

**MINUTES
CITY OF GAINESVILLE
CITY COUNCIL MEETING
200 South Rusk
Gainesville, Texas 76240
September 17, 2013**

The City Council of the City of Gainesville, Texas met in regular session on September 17, 2013 at 6:30 p.m. with the following persons in attendance.

MEMBERS PRESENT: Mayor Jim Goldsworthy
Keith Clegg, Mary Jo Dollar, Carolyn Hendricks, Ken Keeler, Ray Nichols, Beverly Snuggs

STAFF PRESENT: Barry Sullivan, City Manager; Kay Lunnon, City Secretary; Bill Harris, City Attorney; Dan Parker, Finance Director; Kent Sharp, Executive Director, Gainesville Economic Development Corporation; Steven Fleming, Police Chief

OTHERS PRESENT: Greg Russell, Keith King, George Grounds, Tony Dresser (Videographer)

CALL TO ORDER

Mayor Goldsworthy called the meeting to order at 6:30 p.m. with all members of the Council present.

INVOCATION & PLEDGE OF ALLEGIANCE

City Manager Barry Sullivan gave the invocation. Mayor Goldsworthy led the pledge to the flag.

RECOGNITIONS

City Employee of the Month, September 2013

Randy Manus, Customer Service employee, was recognized as Employee of the Month for September 2013. City Manager Barry Sullivan presented the certificate citing Manus for assisting a co-worker who was experiencing health issues after work hours. Manus drove his co-worker to the hospital, contacted his family, and then stayed with him until family members arrived. Randy's care and concern exemplify the camaraderie shared among many City employees and fosters a friendly and trusting work environment. As Employee of the Month, Manus receives one additional day of paid vacation.

CONSENT AGENDA

Council reviewed the Minutes of the CIP Workshop and the Minutes of the regular City Council Meeting of September 3, 2013, and approved them as written.

Councilmember Nichols **moved to approve the Consent Agenda**, and was seconded by Councilmember Keeler. The motion carried by vote of 7 Ayes, 0 Nays, 0 Absent.

ORDINANCE NO. 1325-09-2013 – ADOPTING CITY BUDGET FOR FY 2013-2014

FIRST READING OF AN ORDINANCE ESTABLISHING APPROPRIATIONS FOR THE SUPPORT, MAINTENANCE, BUILDINGS AND IMPROVEMENTS FOR THE CITY OF GAINESVILLE, TEXAS, FOR THE FISCAL YEAR FROM OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014 AND REVISING THE BUDGET FOR OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2013; PROVIDING AN EFFECTIVE DATE; AND MAKING AN OPEN

MEETING FINDING; AND PROVIDING FOR RATIFICATION OF THE PROPERTY TAX INCREASE REFLECTED IN THE FISCAL YEAR 2013-2014 OPERATING BUDGET BY SEPARATE VOTE.

The City of Gainesville Fiscal Year Budget for 2013-2014 was adopted by ordinance. City Manager Barry Sullivan said the \$32 M budget is a balanced budget formulated for a tax rate of \$0.646 per \$100 of value, which is a decrease from the current year tax rate of \$0.647. The ordinance requires any General Fund excess fund balance over the budgeted ending balance at September 30, 2013 to be placed in the Assigned General Capital Fund. In the new fiscal year, Water and Sewer Fund rates are increased three (3) percent, Solid Waste rates and Stormwater rates remain unchanged. The adopted City budget document will be posted on the City of Gainesville website www.Gainesville.tx.us under Financial Transparency.

With no further discussion, Councilmember Nichols **moved to suspend Charter requirement of three readings of the Ordinance.** The motion was seconded by Councilmember Keeler and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

Councilmember Nichols **moved to adopt the Ordinance,** seconded by Councilmember Keeler, and the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

To comply with Local Government Code requiring a separate vote to ratify any increase in property tax revenue, Councilmember Snugs **made a motion to ratify the increase in property tax revenue as reflected in the FY 2013-2014 budget.** Her motion was seconded by Councilmember Keeler, and carried by vote of 7 Ayes, 0 Nays, 0 absent.

ORDINANCE NO. 1326-09-2013 – SETTING CITY AD VALOREM TAX LEVY FOR FY 2013-2014

FIRST READING OF AN ORDINANCE LEVYING, ASSESSING AND FIXING THE AD VALOREM TAX RATE FOR THE CITY OF GAINESVILLE, TEXAS GENERAL FUND AND INTEREST AND SINKING FUND FOR THE FISCAL YEAR FROM OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014; APPROPRIATING EACH LEVY FOR THE SPECIFIC PURPOSE; PROVIDING FOR THE ASSESSMENT OF ALL ANNUAL OCCUPATIONAL TAXES PROVIDED BY LAW; REQUIRING PUBLICATION; PROVIDING AN EFFECTIVE DATE; AND MAKING AN OPEN MEETING FINDING.

Council adopted and set the ad valorem tax levy for the City of Gainesville at \$0.646000 per \$100 valuation, with \$0.445078 for General Fund maintenance and support and \$0.200922 for Interest and Sinking Fund. The tax rate adopted is a decrease from previous years.

Councilmember Snuggs **moved to Suspend the Charter requirement of three readings,** seconded by Councilmember Dollar, the motion carried by vote of 7 Ayes, 0 Nays, 0 absent.

Councilmember Snuggs **moved to adopt the Ordinance,** seconded by Councilmember Dollar, and the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION NO. 09-18-2013 - APPROVING FIVE-YEAR CAPITAL IMPROVEMENT PLAN (FY 2014-2018)

A RESOLUTION APPROVING THE CITY OF GAINESVILLE FIVE-YEAR CAPITAL IMPROVEMENT PLAN (FY 2014 – 2018).

The five-year Capital Improvements Plan (CIP) for fiscal years 2014 through 2018 was approved. The CIP projects future capital expenditures and serves as a planning document for budgeting and planning in future years. The document does not bind the City Council to any commitment of funds for any project or any budget period. Sullivan noted minor corrections on two pages of the document.

Councilmember Snuggs moved for **approval of the resolution with the two corrections as noted by the City Manager**, and was seconded by Councilmember Keeler. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION NO. 09-18-2013 A - APPROVING FIVE-YEAR BUDGET MODEL (FY 2014-2018) FOR CITY OF GAINESVILLE

A RESOLUTION APPROVING A FIVE-YEAR BUDGET MODEL (FY 2014 – 2018) FOR CITY OF GAINESVILLE.

The five-year budget model updated for fiscal years 2014-2018 for the City of Gainesville was presented by the City Manager and approved by Council. Sullivan said the budget model helps council and staff to anticipate the impact of current decisions on future budgets. He added that council review and approval of the long term budget model is also beneficial for bond rating agency reviews.

Councilmember Nichols moved for **approval of the resolution**, and was seconded by Councilmember Snuggs. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION NO. 09-18-2013 B - APPROVE AGREEMENTS WITH AGENCIES RECEIVING HOTEL/MOTEL OCCUPANCY TAX REVENUES IN FY 2013-2014 BUDGET

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH EACH OF THE AGENCIES RECEIVING HOTEL/MOTEL OCCUPANCY TAX PURSUANT TO CHAPTER 351 OF THE PROPERTY TAX CODE; APPROPRIATING CERTAIN AMOUNTS FROM SAID HOTEL/MOTEL FUND; AND AUTHORIZING PAYMENT ON THE TERMS AND CONDITIONS CONTAINED THEREIN.

Annual tourism and promotion contracts for agencies to receive anticipated Hotel/Motel Occupancy Tax revenues in the FY 2013-2014 Budget were approved. The agencies are: Butterfield Stage Players, Cooke County Arts Council, Cooke County Heritage Society/Morton Museum, Cooke County Heritage Society/Santa Fe Depot, and Gainesville Area Chamber of Commerce.

Councilmember Hendricks moved for **approval of the resolution**, and was seconded by Councilmember Snuggs. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION NO. 09-18-2013 - APPROVE STANFORD HOUSE BUDGET FOR FY 2013-2014

A RESOLUTION APPROVING ACTIONS OF THE STANFORD CHARITABLE CORPORATION APPROVING AND ADOPTING THE FY 2013-2014 BUDGET FOR THE STANFORD HOUSE.

Action of the Stanford Charitable Corporation Board of Directors adopting their Fiscal Year 2013-2014 budget in the amount of \$86,075 for operation of the Stanford House was approved by Council. The Corporation budget includes public assistance funding from the City budget in the amount of ten thousand dollars (\$10,000) from the City's adopted budget.

Councilmember Keeler moved for **approval of the resolution**, and was seconded by Councilmember Dollar. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION NO. 09-18-2013 D - APPROVE ANNUAL FEE SCHEDULE FOR FISCAL YEAR 2013-2014

A RESOLUTION UPDATING AND APPROVING THE ANNUAL FEE SCHEDULE FOR CITY OF GAINESVILLE SERVICES FOR FISCAL YEAR 2013-2014 AND PROVIDING AN EFFECTIVE DATE.

The annual schedule of fees for City services for Fiscal Year 2013-2014, was approved by Council as required by the City Code of Ordinances. The adopted rates become effective October 1, 2013. There are numerous changes throughout the schedule and Sullivan highlighted the major changes: Water and Sewer rate increase of 3% to meet budget; a Cemetery fee of \$250 for Monday funerals, if not scheduled by noon the previous Friday, to cover overtime pay for City employees preparing the grave site; Community Services Department After Hours Inspection fee of \$95 per hour (four hour minimum); also an outdoor burn permit of \$100 per occurrence; Animal Impoundment Facility Fee of \$1 per month, to be billed on residential customers water and sewer accounts to benefit Noah's Ark. The newly adopted fee schedule will be posted on the City website www.gainesville.tx.us under the link to Fee Schedule.

Councilmember Nichols moved for **approval of the resolution**, and was seconded by Councilmember Clegg. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION NO. 09-18-2013 E - ANNUAL COMPENSATION FOR MUNICIPAL COURT JUDGE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS PROVIDING FOR ANNUAL COMPENSATION FOR THE MUNICIPAL COURT JUDGE OF THE CITY OF GAINESVILLE, TEXAS IN ACCORDANCE WITH ARTICLE IV, SECTION 4.05, OF THE CHARTER OF THE CITY OF GAINESVILLE, TEXAS.

Council approved a six (6%) percent increase in annual compensation for the Municipal Court Judge. Under the City Charter, the City Council sets the compensation for the Municipal Judge, which is an elected position. The current salary for this position was approved by Council in June 2012.

Councilmember Clegg **made a motion to approve a 6% increase in salary**, and was seconded by Councilmember Snuggs. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION NO. 09-18-2013 F - APPROVING SALE OF ALCOHOL IN THE FRANK BUCK ZOO DURING ZOOBILEE ON OCTOBER 5, 2013

A RESOLUTION OF THE CITY COUNCIL APPROVING THE SALE OF ALCOHOL IN THE FRANK BUCK ZOO LOCATED AT 1000 WEST CALIFORNIA STREET BY THE FRANK BUCK ZOOLOGICAL SOCIETY DURING ZOOBILEE ON OCTOBER 5, 2013.

Sale of alcohol during Zoobilee was approved for October 5, 2013, in the Frank Buck Zoo. The Frank Buck Zoological Society will sell alcohol during the gated event in the Frank Buck Zoo located at 1000 West California Street. Zoobilee is an annual event in its 14th year to foster attendance, revenues and awareness for the Frank Buck Zoo.

Councilmember Keeler **moved to approve the Resolution**, and was seconded by Councilmember Dollar. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

RESOLUTION NO. 09-18-2013 G – AUTHORIZE AIRPORT GROUND LEASE AGREEMENT WITH GAINESVILLE AVIATION LLC.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TX, AUTHORIZING THE MAYOR TO EXECUTE A GROUND LEASE AGREEMENT WITH GAINESVILLE AVIATION LLC FOR A PRIVATE HANGAR AT THE GAINESVILLE MUNICIPAL AIRPORT.

A ground lease agreement (14,463 sq. ft.) was approved with Gainesville Aviation LLC at the Gainesville Municipal Airport. The company is purchasing a private hangar from Tomlinson Avionics, which is located on the City property. The resolution approves the ground lease with the City for a primary term of thirty (30) years with two five (5) year extension options, and lease rate adjustments (per Consumer Price Index) every five years. Gainesville Aviation LLC

will use the hangar for aircraft related operations such as storage, maintenance, and flight operations. The Airport Board and City staff recommended approval of the long term lease.

Councilmember Snuggs **moved to approve the Resolution**, and was seconded by Councilmember Clegg. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

RESOLUTION NO. 09-18-2013 H – APPROVING GEDC SALES TAX REBATE AGREEMENT WITH VALEW

A RESOLUTION OF THE CITY COUNCIL APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH VOTED TO APPROVE A SALES TAX REBATE AGREEMENT WITH VALEW.

Council approved decision of the Gainesville Economic Development Corporation (GEDC) to enter into a sales tax rebate agreement with Valew. Under the agreement, the GEDC will provide Valew a sales tax rebate equal to fifty percent (50%) of the one quarter percent (0.25%) local 4B sales tax directly generated from qualifying sales from Valew and paid to GEDC by the City and subsequently paid to the GEDC. The sales tax rebate agreement is for ten years based on Valew sales between 2014 and 2024. The agreement is based on Valew constructing and maintaining manufacturing, procurement and sales functions and other potential activities or operations in Gainesville, Texas, thereby generating sales tax revenue for the GEDC.

Councilmember Keeler **moved to approve the Resolution**, and was seconded by Councilmember Nichols. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

RESOLUTION NO. 09-18-2013 I – APPROVING GEDC ACTION APPROVING REDUCED PAYOFF OF A PROMISSORY NOTE BETWEEN GEDC AND RAF INDUSTRIES (DBA LAZART, OR ITS SUCCESSORS AND ASSIGNS)

A RESOLUTION APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF GAINESVILLE, WHICH APPROVED A REDUCED PAYOFF AMOUNT FOR A CERTAIN PROMISSORY NOTE BETWEEN THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION AND RAF INDUSTRIES (DBA LAZART, OR ITS SUCCESSORS AND ASSIGNS), WHICH WAS RESTRUCTURED AND DATED NOVEMBER 9, 2009, AND CONDITIONALLY FORGIVE THE REMAINING PRINCIPAL AND INTEREST DUE ON THE NOTE.

The Gainesville Economic Development Corporation Board approval of a reduced payoff amount of \$30,000 for a promissory note between the GEDC and RAF Industries (d.b.a. Lazart, or its successors and assigns) was approved by Council. The GEDC will conditionally forgive the remaining principal and interest due on the note only if Lazart continues current operations in its existing Gainesville manufacturing facility for a period of twenty-four (24) months from October 1, 2013 and ending September 30, 2015; and endeavors to maintain, subject to business cycles, approximately the same as current employment levels over the twenty-four (24) month period.

Councilmember Keeler **moved to approve the Resolution**, and was seconded by Councilmember Snuggs. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

RESOLUTION NO. 09-18-2013 J – AUTHORIZING A SALES TAX REBATE AGREEMENT BETWEEN CITY OF GAINESVILLE AND VALEW

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE AUTHORIZING THE MAYOR TO EXECUTE A CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT FOR A SALES TAX REBATE TO VALEW.

An economic development agreement between the City of Gainesville and Valew received approval to share sales tax revenues as allowed by Chapter 380 of Texas Local Government Code. This economic development incentive allows Valew to receive a rebate of fifty percent (50%) of the amount of non-dedicated sales tax revenues (1.00%) generated on all of Valew's sales in the City of Gainesville.

Councilmember Nichols **moved to approve the Resolution**, and was seconded by Councilmember Keeler. Motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, and 0 Absent.

EXECUTIVE SESSION

Council did not convene into closed session.

ADJOURN

With no further business to come before the City Council, the meeting was adjourned at 6:59 p.m.

Respectfully submitted,

/S/
Kay Lunnon, City Secretary

/S/
Jim Goldsworthy, Mayor