

Item No. 5

**MINUTES OF THE REGULAR CITY COUNCIL MEETING  
OF THE CITY OF PARIS, TEXAS  
July 25, 2016**

The City Council of the City of Paris met for a regular session at 5:30 p.m. on Monday, July 25, 2016, at the City Council Chamber, 107 E. Kaufman, Paris, Texas.

Present: Mayor Pro-Tem: Billie Lancaster

Council Members: Aaron Jenkins; Billy Trenado; Steve Clifford; Matt Frierson; and Cleonne Drake

City Staff: John Godwin, City Manager; Stephanie Harris, City Attorney; Janice Ellis, City Clerk; Gene Anderson, Finance Director; Carla Easton, City Engineer; Larry Wright, Fire Chief; and Bob Hundley, Police Chief

Mayor: A.J. Hashmi

**Opening Agenda**

1. Call meeting to order.

Mayor Pro-Tem Lancaster called the meeting to order at 5:30 p.m.

2. Invocation.

Gene Anderson gave the invocation.

3. Pledge of Allegiance.

Mayor Pro-Tem Lancaster led the pledge.

4. a. Citizens' Forum.

Michael Glatfelter – he said he had received documents through a public information request and encouraged Council Members to confer with Stephanie Harris, because in the documents one of the commission members had called him a Nazi. He said he was going to warn everyone with a name like his to not move here.

Jackie Alsobrook, 4135 Misty Lane – she said this Council appointed the Lake Crook Committee and the committee was able to do a lot of renovations to the park through donations from Dr. Swint and Dr. Hashmi. She said they did not have to spend any tax payer money and asked the Council to consider future park renovations when working on the City budget.

Ken Higdon, Lamar County Chamber Director - he reminded everyone of the upcoming drag boat races at Lake Crook this weekend.

Billy Bell, 2054 Cleveland – he said he did not think that the City should be responsible for installation of security cameras downtown, but that the business owners should take care of it.

Ruth Ann Alsobrook – she said the Oak trees at Oak Park were suffering from the drought and asked if the City could do something about it.

b. Proclamation celebrating John Chisum and western heritage.

Mayor Pro-Tem Lancaster read and presented the proclamation to the VFW representative.

### **Consent Agenda**

Mayor Pro-Tem Lancaster inquired of Council Members if they wished to pull any items from the consent agenda for discussion. There being none, a Motion to approve the consent agenda was made by Council Member Frierson and seconded by Council Member Clifford. Motion carried, 6 ayes – 0 nays.

5. Approve minutes from the meeting on July 11, 2016.
6. Receive reports and/or minutes from the following boards, commissions, and committees:
  - a. Paris –Lamar County Board of Health (5-16-2016)
  - b. Traffic Commission (5-3-2016)
7. Receive June monthly financial report.
8. Receive June drainage report.
9. Receive demolition and code enforcement activity reports.
10. Authorize the mayor to submit a letter of support for Special Health Resources for Texas, Inc. (SHRT) grant.

### **Regular Agenda**

11. Conduct a public hearing, discuss and act on RESOLUTION NO. 2016-024: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, TEXAS, AUTHORIZING THE APPLICATION FOR THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM, GMS APPLICATION NUMBER 2016-H4548-TX-DJ; AUTHORIZING AN INTERLOCAL AGREEMENT WITH

LAMAR COUNTY; AUTHORIZING THE EXPENDITURE OF FUNDS; ACCEPTING SAID GRANT AWARD UPON NOTICE THEREOF; AUTHORIZING THE EXECUTION OF ANY AND ALL DOCUMENTS NECESSARY FOR ACCEPTANCE AND IMPLEMENTATION OF SAID GRANT UPON NOTICE THEREOF; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

Mayor Pro-Tem Lancaster opened the public hearing and asked for anyone wishing to speak in support or opposition of the item, to please come forward. With no one speaking, Mayor Pro-Tem Lancaster closed the public hearing.

Chief Hundley explained that Paris and the Lamar County Sheriff's Office would be splitting \$12,419.00, 50/50 and that the City would be using its portion to purchase totally portable cross band repeater for radio communications. He said there would be no cost to either entity.

A Motion to approve this item was made by Council Member Drake and seconded by Council Member Frierson. Motion carried, 6 ayes – 0 nays.

12. Receive construction update report from EST, Inc. regarding construction management and inspections for the 2013 bond project.

EST, Inc. Senior Project Manager Rod Wallace gave an update on the construction management and inspections for the 2013 bond project. Council Member Drake inquired the approximate completion date of Pine Bluff. Red Erwin estimated six months depending upon weather. Council Member Lancaster asked how they were addressing the sidewalks. Mr. Erwin said sidewalks would be constructed when the streets were done.

13. Conduct a public hearing, discuss and act on RESOLUTION NO. 2016-025: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, TEXAS; APPROVING AND AUTHORIZING A TAX ABATEMENT AGREEMENT WITH POTTERS INDUSTRIES, LLC; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

EDC Director Michael Paris said that Potters Industries, LLC came to them asking for a tax abatement and they brought it to Council on April 25, 2016. He said the abatement would be ten years at 100%, and the investment would be \$5,250,000.00. Mr. Paris said they had been working with City Attorney Stephanie Harris on the tax abatement agreement. Plant Manager Alan Kressig explained the manufacturing at Potters, and told Council the plant had been operating since 1959 in the community. He said Potters purchased the plant in 2007 and in 2014 he had come before them with a request for assistance and received a tax abatement. Mr. Kressig further said as a result of that abatement, they invested \$17.7 million and hired 17 people. He said it had been successful in the last two years and they have the opportunity to expand their production rate by 25% and he was requesting their assistance to work with Potters again for this expansion. Mr. Kressig said this would help them retain the current forty jobs, as

well as put them in a position for possible future expansion should that be necessary. He outlined the five areas of expansion of the plant.

Council Member Trenado inquired how many additional employees would be hired. Mr. Kressig reported they would add four additional employees, so there will be forty-four. Council Member Clifford referenced the contract language to reflect they were going to decrease the number of employees from forty-one to forty. Mr. Kressig explained one employee from the Brownwood facility was transferred to the Paris Plant and that employee would be transferred back to the Brownwood facility. He said they planned to hire four additional people. Council Member Clifford wanted to know if the four new employees were going to be temporary and Mr. Kressig said that was not their plan. Council Member Clifford said the contract reflected they could be contract employees and they did not have to pay benefits to the employees. Council Member Clifford also said the City would be giving the maximum allowed by State Law and after ten years, it looked like the City would only be getting about \$400,000 on the tax roll. He expressed concern about the level of investment and percentage of abatement according to the policy passed by City Council. Council Member Frierson said the Council made a differentiation about investments made by local companies and that he had been part of that discussion. Council Member Clifford said after reading the contract, and realizing that the City of Paris was only going to get about \$500,000 taxes, he had a difference of opinion. He said he was in favor of an abatement but wondered if the maximum allowed by State Law was appropriate. Council Member Frierson it goes way back and was really about looking at sustainability of a facility, the work force and if the company had been here a long time. He said he looked at it from a different point of view. Council Member Clifford questioned the point of a declining percentage if they were not going to stick to it. Council Member Frierson said that was the topic of large discussion in previous meetings and the thought process that a company new to the area would need further constraints. Michael Paris added there had been votes in past waiving existing tax abatement guidelines. He said there was an assumption made that the only benefit to the community was the actual taxes off of the assets. He also said the local school districts and PJC were still getting their taxes and there was a positive economic impact after one year on an investment. Mr. Paris said most employers hire temporary people to find out if they were going to be good employees prior to hiring a full-time permanent employee. Council Member Clifford said there were very few cities that gave 100 percent ten-year tax abatement on machinery alone. He said it could be done according to State Law, but questioned if they wanted to do that or go by the criteria they had in place. Mr. Paris said he agreed and that is why he came to them April 25, in order for Potters' local plant to be able to compete to attract the capital investment. Council Member Clifford said there was nothing in the contract that reflected the jobs would be well paying jobs. He also said he was very glad Potters wanted to expand, but was questioning the level they were granting and Council going against their own criteria.

Mayor Pro-Tem Lancaster opened the public hearing and asked for anyone wishing to speak in support or opposition of the item, to please come forward. Michael Glatfelter wanted to know how much an employee would be making when they started working at Potters. Mr. Kressig said approximately \$18.00 to \$19.00 an hour. Mr. Glatfelter said he was curious because of how things went with the bakery. Chad Lindsey spoke in favor of this abatement and said the company had been a part of the community for a long time and it would be very

important to the community. He said this would show others how they treated businesses here. With no one else speaking, Mayor Pro-Tem Lancaster closed the public hearing.

A Motion to approve this item was made by Council Member Trenado and seconded by Council Member Frierson. Motion carried, 5 ayes - 1 nay, with Council Member Clifford casting the dissenting vote.

14. Discuss and act on Paris Economic Development Corporation's FY 2016-17 budget.

Mr. Paris reported the budget for 2016-2017 was a total \$1,135,708.00 and an overall 2% decrease from the previous year budget. After hearing the budget presentation from Mr. Paris, Council Member Clifford inquired about much the spec building was going to cost. Mr. Paris estimated between \$500,000 and \$750,000. Council Member Clifford wanted to know how much money had already been spent on the project, which included purchase of the land and demolition of the building. Mr. Paris estimated between \$250,000 and \$300,000. Council Member Clifford questioned that on a project that was going to go over the \$400,000 limit why it was not brought to the City Council first. He told Mr. Paris should the project not be approved, that he will have wasted \$300,000. Mr. Paris said he assumed the project was discussed in executive session and Council Member Clifford reported that it was not. Council Member Clifford said he did not see a lot of support for spec buildings and after researching, he found that most were vacant for years and then sold for a discount. Council Member Clifford said according to PEDC's Bylaws that he was required to bring the project to them. Mr. Paris said he believed PEDC followed their Bylaws.

Council Member Clifford asked the city attorney Stephanie Harris if the entire project included purchasing the land, demolishing the old building and building a new building. Ms. Harris said it depended on how you interpret that language and said she did not have that in front of her. Council Member Clifford questioned Mr. Paris would it not be better to bring the project to Council before he spent \$300,000. Mr. Paris said the net present value of this project was so much better than building anything else. Council Member Clifford asked him wouldn't it have been better to bring it to the Council first. Mr. Paris said he was not here then and that the PEDC Board tried to do what was in the best interest of Paris. Mr. Paris also said when Council approved the budget last year, including an amendment that it included purchasing the land. Council Member Clifford said he still believed it should have been brought to Council and he believed that all of PEDC's projects should be brought to Council. Mr. Paris said the EDC director should be in Council's executive sessions keeping them updated on projects.

Council Member Clifford said there appeared to be some overlap, such as utilities in the amount of \$12,000 and depot operations in the amount of \$15,000. He wanted to know what depot operations included. Mr. Paris said it included infrastructure of computers, lights, supplies and things of that nature. Council Member Clifford said that was \$1,200 a month and that he was not in favor of giving him complete free rein of hiring anyone he wanted to hire, because the bylaws required Council is to approve anyone he hires. Council Member Clifford emphasized if Council approves the budget, they are giving a blanket approval. Mr. Paris said the contract line item was there in case they need to hire a lawyer. Council Member Clifford wanted to know

what was wrong with him coming to Council and asking them. Mr. Paris wanted to know what was wrong with letting the board they appointed make the decisions. Council Member Clifford said in the past the Board had made some very bad decisions, and this was the one bit of control Council had over the organization and he would like to maintain that control.

Council Member Drake questioned the business incentives. PEDC Board Member Don Wilson explained PEDC offered as an incentive for the developer to put in the lift station and the developer would be reimbursed when the project was complete. Mr. Wilson said they had to budget every year because it is ear marked money they could not expend out of PEDC funds. Mayor Pro-Tem Lancaster wanted to know the status of Paris Lakes. Mr. Paris said it had stopped, but he understood they had begun work again. He said he would find out and inform the Council.

A Motion to approve the budget was made by Council Member Frierson and seconded by Council Member Trenado. Motion failed, 2 ayes – 4 nays, with Mayor Pro-Tem Lancaster, Council Member Jenkins, Council Member Clifford and Council Member Drake casting the dissenting votes.

Mr. Paris wanted to know what PEDC needed to adjust. Mayor Pro-Tem Lancaster said she would like to have clarification on some of the items mentioned. Council Member Clifford said he would like to have contract labor taken out of the budget. He said anytime PEDC hires a consultant they are required to bring it to the Council. He also said he would like a description of items that overlap, such as utilities, telephone, and depot operations. He questioned what was contained in the depot operations. Mr. Wilson said there were certain things such as if Ms. Harris needed to hire an attorney to do transactional documents. Council Member Clifford said he did not want that in the budget, but wanted it brought to Council as required by the Bylaws. He said he wanted to be involved directly and indirectly with PEDC. He also said he would like a breakdown of the overlapping items, take out contract services for legal fees, and take out marketing for the spec building. Council Member Drake expressed concerned about the overlapping expenses, as well as the spec building. Mayor Pro-Tem Lancaster inquired of Mr. Paris as to when he could address these items and bring something back to Council. Mr. Paris said he would bring something back to their August 8 meeting.

15. Discuss and provide direction to staff on the FY 2016-17-budget.

City Manager John Godwin provided City Council with highlights of the budget which included no tax rate increase, no increases in water or sewer rates, one new employee (video tech) in the police department, one replacement ambulance and associated equipment, costs associated with the new EMS west side station, one replacement garbage truck, debt service on fire apparatuses, grant matches for a new airport hangar deferred by TxDOT from 2016, CDBG sidewalk and utility improvements, and the West Trail, initial payments for a new library roof, costs related to implementing the new ADA transition plan, costs related to adoption of the International Property Management Code and updating all other international building and fire codes. He also provided information not included in the budget, which included improvements or repairs to the exterior of the police and courts building, Lake Crook road/bridge

reconstruction, a replacement motor grader for streets, changes in firefighter work week pay, complete replacement of SCBA and bunker gear, and refurbishing tennis courts, swimming pool, or other park improvements.

Mr. Godwin answered questions from City Council about the budget and informed them that a budget workshop was tentatively scheduled for August 29 if needed; they would need to have a special meeting on September 6 at which two public hearings would be conducted and a special meeting on September 19 to adopt the budget.

16. Discuss adoption of the International Property Management Code.

Mr. Godwin said that housing stock continues to deteriorate in many locations and that renters sometimes were in substandard living conditions. He explained that the International Property Management Code (IPMC) was a new tool that establishes standards for electrical wiring, lighting, ventilation, plumbing, fire safety, occupancy, and pest control and pool safety. Mr. Godwin further explained that IPMC would allow the City to move faster on major life safety violations and that he would like to bring an ordinance to City Council on August 22 for consideration.

17. Discuss and act on installation of security cameras in the downtown area to address continuing vandalism issues.

Mayor Pro-Tem Lancaster said this was her item and that she would like to hear from Chief Hundley. Chief Hundley summarized the call log for the downtown area and more specifically citing over the last four months there were ten combined calls for criminal mischief and vandalism in the area. He explained those calls. Chief Hundley said security cameras were not expensive, but the infrastructure was expensive. He reported they were looking at installing cameras around town. After hearing from Chief Hundley, Mayor Pro-Tem Lancaster said the complaint she heard about must not have been reported to the police and said the light globe at 107 Restaurant had been broken. She said she believed security cameras would help with these types of issues. Mayor Pro-Tem Lancaster said she would like Chief Hundley to bring information to the Council about installation of downtown cameras, including the cost.

18. Discuss and provide direction on monthly mowing of the lead-in streets to the City.

Mayor Pro-Tem Lancaster said this was her item and that there were not many, but some places have weeds that people see when they drive into the City. She said she would like to see these areas addressed and also said the old police station was one of the places. Mr. Godwin said every Friday last summer he drove around town and took pictures and he would start doing that again.

19. Consider and approve future events for City Council and/or City Staff pursuant to Resolution No. 2004-081.



Mr. Godwin referenced an e-mail he sent to Council about a joint meeting with PEDC in the future, and said they could not discuss it because it was not on their agenda. He said it looked as though they were going to have to select another date other than the dates he had sent to them.

20. Adjournment.

There being no further business, a Motion to adjourn was made by Council Member Frierson and was seconded by Council Member Drake. Motion carried, 6 ayes – 0 nays. The meeting was adjourned at 7:10 p.m.

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A.J. HASHMI, M.D., MAYOR

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JANICE ELLIS, CITY CLERK

DRAFT