

REGULAR SESSION

JUNE 25, 2018

The City Council of the City of Athens met in Regular Session on Monday, June 25, 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
Toni Clay
Aaron Smith
Robert Gross

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

others present: Thanasis Kombos, Buddy Hill, John McQueary, Ryan Adams, Randy Williams, Jennifer Robertson, Mandie Quigg, Adrianna Hinds, Lisa Montgomery, Lisa Denton, Pam Burton, Trish McGuffey, Thad Hardin, Allison Hardin, Jill Davidson, Celene Terry, Jim and Barbara Rogers, Bob and Carol Morton, Tom and Lynn Leathem, Mary Waddell, Rich Flowers, Virginia Reeder, Deborah Deas, Bob and Peggy Gould, Steve Barksdale, Jon Kessler, and other interested citizens;

with the following member absent; Councilmember Ed McCain;

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.

RECOGNITION OF JOHN MCQUEARY, FIRE CHIEF/EMC AND HIS SERVICE TO THE CITY OF ATHENS

Mayor Monte Montgomery recognized John McQueary, Fire Chief/EMC. Chief McQueary is retiring after ten (10) years of service to the City of Athens. Mayor Montgomery stated during the Ag Services fertilizer storage facility fire that occurred in 2014 comments were made had it not been for Chief McQueary's preparedness the City could have been a disaster. Mayor Montgomery stated finding a replacement would be hard to do.

Councilmember Smith thanked Chief McQueary for service.

Pam Burton, former City of Athens City Administrator, stated it was her pleasure to be in attendance at the City Council meeting. She stated she was one of the lucky ones who made the decision to hire Chief McQueary ten (10) years ago, and it was one of the best decisions in her twenty (20) years. Ms. Burton stated Chief McQueary has done a great job.

Mayor Montgomery read aloud a certificate of recognition for Chief McQueary and his service to the City of Athens.

There was a round of applause.

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

There were no updates involving Community Events and issues of Public Safety.

CITIZENS COMMUNICATIONS

Allison Hardin expressed concern regarding the pool at the Cain Center having only two (2) lanes.

CONSENT AGENDA

- a) CONSIDER APPROVING MINUTES OF THE JUNE 7, 2018 WORK SESSION**
- b) CONSIDER APPROVING MINUTES OF THE JUNE 11, 2018 REGULAR SESSION**
- c) CONSIDER FINAL READING OF AN ORDINANCE CONCERNING A REQUEST FROM ATHENS ECONOMIC DEVELOPMENT CORPORATION FOR A ZONE CHANGE FROM AGRICULTURAL SUP TO INDUSTRIAL FOR TRACTS 35 AND 64, J.B. ATWOOD SURVEY AT 1414 FM 1616 (Z-06-18-001)**
- d) CONSIDER FINAL READING OF AN ORDINANCE CONCERNING A REQUEST FROM BRINNAN PIERCE AND BRUCE HINDS FOR A ZONE CHANGE FROM OFFICE TO SINGLE FAMILY-5 (SF-5) FOR LOTS 14, AND 15, BLOCK 26A, PARK HIGHLANDS SUBDIVISION AT 609 AND 611 RICHARDSON (Z-06-18-003)**
- e) APRIL 2018 MONTHLY REVENUE AND EXPENSE REPORT**
- f) MAY 2018 MONTHLY REVENUE AND EXPENSE REPORT**

Councilmember Gross requested item f) May 2018 Monthly Revenue and Expense Report be pulled from the Consent Agenda.

Bonnie Hambrick, City Secretary, read aloud the captions of the Ordinances.

A motion was made by Councilwoman Clay, seconded by Councilmember Gross to approve items a) through e) of the Consent Agenda

- a) Consider approving minutes of the June 7, 2018 Work Session**
- b) Consider approving minutes of the June 11, 2018 Regular Session**
- c) Consider final reading of an Ordinance concerning a request from Athens Economic Development Corporation for a zone change from Agricultural SUP to Industrial for Tracts 35 and 64, J.B. Atwood Survey at 1414 FM 1616 (Z-06-18-001)**
- d) Consider final reading of an Ordinance concerning a request from Brinnan Pierce and Bruce Hinds for a zone change from Office to Single Family-5 (SF-5) for Lots 14, and 15, Block 26A, Park Highlands Subdivision at 609 and 611 Richardson (Z-06-18-003)**
- e) April 2018 Monthly Revenue and Expense Report**

The motion carried unanimously.

- f) MAY 2018 MONTHLY REVENUE AND EXPENSE REPORT**

Councilmember Gross expressed concern with the Sales Tax Revenue being down Year to date by five (5) percent. He asked what was driving the decrease, with Elizabeth Borstad, City Manager, stating there may be ways for staff to determine which industries are lower. Councilmember Smith stated the information would be helpful for budgeting purposes.

A motion was made by Councilmember Smith, seconded by Councilmember Gross to approve item f) May 2018 Monthly Revenue and Expense Report from the Consent Agenda.

The motion carried unanimously.

PRESENTATION OF DONATION IN THE AMOUNT OF \$2,720 TO ART GALLERY 211

Thanasis Kombos, Assistant City Manager, explained that “The Art on the Bricks” Event was successful and as a result the City is able to provide a donation to Art Gallery 211. Mayor Montgomery and Mr. Kombos presented Representatives from Art Gallery 211 with a check in the amount of \$2,720.

There was a round of applause.

Mayor Montgomery stated the City Council would move agenda items 9) Update from PGAL Architects and Gallagher Construction regarding the Cain Center Project and 10) Discuss, consider and take action, as necessary, approving a Resolution awarding bids and authorizing the City Manager to execute multiple contracts for various trades and construction work related to facility renovations at The Cain Center to the end of the agenda due to in-depth discussions.

The City Council moved to agenda item 11) Update – Texan Theater Project

UPDATE – TEXAN THEATER PROJECT

Mr. Kombos provided the following mid-season update on the Texan Theater Project:

- May 15th: open house and ribbon cutting
- May 25th: Soft Opening
- May 26th: a private 50th wedding anniversary event
- June 16th: “Art on the Bricks” Mr. Kombos thanked Atmos Energy for donating the food, and Jon Kessler of Two Danes Production for providing the lighting and sound equipment
- June 21st: Public use event
- June 23rd: First show of The Texan Summer Concert Series: Texan Benefit Concert. All proceeds from ticket prices will go directly to The Texan. Local and area bands, The Tanner Sparks Band, Kadie Lynn, and South of Disorder will perform. Food will be donated by Atmos Energy. BYOB. Doors open at 6:00pm. Ticket information coming soon.
- July 3rd: GRAND OPENING, Darryl Worley, outdoor show. Free to the public.
July 21st: Final Summer Concert series featuring Hayes Carll

UPDATE – DOWNTOWN FAÇADE IMPROVEMENT PROGRAM

Mr. Kombos presented goals of the Downtown Façade Improvement Program. He stated the goals are to preserve the built environment and strengthen local businesses. He stated the area mostly includes the nine (9) blocks of downtown and a few other areas. He explained it is an 80/20 matching grant based on reimbursements and funded through the Hotel Occupancy Taxes (HOT). \$12,500 is the maximum award per façade and \$25,000 total project award.

Mr. Kombos stated for the Fiscal Year 2017 Downtown Façade Improvement Program twelve (12) applications were received and six (6) were funded. Mr. Kombos presented before improvement pictures and after improvement pictures for the following recipients:

- 114 N. Palestine St. Jon Garrett, Property Owner
- 221 E. Tyler St. Jon Garrett, Property Owner
- 220/224 N. Prairieville St. Bob Gould, Property Owner
- 203 N. Prairieville St, Dr. Jim and Marie Ogburn, Property Owners
- 115 E. Tyler St. Mark and Sharon McCain, Property Owners
- 100 E. Corsicana St. Chip and Ann Perryman, Property Owners

Mr. Kombos stated for the Fiscal Year 2018 Downtown Façade Improvement Program \$60,000 of HOT funds were allocated. He stated (12) applications were received and seven (7) were funded. Mr. Kombos presented before improvement pictures and after improvement pictures for the following recipients:

- 217 E. Tyler St. Fred & Marsha Head, Property Owners
- 115 E. Tyler St. Mark and Sharon McCain, Property Owners
- 112 N. Palestine St. Curtis and Kathy Means, Property Owners
- 101 E. Tyler St. Susan Steger, Property Owner
- 106 W. Tyler St. & 203 N. Prairieville St. John and Felicia Cain, Property Owners
- 104 N. Palestine St. John and Felicia Cain, Property Owners

Mr. Kombos stated improvements must commence within ninety (90) days of application approval and all improvements must be complete within (6) months of application approval.

Councilwoman Clay stated “this is a really great program and I’m very pleased our city is doing it and I hope we can continue to do it for a long time”.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, APPROVING A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH HENDERSON COUNTY FOR ASPHALT OVERLAY AND SEAL COAT OF APPROXIMATELY 500 FEET OF COUNTY ROAD 1409, WHICH IS INSIDE THE CORPORATE LIMITS OF THE CITY OF ATHENS

This item was pulled from the agenda and was not discussed or considered.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, APPROVING A RESOLUTION FOR TEMPORARY CLOSURE OF PUBLIC RIGHT-OF-WAY (UNNAMED ALLEY), LOCATED IMMEDIATELY NORTH OF “THE TEXAN”

Mr. Kombos explained the item is for the temporary closure of the alley north of The Texan Theater for the grand opening. He stated staff has personally spoken with all adjoining property owners that would be affected by the temporary closure. He stated they are aware of the closure and additional accommodations were made for those property owners, limiting any impact to their businesses.

A motion was made by Councilmember Gross, seconded by Councilmember Smith to approve a Resolution for temporary closure of public right-of-way (unnamed alley), located immediately north of “The Texan”. The motion carried unanimously.

UPDATE FROM PGAL ARCHITECTS AND GALLAGHER CONSTRUCTION REGARDING THE CAIN CENTER PROJECT

Ms. Borstad explained she has been in serious communication with Gallagher Construction and since the project bid on June 14, 2018. Ms. Borstad stated June 14, 2018 was actually an extension to the original bid which was June 7, 2018. She stated the bid was extended an additional week due to bids not submitted for all bid packages.

Ms. Borstad presented the Cain Center Bid Summary. She stated there were basically ten (10) that were significantly over the original estimate. Ms. Borstad further explained the ten (10) bids were projected to cost \$1.5 million dollars and the total is \$3 million dollars. She stated that is very significant to us.

Ms. Borstad explained that she and Mayor Montgomery met with Von Gallagher and she has a letter from Mr. Gallagher recommending modifications to the project. She reviewed the modifications and stated one is to accept the pool bid and bundle the others to be rebid, or to reject all bids and re-bid entire project using the competitive seal process.

Regarding the \$2.5 million donation from the Cain Foundation towards the pool; Ms. Borstad stated we don't want to do anything that is going to hurt that donation from moving forward.

Blake Armstrong, City Attorney, stated he had contacted the Cain Foundation's attorney, to explain where the City was; however he had not heard back. Mr. Armstrong stated he would make sure the Foundation is fully aware of the situation.

Discussion occurred.

Mayor Montgomery stated I think we need to get together on this to make sure we are ready to move ahead on at least one part of the contract if they require us to start in July, he said it would be better to keep it all together.

Councilwoman Clay stated moving forward on the pool would be a good thing, and bid the rest of the project out as a whole, makes sense.

Councilmember Gross expressed his disappointment. He stated on several occasions the City Council asked Gallagher if they were able to meet the project's budget, with Gallagher stating they could meet the project's budget. He stated the City Council needed a game plan as to what would be done if the bids come back over budget again. He stated there needs to be an Option C.

Additional discussion regarding the project and using the competitive seal proposal process and value engineering occurred.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, APPROVING A RESOLUTION AWARDDING BIDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE MULTIPLE CONTRACTS FOR VARIOUS TRADES AND CONSTRUCTION WORK RELATED TO FACILITY RENOVATIONS AT THE CAIN CENTER

It was the consensus of the City Council to table the item for additional discussion during the 6-28-18 City Council Budget Work Session.

EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE; SECTION 551.071 (CONSULTATION WITH ATTORNEY; CLOSED MEETING) CONSULTATION WITH ATTORNEY TO RECEIVE LEGAL ADVICE REGARDING VIRGINIA HILL WATER SUPPLY COMPANY CERTIFICATE OF CONVENIENCE AND NECESSITY

The City Council adjourned to Executive Session at 6:36 p.m.

The City Council returned to Regular Session at 7:06 p.m.

CONSIDER AND TAKE ACTION, AS NECESSARY, RESULTING FROM DELIBERATIONS IN EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE; SECTION 551.071 (CONSULTATION WITH ATTORNEY; CLOSED MEETING) CONSULTATION WITH ATTORNEY TO RECEIVE LEGAL ADVICE REGARDING VIRGINIA HILL WATER SUPPLY COMPANY CERTIFICATE OF CONVENIENCE AND NECESSITY

No action was taken.

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MAYOR AND CITY COUNCIL'S REQUEST FOR FUTURE AGENDA
ITEMS

Mayor Montgomery requested a utilities update.

ADJOURN

The meeting adjourned at 7:08 p.m.

PASSED AND APPROVED THIS THE 9TH DAY OF JULY, 2018.

Monte Montgomery, Mayor

ATTEST:

Bonnie Hambrick, City Secretary

BUDGET WORK SESSION

JUNE 28, 2018

The City Council of the City of Athens met in Budget Work Session on Thursday, June 28, 2018, at 8:00 a.m. and immediately following convened into a Special Session at “The Texan”, 209 E. Tyler St., Athens, Texas with the following members present, to-wit:

Monte Montgomery, Mayor
Toni Clay
Aaron Smith
Robert Gross

Elizabeth Borstad, City Manager
Bonnie Hambrick, City Secretary

others present: Thanasis Kombos, Buddy Hill, Ryan Adams, John McQueary, Brandon Blue, Randy Williams, Jennifer Robertson, Mandie Quigg, Rachel Proctor, Mark Carroll, David Hopkins, and David Rodriguez;

with the following member absent; Councilmember McCain

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

CALL TO ORDER

The meeting was called to order by Mayor Monte Montgomery.

The Council recessed at 8:00 a.m.

The Council reconvened at 8:06 a.m.

PRESENTATION AND DISCUSSION OF THE CITY OF ATHENS CURRENT TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Elizabeth Borstad, City Manager explained during the May 10, 2018 City Council Work Session one of the priorities identified for Fiscal Year 2019 was the City’s Texas Municipal Retirement System (TMRS) Pension burden to the City’s budget.

David Rodriguez, Senior Regional Manager City Services, presented an overview on the Texas Municipal Retirement System (TMRS) which included the following:

- TMRS History and Membership
- TMRS Funding Basics
- TMRS Makes Dollars and Sense to Cities
- TMRS Makes Dollars and Sense for the Public
- TMRS Sound Investment Funding
- TMRS Benefits

Mr. Rodriguez presented Athens Benefits and Athens Rates. He presented a comparison of cities along with a possible plan change study for the City of Athens.

Throughout the presentation questions from the City Council were answered by Mr. Rodriguez.

Mayor Montgomery opened the floor for public comment.

Buddy Hill, Chief of Police asked the City Council as they look at potential changes to the retirement system, to please do so very carefully because it is currently hard to recruit and compete with other cities.

David Hopkins, former City of Athens Finance Director, explained the history of TMRS and stated the City implemented TMRS as a means to retain employees. Mr. Hopkins stated he understands everyone is concerned with the liability being on the Balance Sheet.

Discussion occurred.

The Council recessed at 8:58 a.m.

The Council reconvened at 9:03 a.m.

DISCUSS AND REVIEW PROPOSED FISCAL YEAR 2019 BUDGET

Ms. Borstad presented Fiscal Year 2018-2019 Draft proposed Budget for General Fund and Utility Fund which identified estimated revenues and their percent of the budget and how the funds are prioritized. Ms. Borstad explained the proposed draft budget did not include in Capital Requests or Personnel items.

Jennifer Robertson, Director of Human Resources discussed the re-rate of the City's group insurance and the loss ratio.

Mandie Quigg, Finance Director discussed the Fund Balance.

Mayor Montgomery stated he would like to see a ninety (90) day reserve.

Councilmember Gross requested the net effect of "The Texan" on the budget.

Discussion occurred.

After discussion Mayor Montgomery requested the City Council to review the proposed budget.

Ms. Borstad explained that a more defined budget would be presented to the City Council in approximately one month.

DISCUSS FIVE YEAR STREETS CAPITAL IMPROVEMENT PROGRAM

Thanasis Kombos, Assistant City Manager, presented the proposed Five Year Streets Capital Improvement Program.

DISCUSS FIVE YEAR UTILITIES CAPITAL IMPROVEMENT PROGRAM

Randy Williams, Utilities Director, presented the proposed five year utilities capital improvement program.

ENTER INTO CITY COUNCIL SPECIAL SESSION

The City Council entered Special Session at 9:58 a.m.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, APPROVING
A RESOLUTION AWARDDING BIDS AND AUTHORIZING THE CITY
MANAGER TO EXECUTE MULTIPLE CONTRACTS FOR VARIOUS
TRADES AND CONSTRUCTION WORK RELATED TO FACILITY
RENOVATIONS AT THE CAIN CENTER

Ms. Borstad provided a brief update regarding the Cain Center Project. She stated that Blake Armstrong, City Attorney has spoken with the Cain Foundation's attorney and the Foundation does not foresee an issue with delaying the project due to high bids being received. Ms. Borstad explained the item is on the agenda for further discussion.

Councilwoman Clay voiced a concern regarding re-bidding the project. She stated with the discussions of the escalating trade war and tariffs going up; if bids are still way over the budget, the City Council needs to have discussion regarding what will be done and what would be cut.

Councilmember Smith stated he hopes the bids will come in under the budget so the project could proceed as is.

There was a brief discussion.

Mayor Montgomery stated when the project goes out to bid that the City should also ask for value engineering using the same the plans.

Ms. Borstad explained staff will ensure all project modifications that the City requested are included in the bid packages when the project is re-bid.

After discussion, the item died due to the lack of a motion.

ADJOURN

The meeting adjourned at 10:06 a.m.

PASSED AND APPROVED THIS THE 9th DAY OF JULY, 2018.

Monte Montgomery, Mayor

ATTEST:

Bonnie Hambrick, City Secretary