

REGULAR SESSION

DECEMBER 10, 2018

The City Council of the City of Athens met in a Regular Session on Monday, December 10, 2018, 5:30 p.m. in the Council Chambers of the City Hall Annex, 501 N. Pinkerton St, with the following members present, to-wit:

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

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

others present: Buddy Hill, Russ Marshall, Ryan Adams, Jennifer Robertson, Mandie Quigg, Audrey Sloan, Randy Williams, Adrianna Hinds, Lacey Lowry, Denise York, Deborah Deas, Michael Hannigan, Rich Flowers, Tres Winn, Sherry Gross, Francyse Peacock, Rik Drummond, Lisa Denton, Sherri Skeeters, Dede Germany, Willy Robson, Tere Lawyer, Fred and Marsha Head, Charlie Bullock, Chip Perryman, Chris and Nancy Perryman, Chris Tinsley, Mary Waddell, Tom and Lynn Leathem, Mark Carroll, Steve Grant, Carolyn Brinkman, Corey Frentress, Ginger Morton, Moe Morrison, Jack Bailey, and other interested citizens;

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

INVOCATION

The Invocation was given by Councilmember Aaron Smith.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

Mayor Montgomery stated the City Council will allow for Public discussion on Agenda item #9. He stated this would allow the leader of the Cain Center Steering Committee, Steve Grant to make a statement as he has a prior commitment and would need to leave.

DISCUSS CERTIFICATE OF OBLIGATIONS OPTIONS:

- a) CASH DEFEASANCE
- b) CONDUCT CITIZENS' VOTE DETERMINING THE USE OF FUNDS ALLOCATED FOR THE CAIN CENTER PROJECT

Steve Grant explained an Ad Hoc Committee has been formed to work with the City to study the aspects of the Cain Center. He stated it would be a local feasibility study to address the following;

- Cost Assessment
- Plan Use of the building
- Operations and funding
- Public Awareness

Mr. Grant stated a proposed Business Plan was written and shared with Councilwoman Clay, and Elizabeth Borstad, City Manager. He reviewed the purpose and goals of the Cain Center Steering Committee.

Mr. Grant explained the Business Plan outlines four (4) committees working simultaneously to get to a fact finding mission to save the Cain Center. He stated the committee thinks there is a strong chance that with the right group of individuals and the city's help, the idea of the Cain Center can be sustained. He further stated it may not be at the same level, the same usage or the same business plan that was utilized for thirty (30) years, but perhaps with some new ideas and some fresh thinking.

Mr. Grant further reviewed the four (4) committees and their goals:

- Cost Assessment Committee
- Plan Use of the building Committee
- Operations and funding Committee
- Public Relations Committee

He stated the committee has requested from the City an amount the City is able to contribute in long term debt and annual participation.

PRESENTATION OF 2018 TEXAS DOWNTOWN ASSOCIATION
PRESIDENT'S AWARD FOR "BEST
RENOVATION/REHABILITATION/RESTORATION" FOR THE TEXAN: A
LANDMARK VENUE

Adrianna Hinds, Community Services Coordinator, stated there were ten (10) other finalists in the category from all over the state. Ms. Borstad explained over three hundred (300) people were in attendance at the conference. She stated this award is a big honor for the City of Athens. Ms. Borstad thanked everyone involved in the original design committee and the Head family.

Mayor Montgomery presented the original members of the Texan Design Committee; Tres Winn and Charlie Bullock with a Certificate of Recognition for their service on the committee. Others receiving certificates of recognition, but not present were:

- Emily McGraw
- Gordon Mayhall
- Charlie Tidmore
- Thanasis Kombos

Mayor Montgomery thanked the Head Family for their generous contribution of The Texan Theatre in memory of a wonderful son and brother, Fred Charles Head, Jr. He stated without their contribution and support for this project, the City would not have received such a distinguished award. Mayor Montgomery thanked the Head family for donating a space that provided entertainment and joy to the citizens of Athens for many years in order that it may be reestablished into an event venue that will do the same for decades to come.

He stated the City has ordered another handmade award from the Texas Downtown Association for the Head family to have and cherish as a token of this achievement.

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

Mayor Montgomery stated he read a Proclamation on November 30th for Marinella Owen Brown honoring her 102nd Birthday.

Councilmember Ed McCain provided the following updates:

- Mayor Montgomery, Councilwoman Clay and himself judged the City Staff's Annual Chili Cook-off which was held at The Texan
- Michael Hannigan would be participating in a fund raiser for The Help Center

Mayor Montgomery stated the low water pressure issue on the East side of town was resolved and the boil water notice has been rescinded.

Ms. Borstad provided the following updates:

- Christmas Parade rescheduled for December 15th with a start time of 5:30 p.m.
- Athens Farmers Market will have its Holiday Market at The Texan on December 15th
- Keep Athens Beautiful (KAB) Holiday on the Square was held on December 8th at The Texan

CITIZENS COMMUNICATIONS

There was no discussion.

CONSENT AGENDA

- a) CONSIDER APPROVING THE MINUTES OF THE NOVEMBER 26, 2018 REGULAR SESSION
- b) CONSIDER FINAL READING OF AN ORDINANCE CONCERNING A REQUEST FROM CHRIS AND AMANDA MARHOLZ FOR APPROVAL OF THE CLOSURE AND ABANDONMENT OF TWO 15 FEET WIDE ALLEYWAYS RUNNING EAST AND WEST THROUGH CITY BLOCK 25, AB 782 T PARMER SURVEY
- c) CONSIDER FINAL READING OF AN ORDINANCE AMENDING THE ADOPTED PAY SCALE FOR CIVIL SERVICE POSITIONS OF THE POLICE DEPARTMENT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019

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

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

CAIN CENTER DISCUSSION

Mayor Montgomery stated that he would like to address an item regarding Council Member Gross' address during Citizens Communication. He stated it was mentioned that Citizens would not vote for the Cain Center due to the taxes going up. He stated anytime taxes are going up; there is a chance it would be voted against. He stated for him personally it was more of the timing, not the indecisiveness but the change of direction on the Cain Center. He stated in his business (schools) when there are bond issues there is a set protocol on how you start and how you go through it. He stated it needs to be a smooth selling menu. He further stated the Cain Center has not been that way. He stated if it goes to a citizen's vote that is fine, he stated he was for that from the start. He stated if it was put out for a vote when it was first mentioned the Citizens would have fallen right in, understood the situation, voted on it and we would have been down the road. He stated that is not what happened and we are here today and we are looking at a vote now. He stated he supports it 100 percent and if it goes to vote he would vote for it, however, on Councilmember Gross' issue, he doesn't feel it will be a 100 percent that vote just because taxes are going up. He stated citizens do realize they have to pay one way or the other using the Certificates of Obligation. You are paying for those Certificates of Obligation on the interest. He stated he wanted to ensure this was understood and expand on the topic.

Montgomery stated he appreciated Councilmember Gross' presentation and everything he said is pretty much on track.

He stated the City Council is at a crossroads on their way of thinking how the project should be approached.

Councilmember Gross stated there has been so much back and forth and at the end of the day the citizens need to see the full plan, to vote on it and take the emotions out of it. He stated he feels the Citizens should have a right to vote.

Mayor Montgomery stated on this course the next thing that had to be addressed was a Police Station. One of the things that has to be considered is if we do proceed with a Bond issue on the Cain Center; do we come in immediately after with a Bond Issue for the Police Station. He stated every aspect should be looked at how this will be accomplished.

Mayor Montgomery stated he does not favor using Certificates of Obligation for building construction.

Councilmember Smith stated with the numbers now for the Cain Center Project for him it would need a Bond Issue.

Councilwoman Clay stated I don't feel like there is anyone on this Council who has not given this a great deal of thought and take it very seriously. She stated she would like to stay with the Steering Committee and give them an opportunity.

Councilmember Gross stated his position is not the interest on the Bonds, it is the right of the Citizens to vote. He stated the alternative is to keep the Certificates of Obligations Funds and have a referendum vote. He reiterated that he feels strongly that people should have the right to vote.

Councilmember Gross explained the compromise is to give the citizens the right to vote in May that is a nonbinding referendum vote. He stated this means the City Council will have to go with what the citizens say. If they vote yes, the money is used for the Cain Center, if they say no the city would cash defeasance the funds or use the Certificates of Obligations for Utility Projects.

Councilmember McCain further explained the following:

- The Steering Committee would work through the April 1st deadline to come up with plan and present the plan
- Early May election with the Steering Committee's recommendation voters will say "YES" to use the Certificates of Obligation money for the Cain Center Project or "NO" we don't
- And at that point the City Council will agree with the Citizens to vote however the citizens voted; meaning the City Council will keep the CO money and put it to work with the Steering Committee or at that point return the money if it is a "no" vote

DISCUSS CERTIFICATE OF OBLIGATIONS OPTIONS:

- a) CASH DEFEASANCE**
- b) CONDUCT CITIZEN'S VOTE DETERMINING THE USE OF FUNDS ALLOCATED FOR THE CAIN CENTER PROJECT**

Ms. Borstad explained item a) Cash Defeasance.

She stated there are two (2) options for the cash defeasance. She explained the following options:

Option 1, an average savings option over the life of the twenty three (23) years Certificates of Obligations or

Option 2, paying off the debt earlier. She stated those are the two (2) options to consider if the City Council determines they want to send the money back.

Ms. Borstad explained item b) Conduct citizen's vote determining the use of funds allocated for the Cain Center Project. She stated an item would be on the May ballot that would give the citizens the option to utilize the money that is already designated for the Cain Center for the Cain Center Project or send the money back in one of the two (2) defeasance options. Ms. Borstad explained that Staff has discussed the Citizens' vote with the Bond Counsel and they stated this would be an unofficial referendum.

Mayor Montgomery stated he would allow comments from the public.

The following citizens spoke in favor of the Cain Center and allowing the Cain Center Steering Committee an opportunity to get support and commitment from the community.

Ginger Morton
Francyse Peacock
Carol Brinkman
Dr. Joe Mike Murphy
Willy Robson
Moe Morrison
Chris Perryman
Mark Carroll
Cindy Cox

Former Councilmember Tres Winn stated he would use the \$5 Million for a police station and ask for one Bond Election for the Cain Center.

Lacey Lowry spoke in favor of allowing the citizens an opportunity to vote.

After hearing citizens comments, much discussion and deliberation occurred from the City Council.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY CONCERNING THE APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO PROCEED WITH CASH DEFEASANCE IN THE AMOUNT OF \$5,337,960 FOR THE 2017 CERTIFICATES OF OBLIGATIONS, ALLOCATED FOR THE CITY OF ATHENS CIVIC AND AQUATIC CENTER RENOVATIONS (CAIN CENTER PROJECT)

Mayor Montgomery entertained a motion to consider and take action, as necessary concerning the approval of a Resolution directing the City Manager to proceed with cash defeasance in the amount of \$5,337,960 for the 2017 Certificates of Obligations, allocated for the City of Athens Civic and Aquatic Center Renovations (Cain Center Project)

No motion was made; item died due to the lack of a motion.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY CONCERNING THE APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO PROCEED WITH CONDUCTING A CITIZENS' VOTE TO DETERMINE THE USE OF \$5,337,960 ALLOCATED FOR THE CITY OF ATHENS CIVIC AND AQUATIC CENTER RENOVATIONS (CAIN CENTER PROJECT)

A motion was made by Councilmember Gross, seconded by Councilmember Smith to approve a Resolution directing the City Manager to proceed with conducting a citizens' vote to determine the use of \$5,337,960 allocated for the City of Athens Civic and Aquatic Center Renovations (Cain Center Project).

The motion carried by the following vote: Ayes: Councilmembers Gross, Smith and McCain,
Nays: Mayor Montgomery and Councilwoman Clay; Abstained: None

**PRESENTATION – ATHENS ECONOMIC DEVELOPMENT CORPORATION
ACTIVITIES RECAP**

Mayor Montgomery stated the item was tabled.

**PUBLIC HEARING CONCERNING A REQUEST FROM MCATEE REALTY,
INC FOR APPROVAL OF THE REPLAT OF A 2.587 ACRE “FUTURE
DEVELOPMENT” TRACT OF SUNCREST, PHASE 2 CREATING LOTS 1, 2,
3 & 4 OF SUNCREST, PHASE 3 (P-12-18-002)**

Audrey Sloan, Director of Development Services, explained the replat is creating four (4) new lots for single family use. She stated letters of notification were sent to surrounding property owners.

The Public hearing was opened.

The Public hearing was closed.

**DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY,
CONCERNING A REQUEST FROM MCATEE REALTY, INC FOR
APPROVAL OF THE REPLAT OF A 2.587 ACRE “FUTURE
DEVELOPMENT” TRACT OF SUNCREST, PHASE 2 CREATING LOTS 1, 2,
3 & 4 OF SUNCREST, PHASE 3 (P-12-18-002)**

A motion was made by Councilmember McCain, seconded by Councilmember Smith to approve a request from McAtee Realty, Inc for the replat of a 2.587 acre “future development” tract of Suncrest, Phase 2 creating Lots 1, 2, 3 & 4 of Suncrest, Phase 3 (P-12-18-002). The motion carried unanimously.

**PUBLIC HEARING CONCERNING THE CITY’S 2019-2020 TXCDBG
COMMUNITY DEVELOPMENT FUND APPLICATION**

Ms. Borstad explained this portion of the grant application is to allow citizens an opportunity to discuss the citizen participation plan, community development needs for the TxCDBG Grant.

Ms. Hambrick stated the public hearing is notifying Citizens of the City’s intent to apply for 2019-2020 TxCDBG Community Development funding in the amount of \$275,000 with the City’s match being \$55,000. She stated the City has completed several application steps, such as hiring a grant administration firm, and engineering firm to complete the application. Ms. Hambrick stated applications are due by February 7, 2019 and the Public Hearing is required by the Texas Department of Agriculture. She stated the grant is more wisely used for infrastructure projects, such as water, sewer and street improvements.

The Public hearing was opened.

The Public hearing was closed.

**DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY,
CONCERNING RESCHEDULING THE DECEMBER 24, 2018 REGULAR
SESSION TO MONDAY, DECEMBER 17, 2018 DUE TO THE CHRISTMAS
EVE HOLIDAY**

A motion was made by Councilmember McCain, seconded by Councilwoman Clay to approve rescheduling the December 24, 2018 Regular Session to Monday, December 17, 2018 due to the Christmas Eve Holiday. The motion carried unanimously.

DISCUSS, CONSIDER, AND TAKE ACTION, AS NECESSARY,
CONCERNING THE APPOINTMENT OF KYLE TIDMORE TO THE
PLANNING AND ZONING COMMISSION

Ms. Hambrick explained there is a vacancy on the Planning and Zoning Commission due to a recent resignation. She stated Kyle Tidmore has expressed interest in serving and his Boards and Commissions application was provided in the packet.

A motion was made by Councilmember Gross, seconded by Councilmember McCain to approve the appointment of Kyle Tidmore to the Planning and Zoning Commission. The motion carried unanimously.

MAYOR AND CITY COUNCIL'S REQUEST FOR FUTURE AGENDA ITEMS

Councilmember Gross requested the Athens Economic Development Corporation's presentation on the next agenda.

Mayor Montgomery stated the appraisal of the property located at 405 Lindsey will appear on a future agenda.

Ms. Borstad stated a review of the most recent water rate study will appear on a future agenda.

ADJOURN

The meeting adjourned at 7:10 p.m.

PASSED AND APPROVED THIS THE 14th DAY OF JANUARY, 2019.

Monte Montgomery, Mayor

ATTEST:

Bonnie Hambrick, City Secretary