

Item No. 5

**MINUTES OF THE REGULAR CITY COUNCIL MEETING
OF THE CITY OF PARIS, TEXAS
September 25, 2017**

The City Council of the City of Paris met for a regular session at 5:30 p.m. on Monday, September 25, 2017, at the City Council Chamber, 107 E. Kaufman, Paris, Texas.

Present: Mayor: Steven Clifford

Council Members: Aaron Jenkins; Billy Trenado; Linda Knox;
Cleonne Drake; and Paula Portugal

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; Bob Hundley, Police Chief; Randy Tuttle, Assistant Police Chief; Kent Klinkerman, EMS Director; Doug Harris, Utilities Director; and Priscilla McAnally, Library Director

Absent: Council Member: Billie Lancaster

Opening Agenda

1. Call meeting to order.

Mayor Clifford called the meeting to order at 5:30 p.m.

2. Invocation.

Pastor Bob Bush gave the invocation.

3. Pledge of Allegiance.

Council Member Drake led the pledge.

4. Citizens' Forum.

Janine Lauren, 1760 NE 34th Street – she said she did not speak at the September 5 City Council meeting, but expressed her concerns in writing. She wanted to know if \$2.3 million dollars was given in merit raises, referenced an anonymous letter on the suddenlink site and requested to be placed on an agenda.

Consent Agenda

Mayor Clifford 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 Knox and seconded by Council Member Trenado. Motion carried, 6 ayes – 0 nays.

5. Approve minutes from the meetings on September 11 and September 18, 2017.
6. Receive reports and/or minutes from the following boards, commissions, and committees:
 - a. Planning & Zoning Commission (8-7-2017)
 - b. Main Street Advisory Board (8-8-2017)
 - c. Historic Preservation Commission (8-9-2017)
 - d. Building and Standards Commission (8-21-2017)
 - e. Housing Authority of Paris (8-15-2017)
7. Receive August monthly financial report.
8. Receive August drainage report.
9. Receive demolition and code enforcement activity reports.
10. Approve RESOLUTION NO. 2017-032: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, TEXAS DESIGNATING AN OFFICIAL NEWSPAPER FOR THE CITY OF PARIS FOR FISCAL YEAR 2017-2018; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

Regular Agenda

11. Discuss and act on RESOLUTION NO. 2017-033: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, TEXAS APPROVING AND AUTHORIZING A TAX ABATEMENT AGREEMENT WITH KIMBERLY-CLARK CORPORATION; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

City Attorney Stephanie Harris said on August 28 City Council instructed her to prepare a new tax abatement with Kimberly-Clark. Ms. Harris introduced James Aspaugh, Plant Manager for Kimberly-Clark Corporation. Mr. Aspaugh gave a presentation to City Council, which included the history of the KC Plant beginning in 1983 through the present. Mr. Aspaugh said KC had a financial impact on the community, that they exercised good stewardship and were involved in community development. He explained Kimberly-Clark's plan was to make improvements and replacements to existing equipment for a total investment of approximately \$121,000,000 over a five-year period. He also said they were seeking a ten-year abatement at 100% of city taxes assessed on these improvements. He further said getting this abatement would allow the local plant to be competitive with two other locations and ensure retention of approximately 500 jobs.

Council Member Portugal wanted to know if KC would be using local vendors and Mr. Aspaugh said that was their plan. Mayor Clifford asked if approved would KC's investment be in Paris or would there be other decisions to be made. Mr. Aspaugh said there were other decisions to be made. On behalf of the City, Mayor Clifford expressed appreciation to Kimberly-Clark for considering the investment in Paris.

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

12. Discuss and act on ORDINANCE NO. 2017-040: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PARIS, TEXAS, AMENDING THE TRAFFIC CONTROL MAP ADOPTED IN SECTION 31-65(b) OF THE CODE OF ORDINANCES OF THE CITY OF PARIS, TEXAS; ESTABLISHING STOP SIGNS STOPPING EASTBOUND AND WESTBOUND TRAFFIC AT THE INTERSECTION OF 7TH STREET NE AND EAST WILLIAMS STREET; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE, A PENALTY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Assistant Chief of Police Randy Tuttle explained there were currently no traffic control devices at this intersection, and that the Traffic Commission recommended these stop signs.

A Motion to approve this item was made by Mayor Clifford and seconded by Council Members Drake and Portugal. Motion carried, 6 ayes – 0 nays.

13. Discuss and act on budget amendments to Paris Economic Development's Budget FY 2016-17.

City Manager John Godwin explained these were the annual amendments, similar to what the City did. He said Mr. Parris was at the meeting to answer any questions.

A Motion to approve this item was made by Mayor Clifford and seconded by Council Members Drake and Knox. Motion carried, 6 ayes – 0 nays.

14. Discuss and adopt an Economic Development Program to ensure predictability and continuity of economic development efforts regardless of the November Election outcome.

Mr. Godwin said he had given Council the same information in their packets tonight that he had given them two weeks ago, with the exception of a change to the conflict of interest paragraph. He explained that whichever side one falls on with regard to this, there will be election in November and the City needed to have a plan in place. Mr. Godwin asked the Council to let him know if they had any changes to the proposed plan (see attached).

Mayor Clifford said he had reviewed the plan presented by Mr. Godwin and agreed with nearly everything Mr. Godwin had in the plan. He said he had some suggestions and presented the Council with a hand-out outlining those suggestions (see attached).

City Council discussed the suggested changes presented by Mayor Clifford. With regard to opening the board membership up for those residing outside of Paris, Council Member Portugal reminded Council they were currently members of Team Texas. Council Member Drake said she liked the change about not limiting the advisory board to citizens of Paris. Council Member Knox inquired if the conflict of interest change would negate a retired plant manager from serving on the board and Mayor Clifford said it would not, because the plant manager would not have a substantial interest.

Subject to Mayor Clifford's suggested changes being added to the plan presented by Mr. Godwin, a Motion to adopt the Economic Development Program was made by Mayor Clifford and seconded by Council Member Trenado. Motion carried, 5 ayes – 1 nay, with Council Member Portugal casting the dissenting vote.

15. Discuss and act on ORDINANCE NO. 2017-041: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PARIS, TEXAS, AMENDING CHAPTER 16, "GARBAGE AND WASTE MATERIALS," ARTICLE II, "REGULATION OF THE COLLECTION OF SOLID WASTE," OF THE CODE OF ORDINANCES OF THE CITY OF PARIS, TEXAS PROVIDING FOR MANDATORY RESIDENTIAL AND COMMERCIAL SOLID WASTE COLLECTION; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE, A PENALTY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Mr. Godwin said that all residential properties in the city must participate in city solid waste collection, and that all non-residential properties were required to contract and pay for collection and disposal of solid waste. Mr. Godwin explained that this ordinance was revised for clarification only, because there had been confusion about city-provided residential collection.

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

16. Discuss a possible City Council goal-setting work session and provide direction to staff.

Mr. Godwin said during the budget discussions, they discussed a possible goal-setting type meeting and said two possible dates were October 30 and November 6, both of which were Mondays. He asked for direction with regard of what specific items they wanted to discuss and get done, so that staff could prepare an agenda.

Council Member Drake said she did not think they needed an outside facilitator, because she believed the City had intelligent staff. She also said she would like to look at getting a strategic plan together. Council Member Knox echoed the thought about the strategic plan and

said she would like to review all of the City's plans, including a comprehensive plan if there was one. Council Member Knox said her particular area of interest was neighborhood revitalization, including getting something done on houses before they have to be torn down. Council Member Trenado said he would also like to do something to revitalize neighborhoods, more specifically work with a builder to fix up some houses or build houses. Council Member Portugal said she like the idea of a work session and they needed goal setting and team building. She referenced a third party facilitator similar to what school districts do. She said if Mr. Godwin was the facilitator and they were doing his evaluation and they didn't like what it said it might affect his evaluation. Mayor Clifford asked the Council about the dates and Council Member Drake said she did not think they could do what needed to be done in an evening and suggested a Saturday work session. Council Member Portugal agreed with Council Member Drake. After discussing several dates, it was a consensus of City Council for staff to e-mail to them several possible dates on a Saturday.

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

Mayor Clifford said they had an upcoming ballot initiative and the City typically sent out a mailer to voters explaining what the initiative is about, but without taking sides. Mayor Clifford asked that Mr. Godwin prepare a mailer for the Council to review and vote on at their next meeting. Council Member Drake reminded everyone about the upcoming fair.

18. Adjournment.

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

STEVEN J. CLIFFORD, M.D., MAYOR

JANICE ELLIS, CITY CLERK

ATTACHMENT TO CITY COUNCIL MINUTES
SEPTEMBER 25, 2017

ECONOMIC DEVELOPMENT PROGRAM

Termination Of PEDC Board & Operations

As of July 31, 2017:

Operating Cash & Investments	3,532,382.01
Debt Reserves & I&S Fund	<u>712,904.38</u>
Total Cash & Investments	4,245,286.39

Obligations:

Daisy Dairy (through 2022)	664,300.00
Potters Industries	16,000.00
Paris Warehouse (through 2020)	4,580,730.29
Paris Lakes	250,000.00
Bond Debt	695,551.50 (final payment 09/01/18)
Results CO	50,000.00
Body Guard	<u>25,000.00</u>
Total obligations	6,281,581.79

Net amount (2,036,295.40)

Current sales tax revenue is about \$1.4 million per year. Operating expenses of approximately \$425,000 annually are not included in the calculations above, so net revenue that can reasonably be expected to be received and used against outstanding liabilities are approximately \$1 million each year. This suggests that if the election does rescind the existing Type A sales tax, the PEDC itself may not be eliminated until the third quarter of 2019, by which time sufficient funds should be reserved to satisfy all debts and other financial obligations.

General Fund Budget Changes

Concurrent with road tax revenues beginning to be paid by the state comptroller to the city, the city council will amend its General Fund budget, deleting the line items for materials (i.e.: 01-0405-45, Bridges & culverts, \$40,000; 01-0406-46, Storm sewers, \$20,000; and 01-407-46, Street & alley repairs, \$540,000) totaling in 2017-18 \$600,000, on a prorated basis. Prorated amounts will then be placed into a new Economic Development Fund, which will pay the cost of operations of a city-operated economic development office. Funds not used for operating expenses may be used for grants and other ED purposes, and/or reserved for future projects.

Any funds remaining from the PEDC after all its liabilities are extinguished shall be placed into the Economic Development Fund, and set aside for ED purposes only, and thereby available for grants and other ED purposes, and/or reserved for future projects. This shall have the practical effect of funding economic development efforts at \$600,000 per year, plus any additional funds reserved from the PEDC or received from other sources, such as donations and grants.

Operations

No sooner than 90 days after the November 2017 election but no later than 90 days prior to funding of ED operations shifting from Type A sales tax to the general revenues of the city, the city will approve and implement a plan regarding the conversion/retention of ED staff (including compensation & benefits), office and other operating expenses, and the physical location of the operations. The ED director will report directly to the city manager, consistent with the city charter. This conversion may occur at any time; state law requires an EDC to have a board, but does not require staffing.

The ED director and office will broaden its responsibilities to include all types of economic development, as needed and appropriate for the city, including industrial, manufacturing, retail, office, residential, mixed use, etc., consistent with existing and future city needs, goals, and capabilities.

Road maintenance tax use & need

State law (Section 327.008 of the Texas Tax Code) allows municipalities to collect up to a quarter-cent sales and use tax exclusively “to maintain and repair municipal streets or sidewalks existing on the date of the election to adopt the tax.” If approved and collected, this tax would be set aside in a separate Road Maintenance Fund, which would be used to pay for materials, contractors, and certain qualified types of capital equipment. The fund would be self-balancing, and any monies unexpended at the end of a fiscal year would be reserved in that fund for future qualified expenses. Anticipated revenues are approximately \$1.4 million annually, so the practical effect of this change would be to increase the amount spent on city streets, alleys, and sidewalks by approximately \$800,000 per year. Total street assets depreciate in an amount of approximately \$1.97 million annually, which approximates the amount of money the city should spend annually on its streets. Another way of assessing street needs is the identification of \$38.5 million in unfunded street repair projects (the equivalent of 27.4 years of the new tax’s likely net revenues). These revenues are not the same as recently approved bond funds, which are intended for longer term capital replacement of streets instead of short-term, simple street maintenance. The optional sales tax requires voter approval every four years.

Board

The city shall create an Economic Development Advisory Board (see attached), which shall act in an advisory capacity to the city staff and council in matters pertaining to economic development. The board shall include seven members appointed to staggered two-year terms, and may include up to two council members, who would serve abbreviated one-year terms. The board shall be created and begin meeting no later than 90 days prior to any conversion from Type A sales tax funding to city funding. Members of the then-current PEDC board of directors shall be eligible to serve on the new advisory board, and encouraged to apply to help provide continuity.

ECONOMIC DEVELOPMENT ADVISORY BOARD

An Economic Development Advisory board is hereby established as follows:

1. The advisory board shall consist of up to seven members. The city council shall appoint only those individuals that it deems qualified to serve on the board.
2. Members of the board shall be selected because of experience in general business, marketing, and manufacturing, and those having significant political connections to state government in Austin.
3. No residency requirement is mandatory, but in general, members should be qualified voters of Lamar County, reside within the county, and have no delinquent indebtedness to the city.
4. Up to two members may be appointed from out of the city council, which if appointed shall serve one-year terms.
5. Members shall serve without compensation, but may be reimbursed for actual expenses as approved by the city council.
6. Members' terms shall be for two years. A vacancy on the board shall be filled by the city council at any time.
7. If a replacement has not qualified upon the expiration of a member's term, then that member shall continue his/her membership until replaced.
8. A chairperson shall be appointed by the city council. The economic development board may annually elect a vice-chairperson.
9. The city manager shall be an *ex officio* member of the board, with responsibility to participate in discussions but without the right to vote.
10. Attendance to board meetings is encouraged. The city council may remove any member who fails to attend 75% of board meetings. Any vacancy thus created may shall be filled by the city council at any time.
11. Members shall serve at the discretion of the city council and may be removed at the discretion of the city council.
12. The board shall normally meet monthly, or as often as needed depending on the business before it. However, in any case it shall meet a minimum of six times per year.
13. As the board is purely advisory in function, a quorum is defined as consisting of those board members present at any regularly scheduled meeting.

Powers and duties

The Economic Development Advisory Board shall have the following powers and perform the following duties and responsibilities:

1. The board shall act solely in an advisory capacity to the city staff and the city council in all matters pertaining to economic development; shall acquaint itself with and make a continuous study and review of the economic development needs and opportunities of the city; and shall advise with the staff and city council from time to time.
2. The members of the board shall study and review the city's development plans and programs, including the city's comprehensive plan, master land use plan, and zoning ordinances; the master parks, recreation & open space plan; the Cox Field Planned Development District

ordinance; the Lake Crook Planned Development District ordinance; the downtown redevelopment plan; the Retail Economic Development Policy, the Tax Abatement Policy, and any and all other adopted economic development plans and policies of the city and the PEDC; and any extant city infrastructure development plans and programs.

3. The board shall develop and maintain, and recommend adoption by the city council of, an overall economic development plan that shall include and set forth both long- and short-term goals and objectives the board deems necessary to implement the city's overall economic development plan and vision.
4. The board may, from time to time, recommend to the city council new or revised policies and procedures for the city in the conduct of its economic development activities.
5. When in its opinion the board determines that the acquisition of certain real or personal property, including land and facilities, would aid in economic development activities, it shall make appropriate recommendations to the city staff and council.
6. The board may solicit, for the city, gifts, revenues, bequests, or endowments of money or property as donations or grants from persons, firms or corporations, subject to the guidance, approval, and acceptance by the city council.
7. The board shall review all requests and proposals for economic development agreements, grants, property tax abatements, subsidies, sales tax rebates, loans, reduced or waived permit fees, utility construction, road improvements, pedestrian improvements, lighting improvements, turn lanes, bond or other debt financing, and HOT rebates and/or financing; and make recommendations thereon to staff and or the city council.
8. Board consideration of economic development proposals shall be made in accordance with the following criteria:
 - Impacts the city's costs and ability to provide existing and expanded municipal services;
 - Impacts the local environment, housing market, and available infrastructure;
 - Offers potential for long-term payback in tax revenues for the city's participation; and
 - Likely stimulates other desirable economic development within the city.
 - In addition, priority shall be given to:
 - Businesses that directly or indirectly introduce new capital into the local economy from outside the city.
 - Highly unique or specialized businesses that draw from an unusually large trade area, thereby bringing new capital into the local economy.
 - Expansions of existing businesses that meet the above objectives.
9. The board shall develop, for the city council's review and approval, rules and regulations as may be prescribed for the conduct of the board's business.
10. The board may, from time to time, divide itself into subcommittees of less than a quorum to study and report back on certain projects or proposals.
11. The board, through its chairperson, shall make both an oral and written report annually to the city council concerning its activities during the past year and its proposals for the coming year.

12. The board's authority shall not extend to the direction, supervision, employment, or termination of employees of the economic development department. No supervisory power of the board is created by this division.
13. The board will review the proposed economic development operating budget and make any recommendations to the city council it deems necessary. However, the board is not authorized to add, delete or change in any way the budget as prepared by the city staff and city council.
14. The board does not have the power to obligate the city for any funds or expenditures or incur any debt on behalf of the city.
15. All powers and duties prescribed and delegated herein are delegated to the board as a unit and all action hereunder shall be of the board acting as a whole. No action of an individual member is authorized except through a quorum of the board or city council meeting in open session.

Conflicts of interest

No person may serve on the board who in the last five years has had significant ownership in an entity that in the last five years has requested or received abatements, grants, or other financial considerations from the Paris Economic Development Corporation, any other development structure in Lamar County, the City of Paris, or their precedents. Further, no person may serve on the board who in the last five years has had significant ownership in an entity that in the last five years has had significant financial dealings with any of the forgoing, defined as \$100,000 or more in a single year. Further, relatives within the second degree of affinity or within the third degree of consanguinity of such person also may not serve on the board.

An Economic Development Advisory board is hereby established as follows:

1. **The advisory board shall consist of up to 7 members. The city council of Paris shall appoint only those individuals that it deems qualified to serve on the board.**
2. **Members of the board shall be selected because of experience in general business and marketing, experience in manufacturing, and those having significant political connections in Austin.**
3. No residency requirement is mandatory, but in general, members should be qualified voters of **Lamar County**, reside within the **county**, and have no delinquent indebtedness to the city.
4. Up to two members may be appointed from out of the city council, which if appointed shall serve one-year terms.
5. Members shall serve without compensation, but may be reimbursed for actual expenses as approved by the city council.
6. **Members' terms shall be for two years. A vacancy on the board may be filled by the city council at any time.**
7. If a replacement has not qualified upon the expiration of a member's term, then that member shall continue his/her membership until replaced.
8. A chairperson shall be appointed by the city council. The economic development board **may** annually elect a vice-chairman.
9. The city manager shall be an ex officio member of the board, with responsibility to participate in discussions but without the right to vote.
10. **Attendance to board meetings is encouraged. The Paris City Council may remove any member who fails to attend 75% of board meetings. Any vacancy thus created may be filled by the city council at any time.**
11. Members shall serve at the discretion of the city council and may be removed at the discretion of the city council.
12. The board shall normally meet monthly, or as often as needed depending on the business before it. However, in any case it shall meet a minimum of six times per year.
13. **As the board is purely advisory in function, a quorum is defined as consisting of those board members who attend any regularly scheduled meeting.**

Conflicts of interest

No person may serve on the board who in the last five years has had significant ownership in an entity that in the last five years has requested or received abatements, grants, or other financial considerations from the Paris Economic Development Corporation, any other economic development structure in Lamar County, the City of Paris, or their precedents. Further, no person may serve on the board who in the last five years has had significant ownership in an entity that in the last five years has had significant financial dealings with any of the forgoing, defined as ~~\$50,000~~ ^{\$100,000} or more in a single year. Further, relatives within the second degree by affinity (marriage) or within the third degree by consanguinity (blood) of such person also may not serve on the board.