

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 10, 2018 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  
 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  
 Ronald D. Stutes, City Attorney

Others present: Police Chief Andy Harvey, Fire Chief Shannon Davis, Public Works Director Tim Perry, 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 5:30 p.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation was given by Minister Dan Manuel, Crockett Road Church of Christ, and was followed by the Pledge of Allegiance.

**PROPOSED CHANGES OF AGENDA ITEMS**

City Manager Hornes recommends that the budget and the proposed tax rate hearings be switched.

**PUBLIC COMMENTS, PUBLIC RECOGNITION, AND ANNOUNCEMENTS**

Michele Merryman Bell spoke regarding zoning for the City. She clarified a statement she made before the Planning and Zoning Commission.

Gloria Perrin spoke regarding the tattoo parlor, pay increase for the city manager, and approval of invoices over \$25,000 for senior accountant.

Mayor Presley read aloud Proclamation: Library Card Sign-up Month, accepted by Library Director Theresa Holden).

PEDC Asst. Director Greg Laudadio presented the Beautification Award to the Palestine Area Chamber of Commerce for the month of September. Award was accepted by Chamber Director Michele Merryman Bell.

Daniel Bentley was recognized for obtaining his Class B Surface Water Operator's license.

**CONFLICT OF INTEREST DISCLOSURES**

No action was taken.

**PUBLIC HEARING**

1) Public hearing regarding a specific use permit to allow a tattoo parlor at 316 W. Oak St. (Development Services Jeffrey Lyons)

City Manager Hornes provided a summary. The property is currently zoned Central Business District. The Planning and Zoning Commission recommends approval of the request. 17 notices were mailed to property owners within 200-feet of the location and seven were returned in opposition of the request and one was returned in favor.

Mayor Presley opened the public hearing at 5:48 p.m. and asked for anyone speaking for or against the request to do so. The following spoke in favor: Gloria Perrin, Darla Herrington, James Smith, Margaret Baxter, William Young, Danita Hollingsworth, Shanna Pacheco, Charlie May, William Bell, Edward Reid, and Rebecca Howard. With no one else speaking, Mayor Presley closed the public hearing at 6:02 p.m.

2) Second public hearing regarding the proposed Tax Rate of \$0.715082 per \$100 valuation by the governing body of the City of Palestine. (City Manager Michael Hornes)

Mayor Presley opened the public hearing at 7:28 p.m. and asked for anyone speaking regarding the proposed tax rate to do so. Darla Herrington and James Smith spoke regarding the proposed tax rate. With no one else speaking, Mayor Presley closed the public hearing at 7:36 p.m.

3) Public hearing regarding the proposed budget for Fiscal Year 2018-2019. (City Manager Michael Hornes)

City Manager Hornes provided a summary and introduced the new Interim Finance Director Carl Currie. He explained that every department has seen a reduction in the budget except for MIS. Tourism will have Civic Center wind down plan, PEDC budget will use fund balance reserve. The following costs have been reduced: healthcare and retirement. Water rates will not be increase but there will be meter replacement charge added to all City accounts. This budget includes pay raises for employees.

Mayor Presley opened the public hearing at 6:28 p.m. and asked for anyone speaking regarding the proposed budget to do so. Darla Herrington and Gloria Perrin spoke regarding the proposed budget. With no one else speaking, Mayor Presley closed the public hearing at 6:33 p.m.

Council had several questions regarding the proposed budget. 11 jobs were cut and 11 positions were frozen. Council held a lengthy discussion.

**MAYOR'S REPORT**

Mayor Presley provided information regarding Operation Read fundraiser scheduled for Saturday.

**ITEMS FROM COUNCIL**

Mayor Pro Tem Jordan recognized Randall Warner for helping his elderly neighbor with her yard work and Edna Wright for being active in the community and bettering her neighborhood.

Councilman Baxter encouraged everyone to support Operation Read.

Councilwoman Loveless explained the importance of reading at the home. Operation Read will provide books to 1,300 children in Palestine.

**CITY MANAGER'S REPORT**

City Manager Hornes informed that department directors were present to address questions from Council regarding reports. Also, 9-11 Tribute will be tomorrow in front of City Hall, to honor those that perished during the terrorist attacks on September 11, 2001.

Community Services, Development Services, Library, Fire, and Finance (Financial Summary & Check Register) departmental reports were provided.

Councilwoman Loveless asked regarding the Skate Park. Community Services Director Smith answered that the plan is to apply for a grant to fund the project.

### **OPEN BIDS**

Bids were received and opened for RFB-04-18 Sale of City-owned Property (Northeast corner of M.L. Cary Drive & Reagan Street) as follows:

Cary Properties	\$5,000
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### **CONSENT AGENDA**

- 1) Consider approval of minutes of the Work Session of August 2, 2018.
- 2) Consider approval of minutes of the Emergency Meeting of August 2, 2018.
- 3) Consider approval of invoices over \$25,000. (Senior Accountant Jim Mahoney)
- 4) Consider a resolution approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2018 rate review mechanism filings. (City Secretary Teresa Herrera)
- 5) Consider authorizing the position of Senior Accountant and removing the Accounting Manager position as the authorized account signers across all funds and component units for all bank accounts authorizing city banking transactions including PEDC checking account at the city's depository bank. (City Manager Michael Hornes)
- 6) Consider an ordinance modifying the TMRS retirement plan. (City Manager Michael Hornes)
- ~~7) Consider approval of amendment of the J.C. Penny Company, Inc. lease at Palestine Mall. (City Manager Michael Hornes)~~

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Loveless, to approve the Consent Agenda items 1 through 6 adopting **Resolution No. R-28-18** and **Ordinance No. O-32-18** as presented. Upon vote, motion carried unanimously 7-0.

### **REGULAR AGENDA**

Consider approval of amendment of the J.C. Penny Company, Inc. lease at Palestine Mall. (City Manager Michael Hornes) pulled from the Consent Agenda

City Manager Hornes explained that he recommends amending the current lease to add one additional year.

Mayor Pro Tem Jordan made a motion, seconded by Councilman Baxter, to approve the amendment of the J.C. Penny Company, Inc. lease at Palestine Mall. Upon vote, motion carried unanimously 7-0.

- 1) Second reading and consider approval of resolutions regarding Palestine Economic Development Corporation and City of Palestine notice of intention to grant: 1) \$11,625 to Young Business Investments; and 2) \$26,740 to Timothy L. Triplett. (PEDC Asst. Director Greg Laudadio)

Mayor Presley conducted the second reading of the resolutions.

PEDC Asst. Director Greg Laudadio informed that each year Main Street and the Palestine Economic Development Corporation offer matching funds through the Façade Improvement Program and Historic Preservation Grants. Awards are granted to projects that will promote growth of downtown business, economic activity, historic preservation, and beautification.

Mayor Pro Tem Jordan made a motion, seconded by Councilman Baxter, to approve **Resolution No. R-29-18** and **Resolution No. R-30-18** as presented. Upon vote, motion carried unanimously 7-0.

- 2) Consider an ordinance for a specific use permit to allow a tattoo parlor at 316 W. Oak St. (Development Services Jeffrey Lyons)

City Manager Hornes informed that the door front will be on Main Street. Mr. Blood explained that he plans to be in operation within a month.

Mayor Pro Tem Jordan made a motion, seconded by Councilman Baxter, to approve **Ordinance No. O-33-18**, to allow a tattoo parlor at 316 W. Oak Street. Upon vote, motion carried 5-2 with Mayor Presley and Councilwoman Connor voting nay.

**3) Consider an ordinance amending Budget for Fiscal Year 2017-18.**

(City Manager Michael Hornes)

City Manager Hornes provided an explanation.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Chivers, to approve **Ordinance No. O-34-18** as presented. Upon vote, motion carried unanimously 7-0.

**CLOSED SESSION**

Mayor Presley announced that Council would go into Closed Session pursuant to Closed Session pursuant to Section 551.074 regarding personnel matters and Section 551.071 to consult with city attorney to receive legal advice, including consultation regarding pending or contemplated litigation. The time was 8:43 p.m.

- 1) Discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the City Manager.
- 2) Discussion and update regarding *City of Palestine v. Jerry Laza, Cause No. DCCV 16-359-349, 349th District Court, Anderson County; and Jerry Laza v. City of Palestine, Cause No. 6:17-CV-00533-RWS* in the U.S. District Court, Eastern District of Texas.
- 3) Discussion and update regarding *L. S. Equipment Co., Inc. d/b/a Lone Star Equipment Co. v. City of Palestine; Cause No. DCCV17-00303, in the 3rd District Court, Anderson County.*

Councilwoman Chivers left at 9:20 p.m.

**RECONVENE IN REGULAR SESSION**

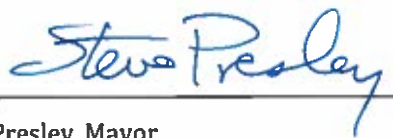
Mayor Presley reconvened Council into open session at 9:47 p.m.

No action was taken.

**ADIURN**

With no other business to come before the Council, the meeting was adjourned at 9:48 p.m.

PASSED AND APPROVED THIS 13TH DAY OF NOVEMBER, 2018.



Steve Presley, Mayor

ATTEST:



Teresa Herrera, City Secretary

