

SPECIAL SESSION

AUGUST 24, 2015

The City Council of the City of Athens met in Special Session on Monday, August 24, 2015, 3:30 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:

Jerry D. Vaught, Mayor
Monte Montgomery, Mayor Pro-Tem
Charles Elliott
Joe Whatley
Tres Winn

Philip Rodriguez, City Manager
Bonnie Hambrick, City Secretary

others present: David Hopkins, Gary Crecelius, Buddy Hill, Charlie Tidmore, Mike Coston, Carol Morton, Judy Jones, Chris Tinsley, Rachel Cox, Chuck Taylor, Cliff Bomer, Gerald Bergman, Norm Tumlinson, Steve Grant, JoAnn Eaton, Claudia Lux, Carolyn Brinkman, Joe Boyd, Bob Morton, Lon Hyland, Connie Griffin, Ed, Cunningham, and other interested citizens;

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

The invocation was given by Councilmember Montgomery.

Mayor Vaught welcomed the Citizens to the meeting.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

DISCUSS/CONSIDER FUNDING AID TO OTHER ORGANIZATIONS FOR FISCAL YEAR 2016

A) GENERAL FUND

Philip Rodriguez, City Manager, informed the City Council and Citizens that two (2) budget workshops were held in addition to a budget forum for the Community and a Planning and Vision Session. He stated the City Council had gone through the budget line item by line item in an effort to create a strategic budget. He stated this is an opportunity to have a deeper discussion regarding aid to other organizations. He stated there are significant core service issues that the City would need to address and the Texas Commission on Environmental Quality (TCEQ) have sent letters and notice of violations that go back as far as 2011 informing the City that the storage tanks are out of compliance.

Mr. Rodriguez informed the Council and audience the first item for discussion is Keep Athens Beautiful (KAB) which is part of Keep Texas Beautiful Program. The Council asked us to consider funding \$7,500 towards mowing and maintenance from the General fund for right-of-way beautification, Ginger's Park downtown and additional funding in the amount of \$7,500 for programing for recycling, graffiti abatement and education in schools regarding environment.

He stated total funding for KAB from the General Fund is \$15,000 for Fiscal Year 2016.

There was no discussion between the Council Members and the Citizens.

Mr. Rodriguez presented funding for the Henderson County Clint W. Murchison Library and stated the recommendation is to continue funding in the amount of \$12,000 for Fiscal Year 2016.

There was no discussion between the Council Members and the Citizens.

Mr. Rodriguez presented funding for Henderson County Humane Society. He stated the Humane Society provides programs and services. He stated the Code Enforcement Division relies heavily on the Humane Society which allows the City to bring stray animals. He stated \$52,000 is the continued recommendation for Fiscal Year 2016.

Councilmember Elliott stated that the City Manager and David Hopkins, Finance Director, have spent months developing the budget and the City Council in its entirety spent two (2) full days hearing the recommendations and this is an opportunity to hear from the Citizens.

Mayor Vaught thanked Councilmember Elliott for his comments and reemphasized the purpose of the meeting was to advise the Citizens of what the Council is doing and this is an opportunity to hear from the Citizens.

Mr. Rodriguez informed the Council that the Cain Center was currently funded at \$130,000 in cash and \$4,700 shared programs which includes use of the exercise room for employees, \$38,000 in utility subsidy and \$8,000 in insurance for the building. The recommendation for funding in Fiscal Year 2016 is to provide \$4,500 for employee use, \$51,100 in utility subsidy and \$8,100 in property insurance bringing the total to \$63,694 as an estimate for utilities.

Mr. Rodriguez informed the Citizens that it has been brought to his attention there is a concern as to what the relationship is between the Cain Center and the City of Athens and how much general fund tax dollars are given to the Cain Center. Mr. Rodriguez explained the Lease agreement with Cain Center Inc. He stated it the Cain Center is to furnish facilities and programs to the Citizens of Athens and Henderson County. He stated the Citizens of Henderson County is who the Cain Center Foundation initially gifted the building to with the City as Trustee. He further informed that the Cain Center Inc. is to maintain the interior of the facility and property insurance however, the City provides the insurance. He stated the City of Athens is to pay for all charges for water and sewer, maintain the roof and exterior walls as well as provide labor for repairs to the tennis courts.

Mr. Rodriguez informed the Citizens that a facilities study was performed in February, 2012 to address the immediate needs of the Cain Center by Eubanks Harris Roberts Craig Architects Inc. and at that time there were \$3.16 million dollars worth of needed repairs to the facility which consisted of the pool, the sauna, HVAC, electrical work and the pool room structure. The new construction and enhancements would cost an additional \$3.56 million.

Mr. Rodriguez stated the current Cain Center funding for Fiscal Year 2015 is \$180,283 and the proposed estimate for Fiscal Year 2016 is \$63,694. He further stated over the past 11 years the City has partnered with the Cain Center in the amount of \$1.8 Million Dollars with \$1.36 Million Dollars of this amount being cash.

He advised the Council that an on-line survey was prepared to understand the Community's concerns as it relates to the Cain Center. He stated three hundred twenty one (321) responses were received and the City Councilmembers had a copy of the survey and the responses in their packets.

Mayor Vaught stated at this time Citizens would have the opportunity to express items of concern.

Bonnie Hambrick, City Secretary, read aloud the name of Mr. Bob Morton.

Mr. Morton stated at this time he would wait until others have spoken.

Ms. Hambrick read aloud the name of Carol Brinkman.

Ms. Brinkman stated that she wanted to speak on behalf of the Cain Center. She stated she is aware that it is expensive to maintain and she felt the Cain Center is an investment to the community. She stated she was appreciative of the Cain Foundation for giving it to Citizens and let's consider it as an investment.

Ms. Hambrick read aloud the name of Claudia Lux.

Ms. Lux stated her son is part of an indoor soccer team and after school sports is a way to keep our children out of trouble. She stated she works for CPS and recommends the children get involved in extracurricular activities. She stated the Cain Center has public swimming and it provides a place for kids to play sports.

Ms. Hambrick read aloud the name of Joann Eaton.

Ms. Eaton stated the Cain Center is so important to the whole community. "There are children, young adults and senior citizens that need the Cain Center, we need that pool, we need it for therapy, for enjoyment and different purposes. It is the only one in town. You do not have a Y down the street. Ms. Eaton stated I have one question if you knew in 2012 that you needed all the repairs why wasn't something done incrementally to take care of the problems?"

Mayor Vaught stated the City does not run the Cain Center. He stated there is Cain Center Inc. that consists of a board of directors, and was started when the Cain Center was created and the Cain Center Board has made the choices and handled the management of the Cain Center. He stated the City has only maintained the outside property by keeping it mowed. The building and the management of the facilities is managed by the Cain Center Board of Directors.

At this time, there were a couple of different people in the audience making comments at one time.

Mayor Vaught stated that three (3) of the Cain Center Board members were present in the room. Mayor Vaught asked Mr. Cliff Bomer if he would like to speak at this time.

Councilmember Winn asked if the Council would allow Mr. Bomer more than three (3) minutes to speak since he is the Board President.

Mayor Vaught asked Mr. Bomer if five (5) to ten (10) minutes would be sufficient.

Mr. Bomer explained the history of the Cain Center stating the Cain Center is a gift from the Effie and Wofford Cain Foundation and in 1983 they gave land and money to start the Cain Center and the community came together and matched their money. He stated when the money was matched they built the Cain Center and the Cain Center Board was established and from that point forward the Cain Center Board has managed the facility. He stated in the beginning the Effie and Wofford Cain Foundation provided operating capital up to 50% of the cost to operate the facilities and did so for several years and in approximately 1990 the IRS changed the laws and the Foundation could no longer support it and over time the Foundation slowly pulled back on funding and the facility has struggled ever since. Mr. Bomer stated the Cain Center itself produces the majority of the budget and the \$1.3 Million dollars the City provides represents 15% of the Cain Center's budget. He explained that during the City Council's budget workshop it was the consensus of the City Council to no longer fund the Cain Center with the \$130,000 during fiscal year 2016.

Mr. Bomer further stated he was present to ask for the continued funding aid in the amount of \$130,000 from the City and he has \$50,000 in public support contingent upon the City funding the \$130,000 during fiscal year 2016.

He stated during the City Council Budget Workshop the City voted not to continue with funding and it was the right thing to do because we are now here talking about it.

He stated the City was under the assumption the Cain Center had a budget short fall of \$300,000. However, there is a budget shortfall of \$117,000, and from June to the current date the Cain Center is in the positive of \$26,000 as a result of personnel leaving.

Mr. Bomer stated he has prepared a budget for 2016. If he includes funding of \$130,000 from the City, the Cain Center is in the positive of \$15,000 and without the funding the Cain Center is in a negative of \$145,000. He stated he is asking the City for \$100,000 in addition to the \$63,000 that the City has already committed to and the Cain Center has \$50,000 dollars in pledges from the community.

Mr. Bomer stated that the Cain Center has a membership of 250 individuals and it represents 1000 individuals who use it as an athletic facility. He stated they can estimate 100,000 people come through the Cain Center each year.

Councilmember Whatley stated that it appears the facility is used for a lot of therapy and asked Mr. Bomer if he had reached out to East Texas Medical Center (ETMC). Mr. Bomer stated he did attempt to call ETMC, however, he has not been successful in reaching the appropriate contact.

Councilmember Elliott asked Mr. Bomer where the City would get \$4 million to repair the pool with Mr. Bomer stating he felt the pool could be repaired at a cost of \$500,000.

Councilmember Elliott stated the City is unable to continue funding without raising taxes. He stated the City's responsibility is on core services: water, sewer, streets and fire and the City's back is against the wall.

Mr. Bomer stated he does have \$50,000 in pledges from the public. He stated the City gives 15% of the Cain Center's budget and the other 85% comes from the public support as a community.

Mr. Bomer stated he would be asking the County for assistance and stated that Councilmember Elliott has made good points we do need water more than we need a pool.

Mayor Vaught stated the Cain Center needed a building more that we need anything, and the building is deteriorating rapidly. Mayor Vaught stated his goal is to take care of the building, and he is unable to justify any longer taking citizen's money to keep the doors open. He stated nothing has been done to take care of the building.

Councilmember Montgomery stated he disagrees there have been renovations and it takes a lot of money to maintain it.

Councilmember Montgomery stated it is a fabulous building, however, it is extremely expensive to maintain it.

Councilmember Winn stated he doesn't feel like anyone wants to see the Cain Center close. He stated he has an issue funding \$130,000 and if a major repair occurs and the money is not there to repair it and the Cain Center has to close. It is money wasted.

Councilmember Montgomery asked if the Cain Center Board has made long term provisions for capital improvements to the building with Mr. Bomer stating the Cain Center Board does not have money for any provisions. Mr. Bomer stated the Council is correct in that a moment's notice something bad could happen to the building and his two priorities are the pool and the HVAC as these two (2) components could be life threatening which would result in shutting the Cain Center down.

Councilmember Whatley stated that during the City Council's Budget workshops the Council saw they were funding \$190,000 of the taxpayer's money and the Cain Center remained in the negative.

Councilmember Elliott stated that the Citizens of Athens should understand that the Cain Center would not be open today if it were not for the Citizens in this room providing donations.

Mr. Rodriguez stated he felt it would be beneficial to the City Council and the community to understand the changes the citizens could foresee that would make the Cain Center solvent if the funding aid of \$100,000 is approved in Fiscal Year 2016.

Mr. Bomer stated the personnel expenses were reduced as the director, and aquatics manager resigned. He stated the director's salary was \$65,000. He stated the changes would come from the reduction in personnel expenses as they can operate with the current staff. He further stated the Cain Center is open 95 hours a week with a part-time hourly rate of \$11.00.

Ms. Hambrick read aloud the name of Mr. Lon Hyland.

Mr. Hyland asked to be put last on the list.

Ms. Hambrick read aloud the name of Mr. Steve Grant.

Mr. Grant stated he is aware the City Council has a lot of issues before them and he thanked the City Council for serving.

Mr. Grant stated he remembers prior to the Cain Center he and Mr. Montgomery swam at the Old Central Park.

He stated he would like to address the General Fund operating amount of \$130,000. He stated not all of the \$130,000 is toward the salaries. He stated \$50,000 is for salaries and \$80,000 for repairs.

Mr. Grant stated that in 1997 there was an endowment to help subsidize the Cain Center in the amount of \$1,000,300 and it is still intact. He stated the interest and dividends of this fund are used.

Mr. Grant stated \$800,000 was raised from the Community, and \$500,000 was a matching amount given to the community from the Cain and Murchison Foundations. He stated the community has put their heart and soul into keeping the Cain Center.

He recommended to the City Council body that we work together as a team to determine the course of action with actual cost and bring it back to the community. He stated when citizens hear the City is pulling back on their funding to the Cain Center there is not an incentive for a business or individuals to provide support.

Mr. Grant thanked the City for their time.

Mayor Vaught stated the Cain Center would not be going if it were not for the efforts of Mr. Steve Grant.

Ms. Hambrick read aloud the name of Mr. Gerald Bergman.

Mr. Bergman stated he is a member of the Cain Center and it is very important to the quality of life for senior citizens.

Ms. Hambrick read aloud the name of Mr. Norm Tumlinson.

Mr. Tumlinson stated it will take everyone's help to keep the Cain Center and he uses it two (2) to three (3) times per week.

Ms. Hambrick read aloud the name of Mr. Joe Boyd.

Mr. Boyd wanted the council to think about the 1% hotel/motel occupancy tax.

Ms. Hambrick read aloud the name of Mr. Bob Morton.

Mr. Morton stated he cannot disagree with anything that has been said, however he strongly suggested to the Cain Center Board to look at systems used to operate, and the staffing. He stated they should look at how they will increase the income.

Ms. Hambrick read aloud the name of Mr. Lon Hyland.

Mr. Hyland explained how he has observed citizens using the Cain Center for therapy. He stated the Cain Center has employees who care about what they are doing. He stated the Cain Center is a beacon for Athens and a legacy for Athens and we must fix it somehow.

Mayor Vaught asked if there was anyone else that wanted to speak.

Ms. Connie Griffin stated that she chose to build a house in Athens due to the Cain Center. She stated this was news to her that the Cain Center was in financial trouble. She stated she is at the Cain Center 5 days a week.

Mr. Ed Cunningham stated the Council and the Cain Center Board needed to get together and figure this out. He asked do we need to have a bond election?

Mr. Paul Benson stated as a community we have to support the Cain Center and has offered membership to his entire staff. He stated there is nowhere else in the City to have a large gathering.

Rachel Cox stated the Cain Center is the only place in the City to host a large function for the special events the Library has.

Councilmember Montgomery asked the question who in the room would approve a tax increase to support the Cain Center.

Councilmember Winn clarified that this is for citizens that live in the city.

Councilmember Montgomery stated not many hands up for a tax increase. He further explained that core services would get cut to fund these things.

A citizen asked the question of who owns the Cain Center.

Mr. Rodriguez stated the deed states to the Citizens of Henderson County.

Councilmember Winn stated it was his understanding that the City is unable to get grants as the City does not own the building.

Mayor Vaught asked Mr. Bomer what aid the County provided in fiscal year 2015, with Mr. Bomer stating the County provided \$7,500.

Mr. Bergman stated the county did not feel that the County had any ownership.

Mayor Vaught stated the County is aware that the deed states to the Citizens of Henderson County and most of the attendance at the Cain Center are residents outside of the city.

Mr. Boyd asked if there is grant money available the City should speak with their attorney in an effort to get the deeds transferred to the City.

Mr. Bomer stated he felt we would have to go back to the original Cain Foundation and ask them to modify the deed.

Mayor Vaught stated the City Council would need to get back together to further discuss funding. He stated the meeting will be adjourned and the discussion would continue at the 5:30 p.m. City Council meeting held at the City Annex.

B) UTILITY FUND

There was no discussion.

C) HOTEL OCCUPANCY TAX FUND

There was no discussion.

PUBLIC INPUT CONCERNING FUNDING AID TO OTHER ORGANIZATIONS FOR
FISCAL YEAR 2016

No action was taken.

OPPORTUNITY FOR CITIZENS TO EXPRESS ITEMS OF CONCERN RELATING
TO THE CITY OF ATHENS

There was no further discussion.

ADJOURN

The meeting was adjourned.

PASSED AND APPROVED THIS THE 28th day of September, 2015.

Jerry D. Vaught, Mayor

ATTEST:

Bonnie Hambrick, City Secretary