in favor.

6. ADJOURN - There being no further business to discuss, the meeting was unanimously adjourned upon motion by Councilmember Nicklas and second by Councilmember Huddle at 6:50 p.m.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, DECEMBER 20, 2011
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Cary Hilliard and Councilmembers Candice Benson, Vicki Chambless, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary / Finance Officer Julie Seymore, City Attorney Richard Ray, CEDC Director Mercy Rushing, Police Chief Mike Echols, and Fire Chief Bud Sanford were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Hilliard declared a quorum present and called the meeting to order at 6:00 p.m.

2. INVOCATION was led by Trey Holmes, the Youth Minister at First Baptist Church.

3. PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

4. MAYOR'S WELCOME – Mayor Hilliard wished everyone a Merry Christmas and safe and happy new year. He said city limits signs should be installed the first week of January.

5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

6. PROCLAMATIONS AND ANNOUNCEMENTS
   A. Bob Moore promoted walking events in the area, including the Mayor's Walk at Cherry Creek Park on January 7, 2012.

CITIZEN'S FORUM

7. 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 – Maurita Kindle reported CLAW's activities and requested Council waive the fee for the restrooms at the next year's run.

CONSENT AGENDA

8. CONSIDER APPROVAL OF MINUTES OF THE OCTOBER 18, AND 28, AND NOVEMBER 15, AND 30, 2011, CITY COUNCIL MEETINGS

9. CONSIDER APPROVAL OF NOVEMBER 2011 FINANCIAL STATEMENTS

10. CONSIDER ACCEPTANCE OF PETITION AND ADOPTION OF RESOLUTION SETTING PUBLIC HEARINGS FOR THE VOLUNTARY ANNEXATION OF A 1.254-ACRE TRACT SITUATED IN THE J. DOUTHIT SURVEY, A-198, LOCATED ON HIGHWAY 19 SOUTH, OWNED BY SYLVIA JOSEPHINE BARBEE, ET AL – (Resolution No. 2011-31)

11. CONSIDER RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PROJECT AGREEMENT WITH THE CANTON ECONOMIC DEVELOPMENT CORPORATION; APPROVING THE EXPENDITURE OF FUNDS BY

THE CORPORATION IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATED THERETO – (Resolution No. 2011-32)

12. CONSIDER AUTHORIZATION TO ADVERTISE FOR BIDS ON THE I-20 SEWER LINE PROJECT – Upon Mayor Hilliard's request, item was removed from and considered following the consent agenda. Councilmember Benson made the motion to authorize advertising for bids, but not award the bid until title policies were complete. Councilmember Huddle seconded. All voted in favor.

13. CONSIDER AUTHORIZATION TO ADVERTISE FOR BIDS ON THE EAST OUTFALL PHASE IV PROJECT AND APPROVAL OF GARY BURTON ENGINEERING TASK ORDER FOR SAME – Upon Councilmember Benson's request, item was removed from and considered following the consent agenda. Motion to approve was made by Councilmember Maris. Second was made by Councilmember Nicklas. All voted in favor. (*Mr. McCuistion left the meeting at 6:23 p.m.)*

14. CONSIDER AUTHORIZATION TO ADVERTISE FOR BIDS ON REPAINTING THE OLD WATER TOWER

15. CONSIDER APPOINTMENTS TO MAIN STREET ADVISORY BOARD - (3-year terms: Marge George, Anna McDaniel, Johnny McDaniel, Julie Vaughan)

Motion to approve the consent agenda, except items 12 and 13, was made by Councilmember Nicklas. Second was made by Councilmember Maris. All voted in favor.

INDIVIDUAL CONSIDERATION

16. CONSIDER AWARDING THE BID FOR THE 2011-2012 ROAD IMPROVEMENTS - PHASE I (UTILITY REHABILITATION ON PEACE, CHURCH AND TERRELL STREETS)

Bids:	JDR Contracting	$158,413.50
	Reynolds & Kay	$159,172.50
	4M Construction	$172,262.65
	Capps-Capco Const.	$170,649.50
	AAA Sanitation	$171,442.50
	A E Shull	$245,486.60

Motion was made by Councilmember Benson to award the bid to JDR Contracting from Van. Second was made by Councilmember Chambless. All voted in favor

17. CONSIDER APPROVAL OF WATER WELL NO. 3 PLANS – Motion was made by Councilmember Benson to approve the plan as described by Mr. Cluck. Second was made by Councilmember Maris. All voted in favor.

18. CONSIDER APPROVAL OF FIRST MONDAY HIGHWAY 64 ENTRANCE PLANS – Motion to approve preliminary plans as discussed and go forward with the project was made by Councilmember Nicklas. Second was made by Councilmember Maris. Councilmembers Nicklas, Chambless, Benson, and Maris voted in favor. Councilmember Huddle opposed.

19. CONSIDER ADOPTION OF RESOLUTION APPROVING CANTON ECONOMIC DEVELOPMENT CORPORATION'S CITY ENTRANCE SIGN LIGHTING PROJECT – Motion to adopt Resolution No. 2011-33 was made by Councilmember Huddle. Second was made by Councilmember Nicklas. All voted in favor.

20. CONSIDER APPOINTMENT OF MEMBER REPRESENTATIVE TO EAST TEXAS COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS – Councilmember Huddle made a motion to name Mayor Hilliard as the assigned representative on the ETCOG board. Councilmember Maris seconded. All voted in favor.

21. CITY MANAGER'S REPORT
    A. FIRST MONDAY – Mr. Cluck reported high leasing rates, Trade Center II doors would be installed before First Monday, and revenue was up $59,000 for the year.
    B. SALES TAX – Mercy Rushing reported sales taxes were down the last two months. Julie Seymore added Mrs. Rushing's office would audit a recent detailed sales tax report received from the State Comptroller's office.
    C. UTILITY BILLING ON-LINE SERVICES – Ms. Seymore described online utility billing and payment features that would soon be available to city customers.
    D. EMERGENCY ACTION PLAN UPDATE - Chief Sanford reported work continued on the updated Emergency Action Plan and a rough draft to review would be available in 2012. He also announced the Fire Department had been awarded a $114,000 grant to purchase 20-22 new SCBA air packs.
    E. WATER SUPPLY COMMITTEE UPDATE – Mayor Hilliard said the Water Supply Committee determined a fourth well was needed, probably near the ballpark. The committee also spoke with Joe Harle, a surface hydrologist, who thought the spillway could be raised eight feet above the emergency spillway to increase the volume in the lake. Mr. Harle's report was expected in January. He said this agreed with what engineer Stan Hayes had also said. Both Mr. Harle and Mr. Hayes recommended more wells.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.072 551.074 AND 551.087.

22. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS REGARDING COMMERCIAL OR FINANCIAL INFORMATION (Section 551.087) – Mayor Hilliard called a short recess at 7:06 p.m. and convened Council in executive session at 7:12 p.m.

23. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY OR REAL PROPERTY INTERESTS (Section 551.072)

24. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS - DUTIES OF MAYOR / COUNCIL RELATED TO DIRECTING CITY STAFF (Section 551.074)

RETURN TO OPEN SESSION

25. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened in open session at 7:53 p.m. with no action taken.

26. CONSIDER ADOPTION OF AMENDED RESOLUTION ESTABLISHING GUIDELINES FOR MAYOR/ COUNCIL INTERACTION WITH CITY STAFF –Motion was made by Councilmember Nicklas to adopt Resolution No. 2011-34. Second was made by Councilmember Benson. All voted in favor.

27. ITEMS FOR FUTURE AGENDAS - None

28. ADJOURN - Councilmember Nicklas made a motion to adjourn at 7:55 p.m. which was seconded by Councilmember Benson. All voted in favor.

Cary S. Hilliard, Mayor

ATTEST:

Julie H. Seymore, City Secretary