

REGULAR SESSION

AUGUST 13, 2018

The City Council of the City of Athens met in Regular Session on Monday, August 13, 2018, 5:30 p.m. in the Derek D. Daniels Conference Room of the Athens Partnership Center, 201 W. Corsicana St., Athens, Texas with the following members present, to-wit:

Monte Montgomery, Mayor  
Ed McCain, Mayor Pro-Tem  
Toni Clay  
Aaron Smith  
Robert Gross

Elizabeth Borstad, City Manager  
Bonnie Hambrick, City Secretary

others present: Thanasis Kombos, Russ Marshall, Buddy Hill, Ryan Adams, Randy Williams, Jennifer Robertson, Mandie Quigg, Adrianna Hinds, Janicia Evans, Ronnie Denton, Pam Burton, Colin Bible, Denise York, Gary Traylor, Wesley Traylor, Bob & Carol Morton, Tom & Lynn Leathem, Clint Wiggins, Travis Henderson, Greg Phillips, Gene Lattis, Ricky Harris, Richard Deshazo, Steve Barksdale, Rich Flowers, Deborah Deas, Brent Muecke, Todd McFarland, Gary Penn, Chris Lamance, Mark Carroll, Kevin & Jeaneane Lilly, Sherri Skeeters, Ashley Monroe, and other interested citizens;

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

INVOCATION

The invocation was given by Councilwoman Toni Clay.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY,  
CONFIRMING THE APPOINTMENT OF RUSSELL MARSHALL AS FIRE  
CHIEF FOR THE CITY OF ATHENS

Elizabeth Borstad, City Manager, gave a brief summary of the work history of Russell Marshall. Mr. Russell Marshall thanked Staff and the City Council for giving him the opportunity to serve as Fire Chief. He stated his role is to support personnel and to help them be as safe as they can so the next morning at 7:00 a.m. when they are getting off shift, they can return home to their families. Mayor Montgomery stated there were some amazing candidates that applied for the position of Fire Chief. He stated Chief Marshall was "The Pick" and he is glad to see him come in and his credentials are outstanding.

A motion was made by Councilmember McCain, seconded by Councilmember Gross to confirm the appointment of Russell Marshall as Fire Chief for the City of Athens. The motion carried unanimously. There was a round of applause.

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

Ms. Borstad stated over the weekend she participated in the Lakes, Clays and Fairways that was hosted by the Athens Chamber of Commerce. She stated in conjunction with the Lakes, Clays and Fairways; she participated in the Keep Athens Beautiful (KAB) shoot-out event. Ms. Borstad stated they were both great community events.

#### CITIZENS COMMUNICATIONS

Gary Penn expressed concern with the pool configuration at the Cain Center

Brent Muecke, expressed concern with dead tree limbs within the City Limits

Chris Lamance, stated he received a letter from the City and expressed his concern with City's \$20 fee per banner and per flag.

#### CONSENT AGENDA

- a) CONSIDER APPROVING MINUTES OF THE JULY 23, 2018 REGULAR SESSION
- b) CONSIDER APPROVING MINUTES OF THE AUGUST 1, 2018 BUDGET WORK SESSION
- c) CONSIDER A RESOLUTION DECLARING CERTAIN PROPERTY AS SURPLUS AND AUTHORIZING THE CITY MANAGER TO EXECUTE SALE OR DISPOSAL OF SAID PROPERTY

A motion was made by Councilmember Gross, seconded by Councilmember Smith to approve the Consent Agenda. The motion carried unanimously.

#### PUBLIC HEARING TO DISCUSS TAX INCENTIVES AND RECEIVE INPUT CONCERNING FIRST READING OF AN ORDINANCE NOMINATING THE FOLLOWING PROJECT FOR ENTERPRISE PROJECT STATUS UNDER THE TEXAS ENTERPRISE ZONE PROGRAM:

PROJECT NAME: BIOMERICS FMI, LLC  
PROJECT ADDRESS: 1605 ENTERPRISE ST.  
ATHENS, TEXAS 75751

Ms. Borstad asked Wesley Traylor, Capital Area Associate Traylor & Associates, Inc. the consultant preparing the Enterprise Zone Project Application, to explain the application and request for Project under the Texas Enterprise Zone Program.

The City Council received background information from Mr. Traylor. He explained that Biomerics FMI, LLC is requesting state incentives. Biomerics FMI President, Todd McFarland was also present.

Mayor Montgomery opened the Public Hearing. There was no discussion and the public hearing was closed.

#### DISCUSS FIRST READING OF AN ORDINANCE AUTHORIZING THE NOMINATION OF BIOMERICS FMI, LLC, 1605 ENTERPRISE STREET, ATHENS, TEXAS 75751 AS A TEXAS ENTERPRISE PROJECT UNDER THE TEXAS ENTERPRISE ZONE PROGRAM

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

PUBLIC HEARING CONCERNING A REQUEST FROM HOME TOWN LAND MANAGEMENT I, LLC (DAIRY QUEEN) FOR A REVISED SITE PLAN FOR PROPERTY LOCATED AT 910 EAST TYLER STREET (Z-08-18-002)

Ryan Adams, Managing Director of Public Services, explained the item is for a revised site plan for Home Town Land Management I (Dairy Queen). They are requesting to make revisions to their approved site plan. He stated the original site plan was approved by the City Council on November 13, 2017. The site plan ordinance specified an 8-foot cedar fence on the southern property line (cedar being preferable to preserve trees) and a 6-foot masonry wall along the eastern boundary line from the southern end of the property to the northern building setback line, and a 6-foot cedar wall along the western boundary line from the southern end of the property to the northern building setback line.

Mr. Adams explained the request is to modify the location of the rear cedar fence, and remove the requirement for walls/fencing should adjacent residential properties be designated for a non residential use.

Mr. Adams explained the applicant has also requested a tapering from the six (6) feet to three (3) feet. This request was not discussed by the Planning and Zoning Commission.

Mayor Montgomery asked Ashley Monroe to address the City Council.

Mayor Montgomery asked if the back fence was in place, with Ms. Monroe stating all material has been ordered and the fence should be up and completed by Thursday. She further stated it would be up before the construction goes vertical.

Councilmember McCain expressed the desire to consider the tapering of the fence to improve the site line.

Mayor Montgomery stated the neighbors were adamant about an eight (8) foot fence.

Mayor Montgomery opened the Public Hearing.

Bob Morton asked for clarification as to where the fencing begins, with Mr. Adams explaining it will go from the building set back line, which is 25 feet from the property line on Tyler Street to the rear of the property line.

Steve Barksdale, Chairman of the Planning and Zoning Commission, thanked Lay Construction for their patience. He stated the request for the tapering of the fence was not presented to the Planning and Zoning Commission. Mr. Barksdale recommended the City Council to approve the request for a tapering fence.

The Public Hearing was closed.

After discussion, it was the consensus of the City Council that the item would be referred back to the Planning and Zoning Commission for consideration of the tapering fence.

DISCUSS FIRST READING OF AN ORDINANCE CONCERNING A REQUEST FROM HOME TOWN LAND MANAGEMENT I, LLC (DAIRY QUEEN) FOR A REVISED SITE PLAN FOR PROPERTY LOCATED AT 910 EAST TYLER STREET (Z-08-18-002)

Ms. Hambrick read the caption of the Ordinance aloud.

DISCUSS FISCAL YEAR 2019 BUDGET

#### DISCUSS FISCAL YEAR 2019 BUDGET

Ms. Borstad explained a revised budget had been distributed that incorporated changes previously discussed. She stated in speaking with some of the City Council members that eliminating the Cost of Living Adjustment (COLA) for retirees is not something the Council wants to consider. She stated the proposed budget has a 50% COLA option.

Councilmember Gross stated he was for going down to a 30% COLA option. He further stated for the record he feels staffing needs cutting as this is the only place to get sizable dollars out of the budget. Councilmember Gross stated the City Council has to seriously look at more staffing reductions to avoid a big tax burden on the citizens next year.

Mayor Montgomery stated the meeting with the retirees and employees was beneficial for the Council to be in front of the retirees and employees of the City on the retirement. He stated the meetings were an eye opener for him was to see the older employees who retired from the City back in 1985 and those individuals retirement is different than a current employee or those that retired in the last few years. He stated the Council will need to look at retirement cuts, if not this current year, next year.

Mayor Montgomery further stated cities are having to make drastic cuts in benefits. He stated after hearing from retirees he is not for cutting out the COLA and further discussion needs to occur during the next work session.

Councilmember McCain, stated the reality is two (2) percent is unsustainable as we go. He stated the other problem is the younger retirees who will be on the plan for twenty (20) to twenty (25) years. He stated the Council needs to be aggressive and responsible in looking at this. He stated he is ok with a phase in order to allow people time to prepare, but with the mindset 2% is unsustainable.

Councilwoman Clay stated she has given this a lot of thought and this has been something that has weighed heavily on her. She stated she wants to ensure the public knows the City has hit a wall and the Council will have to make some difficult decisions in the coming weeks. She further stated there is no way to avoid the difficult decisions the Council will have to make. She stated she wanted the public to know that no one on the Council takes this lightly. She stated some people will be unhappy because there is no way to make difficult decisions well in a position of leadership that is not going to make some people unhappy.

Mayor Montgomery stated this not something you can just stop and change. He stated the City cannot stop today with current employees being on one rate and retirees being on a different rate. He stated it is all or none. He stated he agrees with Councilwoman Clay that the City is up against a wall.

Councilwoman Clay further stated there are a lot of decisions in a lot of areas that have to be made in regards to the budget.

Ms. Borstad asked the City Council, after review of the proposed budget to contact her with any questions.

#### PUBLIC HEARING ON THE PROPOSED TAX RATE FOR FISCAL YEAR 2019

Mandie Quigg, Finance Director, explained to Council the tax rate appraised valuation from the previous years. She stated that the Total assessed value for 2018 is \$712,801,685. She stated if Council adopts the same rate as the previous year of \$0.685221 cents per \$100 valuation the City's total Ad Valorem property tax revenue would equal \$4,884,267. She stated the tax rate has been at the same rate since 2016. She stated the Ad Valorem revenue is split into two separate rates. The Maintenance and Operations rate which is just over fifty-six cents which goes to the General Fund and the Debt fund is just over twelve cents.

She stated the Debt funds is used to pay for the City's long term obligations such as bond and capital payments.

She stated that there have been no changes made from last year's tax rate. She stated Staff has budgeted for Fiscal Year 2019 with no tax rate increase and currently (1) Penny on the tax rate is equal to \$71,280.

Ms. Quigg explained from 2013 to 2015 the City's total tax rate was equal to \$0.645140, and should Council adopt the same tax rate as last year of \$0.685221, the tax rate will remain the same as the two previous years

Ms. Quigg presented the next steps:

**August 13<sup>th</sup>**

- Budget Update
- First Public Hearing on Tax Rate

**August 27<sup>th</sup>**

- Public Hearing on Budget
- First reading of Budget Ordinance
- Second Public Hearing on Tax Rate
- First reading of Tax Rate Ordinance

**September 10<sup>th</sup>**

- Final reading of Budget Ordinance
- Adopt FY 2019 Budget
- Final reading of Tax Rate Ordinance
- Adopt Tax Rate

Mayor Montgomery opened the Public Hearing.

Mark Carroll stated he hopes the City Council finds a way to keep the tax rate the same. He stated there needs to be a balance of growth and maintaining the tax base now. He stated the Council has to make future plans that must include growth within the City limits.

Councilmember Gross stated the City does allocate \$1.4 Million Dollars to Athens Economic Development Board.

The Public Hearing was closed.

**DISCUSS FIRST READING OF AN ORDINANCE AMENDING TOTAL APPROPRIATIONS BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2018 FOR ALLOCATION OF \$150,000 OF AIRPORT FUND FUND BALANCE FOR AIRFIELD IMPROVEMENTS TO ATHENS MUNICIPAL AIRPORT**

Thanasis Kombos, Assistant City Manager, explained last month Staff was contacted by TxDOT Aviation and made aware that more money was available than expected for airport grants. Mr. Kombos stated TxDOT has requested the City immediately start allocating funds for the project.

Mr. Kombos provided background history of the airport. He stated the airport normally gets \$150,000 each year for routine maintenance from TxDOT and the city could bank up to four years of grant money, for a total of \$600,000. He stated in 2016 the City Council approved a Resolution in support of the project and in August 2017 the City Council allocated \$13,000 for the preliminary design services on the improvements.

Mr. Kombos explained the next phase is construction. He introduced Colin Bible, Garver Engineering.

Mr. Bible presented Garver's recommendation for the Pavement Maintenance Project at Athens Municipal Airport.

Mr. Bible presented a preferred alternative from the Master Plan

- Current Airfield Condition
- Project constraints
- Apron and Tie-Down layout
- Project Phasing and construction duration
- Closure of airport during maintenance

Mr. Bible explained the cost was originally scheduled as \$2,110,000 in TxDOT CIP and the current estimated construction cost is \$1,500,000. He stated they are currently working with FAA/TxDOT to utilize state materials instead of FAA materials. He stated if approval is obtained this would reduce the cost to \$1,373,000 with TxDOT/FAA funding, the City of Athens portion of the funding is \$137,300.

Discussion occurred.

Ms. Borstad explained Staff spoke with the Commissioners Court regarding the project and they asked the question if any of the project will have to be torn out if a new runway is built, with Mr. Bible stating that would be minimized.

Ms. Hambrick read the caption of the Ordinance aloud.

EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE, SECTION 551.074 (PERSONNEL MATTERS; CLOSED MEETING); TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, OF A PUBLIC OFFICER OR EMPLOYEE:

a) CITY MANAGER

EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE, SECTION 551.074 (PERSONNEL MATTERS; CLOSED MEETING); TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

Mayor Montgomery stated agenda item 16) Executive Session pursuant to the Texas Government Code, Section 551.074 (Personnel Matters; Closed Meeting); to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee would not be discussed.

The City Council adjourned to Executive Session at 6:47 p.m.

The City Council returned to Regular Session at 7:40 p.m.

CONSIDER ACTION RESULTING FROM DELIBERATIONS IN EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.074 (PERSONNEL MATTERS; CLOSED MEETING) TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION OF A PUBLIC OFFICER OR EMPLOYEE:

a) CITY MANAGER

A motion was made by Councilmember McCain, was seconded by Councilmember Gross regarding the successful completion of six months of service of Elizabeth Borstad, as City Manager for the City of Athens. The motion carried unanimously.

CONSIDER ACTION RESULTING FROM DELIBERATION IN EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE, SECTION 551.074 (PERSONNEL MATTERS; CLOSED MEETING); TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

No action was taken.

MAYOR AND CITY COUNCIL'S REQUEST FOR FUTURE AGENDA ITEMS

Mayor Montgomery requested the following future agenda items:

- Cain Center Architectural Firm Progress
- Banner Ordinance Fees
- Update on Water Treatment Plant and water usage from the well and the lake

Councilmember McCain requested the following future agenda item:

- City Staff to begin research for Management Companies to assist with "The Texan"

Councilmember Gross requested the following future agenda item:

- Update on FM 1616

Councilwoman Clay requested the following future agenda item:

- Operations funding for the Cain Center

Councilmember Smith requested the following future agenda item:

- Long term maintenance for all City owned buildings

ADJOURN

The meeting adjourned at 7:48 p.m.

PASSED AND APPROVED THIS THE 27<sup>th</sup> DAY OF AUGUST, 2018.

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Monte Montgomery, Mayor

ATTEST:

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Bonnie Hambrick, City Secretary