

SPECIAL SESSION

AUGUST 29, 2016

The City Council of the City of Athens met in Special Session on Monday, August 29, 2016, 5:30 p.m. in the Derek D. Daniels Conference Room of the Athens Partnership Center, 201 W. Corsicana St., Athens, Texas with the following members present, to-wit:

Jerry D. Vaught, Mayor
Tres Winn, Mayor Pro-Tem
Monte Montgomery
Joe Whatley
Ed McCain

Philip Rodriguez, City Manager
Bonnie Hambrick, City Secretary

others present: Buddy Hill, Thanasis Kombos, Lawrence Cutrone, John McQueary, Barbara Holly, Marty Coursey, Sandi Pulley, Mary Eggleston, Emily McGraw, Bob Morton, Gail Chock, Rich Flowers, Michael Hannigan, Boyd London, Marti Shew, and other interested citizens;

constituting a quorum at which time the following proceedings were enacted, to-wit:

The invocation was given by Mayor Vaught.

DECLARATION OF CONFLICT OF INTEREST

No action was taken.

CITIZENS COMMUNICATIONS

There was no discussion.

SECOND PUBLIC HEARING ON PROPOSED FISCAL YEAR 2017 BUDGET
AND APPROPRIATIONS FOR 2017 CAPITAL IMPROVEMENTS
PROGRAMS AND ALL RELATED FUNDING

Marty Coursey, Director of Finance informed the City Council that a change in the legislation occurred January 1, 2016. She stated the language in the notification letter is to include "more revenue from" in the verbiage and it was not included in the original proposed budget.

Mayor Vaught opened the public hearing.

Mary Eggleston of the East Texas Arboretum presented background information of the East Texas Arboretum and Botanical Society. She stated the organization is a nonprofit 501-3C Organization. She further stated the East Texas Arboretum's funding comes from grants, and specific donations.

Ms. Eggleston stated the Arboretum is an asset to the community in tourism, educational and cultural activities.

Mayor Vaught asked if the Arboretum was asking for money, with Ms. Eggleston stating no. She wanted to clarify to people what might have been misconstrued.

Philip Rodriguez, City Manager stated he has met with Ms. Barton and Mr. Armstrong to inform the Arboretum of the HOT Fund process. He stated that is one area for potential funds to possibly aide the East Texas Arboretum.

Councilmember Montgomery stated he would like to assist the Arboretum.

Mr. Rodriguez stated he hopes there are ways in the future to help the Arboretum.

The public hearing was closed.

**SECOND PUBLIC HEARING ON THE PROPOSED TAX RATE INCREASE
 FOR FISCAL YEAR 2017**

The public hearing was opened.

Mr. Bob Morton asked for clarification regarding the tax increase. He stated during the last meeting the tax increase was for six (6) new police officers. Mayor Pro Tem Winn stated also for an Outdoor warning system.

Mr. Rodriguez stated the tax increase in total is \$237,509 with \$17,300 being from new property added. He stated \$200,000 is earmarked for the outdoor warning notification system leaving \$20,000 for police enhancements. He further stated the police enhancements will be shared by the school district on some level and taken out of existing funds via the property tax. Mr. Morton thanked Mr. Rodriguez for the clarification.

The public hearing was closed.

HEAR PRESENTATION FROM BOYD LONDON OF HILLTOP SECURITIES

Boyd London of Hilltop Securities stated they are presenting options that the City has for financing the 2017 Capital Improvements Projects. He introduced Marti Shew. Ms. Shew presented options for financing the proposed general fund Capital Improvements Program Projects for 2017 outlining the Certificates of Obligations, Tax Rate Capacity Analysis, and the Reimbursement Resolution. There was some discussion regarding the presentation.

**DISCUSS/CONSIDER THE 2017 CAPITAL IMPROVEMENTS PROGRAMS
 AND ALL RELATED FUNDING**

Mr. Rodriguez presented the City Council with the following Proposed 2017 General Fund Capital Improvement Projects by priorities:

Proposed 2017 General Fund Capital Improvements Program: FUNDING

2017 Certificates	\$12,173,340
General Fund, Fund Balance	\$180,000
Hotel Occupancy Tax (HOT), Fund Balance	\$375,000
Downtown Capital Fund	\$110,000

TOTAL \$12,838,340

Priority Ranking	Proposed 2017 General Fund Capital Improvements Programs: Projects	
1	Water Model & Capital Improvements Program	(\$198,000)
2	Wastewater Facility Improvements	(\$100,000)
3	Security Cameras	(\$80,000)
4	Cain Center Professional Services, FF&E, Infrastructure	(\$2,344,107)
5	Cain Center Construction	(\$8,200,000)
6	Texan Theater	(\$1,419,500)
7	Downtown Aesthetics	(\$85,000)
8	Cain Park Improvements, Lighting	(\$40,000)
9	Fire Stations Improvements	(\$55,000)
10	Peach Park Improvements	(\$35,000)
11	West Park Improvements	(\$30,000)
12	2% CIP Contingency	(\$251,733)
	TOTAL	(\$12,838,340)

Mr. Rodriguez presented the Water Model & Capital Improvements Program stating the cost was \$198,000 to create a Capital Improvement Plan.

Councilmember Montgomery stated “during the budget workshop an amount of approximately \$7,000,000 dollars was discussed for issuance for Certificates of Obligations without raising taxes”. Mr. Rodriguez verified the amount discussed was \$8,000,000.

Councilmember Montgomery stated “I was taken back when I saw the \$12,000,000”. He stated “I was comfortable with the issuance of \$8,000,000 in Certificates of Obligations”.

Councilmember Montgomery further stated “items such as the water system and the sewer system the City needs to do whatever it takes; borrowing money, Bonds or Certificates; the City should do it”. Councilmember Montgomery stated “I am not in favor of borrowing money on top of the recent (water) increase for security cameras, the Texan Theater and downtown aesthetics, and borrowing money in the amount of \$251,000 on contingency”. He stated “I personally can’t absorb all that in this meeting” and further stated “we are here to vote on it tonight and I cannot vote in favor of it; since it was considerably more than what I prepared myself for”.

City Manager, Philip Rodriguez underscored the proposed CIP would not impact the existing tax rate.

After discussion, Councilmember McCain stated it was unacceptable to not be aggressive, and stated “why do it if we are not going to do it right”.

After additional discussion of the Capital Improvements Programs, Mayor Vaught stated he would like to move forward with the funding.

Councilmember McCain suggested that the Fiscal Year 2017 appropriations for the O.D. Baggett Park project be considered for West and Peach Parks in subsequent Fiscal Years.

After additional discussion Mayor Vaught asked the Councilmembers if everyone was ready to vote and if there was the need for further discussion regarding the priorities for 2017. Mayor Vaught stated he was concerned about the waste water facilities. Councilmember Whatley agreed with the concern.

Mayor Vaught asked if funds from the security cameras could go towards wastewater facility improvements. Mr. Rodriguez stated to the City Council that the Security Cameras could be pulled from the 2017 General Capital Improvement programs and brought back to the City Council as part of the fund balance expenditures in FY 2017, and allocate the eighty thousand dollars (\$80,000) towards wastewater and facility improvements.

It was the consensus of the City Council to pull the Security Cameras from the 2017 General Capital Improvement programs and allocate the eighty thousand dollars (\$80,000) towards wastewater and facility improvements.

A motion was made by Councilmember McCain to approve the 2017 Capital Improvements Programs and all related funding.

The motion carried by the following vote: Ayes: Mayor Vaught, Councilmember McCain, Councilmember Whatley, and Councilmember Winn. Nays: Councilmember Montgomery.

MAYOR, CITY COUNCIL AND/OR CITY MANAGER UPDATES
INVOLVING COMMUNITY EVENTS AND ISSUES OF PUBLIC SAFETY

Mayor Vaught informed the audience that the final reading of an Ordinance adopting the proposed Annual Budget for Fiscal Year 2017 is set for September 12, 2016 and the final reading of an Ordinance adopting the proposed Tax Rate Increase is set for September 12, 2016.

MAYOR AND CITY COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

ADJOURN

The meeting was adjourned.

PASSED AND APPROVED THIS THE 26th DAY OF SEPTEMBER, 2016.

Jerry D. Vaught, Mayor

ATTEST:

Bonnie Hambrick, City Secretary