

THE STATE OF TEXAS §
COUNTY OF ANDERSON §
CITY OF PALESTINE §

The City Council of the City of Palestine, Texas convened in a Regular Meeting on Monday, September 25, 2017 at 5:30 p.m. for the Regular Meeting in the Council Chambers at City Hall, 504 N. Queen Street, Palestine, Texas, with the following people present:

Steve Presley, Mayor
Doug Smith, Mayor Pro Tem
Will Brule, Councilmember
Mitchell Jordan, Councilmember
Vickey L. Chivers, Councilmember
Joe Baxter, Councilmember
Ann Connor, Councilmember

Mike Alexander, City Manager
Michael Hornes, Assistant City Manager
Teresa D. Herrera, City Secretary
Ronald D. Stutes, City Attorney

Others present: Development Services Director Jeffrey Lyons, Public Works Director Tim Perry, Finance Director Steve Groom, Police Chief Andy Harvey, Communications Officer Nate Smith, and other interested citizens;

with the following member absent: none.

CALL TO ORDER - REGULAR MEETING

Mayor Presley called the Regular Meeting to order at 5:32 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by James Smith, and was followed by the Pledge of Allegiance.

PROPOSED CHANGES OF AGENDA ITEMS

It is proposed Consent Items 6, 9, and 10 be moved before the Board Appointments.

PUBLIC COMMENTS, PUBLIC RECOGNITION, AND ANNOUNCEMENTS

Isaac Wynn addressed Council regarding City Government and Charter Review Committee's recommendations.

James Smith addressed Council regarding City Government and Charter Review Committee.

William Sandefer addressed Council regarding rezoning.

Finance Director Steve Groom recognized new Accountant Jim Mahoney and Carolyn Garcia for her promotion to Utility Billing Supervisor.

Assistant City Manager Hornes recognized Administrative Assistant Courtney Nieto for her transfer to City Manager's Office.

Community Services Director Patsy Smith recognized Roseshaun Hall for her promotion to Code Enforcement Officer.

Mayor Presley read aloud "National Night Out" Proclamation, accepted by Community Liaison Bernadette Capron.

CONFLICT OF INTEREST DISCLOSURES

No action was taken.

PUBLIC HEARING

Public Hearing regarding a specific use permit request to allow a mobile home to be placed at 813 W. Giraud Street being Lot 11, Block 3B of the Texas Land Company, generally located at the northeast corner of the intersections of W. Giraud Street and S. Jackson Street. Applicant Martha J. Cashmere.
Development Services Director Jeffrey Lyons provided a summary.

Mayor Presley opened the public hearing, and asked for anyone speaking for or against the request to do so. With no one speaking, Mayor Presley closed the public hearing.

Public Hearing regarding a zoning change request from R-3, Single Family Detached, High Density District, to C-3, General Commercial on Lot 26R, the west half of Lot 27A (307 Fort St.), Lot 28C, Lot 28D, Lot 28E and the east half of Lot 40 (402 Texas Ave.), all being part of Block B5 of the Texas Land Company Addition. The properties are generally located between W. Oak Street, N. Fort Street and N. Texas Avenue on the north side of W. Oak Street. Applicant Jerry Laza.

Development Services Director Jeffrey Lyons provided a summary.

Mayor Presley opened the public hearing and asked for anyone speaking for or against the request to do so. James Smith spoke against the request. With no one else speaking, Mayor Presley closed the public hearing.

MAYOR'S REPORT

Mayor Presley addressed some personal issues and asked for prayers.

Mayor Presley informed of Friends of the Library book sale, City boards and commissions, and his willingness to listen or talk to any member of the community.

ITEMS FROM COUNCIL

Mayor Pro Tem Smith provided information regarding Paint Palestine Pink and the next Texas Theatre production The Tin "Woman".

Councilmember Jordan informed of new web page for District 2 constituents to report concerns.

Councilmember Chivers provided information regarding the Concerned Citizens Action Group of Anderson County banquet.

CITY MANAGER'S REPORT

Public Works Director Perry provided an update on the Quiet Zone. The Quiet Zone will be completed by October 20, 2017. Council thanked Public Works Director Perry for his work.

Councilmember Jordan spoke regarding habitual illegal dumping sites in District 2. City Manager Alexander informed that Code Enforcement will be very aggressive with this issue.

City Manager Alexander informed Council that department directors were present to address questions regarding reports.

Departmental reports for Finance (Municipal Court, Check Register, Monthly Sales Tax, Financial Summary, and Utility Billing), Police Stats, and Library were provided.

- 6) Consider an ordinance amending the composition for the Main Street Advisory Board. PEDC Assistant Director Greg Laudadio
- 9) Consider an ordinance amending the term limits for members of the Historical Landmarks Commission. Historic Preservation Officer Jacob Morris

10) Consider an ordinance amending the term limits for members of the Planning and Zoning Commission. Development Services Director Jeffrey Lyons

Councilmember Baxter made a motion, seconded by Councilmember Jordan, to postpone these items until the next work session and regular meeting. Upon vote, motion carried unanimously 7-0.

BOARD APPOINTMENTS

- 1) Consider board reappointments with term to expire on September 30, 2019:
 - a) Ronald Jarrett to Place 1, Elton Haynes to Place 2, Jerry Bell to Place 3, and Steve Brannon to Place 4 to Airport Advisory Board;
 - b) Mark Henderson to Place 2, Mark Thomas to Place 3, and Kurt Herrington to Place 4 to Building Standards Commission;
 - c) Mickie Lamberth to Place 1, Barbara Jordan to Place 3, Julie B. Abston to Place 5, and Chris Gouras to Place 7 to Historic Landmarks Commission;
 - d) Mary Jean Mollard to Place 1, Heather Calhoun to Place 2, and William Young to Place 3 to Main Street Advisory Board;
 - e) Amy Robinson to Place 1, Thelma Holland to Place 2, Sunny Broyles to Place 3, and Mike Kelly to Place 4 to Parks Advisory Board;
 - f) William Fraser to Place 1, Richard Farris, Jr. to Place 2, Mary Cox to Place 3, and Bob Snow to Place 4 to Planning and Zoning Commission;
 - g) Ann Connor to Place 1, Phil Jenkins to Place 2, and Larry Weber to Place 3 to Real Estate Committee;
 - h) Ben Campbell to Place 3 to Texas State Railroad Authority;
 - i) Susan Rand to Place 3 and Randi Stringham to Place 4 to Tourism Advisory Board; and
 - j) Mike Davis to Place 2 and Brick Parsons to Place 4 to Zoning Board of Adjustments and Appeal.
- 2) Consider board appointments with term to expire on September 30, 2019:
 - a) Keith Cole to Place 1 replacing Ira (Buddy) Morel to Building Standards Commission.
- 3) Consider board reappointments with term to expire on September 30, 2018:
 - a) Robb Stewart to Place 2 and Linda Williams to Place 6 to Historic Landmarks Commission; and
 - b) Kenneth Davidson to Place 7 to Building Standards Commission.

Mayor Presley pulled the appointments of Julie B. Abston and Mary Cox. They will continue to serve until replaced.

Mayor Pro Tem Smith made a motion, seconded by Councilmember Brule, to approve the appointments as presented. Upon vote, motion carried unanimously 7-0.

CONSENT AGENDA

- 1) Consider approval of minutes of the Work Session and Regular Meeting of August 14, 2017.
- 2) Consider approval of minutes of the Work Session of August 15, 2017.
- 3) Consider approval of minutes of the Work Session of August 18, 2017.
- 4) Consider approval of minutes of the Special Meeting of August 21, 2017.
- 5) Consider approval of invoices over \$25,000. Finance Director Steve Groom
- 6) Consider an ordinance amending the composition for the Main Street Advisory Board. PEDC Assistant Director Greg Laudadio
- 7) Consider an ordinance vacating and abandoning an undeveloped public alley being 20-foot wide by 300-foot long adjacent to the north line of Block 24 of the Michaux Park Addition between McCullough Street and Ross Street. Development Services Director Jeffrey Lyons
- 8) Consider a letter of support for GVD Construction LLC. Assistant City Manager Michael Hornes
- 9) Consider an ordinance amending the term limits for members of the Historical Landmarks Commission. Historic Preservation Officer Jacob Morris
- 10) Consider an ordinance amending the term limits for members of the Planning and Zoning Commission. Development Services Director Jeffrey Lyons

Council pulled items 6, 9, and 10. Mayor Pro Tem Smith made a motion, seconded by Councilmember Chivers, to approve Consent Items 1, 2, 3, 4, 5, 7, and 8 as presented adopting **Ordinance No. 0-28-17**. Upon vote, motion carried unanimously 7-0.

REGULAR AGENDA

1) Consider an Ordinance adopting the Fiscal Year 2017-2018 Annual Budget.

Finance Director Steve Groom provided a summary. The final budget includes a seven cent increase instead of the proposed 15 cent increase. Council directed Staff to present the budget earlier next year.

Councilmember Brule made a motion, seconded by Councilmember Jordan, to approve **Ordinance No. 0-29-17**, adopting the Fiscal Year 2017-2018 Annual Budget. Upon a roll call vote, motion carried 7-0, as follows:

Mayor Presley	Aye
Mayor Pro Tem Smith	Aye
Councilman Brule	Aye
Councilman Jordan	Aye
Councilwoman Chivers	Aye
Councilman Baxter	Aye
Councilwoman Connor	Aye

2) Consider an Ordinance providing for the assessment, levy, and collection of Ad Valorem Taxes for 2017-2018. Finance Director Steve Groom

a) For the maintenance and support of general government (General Fund)

b) For the payment of accruing interest and providing for debt service of bonded indebtedness

c) To adopt a maintenance and operations rate of \$0.56782/\$100

Councilmember Jordan made a motion, seconded by Mayor Pro Tem Smith, to approve **Ordinance No. 0-30-17**, adopting the maintenance and operations rate of \$0.56782/\$100. Upon vote, motion carried unanimously 7-0.

d) To adopt a debt service rate of \$0.150921/\$100

Mayor Pro Tem Smith made a motion, seconded by Councilmember Brule, to approve **Ordinance No. 0-30-17**, adopting the debt service rate of \$0.150921/\$100. Upon vote, motion carried unanimously 7-0.

e) To adopt the proposed tax rate of \$0.718741/\$100 (record vote)

Councilmember Baxter made a motion, seconded by Councilmember Jordan, to approve **Ordinance No. 0-30-17**, adopting the proposed tax rate of \$0.718741/\$100. Upon a roll call vote, motion carried 7-0, as follows:

Mayor Presley	Aye
Mayor Pro Tem Smith	Aye
Councilman Brule	Aye
Councilman Jordan	Aye
Councilwoman Chivers	Aye
Councilman Baxter	Aye
Councilwoman Connor	Aye

3) Consider an ordinance amending Chapter 98 Utilities of the Code of Ordinance regarding water rates and wastewater charges.

Finance Director Steve Groom provided a summary. Mayor Pro Tem Smith made a motion, seconded by Councilmember Brule, to adopt **Ordinance No. 0-31-17**, as presented. Upon vote, motion carried unanimously 7-0.

4) Discuss and take possible action regarding Texas State Railroad Authority Loan Amortization schedule.

Finance Director Steve Groom provided a summary. Texas State Railroad has not made payments since October 2016. Mayor Presley provided background history on the loan and informed that the board has every intention to pay the note.

Councilmember Baxter made a motion, seconded by Councilmember Chivers, to continue to accrue interest on the loan. Upon vote, motion carried unanimously 7-0. Councilmember Brule informed that the board is paying 2% interest on the loan.

- 5) Consider an ordinance for a specific use permit request to allow a mobile home to be placed at 813 W. Giraud Street being Lot 11, Block 3B of the Texas Land Company, generally located at the northeast corner of the intersections of W. Giraud Street and S. Jackson Street. Applicant Martha I. Cashmere.

Development Services Director Jeffrey Lyons provided a summary. Councilmember Jordan made a motion, seconded by Mayor Pro Tem Smith, to approve **Ordinance No. O-32-17**, as presented. Upon vote, motion carried unanimously 7-0.

- 6) Consider approval of Hotel Occupancy Tax Funding application for Texas State Railroad Authority in the amount of \$10,000.

No action was taken.

- 7) Discuss and take possible action regarding Old Memorial Hospital located on Sycamore Street. City Manager Mike Alexander provided a summary. Councilmember Jordan made a motion, seconded by Councilmember Connor, to tear down Old Memorial Hospital located on Sycamore Street and not entertain other suggestions. Councilmember Baxter requested paperwork that will be submitted. Upon vote, motion carried unanimously 7-0.

- 8) Discuss and take possible action regarding City Boards, Commissions, and Committees. Councilmember Joe Baxter asked that every board, commission, or committee come to a Council meeting and provide an update. Staff will work on a calendar to have the chairperson from every City Board, Commission, and Committee present a report to Council. No action was taken.

- 9) Consider approval of Hotel Occupancy Tax Funding application for Texas State Railroad in the amount of \$10,000. (addendum item)

Marketing Manager Mary Raum provided a summary. Councilmember Jordan made a motion, seconded by Councilmember Connor, to approval of Hotel Occupancy Tax Funding application for Texas State Railroad in the amount of \$10,000. Upon vote, motion carried unanimously 7-0.

CLOSED SESSION

Mayor Presley announced that Council would go into Closed Session pursuant to Section 551.074 regarding personnel matters, Section 551.072 deliberate real property (the purchase, exchange, lease, or value of real property), and Section 551.071 to consult with city attorney to receive legal advice, including consultation regarding pending or contemplated litigation. The time was 7:44 p.m.

- 1) Update and discussion on litigation (*City of Palestine v. Jerry Laza*, Cause No. DCCV16-359-349, 349th District Court, Anderson County);
- 2) Discuss City owned Real Estate; specifically Palestine Mall;
- 3) Discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of City employees; and
- 4) Discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of City Manager

RECONVENE IN REGULAR SESSION

Mayor Presley reconvened Council into open session at 9:08 p.m.

- 1) Consider an ordinance for a zoning change request from R-3, Single Family Detached, High Density District, to C-3, General Commercial on Lot 26R, the west half of Lot 27A (307 Fort St.).

Lot 28C, Lot 28D, Lot 28E and the east half of Lot 40 (402 Texas Ave.), all being part of Block B5 of the Texas Land Company Addition. The properties are generally located between W. Oak Street, N. Fort Street and N. Texas Avenue on the north side of W. Oak Street. Applicant Jerry Laza.

Mayor Pro Tem Smith made a motion, Councilmember Chivers, to deny the application requesting zoning change. Upon vote, motion carried unanimously 7-0.

- 2) Take any action necessary regarding litigation (*City of Palestine v. Jerry Laza*, Cause No. DCCV16-359-349, 349th District Court, Anderson County).

No action was taken.

- 3) Take any action necessary regarding City owned Real Estate; specifically Palestine Mall.

No action was taken.

- 4) Take any action necessary regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of City Employees.

No action was taken.

- 5) Take any action necessary regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of City Manager.

Councilmember Baxter made a motion, seconded by Councilmember Chivers, to approve the Buyout Agreement, Consultant Agreement, and General Release with Mike Alexander. City Attorney Stutes read aloud the Buyout Agreement, Consultant Agreement, and General Release. Upon vote, motion carried unanimously 7-0.

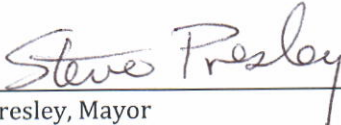
City Manager Alexander recommended that Council appoint Michael Hornes as City Manager. Councilmember Brule made a motion, seconded by Councilmember Baxter, to accept the recommendation appointing Michael Hornes as City Manager of Palestine, Texas. Upon vote, motion carried unanimously 7-0.

City Council will review Employment Agreement with Michael Hornes at the next meeting.

ADJOURN

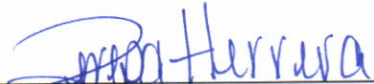
With no other business to come before the Council, the meeting was adjourned at 9:27 p.m.

PASSED AND APPROVED THIS 26TH DAY OF FEBRUARY, 2018.



Steve Presley, Mayor

ATTEST:



Teresa Herrera, City Secretary

