

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 24, 2018 at 4:30 p.m. for the Work Session in the City Hall Conference Room, and 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: Fire Chief Shannon Davis, PEDC Director Gayle Cooper, Public Works Director Tim Perry, Communications Officer Nate Smith, Robert Haberle with SPI, and other interested citizens;

with the following member absent: none.

WORK SESSION

With a quorum present, Mayor Presley called the work session to order at 4:31 p.m.

Discuss Key to the City Policies and Procedures. Mayor Steve Presley

Council discussed adopting Key to the City Policy. Mayor Presley added that right now the City does not have a policy and policy would be of benefit to the City.

Discuss establishing and implementing a program to charge mitigation rates for the deployment of emergency and non-emergency services. Mayor Steve Presley

Discussion was held. This program will recover costs for public service activities. Council directed Staff to obtain additional information on this program and find out if this would raise insurance rates.

With no other business to come before the Council, the work session was adjourned at 5:13 p.m.

CALL TO ORDER – REGULAR MEETING

Mayor Presley called the Regular Meeting to order at 5:31 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Rev. Johnathan Strange, New Fellowship Christian Church, and was followed by the Pledge of Allegiance.

PROPOSED CHANGES OF AGENDA ITEMS

There were no proposed changes.

PUBLIC COMMENTS, PUBLIC RECOGNITION, AND ANNOUNCEMENTS

James Smith spoke regarding the proposed budget and audit.

Joe Berreth spoke regarding Ordinance No. O-32-18, Texas Municipal Retirement.

Brent Stark spoke regarding meter project bid.

Charles Steen spoke regarding budget concerns.

Donna Goodman spoke regarding TMRS retirement changes.

Johnny Goodman spoke regarding budget concerns.

Steve Petrovich spoke regarding TMRS retirement changes.

AD Ethridge spoke regarding TMRS retirement changes and provided a letter from Jimmy Johnson.

Jeff Adkinson and Diane Davis provided an update regarding Operation Read.

CONFLICT OF INTEREST DISCLOSURES

No action was taken.

PUBLIC HEARING

Public hearing regarding the submission of a Texas Community Development Block Grant Program application to the Texas General Land Office for the Texas 2016 Floods Disaster Recovery Appropriation. Communications and Best Practices Officer Nate Smith

Communications Officer Smith provided a summary. He added that this will be used rebuild the bridge and drainage improvements on Bassett Road with an estimated cost of \$1,350,000.

Mayor Presley opened the public hearing at 6:15 p.m. and asked for anyone speaking for or against the request to do so. Diane Davis, James Smith, and Jeff Cooper spoke in favor. With no one else speaking, Mayor Presley closed the public hearing at 6:20 p.m.

MAYOR'S REPORT

Mayor Presley thanked the volunteers that helped with Operation Read Pancake Breakfast fundraiser and all the businesses and individuals that donated money.

ITEMS FROM COUNCIL

Councilwoman Chivers invited everyone to attend the Hispanic Heritage Month Health and Safety Fair by UNIDOS at Palestine High School. Also, October 2nd, Senior Appreciation Day at Ben E. Keith and National Night Out on October 2nd.

Mayor Pro Tem Jordan thanked those that donated supplies for East Texas Justice for Our Neighbors.

Councilman Baxter asked to have the wrecker service contract on the next agenda.

Councilwoman Loveless asked that Financial Oversight Committee look into best practices for use of City credit cards and look at the last six months of purchases.

Mayor Pro Tem Jordan asked to discuss a position of Community Organizer for the City.

CITY MANAGER'S REPORT

Community Liaison Michele Herbert-Reyes provided an update on upcoming Hispanic Heritage Month Health and Safety Fair by UNIDOS and National Night Out.

Interim Finance Director Currie provided an update on finances for the City.

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

Finance (Municipal Court, Water Billing, Sales Tax, & Property Tax), Tourism, Police Stats, and Public Works (Utilities, Waste & Refuse, Facilities, Fleet, Airport, Streets, & Admin) departmental reports were provided.

Council had questions for Tourism and Public Works.

CONSENT AGENDA

- 1) ~~Consider a resolution authorizing the submission of a Texas Community Development Block Grant Program application to the Texas General Land Office for the Texas 2016 Floods Disaster Recovery Appropriation. Communications and Best Practices Officer Nate Smith~~
- 2) Consider awarding bid RFB-04-18 Sale of City-owned Property located at the northeast corner of M.L. Cary Drive and Reagan Street to Cary Properties for \$5,000. City Secretary Teresa Herrera
- 3) Consider authorizing Request for Proposals for Real Estate Broker Services. EDC Director Gayle Cooper

Councilman Baxter made a motion, seconded by Mayor Pro Tem Jordan, to pull Item 1 from the Consent Agenda to the Regular Agenda. Upon vote, motion carried unanimously 7-0.

Councilwoman Chivers made a motion, seconded by Mayor Pro Tem Jordan, to approve the Consent Agenda Items 2 & 3, as presented. Upon vote, motion carried unanimously 7-0.

REGULAR AGENDA

Consider a resolution authorizing the submission of a Texas Community Development Block Grant Program application to the Texas General Land Office for the Texas 2016 Floods Disaster Recovery Appropriation. Communications and Best Practices Officer Nate Smith

Public Works Director Perry provided a summary. He added that there is no matching money and that is why they are applying for this grant.

Mayor Pro Tem Jordan made a motion, seconded by Councilman Baxter, to approve **Resolution No. R-31-18** as presented. Upon vote, motion carried unanimously 7-0.

- 1) Consider an ordinance adopting an amendment to Section 98-90 Water Rates. Public Works Director Tim Perry

Public Works Director Perry explained that water rates will not be increased; there will be an increase of \$6.30 per every active water meter to fund the water meter replacement project. This charge will be added until the project is complete.

Councilwoman Goolsby made a motion, seconded by Councilman Baxter, to adopt **Ordinance No. O-35-18** with amendment that this charge shall expire when the water meter program is paid for. Upon vote, motion carried unanimously 7-0.

- 2) Consider an ordinance adopting an amendment to Section 98-93 Solid Waste Collection Service. Public Works Director Tim Perry

Public Works Director Perry explained that the solid waste rate schedule is being increased by six percent due to the CPI and last year's fuel cost. Waste Connections could increase up to 12 percent; however they will only increase the rates by six percent.

Councilman Baxter made a motion, seconded by Councilwoman Goolsby, to approve Ordinance No. O-36-18 as presented without raising the residential rates. Upon vote, motion failed 1-5 with Mayor Presley, Councilwomen Loveless, Chivers, Goolsby, and Connor voting nay. Mayor Pro Tem Jordan abstained from voting.

Mayor Presley made a motion, seconded by Councilwoman Chivers, to approve **Ordinance No. O-36-18** as presented. Upon vote, motion carried 5-2 with Councilwoman Goolsby and Councilman Baxter voting nay.

3) Consider an Ordinance adopting the Fiscal Year 2018-2019 Annual Budget. City Manager Michael Hornes

City Manager Hornes provided a summary of the budget. Discussion was held.

Mayor Pro Tem Jordan made a motion to approve Ordinance No. 0-37-18 as presented. Motion died for lack of a second.

Councilman Baxter made a motion, seconded by Councilwoman Loveless, to approve **Ordinance No. 0-37-18**, adopting the Fiscal Year 2018-2019 Annual Budget and remove TMRS reduction. Upon a roll call vote, motion carried 6-1, as follows:

Mayor Presley	Aye
Mayor Pro Tem Jordan	Nay
Councilwoman Loveless	Aye
Councilwoman Chivers	Aye
Councilman Baxter	Aye
Councilwoman Goolsby	Aye
Councilwoman Connor	Aye

4) Consider an Ordinance providing for the assessment, levy, and collection of Ad Valorem Taxes for 2018-2019. City Manager Michael Hornes Ordinance No. 0-38-18

City Manager Hornes provided a summary. Discussion was held.

- 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 \$0.595433/\$100

Councilwoman Connor made a motion, seconded by Councilwoman Lovessless, to approve **Ordinance No. 0-38-18**, adopting the maintenance and operations rate of \$0.576771/\$100. Upon vote, motion carried 4-3 with Mayor Presley, Mayor Pro Tem Jordan, and Councilwoman Chivers voting nay.

- d) To adopt a debt service rate of \$0.119649/\$100

Councilman Baxter made a motion, seconded by Councilwoman Goolsby, to approve **Ordinance No. 0-38-18**, adopting the debt service rate of \$0.119649/\$100. Upon vote, motion carried 5-2 with Mayor Pro Tem Jordan and Councilwoman Chivers voting nay.

- e) To adopt the proposed tax rate of \$0.715082/\$100 (record vote)

Councilwoman Goolsby made a motion, seconded by Councilman Baxter, to approve **Ordinance No. 0-38-18**, adopting the proposed tax rate of \$0.69642/\$100. Upon a roll call vote, motion carried 4-3, as follows:

Mayor Presley	Nay
Mayor Pro Tem Jordan	Nay
Councilwoman Loveless	Aye
Councilwoman Chivers	Nay
Councilman Baxter	Aye
Councilwoman Goolsby	Aye
Councilwoman Connor	Aye

5) Consider amending the Hotel Occupancy Tax Policy. Marketing Manager Mary Raum

Marketing Manager Raum explained the recommended changes to the policy.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Connor, to approve amending the Hot Occupancy Tax Policy as presented. Upon vote, motion carried unanimously 7-0.

6) Consider approval of Hotel Occupancy Tax Funding Application for Texas State Railroad in the amount of \$15,000. Marketing Manager Mary Raum

Marketing Manager Raum explained that Texas State Railroad for funds for the marketing The Polar Express Train Ride in markets that are a minimum of 100 miles from Palestine, Texas.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Goolsby, to approve Hotel Occupancy Tax funding application for Texas State Railroad in the amount of \$15,000. Upon vote, motion carried unanimously 6-0. Mayor Presley abstained from voting.

- 7) Consider a resolution selecting Traylor & Associates Incorporated as Grant Writer/Administrator in conjunction with the submittal of an application for funding through the Texas Department of Agriculture, Texas Capital Fund-Main Street Program. EDC Director Gayle Cooper

PEDC Director Cooper explained Traylor & Associates has been recommended by the PEDC Board to represent the City/PEDC in preparing and administering a grant application for infrastructure in Palestine Main Street area.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Connor, to approve **Resolution No. R-32-18** as presented. Upon vote, motion carried unanimously 7-0.

ADJOURN

With no other business to come before the Council, the meeting was adjourned at 8:51 p.m.

PASSED AND APPROVED THIS 10TH DAY OF DECEMBER, 2018.

Steve Presley, Mayor

ATTEST:

Teresa Herrera, City Secretary