

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, October 22, 2018 at 3:00 p.m. and 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: Public Works Director Tim Perry, Communications Officer Nate Smith, and other interested citizens;

with the following member absent: none. Mayor Pro Tem Jordan arrived at 5:07 p.m. and Councilwoman Chivers arrived at 3:30 p.m.

WORK SESSION

With a quorum present, Mayor Presley called the work session to order at 3:02 p.m.

Discuss Financial Oversight Advisory Committee Report. FOAC Chairman Steve Spencer 3:00 p.m.

Chairman Spencer presented the report submitted to Council by the Committee. He informed that Incode Software is a good program and it is being underutilized. He talked about changes that were recommended by Interim Finance Director Mary Morgan. He recommends that Council have special meetings to review and understand the reports that are being submitted to Council. He added that there are really no big items out there (fraud). Information flow to and from department heads and city management needs to improve.

Council asked about the credit cards used by City staff. Mr. Spencer answered that the Committee has discussed this issue and will submit their recommendations at a future meeting. Council added that they would like the committee to look at all of the credit card receipts. Council directed staff to look at current policy and recommend changes to the policy at a future meeting.

Discuss Automated Water Meter Project. Public Works Director Tim Perry at 4:30 p.m.

With a quorum present, Mayor Presley called the work session to order at 4:35 p.m.

City Manager Hornes informed that the three meter companies that submitted bids were present. He added that each company would make a short presentation and answer questions.

Chris Aylor with KSA explained that this was a unique setting that all groups were present. He asked that as one company made their presentation the others wait in the Council Chambers.

Ferguson Waterworks Meter and Automation on behalf of Mueller Systems. Brian McDowell provided a summary of their bid, he is area manager. Key features of the meter and automation group include: a partnership in Texas, a meter depot in Eules, TX and Macon, GA, each which carries close to \$1M in inventory so lead times are days instead of weeks, an approved vendor on Buyboard, focused support from our local

AMR/AMI, and additional services available such as large meter testing, data testing and verification, quality control and permanent local dedicated presence for ongoing support, for the lifetime of the system. Cost of the meter is about \$160 per meter. Discussion was held.

Core & Main on behalf of Neptune Technology. Shellie Roabroker provided a summary of their bid and she provided her background history. Key features: local inventory locations twenty-two in Texas, knowledgeable local sales personnel to assist the Utility personnel in order to solve problems early, four dedicated in-house AMI/AMR Product Specialists to assist the customer with their metering needs, meters are made in the United States. The first Neptune meter was produced in 1982 and its history includes many industry firsts with a proven track record of technological innovation, taking the industry far beyond the basic water meter. Cost of the meter is about \$205 per meter. They will provide training at all times when needed. Discussion was held.

Meter Install Group on behalf of RG3 Drive By System. Ben Jarret provided a summary of their bid. Key features: high performance transmits at a full 1-watt; automatic alerts-alarm indicators are programmed into the AMR system related to leaks, backflow, register/radio communications issues, battery status and more, data logging and leak detection, 25 year battery life, and sub-contractors on its installations crews. Cost of the meter is about \$147 per meter. Discussion was held.

With no other business to come before the Council, the work session was adjourned at 5:27 p.m.

CALL TO ORDER – REGULAR MEETING

Mayor Presley called the Regular Meeting to order at 5:33 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by William Hardy, and was followed by the Pledge of Allegiance.

PROPOSED CHANGES OF AGENDA ITEMS

There were no proposed changes.

PUBLIC COMMENTS, PUBLIC RECOGNITION, AND ANNOUNCEMENTS

Crystal and Paul Roberts spoke regarding approval to place a double wide home on their property and requested a waiver on the rules.

Brent Stark spoke regarding automated meter system that will be consider for action during the regular meeting.

Police Chief Andy Harvey presented certificates and Police Dept. Challenge Coins to the following for hosting a National Night Out party: Freedom Fellowship Church, First United Methodist Church, Melody Knowles, Larry Street Park, Chancellor Drive, Lakeshore Dr., Mark and Janice McEachran, Gardner Drive, Hampton Chase and Hampton Village, it's about the community.

PEDC Asst. Director Greg Laudadio presented a Beautification Award to Wells Creek Crossing. Award was accepted by Nita Johnson and Tammy Ives.

CONFLICT OF INTEREST DISCLOSURES

No action was taken.

MAYOR'S REPORT

Mayor reported that he attended TML Annual event, dedication of a new gate at the Old Jewish Cemetery, and he did an introduction of a political forum. Also, he informed that the Memorial Bricks for Railroad Park have arrived.

ITEMS FROM COUNCIL

Councilwoman Chivers reminded everyone to vote and provided information regarding the Hot Pepper Festival.

Councilwoman Loveless informed that Palestine Boys Cross Country qualified for State.

Mayor Pro Tem Jordan reminded all to vote early and talked about benefits of attending TML conference.

Councilwoman Connor asked for information on food permits and current process.

Mayor Pro Tem Jordan requested that illegal dumping be added to the next agenda and abandoned houses.

CITY MANAGER'S REPORT

Delinquent Property Tax Collections report was presented by Robert Meyers and Martha Thompson, MVBA. Mr. Meyers explained that in three of the last four years, the City's Total Annual Tax Collections actually exceeded the amount of taxes that were levied. The City has collected 100.41% for 2017. In July 2018, the City referred \$246,484 to MVBA and as of now 38.84% has been collected. MVBA works diligently collecting the unpaid taxes. He explained the comprehensive delinquent tax collection program. This service is free to the City.

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

Police Stats, PEDC (PEDC Quarterly Report, Tourism, & Main Street), Public Works (Administration, Street, Fleet, Airport, Utilities, Facilities, and Waste & Refuse), Finance (Municipal Court, Utility Billing, Check Register, Financial Summary, Sales Tax, & Property Tax), and Web departmental reports were provided.

BOARD APPOINTMENTS

- 1) Consider the reappointments of Dr. John Dorsett to Place 6 and Mike Buoy to Place 7 to the Airport Advisory Board with terms to expire September 30, 2020.
- 2) Consider the reappointments of Isaac Wynn to Place 5 and James Smith to Place 6 to the Building Standards Commission with terms to expire September 30, 2020.
- 3) Consider the reappointments of Drew Wommack, III to Place 4 and Linda Williams to Place 6 to the Historic Landmarks Commission with terms to expire September 30, 2020.
- 4) Consider the reappointments of Diane Davis to Place 6 and Billy Joe Miller, I to Place 7 to the Parks Advisory Board with terms to expire September 30, 2020.
- 5) Consider the reappointments of Edwin Link to Place 4 and Brenda Walker to Place 5 to the Real Estate Committee with terms to expire September 30, 2020.
- 6) Consider the reappointments of Stuart Whitaker to Place 6 and Frances Lindsey to Place 7 to the Tourism Advisory Board with terms to expire September 30, 2020.

Councilman Baxter made a motion, seconded by Councilwoman Chivers, to approve the appointments as presented. Upon vote, motion carried unanimously 7-0.

CONSENT AGENDA

- 1) Consider approval of Quarterly Investment Report. Senior Accountant Jim Mahoney
- 2) Consider approval of invoices over \$25,000. Senior Accountant Jim Mahoney
- 3) Consider a resolution adopting the 2018 Hazard Mitigation Action Plan for Anderson County. Asst. to the City Manager Nate Smith
- 4) ~~Consider approval of a lease with T Nails for Suite 22 at Palestine Mall. Asst. to the City Manager Nate Smith~~

Councilwoman Chivers made a motion, seconded by Mayor Pro Tem Jordan, to approve the Consent Agenda Items 1 through 3, as presented adopting **Resolution No. R-36-18**. Upon vote, motion carried unanimously 7-0.

REGULAR AGENDA

Consider approval of a lease with T-Nails for Suite 22 at Palestine Mall. Asst. to the City Manager Nate Smith (pulled from Consent Agenda)

City Manager Hornes explained that it will take about 18 months to sale the mall, if there was someone willing to buy the mall. Also, the ownership of T-Nails salon has undergone changes and the owner of the shop asked for an updated lease to reflect those changes.

Mayor Presley made a motion, seconded by Councilwoman Chivers, to approve the one-year lease with T-Nails for Suite 22 at Palestine Mall. Upon vote, motion carried 6-1 with Councilwoman Connors voting nay.

- 1) Consider an ordinance adopting the amended Fiscal Year 2018-2019 Annual Budget. City Manager Michael Hornes

City Manager Hornes presented a revised budget ordinance for the 2018-19 Fiscal Year budget, reflecting the adjustments recommended balancing the budget, including the adoption of the effective tax rate.

Councilwoman Loveless made a motion, seconded by Councilwoman Goolsby, to adopt **Ordinance No. O-42-18** as presented. Upon vote, motion carried 6-1 with Mayor Pro Tem Jordan voting nay.

- 2) Consider an ordinance amending the budget for Fiscal Year 2018-2019 for Police Department Equipment. Senior Accountant Jim Mahoney

Senior Accountant Mahoney explained that Police Department received \$5,995 from Anderson County to purchase equipment used to investigate criminal actions. The software purchased was Oxygen Forensics which allows the detective to download the information from the cell phone after a search warrant is obtained.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Chivers, to adopt **Ordinance No. O-43-18** as presented. Upon vote, motion carried 6-1 with Councilman Baxter voting nay.

- 3) Consider awarding the Water Meter Replacement Project. Public Works Director Tim Perry

Public Works Director Perry explained that the City acquired the services of KSA Engineering to evaluate the existing water system in order to provide specifications and bid documents to seek competitive bids for a drive-by automated water meter system. KSA provided a scoring sheet that identified conformance to specifications, product supports, past client satisfaction, reoccurring annual cost, presentation, installation experience, and overall cost, in order to help with the selection process.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Loveless, to allow the City Manager to enter into an agreement with Core and Main with Neptune meters for the Water Meter Replacement Project. Upon vote, motion carried 6-1 with Councilwoman Chivers voting nay.

- 4) Consider Resolution authorizing the submittal of a 2018 Texas Capital Fund Main Street application to the Texas Department of Agriculture, authorizing the Mayor to act as the City's Executive Officer and authorized representative in all matters pertaining to the City's participation in the Texas Community Development Block Grant Program, and committing local funds to the project. Public Works Director Tim Perry

Public Works Director Perry explained that is this requirement to show the City is committing \$189,350 as a cash contribution toward the activities of this sewer and water improvement project.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Connor, to adopt **Resolution No. R-37-18** as presented. Upon vote, motion carried unanimously 7-0.

- 5) Consider a resolution finding and determining that a certain area of the City contains conditions which are detrimental to the public health, safety, and welfare of the community and constitutes a blighted area. Public Works Director Tim Perry

Public Works Director Perry explained that this a requirement to show the City is committed to use the Texas Department of Agriculture funds if awarded to go for the improvement of sidewalk and accessibility improvements to handicapped persons.

Councilwoman Loveless made a motion, seconded by Councilwoman Connor, to adopt **Resolution No. R-38-18** as presented. Upon vote, motion carried unanimously 5-0. Mayor Presley and Mayor Pro Tem Jordan abstained.

- 6) Consider approval of funding of \$100,000 in incentives to Project Overlook for development of a \$24,000,000 luxury apartment complex. PEDC Director Gayle Cooper

PEDC Director Cooper provided an update. The Overlook is a 192-unit apartment complex at Murchison Street and Loop 256. This apartment complex will help attract higher-paying jobs. PEDC will contribute \$70,000 and the County will contribute \$100,000. The City will waive fees and tax abatement up to \$100,000. No cash money.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Loveless, to approve the item as presented. Upon vote, motion carried unanimously 7-0.

- 7) Consider approval of Hotel Occupancy Tax Funding application by Texas Area Fund Foundation for the Fifth Annual Main Street Sculpture Installation. Marketing Manager Mary Raum

Marketing Manager Raum provided a summary. This will fund the 5th Annual Main Street Sculpture Exhibit of the Palestine Art Tracks Art Program. Tourism Advisory Board recommends approval of the request.

Mayor Pro Tem Jordan made a motion, seconded by Councilwoman Connor, to approve the Hotel Occupancy Tax Funding application by Texas Area Fund Foundation for the Fifth Annual Main Street Sculpture Installation in the amount of \$9,800. Upon vote, motion carried unanimously 7-0.

- 8) Consider setting City Council dates for November 2018. City Secretary Teresa Herrera
Council held discussion.

Mayor Pro Tem Jordan made a motion, seconded by Councilman Baxter, to meet on the November 13, 2018 only one meeting in November. Upon vote, motion carried unanimously 7-0.

ADJOURN

With no other business to come before the Council, the meeting was adjourned at 7:06 p.m.

PASSED AND APPROVED THIS 14TH DAY OF JANUARY, 2019.

Steve Presley, Mayor

ATTEST:

Teresa Herrera, City Secretary