

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

The City Council of the City of Palestine, Texas convened in a Work Session on Wednesday, August 8, 2018 at 10:00 a.m., in the City Hall Conference Room, at 504 N. Queen Street, Palestine, Texas, with the following people present:

Steve Presley, Mayor  
 Mitchell Jordan, Mayor Pro Tem  
 Larissa Ray Loveless, Councilwoman  
 Vickey L. Chivers, Councilwoman  
 Joe Baxter, Councilman  
 Dana Goolsby, Councilwoman  
 Ann Connor, Councilwoman

Michael Hornes, City Manager  
 Teresa D. Herrera, City Secretary

Others present: Development Services Director Jeffrey Lyons, Public Works Director Tim Perry, PEDC Director Gayle Cooper, Tourism Marketing Manager Mary Raum, Communications Officer Nate Smith, and other interested citizens;

with the following member absent: none. Mayor Pro Tem Jordan arrived at 10:05 a.m., Councilwoman Connor arrived at 10:08 p.m., and Councilwoman Chivers arrived at 10:39 p.m.

#### **WORK SESSION**

With a quorum present, Mayor Presley called the work session to order at 10:01 a.m.

#### **Discussion of Proposed Budget and Strategic Goals for Fiscal Year 2018-2019**

City Manager Hornes led the discussion. He reported that Finance has completed the seven month bank reconciliation. He explained that he has included a nine percent pay increase for Police and Fire; and five percent pay increase for all other employees to off-set some of cost of the health insurance. He added that TMRS will be modified and explained that the proposed changes will be a cost savings of nearly \$400,000. He has balanced the budget by freezing positions in Police and Fire and cutting several positions in other departments.

Fleet replacement program was discussed.

Mayor Presley informed that Council will take a recess from 11:14 a.m. to 11:28 a.m.

City Manager Hornes continued to explain changes to the budget. He added that Library personnel and funds for books will be cut. The library is an important resource to the community and staff will continue to provide the same level of service.

10 percent water and sewer rate increase and flat fee for water meter replacement program were discussed. Council expressed that they did not want to increase water and sewer rates. The agreed that the flat rate for the meters is a must.

Mayor Pro Tem Jordan left at 12:06 p.m.

Sanitation fees will increase because Waste Connections is eligible for a 12 percent rate increase.

The Hotel Occupancy Tax Fund was discussed. Marketing Manager Raum explained that by closing the Performing Arts Center (PAC) the wrong message is being sent. She asked that Council fund the PAC for an

additional year. Council expressed that there are many challenges with the building and would rather not fund it anymore. Council will need to give a clear directive at the next Council meeting.

PEDC Director Cooper explained the budget for PEDC. She added that PEDC has nearly \$2 million in fund balance.

With no other business to come before the Council, the work session was adjourned at 2:01 p.m.

PASSED AND APPROVED THIS 8TH DAY OF OCTOBER, 2018.

  
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Steve Presley, Mayor

ATTEST:

  
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Teresa Herrera, City Secretary

