

REGULAR SESSION

FEBRUARY 14, 2022

The City Council of the City of Athens met in Regular Session on Monday, February 14, 2022, 5:30 p.m. in the Civic Hall, Room 216 of the Cain Center 915 S. Palestine Street, Athens, Texas.

with the following members present to-wit:

Toni Clay, Mayor  
Aaron Smith, Mayor Pro Tem  
Robert Gross  
SyTanna Freeman  
Mark Carroll

Elizabeth Borstad, City Manager  
Bonnie Hambrick, City Secretary  
Blake Armstrong, City Attorney

Staff Present: John Densmore, Chief of Police; Audrey Sloan, Director of Development Services; Mandie Quigg, Finance Director; Tim Perry, Public Works Director; Katie Birk, Tourism and Cultural Resources Coordinator; Noemi Lopez, Administrative Clerk; Derek Whiteley, Director of Information Technology; Joanie Ahlers, Director of Economic Development; Val Franklin, Economic Development Administrative Assistant.

Others present: Rich Flowers, Michael Hannigan, Kristin Willingham, Brylie Willingham, Danny Tidmore, John Trent, Cliff Bomer, Randy Jones, Thomas Strand, Carol Morton, Lindsey Evans, Donna Meredith, Casey Cummings, Deborah Deas, Chip, and Anne Perryman.

constituting a quorum at which time the following proceedings were enacted, to-wit:

INVOCATION

The Invocation was given by Randy Jones.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

PUBLIC COMMUNICATIONS

There were no public comments.

Mayor Clay stated the City Council would move items nine (9) and ten (10) of the agenda.

DISCUSS, CONSIDER, AND TAKE ACTION, AS NECESSARY,  
CONCERNING THE APPROVAL OF AN ORDINANCE AUTHORIZING THE  
ISSUANCE OF THE CITY OF ATHENS, TEXAS GENERAL OBLIGATION  
BONDS, SERIES 2022. LEVYING A TAX FOR THE PAYMENT OF SAID  
BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATED  
THERETO AND PROVIDING AN EFFECTIVE DATE

Lindsey Evans of Hilltop Securities presented the item to Council. She summarized the bids, interest rates, and the bond summary statistics.

Mayor Clay stated the bond issuance is in the amount of \$3.75 million.

Bonnie Hambrick, City Secretary, read the caption of the Ordinance aloud.

A motion was made by Councilwoman Freeman, seconded by Councilmember Smith to approve an Ordinance authorizing the issuance of the City of Athens, Texas General Obligation Bonds, Series 2022. Levying a tax for the payment of said bonds and resolving other matters incident and related thereto and providing an effective date.

After roll call vote, the motion passed with the following record vote:

|                                |     |
|--------------------------------|-----|
| Toni Clay, Mayor               | Aye |
| Aaron Smith, Mayor Pro Tem     | Aye |
| Robert Gross, Councilmember    | Aye |
| SyTanna Freeman, Councilmember | Aye |
| Mark Carroll, Councilmember    | Aye |
| Voted in favor of the motion   | 5   |
| Voted against the motion       | 0   |
| Motion carried                 | 5-0 |

CONSIDER FINAL READING OF AN ORDINANCE ORDERING A SPECIAL ELECTION TO BE HELD IN SAID CITY ON MAY 7, 2022, FOR THE PURPOSE OF VOTER CONSIDERATION OF SALES TAX ALLOCATION

Elizabeth Borstad, City Manager, stated this was the final reading of an Ordinance for the sales tax allocation.

The following citizens spoke regarding AEDC 4B Sales Tax Allocation:

Randy Jones stated he appreciates the Council's vision and the goals of property tax rate relief and economic development flexibility. He stated with the changing economy that we are seeing; the current structure that exists with the distribution of sales tax; the City Council can meet their goals of property tax relief and economic flexibility without changing any structure.

Chip Perryman stated the EDC has approximately \$6.6 million for projects. He stated Council should follow the role of not issuing debt and accruing cash. He stated the voters approved the ½ cent sales tax 30 years ago, and this mechanism works. Mr. Perryman stated he was highly opposed to changing what was created as a great mechanism for EDC. He urged Council to keep the EDC as it is and accrue cash without issuing new debt.

Thomas Strand stated through the efforts of working with EDC it allowed his business to move into a larger facility and grow his business. He stated if EDC's budget is cut it may not allow assistance to other businesses. He asked Council not to take action that would limit prospects in the future for businesses such as his. Mr. Strand stated he hopes the City Council reconsiders and gives EDC the funding they need.

John Trent stated he appreciates the efforts of the City Council to explore all facets of Economic Development. Mr. Trent stated he questions the fairness of property tax relief and asked who benefits from property tax relief. Mr. Trent asked that the reduction be less severe, and not so drastic.

Tom McFarland shared a success story of Biomerics. He stated payroll from July 2018 to January 2022 has gone up from \$1 million a month to 1.6 million a month. Headcount has gone from 438 to 560. He stated \$600,000 a month or \$7 million a year goes to the Athens economy. He urged Council to be cautious with balancing potential future opportunities.

Mayor Clay stated housing is a challenge and would like more flexibility with AEDC and incentivizing for housing development.

Mayor Clay stated she would like to see 1/8 of reduction sent to the General Fund economic projects with the AEDC having oversight and property tax relief discussed during the regular budget

Councilmember Carroll stated he would like to see 380 agreements as it adds flexibility. He stated AEDC funds would be managed as they are today. He stated housing and getting people to live within the city limits is challenge.

Mayor Pro Tem Smith expressed concern with the Ordinance the way it is currently written. He stated it was too big of a cut too soon. He stated he is not for property tax relief. Councilmember Smith stated he is in favor of 1/8 of reduction sent to the General Fund economic projects.

Councilmember Gross stated growth is the best option for increasing sales tax and property tax revenue in the future. He stated the citizens would vote on what they wanted. He stated the citizens should know the facts; AEDC currently has about \$6 million in unrestricted assets and 4 ½ Million that could be liquidated for other projects.

Ms. Hambrick read the caption of the Ordinance aloud.

A motion was made by Councilmember Gross, seconded by Councilmember Carroll to approve an Ordinance Ordering a Special Election to be held in said City on May 7, 2022, for the purpose of voter consideration of Sales Tax allocation.

After roll call vote, the motion passed with the following record vote:

|                                |     |
|--------------------------------|-----|
| Toni Clay, Mayor               | Nay |
| Aaron Smith, Mayor Pro Tem     | Nay |
| Robert Gross, Councilmember    | Aye |
| SyTanna Freeman, Councilmember | Aye |
| Mark Carroll, Councilmember    | Aye |
| Voted in favor of the motion   | 3   |
| Voted against the motion       | 2   |
| Motion carried                 | 3-2 |

Councilwoman Freeman exited the meeting at 6:09 p.m.

**CONSENT AGENDA**

- a) CONSIDER APPROVING MINUTES OF THE JANUARY 21, 2022, WORK SESSION**
- b) CONSIDER APPROVING MINUTES OF THE JANUARY 24, 2022, REGULAR SESSION**
- c) CONSIDER APPROVING MINUTES OF THE FEBRUARY 4, 2022, WORK SESSION**
- d) CONSIDER A RESOLUTION ORDERING A GENERAL ELECTION ON MAY 7, 2022, FOR THE PURPOSE OF ELECTING ONE COUNCIL MEMBER, PLACE 2; ONE COUNCIL MEMBER, PLACE 3; AND ONE COUNCIL MEMBER, PLACE 4 FOR THE CITY COUNCIL OF THE CITY OF ATHENS, TEXAS. CONSIDERAR UNA RESOLUCIÓN QUE ORDENA UNA ELECCIÓN GENERAL PARA EL 7 DE MAYO DE 2022 CON EL PROPÓSITO DE ELEGIR UN MIEMBRO DEL CONSEJO, LUGAR 2; UN MIEMBRO DEL CONSEJO, LUGAR 3; Y UN MIEMBRO DEL CONSEJO, LUGAR 4 PARA EL CONSEJO MUNICIPAL DE LA CIUDAD DE ATHENS, TEXAS.**
- e) CONSIDER A RESOLUTION DECLARING CERTAIN PROPERTY AS SURPLUS AND AUTHORIZING THE CITY MANAGER TO DONATE DISC GOLF EQUIPMENT AT THE CAIN CENTER TO TRINITY VALLEY COMMUNITY COLLEGE (TVCC)**

- f) CONSIDER THE APPROVAL OF THE TEXAS SUBDIVISION SPECIAL DISTRICT ELECTION AND RELEASE CONCERNING THE SETTLEMENT REACHED BY THE TEXAS ATTORNEY GENERAL'S OFFICE WITH ENDO PHARMACEUTICALS, INC.**
- g) CONSIDER A RESOLUTION AWARDDING A BID FOR TWO (2) POLICE DEPARTMENT VEHICLES TO CALDWELL COUNTRY FORD AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE REQUIRED PURCHASE AGREEMENT**
- h) CONSIDER A RESOLUTION ADOPTING THE CITY OF ATHENS PURCHASING POLICY**
- i) DECEMBER 2021 MONTHLY REVENUE AND EXPENSE REPORT**
- j) QUARTERLY INVESTMENT REPORT ENDING DECEMBER 31, 2021**

Mayor Clay requested item b) Consider approving minutes of the January 24, 2022, Regular Session be removed from the Consent Agenda.

A motion was made by Councilmember Carroll, and seconded by Councilmember Gross to approve Consent Agenda items:

- a) CONSIDER APPROVING MINUTES OF THE JANUARY 21, 2022, WORK SESSION**
- c) CONSIDER APPROVING MINUTES OF THE FEBRUARY 4, 2022, WORK SESSION**
- d) CONSIDER A RESOLUTION ORDERING A GENERAL ELECTION ON MAY 7, 2022, FOR THE PURPOSE OF ELECTING ONE COUNCIL MEMBER, PLACE 2; ONE COUNCIL MEMBER, PLACE 3; AND ONE COUNCIL MEMBER, PLACE 4 FOR THE CITY COUNCIL OF THE CITY OF ATHENS, TEXAS. CONSIDERAR UNA RESOLUCIÓN QUE ORDENA UNA ELECCIÓN GENERAL PARA EL 7 DE MAYO DE 2022 CON EL PROPÓSITO DE ELEGIR UN MIEMBRO DEL CONSEJO, LUGAR 2; UN MIEMBRO DEL CONSEJO, LUGAR 3; Y UN MIEMBRO DEL CONSEJO, LUGAR 4 PARA EL CONSEJO MUNICIPAL DE LA CIUDAD DE ATHENS, TEXAS**
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- g) CONSIDER A RESOLUTION AWARDDING A BID FOR TWO (2) POLICE DEPARTMENT VEHICLES TO CALDWELL COUNTRY FORD AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE REQUIRED PURCHASE AGREEMENT**
- h) CONSIDER A RESOLUTION ADOPTING THE CITY OF ATHENS PURCHASING POLICY**
- i) DECEMBER 2021 MONTHLY REVENUE AND EXPENSE REPORT**
- j) QUARTERLY INVESTMENT REPORT ENDING DECEMBER 31, 2021**

The motion carried unanimously.

- b) CONSIDER APPROVING MINUTES OF THE JANUARY 24, 2022, REGULAR SESSION**

A motion was made by Councilmember Gross, seconded by Councilmember Smith to approve minutes of the January 24, 2022, Regular Session.

The motion carried by the following vote: Ayes: Councilmember Smith, Councilmember Gross, Councilmember Carroll, Nays: None, Abstain: Mayor Clay.

PRESENTATION OF ANNUAL FINANCIAL REPORT AND RELATED  
SINGLE AUDIT REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30,  
2021

Mandie Quigg, Finance Director, stated that Kent Willis, CPA of Pattillo, Brown & Hill, LLP, would present the results of the Audit for Fiscal Year ending September 30, 2021, as well as the Single Audit report. She stated the City of Athens has used Pattillo, Brown & Hill, LLP for three (3) years. Mr. Willis presented highlights from the audit. He explained this audit is required to ensure guidelines are being followed. Mr. Willis stated the 2021 audit result was an Unmodified Opinion.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, RELATED TO  
ACCEPTING THE ANNUAL FINANCIAL REPORT AND RELATED SINGLE  
AUDIT REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021, AS  
PRESENTED BY KENT WILLIS, CPA, OF PATTILLO, BROWN & HILL, LLP

A motion was made by Councilmember Carroll, seconded by Councilmember Gross to accept the Annual Financial Report and related Single Audit Report for Fiscal Year Ending September 30, 2021, as presented by Kent Willis, CPA, of Pattillo, Brown & Hill, LLP. The motion carried unanimously.

PUBLIC HEARING CONCERNING A REQUEST FROM OWNER  
FRANCISCO SALAZAR FOR APPROVAL OF A ZONING CHANGE FROM  
SINGLE-FAMILY – 10 TO MULTI-FAMILY – 2 FOR LOTS 7 & 8, BLOCK 3  
OF THE POWER HEIGHTS ADDITION, R. A. CLARK SURVEY, ABSTRACT  
171; LOCATED AT 814 ENGLAND STREET

Audrey Sloan, Director of Development Services, presented the item. She stated the owner is requesting a zoning change. She stated the property currently consists of two (2) vacant lots and is located on England Street. It is currently zoned Single Family- 10 and the owner is requesting the change to Multi-Family-2. She stated no written responses have been received.

Ms. Sloan stated letters of notification were sent to the twelve (12) surrounding property owners within two hundred (200) feet and no responses were returned.

Mayor Clay opened the Public Hearing. There were no comments.

The Public Hearing was closed.

DISCUSS FIRST READING OF AN ORDINANCE CONCERNING A  
REQUEST FROM OWNER FRANCISCO SALAZAR FOR APPROVAL OF A  
ZONING CHANGE FROM SINGLE-FAMILY – 10 TO MULTI-FAMILY – 2  
FOR LOTS 7 & 8, BLOCK 3 OF THE POWER HEIGHTS ADDITION, R. A.  
CLARK SURVEY, ABSTRACT 171; LOCATED AT 814 ENGLAND STREET

Ms. Hambrick read the caption of the Ordinance aloud.

PUBLIC HEARING CONCERNING A REQUEST FROM BENCHMARK  
DESIGN GROUP FOR APPROVAL OF A SITE PLAN AMENDMENT FOR  
TRACT 102 A OF THE R. A. CLARK SURVEY A-171, LOCATED AT 504  
WOOD ST, ALSO KNOWN AS PROPERTY ID C122349. OWNER:  
CUMMINGS PROPERTY GROUP

Ms. Sloan stated the property is currently vacant. A site plan was previously approved and the applicant is requesting some changes. The applicant is requesting a site plan amendment for a multi-family development. Ms. Sloan explained the proposed site plan amendment includes the following changes:

- Increase total number of units from 48 to 49
- Increase square footage of all units
- Decrease minimum rear yard setback from 20 ft to 12.5 ft
- Increase number of guest parking spaces from 15 to 29
- Decrease building separation to 13 ft in some instances

Ms. Sloan stated letters of notification were sent to the twenty-five (25) surrounding property owners within two hundred (200) feet and no responses have been received.

Mayor Clay opened the Public Hearing. There were no comments.

The Public Hearing was closed.

DISCUSS FIRST READING OF AN ORDINANCE CONCERNING A REQUEST FROM BENCHMARK DESIGN GROUP FOR APPROVAL OF A SITE PLAN AMENDMENT FOR TRACT 102 A OF THE R. A. CLARK SURVEY A-171, LOCATED AT 504 WOOD ST, ALSO KNOWN AS PROPERTY ID C122349. OWNER: CUMMINGS PROPERTY GROUP

Ms. Hambrick read the caption of the Ordinance aloud.

PUBLIC HEARING CONCERNING AN AMENDMENT TO CHAPTER 22, ARTICLE V, SECTION 22-41(F)(11) SPECIFYING GOVERNMENTAL SIGNS ERECTED BY THE CITY, COUNTY, STATE, OR FEDERAL GOVERNMENT ARE EXEMPT FROM PERMITTING REQUIREMENTS

Ms. Sloan presented the item. She stated the current sign Ordinance provides an exemption from permitting for a variety of signs but does not address governmental signs. She explained the proposed amendment would allow an exemption from permitting for governmental signs erected by the city, county, state or federal government.

Mayor Clay opened the Public Hearing. There were no comments.

The Public Hearing was closed.

DISCUSS FIRST READING OF AN ORDINANCE CONCERNING AN AMENDMENT TO CHAPTER 22, ARTICLE V, SECTION 22-41(F)(11) SPECIFYING GOVERNMENTAL SIGNS ERECTED BY THE CITY, COUNTY, STATE, OR FEDERAL GOVERNMENT ARE EXEMPT FROM PERMITTING REQUIREMENTS

Noemi Lopez, Administrative Clerk, read the caption of the Ordinance aloud.

MAYOR, CITY COUNCIL AND/OR CITY MANAGER UPDATES INVOLVING COMMUNITY EVENTS AND ISSUES OF PUBLIC SAFETY

Ms. Borstad announced the following events:

- Feb 19: Athens Municipal Airport Open House from 9:00 a.m. – 4:00 p.m.
- Feb 19 & 20: Fire It Up Productions at the Henderson County Regional Fair Park.
- Feb 24-26: Henderson County Performing Arts Center presenting Thoroughly Modern Millie at 7:00 p.m.

- Feb 26: Black History Pop Up Shop at Boogies from 1:00 p.m. – 5:00 p.m.
- Feb 26 & 27: Lone Star High School Rodeo at the Henderson County Regional Fair Park.
- Feb 27: Henderson County Performing Arts Center presenting “Thoroughly Modern Millie” at 2:00 p.m.

Kristin Willingham, Athens Chamber of Commerce Director, thanked the City and Council for support during the Chamber Gala. She stated it was a success and there were 197 individuals in attendance.

Ms. Willingham announced the following:

- Cardette Kiddie Camp and Performance February 19<sup>th</sup> 1:00 p.m. – 4:00 p.m.
- Bridal Fashion show and open house February 26<sup>th</sup> at The Nightingale Events from 1:00 p.m. to 5:00 p.m.
- March 1<sup>st</sup> Pancake Day at First United Methodist Church Fellowship Hall
- February 14<sup>th</sup> Early Voting begins

#### MAYOR AND CITY COUNCIL’S REQUEST FOR FUTURE AGENDA ITEMS

Ms. Hambrick read the following future agenda items:

- Mayor Clay requested a recap of 2021/22.
- Councilmember Gross asked staff to review the sign ordinance.
- Mayor Pro Tem Smith requested the total cost of the Cain Center Project, upon completion of the AV system.
- Councilmember Carroll requested an agenda item to revisit an Event Coordinator for The Texan.

#### ADJOURN

The meeting was adjourned at 6:40 p.m.

PASSED AND APPROVED THIS THE 28<sup>th</sup> DAY OF FEBRUARY 2022.

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Toni Clay, Mayor

ATTEST:

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Bonnie Hambrick, City Secretary