

REGULAR SESSION

AUGUST 27, 2018

The City Council of the City of Athens met in Regular Session on Monday, August 27, 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, Buddy Hill, Ryan Adams, Randy Williams, Jennifer Robertson, Mandie Quigg, Marion Klutts, Lisa Denton, John McQueary , Denise York, Gray Penn, Wesley Traylor, Bob Morton, Mary Kay Thomas, Michael Hannigan, Rich Flowers, Raymond Williams, Lisa Montgomery, Deborah Deas, Will Traxson Chet Patel, Mark Carroll, Kevin & Jeaneane Lilly, Emily McGraw, Jeremiah Diamond , and other interested citizens;

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

Mayor Montgomery announced after agenda item #3 the City Council will enter into Executive Session.

INVOCATION

The Invocation was given by Mayor Pro-Tem McCain.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE; SECTION 551.071 (2) (CONSULTATION WITH ATTORNEY; CLOSED MEETING) CONSULTATION WITH ATTORNEY TO RECEIVE LEGAL ADVICE AND COUNSEL ON THE FOLLOWING MATTER(S): FREEPORT/PILOT AGREEMENTS

The City Council adjourned to Executive Session at 5:32 p.m.

The City Council returned to Regular Session at 5:52 p.m.

CONSIDER AND TAKE ACTION, AS NECESSARY, RESULTING FROM DELIBERATIONS IN EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE; SECTION 551.071 (2) (CONSULTATION WITH ATTORNEY; CLOSED MEETING) CONSULTATION WITH ATTORNEY TO RECEIVE LEGAL ADVICE AND COUNSEL ON THE FOLLOWING MATTER(S): FREEPORT/PILOT AGREEMENTS

No action was taken.

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

Elizabeth Borstad, City Manager stated TxDOT has authorized the installation of a traffic signal at FM 1616 and State Highway 31.

CITIZENS COMMUNICATIONS:

Bonnie Hambrick, City Secretary read aloud an email from D.J. Warren of Athens Farmers Market in favor of continued financial support of The Texan.

CONSENT AGENDA

- a) CONSIDER APPROVING MINUTES OF THE AUGUST 9, 2018 WORK SESSION
- b) CONSIDER APPROVING MINUTES OF THE AUGUST 13, 2018 REGULAR SESSION
- c) CONSIDER FINAL 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
- d) CONSIDER A RESOLUTION AUTHORIZING GRANTWORKS AS THE GRANT ADMINISTRATOR FOR THE CITY OF ATHENS FOR THE 2019/2020 COMMUNITY DEVELOPMENT FUNDS AS ADMINISTERED BY THE TEXAS DEPARTMENT OF AGRICULTURE
- e) CONSIDER A RESOLUTION AUTHORIZING THE CITY MANAGER TO CONDUCT A CONCERT IN COORDINATION WITH TRINITY VALLEY COMMUNITY COLLEGE AT THE TEXAN

Ms. Hambrick read aloud the caption of the Ordinance.

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

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY,
CONCERNING A REQUEST FROM WILL BURGIN TO USE THE CITY
PARKING LOT AND ADJACENT ALLEYWAY FOR A FUNDRAISING
MUSIC AND ARTS FESTIVAL ON SEPTEMBER 2, 2018, SUPPORTING THE
TROY SAUNDERS MUSIC FOUNDATION

Buddy Hill, Chief of Police, explained that Will Burgin with Guitars Etc. has requested to utilize the city's parking lot and alleyway for a music and arts festival on Sunday, September 2nd. He stated the parking lot will be closed from 6:00 a.m. to midnight.

Mr. Will Burgin explained he is representing Guitars Etc. and the Troy Saunders Music Foundation for a scholarship fund for private students to obtain music lessons and eventually a Trinity Valley Community College scholarship in Troy Saunders' name. Mr. Burgin provided a list of the performers for the concert.

A motion was made by Councilmember Smith, seconded by Councilmember McCain to approve a request from Will Burgin to use the City parking lot and adjacent alleyway for a fundraising music and arts festival on September 2, 2018, supporting the Troy Saunders Music Foundation.

The motion carried unanimously.

SECOND PUBLIC HEARING TO DISCUSS TAX INCENTIVES AND RECEIVE INPUT CONCERNING SECOND 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 explained the item is the second public hearing to recommend Biomerics for Enterprise project status under the Texas Enterprise Zone Program.

The Public Hearing was opened. There were no comments.

The Public Hearing was closed.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, CONCERNING FINAL READING OF AN ORDINANCE AUTHORIZING THE NOMINATION OF BIOMERICS FMI, LLC, 1605 ENTERPRISE STREET, ATHENS, TEXAS 75751 AS A TEXAS ENTERPRISE ZONE PROGRAM

Ms. Hambrick read the caption of the Ordinance aloud.

A motion was made by Councilmember McCain, seconded by Councilmember Gross to approve final reading of an Ordinance authorizing the nomination of Biomerics FMI, LLC, 1605 Enterprise Street, Athens, Texas 75751 as a Texas Enterprise Zone Program.

The motion carried unanimously.

PUBLIC HEARING ON PROPOSED FISCAL YEAR 2019 BUDGET

Mandie Quigg, Finance Director, explained the item is the Public Hearing for 2019 Budget.

Ms. Borstad explained after the 8/23/18 Budget Work Session the following changes were made to the Fiscal Year 2019 Budget:

- Cain Center revenue adjusted
- 30% Cost of Living Adjustment for retirees
- Removed funding for "City Sponsored Events" and moved to Fund Balance

Mayor Montgomery stated he had a meeting with a group of individuals who were concerned about The Texan and they would like to address the City Council.

The Public Hearing was opened.

Jeremiah Diamond, expressed support for The Texan and requested the funding of \$32,000 be allocated back into the budget as a line item in Hotel Occupancy Tax Fund. Mr. Diamond also read a letter from Stacy Hatcher, General Manager of the Holiday Inn Express, she stated since The Texan was reopened guests have communicated the reason they were in Athens was to attend a concert at The Texan.

Councilwoman Clay stated "I think if we're not careful, we're going to create a self-fulfilling prophecy of failure, if we don't fund The Texan adequately."

Discussion occurred.

Emily McGraw, expressed support of The Texan and funds being allocated back into the budget as a line item.

Forest Elder, expressed support of The Texan and funds being allocated back into the budget as a line item.

Will Traxson, expressed support of The Texan and funds being allocated back into the budget as a line item.

Chet Patel, expressed support of The Texan and funds being allocated back into the budget as a line item.

Will Burgin, expressed support of The Texan and funds being allocated back into the budget as a line item.

There was discussion regarding a balanced budget being presented to the City Council. Councilwoman Clay went on record stating she was under the impression that last year was a balanced budget.

Mayor Montgomery thanked Ms. Borstad and Ms. Quigg for presenting a balanced budget for Fiscal Year 2019. He stated cuts are being made in an effort to prepare for the Cain Center.

After much discussion it was the consensus of the City Council to move the \$32,000 that was not allocated back into its own line item so that it can be used for The Texan.

Ms. Borstad explained that SuperRide has withdrawn their request for funding from HOT Funds and that frees up \$2,500. Councilmember McCain stated that the Athens Teenage Baseball Association does contribute more to "heads in bed".

After discussion it was the consensus of the City Council to provide the additional funding in the amount of \$2,500 to Athens Teenage Baseball Association.

Mayor Montgomery stated during the last Budget Session there was discussion regarding Capital Improvement Programs and the funding for the Cain Center. He stated it was voiced by a Councilmember due to the uniqueness of this budget, this may be a year to hold back funding on the Cain Center Project. It was voiced that the City find partners to commit to funding in an effort to make it more doable for the City.

He further stated the entities are Henderson County and the Hospital. He stated during the discussion two additional Councilmembers felt they may have trouble going forward and voting on the funding for the Cain Center as presented which includes the Certificates of Obligation and the debt service for the Cain Center.

He stated members of the City Council have approached the Cain Foundation to make them aware. He stated currently the City Manager's direction is to proceed with the bid process, unless other direction by the City Council is given to the City Manager.

Mayor Montgomery stated he is personally for the Cain Center and feels it is doable and it is an asset.

Councilmember Smith pointed out the Debt Service payment on the Cain Center is \$367,000 plus a \$330,000 subsidy. He stated he believes the citizens should have an opportunity to say if the taxes are raised.

Councilmember Gross stated citizens should have a chance to vote if taxes are being raised.

Councilwoman Clay stated she supports moving forward with the Cain Center.

The Public Hearing was opened.

Will Traxson stated he sat on the Cain Center Board when the Cain Center was turned over to the City and the board was challenged with covering the bills. He stated he does not feel anyone would vote to keep it going if they knew how much it will cost to keep it operating.

Mr. Traxson stated he felt there was a significant amount of deception involved when passing the torch and the Cain Center. He thanked the Council for taking it over.

Deborah Deas stated she has attended every budget work session except one. She thanked the City Council for giving up their time. She thanked the Council for caring. There was a round of applause.

Forest Elder stated the community will appreciate the correct decision coming from the City Council in the end.

Mark Carroll stated he appreciates the tax rate holding steady. He stated he would rather see the city work hard on its growth.

Kevin Lilly stated as the city moves forward growing is the name of the game. Commercial and Industrial growth is the key. He stated if the City does not grow retail businesses will turnover.

The City Council recessed at 7:44 p.m.

The City Council reconvened in Regular Session at 7:56 p.m.

The Public Hearing was closed.

Mayor Montgomery stated he was torn on the reduction in the Cost of Living Adjustment for retirees. He stated he would have liked a further look at the number of employees and raises given over the years. He stated he was not for the 30% reduction he would rather do something else.

Councilmember Gross stated he is not happy with the reduction.

Mayor Montgomery stated he wished the City Council could have looked at backing out positions that were started in the last few years and making some cuts.

Councilmember Smith suggested making incremental cuts.

Councilmember Gross stated in regard to a staffing reduction, this can be done at any time if the City Council feels it is necessary.

DISCUSS FIRST READING OF AN ORDINANCE ADOPTING THE
PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2019

Ms. Hambrick read the caption of the Ordinance aloud.

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

Ms. Quigg explained the item is the second public hearing on the proposed Tax Rate for Fiscal Year 2019. She stated the proposed tax rate is \$0.685221/\$100.

The Public Hearing was opened there were no comments.

The Public Hearing was closed.

DISCUSS FIRST READING OF AN ORDINANCE ADOPTING THE
PROPOSED TAX RATE FOR FISCAL YEAR 2019

Ms. Hambrick read the caption of the Ordinance aloud.

DISCUSS FIRST READING OF AN ORDINANCE ELECTING FOR THE CITY
OF ATHENS TO REDUCE CURRENT COST OF LIVING ADJUSTMENT
(COLA) FROM A 70% REPEATING COLA TO A 30% REPEATING COLA
WITH TEXAS MUNICIPAL RETIREMENT SYSTEM

Ms. Borstad explained currently the Cost of Living Adjustment (COLA) is a 70% repeating based on the CPI. She stated in the Fiscal Year 2019 budget, it is proposed to go to a 30% repeating Cost of Living Adjustment COLA.

Mayor Montgomery allowed for public comment.

John McQueary, former City of Athens Fire Chief, stated he has worked for municipalities for forty five (45) years, and retired firemen and police officers have put their lives on the line for the people of the City. He stated the city's number one resource is your employees. He asked the City Council to reconsider the reduction in the Cost of Living Adjustment.

Ms. Hambrick read the caption of the Ordinance aloud.

UPDATE ON CAIN CENTER CONSTRUCTION SCHEDULE

Ms. Borstad explained the last official direction from the City Council was to proceed with competitive seal bid proposal format for the Cain Center Project. She stated the notice is to appear in the paper on Thursday, August 30th. She stated at this point she will be moving forward with the notice, unless a different direction is provided.

After discussion, it was the consensus of the City Council to have an agenda item during the September 10th Regular Session for direction regarding the Cain Center. Whether to postpone, or to proceed with bidding process.

UTILITIES UPDATE

Randy Williams, Utilities Director provided a Water System Update.

UPDATE ON DEVELOPMENT-RELATED BOARD AND COMMISSION
MEETINGS

Ryan Adams, Managing Director of Public Services, provided the following updates:

Planning and Zoning

- **August Meeting:**
 - DQ Site plan
- **September Meeting Preview:**
 - DQ Site plan regarding tapering of fence will appear on the 9/4/18 Planning and Zoning Commission agenda and to the City Council on 9/10/18 for consideration
 - Triton Site Plan

Zoning Board of Adjustment

- **No August Meeting:**
- **September Meeting Preview**
 - Building height variance for the school for a press box

Substandard Building Commission

- **August Meeting:**
 - working through issuing citations from previous month's items and working with owners to bring their property into compliance
 - two (2) structures ordered for demolition

September 27, 2018 Board training:

- ZBA 1:00 p.m. – 3:00 p.m.
- Planning and Zoning 3:00 p.m. – 5:00 p.m.

DISCUSS FIRST READING OF AN ORDINANCE AMENDING A CHARGE FOR COLLECTION OF SOLID WASTE TO BE CHARGED FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS

Mr. Adams explained within the Republic Services contract it allows for an annual Consumer Price Index (CPI) increase. He stated it is tied to the United States Department of Labor. He stated Republic Services will be increasing its rates by 3.2% effective October 1, 2018. He reviewed the new rates.

Ms. Hambrick read the caption of the Ordinance aloud.

DISCUSS FIRST READING OF AN ORDINANCE AMENDING A CHARGE FOR THE CITY OF ATHENS COMMUNITY COLLECTION STATION

Mr. Adams explained the Ordinance will increase the rates charged for customers of the City of Athens Collection Station. He stated the fee increase was requested by the City Council to recoup more of the cost of operating the station. He provided the rates as follows:

- Car - \$6.00
- Truck - \$16.00
- Truck with Sideboards - \$32.00
- All other vehicles/trailers - \$12.00 per cubic yard

Ms. Hambrick read the caption of the Ordinance aloud.

DISCUSS FIRST READING OF AN ORDINANCE ADOPTING THE CITY OF ATHENS FEE STRUCTURE FOR DEVELOPMENT SERVICES

Mr. Adams explained the Ordinance is to reduce the current building permit fees and associated fees. He stated staff compared fees to five (5) peer cities within the region and the City's fees were significantly higher.

Mr. Adams reviewed the proposed fee structure and associated fees with staff's recommendation for the following:

- Reducing the fence permit fee from \$80 to \$25
- Setting the Contractor Registration Fee at \$50
- Creating an excavation and grading permit and fee of \$100
- Lowering trade permit fees to \$20

Ms. Hambrick read the caption of the Ordinance aloud.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, REGARDING APPROVING A RESOLUTION AUTHORIZING THE CITY MANAGER TO MAKE MODIFICATIONS TO THE CITY OF ATHENS LOGO

Thanasis Kombos, Assistant City Manager explained that the City Council approved a new logo in 2016 for the City of Athens. He stated some challenges with the use of the logo were discovered including the need to have a simpler alternate logo option for printing and communication materials.

A motion was made by Councilwoman Clay, seconded by Councilmember Smith to approve a Resolution authorizing the City Manager to make modifications to the City of Athens logo. The motion carried unanimously.

DISCUSS, CONSIDER AND TAKE ACTION, AS NECESSARY, REGARDING APPROVING A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH HENDERSON COUNTY SOCCER ASSOCIATION FOR USE OF COLEMAN PARK

Mr. Kombos explained the lease agreement was executed in the fall of 2015. He stated it was a three (3) year lease agreement, but typically agreements with the associations are for five (5) years.

Mr. Kombos stated the association is asking for a ten (10) year lease agreement to pursue grant opportunities.

Mayor Montgomery expressed concern with a ten (10) year lease agreement.

Councilmember Gross suggested making the ten (10) lease agreement conditional upon receiving the grant.

After discussion, a motion was made by Councilmember Gross, seconded by Councilwoman Clay to approve a Resolution authorizing the City Manager to execute a contract with Henderson County Soccer Association for use of Coleman Park for a five (5) year contract with the ability to move to a ten (10) year contract upon obtaining a grant from the US Soccer Federation. The motion carried unanimously.

MAYOR AND CITY COUNCIL'S REQUEST FOR FUTURE AGENDA ITEMS

Councilmember Gross requested a future agenda item regarding the hospital property.

Councilmember McCain requested information from the City's Charter regarding a balanced budget.

Ms. Hambrick reviewed the following requests for future agenda:

- Long term maintenance for all City owned buildings
- Design Standards
- Sign Ordinance

Councilwoman Clay requested staff explore the use of email for providing updates.

ADJOURN

The City Council adjourned at 9:01 p.m.

PASSED AND APPROVED THIS THE 10th DAY OF SEPTEMBER, 2018.

Monte Montgomery, Mayor

ATTEST:

Bonnie Hambrick, City Secretary