

**REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., AUGUST 16, 2016**

Canton City Hall
290 E. Tyler, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Municipal Courtroom. Members present were Mayor Lou Ann Everett and Councilmembers Cindy Malouf, Shawn Stewart and Connie Odic. Councilmembers Nathan Moore and Scott Perkins were absent.

Also present were City Manager Lonny Cluck, Assistant City Manager Andy Wolfe, City Secretary Debra Johnson, Finance Director Kimberly Kroha, Police Chief Brad Allison, Fire Chief Bud Sanford, CEDC Director Julie Seymore and Assistant City Attorney David Ritter.

1. CALL MEETING TO ORDER AND DECLARE A QUORUM PRESENT – Mayor Everett called the meeting to order and declared a quorum present at 6:00 p.m.
2. INVOCATION was led by Dwight Lancaster.
3. PLEDGE OF ALLEGIANCE was led by Mayor Everett.
4. MAYOR'S WELCOME
5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
6. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZENS FORUM

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

CONSENT AGENDA

8. CONSIDER APPROVAL OF MINUTES OF THE JULY 9, 19 AND 26, 2016 CITY COUNCIL MEETINGS
9. CONSIDER APPROVAL OF JULY 2016 FINANCIAL STATEMENTS

Councilmember Malouf made a motion to approve Items 8 and 9 of the Consent Agenda. Councilmember Stewart seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Absent

Council Member - Nathan Moore: Absent

INDIVIDUAL CONSIDERATION

10. CONSIDER COMPLIANCE BY OWNERS OF CODE ENFORCEMENT ISSUES CONCERNING THE MOUNTAIN – Chief Bud Sanford said the owner had developed a plan for access roads and had made a tremendous effort to establish those roads. Ms. Davis had committed to dropping an additional five fire hydrants. The addressing was almost complete. The street signage was 100%. Ms. Davis made contact with Oncor about the lighting, but their work schedule was six weeks out. Mr. Cluck said the City could install one of the hydrants needed on FM 19 in conjunction with a water line they were running in that area. The City could also install a hydrant behind the Taco Shack on Hwy. 64 where there was a City water line. The City would pay for the hydrants on the City's lines, but Ms. Davis would have to purchase the hydrants she needed.
11. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-20 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT BUFFALO GIRLS HOTEL; MTN 1, LOT B-1, OPERATED BY SUSAN MATASSA, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC. – Mayor Everett opened a public hearing on Items 11 through 22 at 6:36 p.m. Lawrence Simpson, Circle the Wagons Ministry, said his building been inspected by Captain Horton and Dwight Lancaster and he had been given a list of items to correct. He had been told he could get a temporary permit to carry him through the September market. He understood all items had to be completed by October for a final CO. He was trying to cooperate with the City. He had been operating a B&B for eighteen years and never had a fire. Councilmember Stewart asked if the buildings were something the City could sign off on now. Mr. Cluck said no. Councilmember Stewart said the City needed to be sure there was a consistent process for the business owners to follow. Mr. Lancaster said there were guidelines for them to follow.

Councilmember Malouf made a motion to continue the public hearings and consideration of Items 11 through 22 until the September 20, 2016, Council meeting. Councilmember Stewart seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Absent
Council Member - Nathan Moore: Absent

12. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-21 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT BUFFALO GIRLS HOTEL; MTN 1, LOT B-2, OPERATED BY SUSAN MATASSA, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
13. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-22 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER

SPUR INN; MTN 2, LOT M34, ON YUKON VALLEY TRAIL OWNED BY LAWRENCE AND LINDA SIMPSON AND OPERATED BY DEBBIE AND RONNIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.

14. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-23 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 1, LOT L03, ON PALOMINO PASS OPERATED BY DEBBIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
15. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-24 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 2, LOT M16, ON YUKON VALLEY TRAIL OPERATED BY DEBBIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
16. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-25 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 1, LOT X01.5, ON HORSESHOE BEND OPERATED BY DEBBIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
17. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-26 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 1, LOT J-10, ON HORSESHOE BEND OPERATED BY DEBBIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
18. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-27 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 1, LOT Y3, ON ROSE GARDEN LANE OPERATED BY DEBBIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
19. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-28 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 1, LOT F15, ON WAGON TRACKS TRAIL OPERATED BY DEBBIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
20. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-29 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 1, LOT L08, ON PALOMINO PASS OPERATED BY DEBBIE SHARP,

ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.

21. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-30 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT SILVER SPUR INN; MTN 1, LOT R16, ON HORSESHOE BEND OPERATED BY DEBBIE SHARP, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
22. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2016-31 FOR SPECIFIC USE PERMIT FOR THE OPERATION OF A BED & BREAKFAST AT CIRCLE THE WAGONS MINISTRIES B&B; MTN 1, LOT B07, ON THE BOARDWALK OFF RED RIVER ROAD OPERATED BY LAWRENCE AND LINDA SIMPSON, ON PROPERTY LOCATED AT 542 E. DALLAS (KNOWN AS THE MOUNTAIN), IN CANTON, TEXAS, ZONED FIRST MONDAY BUSINESS DISTRICT (FMB-A1), AND CURRENTLY OWNED BY CORRY DAVIS MARKETING, INC.
23. CONSIDER ADOPTION OF ORDINANCE NO. 2016-13 CHANGING THE USES AND ATTRIBUTES OF THE FIRST MONDAY BUSINESS ZONING CLASSIFICATION IN 1985 ZONING ORDINANCE

Mayor Everett called a brief recess at 7:49 p.m. Council reconvened at 7:59 p.m.

24. CONSIDER ACCEPTANCE OF A PETITION FOR VOLUNTARY ANNEXATION OF APPROXIMATELY 10.84 ACRES IN THE WILLIAM SHERMAN SURVEY, A-761, LOCATED AT 19470 I-20, CANTON, CURRENTLY OWNED BY RICKY J. HOLLON - Councilmember Malouf made a motion to accept the petition for voluntary annexation of Ricky J. Hollon. Councilmember Odic seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Absent
Council Member - Nathan Moore: Absent

25. CITY MANAGEMENT REPORTS

- A. FIRST MONDAY – Linda Boston reported the mini-pavilion they were building on Row 50 would pay for itself in about five years. It had been rented to Walter Flora.
- B. FINANCIAL REPORT – Kim Kroha reported First Monday revenue was down about \$500 from this time last year, but was still up for year-to-date.
- C. NEW BUILDING FOR POLICE DEPARTMENT – Andy Wolfe said they had saved a lot of money on the project by doing the work themselves. They hoped to move within the next sixty days.
- D. LAZY U EASEMENT – Mr. Wolfe said there were some issues with the homeowners building on top of the easements. Most of the buildings had been moved. They were not just waiting on good weather.
- E. PROPOSED STREET PROJECTS – Mr. Cluck said he would discuss that during the budget workshop.

- F. OTHER ITEMS – Mr. Cluck said they were consistently spraying for mosquitos, taking the weather into consideration.
26. CONSIDER ACTION ON CODE ENFORCEMENT MATTERS – Councilmember Stewart expressed his concerns about vacant buildings downtown which were attached to other buildings. He felt those weaknesses would cause the other buildings to collapse. He wanted to keep this as a standard agenda item to keep it on everyone’s mind. Mr. Cluck said the Fire Department had gone through most of the commercial buildings in town and given them a checklist. They would focus on the square now because those buildings were attached to each other.
27. CONSIDER APPROVAL OF POLICE POLICY MANUAL – Councilmember Stewart made a motion to approve the Police Policy Manual as presented. Councilmember Malouf seconded.

Mayor Pro Tem - Shawn Stewart: Approve
 Council Member - Connie Odic: Approve
 Council Member - Cindy Malouf: Approve
 Council Member - Scott Perkins: Absent
 Council Member - Nathan Moore: Absent

28. CONSIDER AMENDMENTS TO ANIMAL CONTROL ORDINANCE - This matter was postponed to the next regular meeting in order to obtain more information from other cities.
29. CONSIDER APPROVAL OF NIBRS GRANT FOR CANTON POLICE DEPARTMENT – Councilmember Malouf made a motion to approve the application for the NIBRS grant. Mayor Everett read the Resolution regarding same. Councilmember Stewart seconded.

Mayor Pro Tem - Shawn Stewart: Approve
 Council Member - Connie Odic: Approve
 Council Member - Cindy Malouf: Approve
 Council Member - Scott Perkins: Absent
 Council Member - Nathan Moore: Absent

30. CONSIDER AWARD OF CONTRACT FOR HWY. 64 10" WATER MAIN

The following bids were received:

4M Construction	\$216,962.89
Capps-Capco Construction	\$245,658.25
Morrow Construction	\$262,857.50
AAA Sanitation	\$272,432.00
Horseshoe Construction	\$494,970.00

Councilmember Stewart made a motion to award the contract to 4M Construction at the bid amount of \$216,962.89. Councilmember Malouf seconded.

Mayor Pro Tem - Shawn Stewart: Approve
 Council Member - Connie Odic: Approve
 Council Member - Cindy Malouf: Approve
 Council Member - Scott Perkins: Absent

Council Member - Nathan Moore: Absent

31. CONSIDER AWARD OF CONTRACT FOR HWY 19. WATER WELL 6" WATER MAIN

The following bids were received:

Redco Endeavors Inc.	\$ 93,804.31
4M Construction	\$103,525.73
Morrow Construction	\$112,535.00
Capps-Capco Construction	\$145,201.15
AAA Sanitation	\$212,138.00
Horseshoe Construction	\$291,044.00

Councilmember Malouf made a motion to award the contract to 4M Construction in the amount of \$103,525.73. Councilmember Odic seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Absent
Council Member - Nathan Moore: Absent

32. CONSIDER ADOPTION OF ORDINANCE NO. 2016-19 AMENDING THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016 – Councilmember Malouf made a motion to adopt Ordinance No. 2016-19. Councilmember Odic seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Absent
Council Member - Nathan Moore: Absent

33. CONSIDER DESIGN, CONSTRUCTION AND FINANCING OF PROJECTS INCLUDING, BUT NOT LIMITED TO, STREETS AND UTILITIES, IMPROVEMENTS TO FIRST MONDAY GROUNDS, REPAINTING OF HISTORIC WATER TOWER, AND NEW CITY HALL – Mr. Cluck said they were done with the historic water tower except adding the logo. They were waiting on good weather to finish.

Mayor Everett called a recess at 8:50 p.m. Mayor Everett called Council into Executive Session at 8:56 p.m.

EXECUTIVE SESSION

In accordance with the authority contained in Sections 551.071 of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, Council will convene in closed or executive session to discuss the following matters.

34. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING EXISTING OR POTENTIAL LITIGATION (Section 551.071)

35. EXECUTIVE SESSION PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE TO RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY CONCERNING PROPERTY GENERALLY LOCATED IN THE Q.C. NUGENT SURVEY, ABSTRACT NO. 618 AND D. TOWNS SURVEY, ABSTRACT NO. 845 AND GENERALLY LOCATED AT 542 E. DALLAS, CANTON, TEXAS, AND COMMONLY REFERRED TO AS OLD MILL MARKETPLACE AND "THE MOUNTAIN"

RETURN TO OPEN SESSION

36. 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. with no action taken.
37. CONSIDER APPROVAL OF AMENDED PURCHASE AND SALE AGREEMENT REGARDING BLOCK 46, LOTS 1 AND 2, AND BLOCK 25, LOTS 2-02 AND 2-03 OF THE ORIGINAL TOWN OF CANTON – This matter was tabled until the next regular Council meeting.

WORK SESSION

38. WORK SESSION ON PROPOSED BUDGET FOR FISCAL YEAR 2016-2017
- A. PROPERTY TAX RATE
 - B. TENNIS COURT INFORMATION
 - C. CHANGES / QUESTIONS

Kim Kroha announced the first public hearing on the property tax rate would be held August 23, 2016; the second public hearing on the property tax rate and the public hearing on the budget were scheduled for August 30; and the budget and tax rate would be adopted on September 6, 2016.

Ms. Kroha said they added \$6,000 for contracting mowing at the soccer fields and CYRA ballpark. Mr. Cluck said the Parks' workers were stretched too thin during the mowing season and this would give them a break. Mr. Cluck said the Police Department renovation would cost approximately a quarter million dollars, including the price of the property. Mr. Cluck said he had looked at estimates for the proposed streets projects based on the Comprehensive Plan. For all of Goshen Street, the water would cost \$184,000, the sewer \$149,000 and the road \$861,000 for a total of \$1.5 million. For Sides Circle and Amy Street, the cost would be \$2.4 million. Councilmember Stewart wanted to commit to a financial package and then figure out what streets to do. He asked to see the numbers for the streets without doing curbs and gutters. Mr. Kroha said we could borrow \$3 million for thirteen years and keep the debt service about the same. Councilmember Malouf wanted to figure out to figure out how much we could borrow without increasing the payment. Councilmember Stewart said Goshen did not have curb and gutter now. He would keep that the same. His goal was to do as many streets as we could for \$2 million. Mr. Cluck said he would have more information at the next meeting.

Mr. Cluck said the school's tennis courts were open to the public. The school would be okay with the City paying for timers on the lights so people could use the courts at night. He talked to two local concrete people about pouring concrete on top of the existing courts and they said they would not do it. Councilmember Odic said the school courts were not open to the public all the time. Councilmember Malouf said she had trouble paying for

new courts if there were six courts at the school that did not get utilized. Councilmember Odic said they were trying to get year round tennis in Canton. People chose the tennis courts on Old Kaufman because they were at the park. Councilmember Malouf suggested looking for a grant to fix the tennis courts.

39. ITEMS FOR FUTURE AGENDAS – None

40. ADJOURN – There being no further business to discuss, the meeting was adjourned at 10:03 p.m.