

MINUTES OF THE  
HENDERSON CITY COUNCIL  
Regular Rescheduled Scheduled Meeting September 12.

September 12, 2023

**CALL TO ORDER:** *The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.*

Mayor Fullen called the meeting to order at 6 p.m.

Council members present were Council Member Place 1 vacant, Reggie Weatherton, Henry Pace, Melissa Morton, and Gina Juarez.

Staff members present were City Manager Jay Abercrombie, City Secretary Cheryl Jimerson, City Attorney Joe Shumate, Chief of Police Chad Taylor, Fire Chief Rusty Chote, Director of Operations Davis Brown, Director of Public Services Kirk Kimbrell, Director of Utilities Randy Boyd, Finance Director Karen Arnall, Zoning Coordinator Billy Hughes, Civic Center Manager Stephanie Kimbrell, Executive Leadership Assistant/HR Specialist Hillary Faulkner, Communications and Marketing Coordinator Phedra Johnson, and HEDCO Director John Clary.

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

Council Member Henry Pace gave the invocation, Mayor Fullen led the pledges.

**CITIZENS COMMENTS**

There were no citizens' comments.

**PRESENTATIONS/ANNOUNCEMENTS**

1. National Night Out Proclamation.

Lieutenant Charles Helton gave an overview of the National Night Out Proclamation.

2. Paint the Town Pink Proclamation.

Fire Chief Rusty Chote gave an overview of the Paint the Town Pink proclamation.

3. Fire Prevention Week Proclamation.

Fire Chief Rusty Chote gave an overview of the Fire Prevention month proclamation.

**CONSENT AGENDA**

4. Consideration of possible action upon the minutes from the August 22nd and September 5th, 2023 Council meetings. (Jimerson)

5. Consideration and Possible Action upon HEDCO financials for July 2023 (Clary)

6. Consideration and possible action upon the City of Henderson's Holiday Schedule. (Jimerson)

7. Consideration and possible action approving Resolution 2023-09-04 naming the Henderson News as the official Newspaper for the City of Henderson. (Jimerson)

Council Member Henry Pace made a motion to approve the consent agenda, duly seconded by Council Member Reggie Weatherton. The vote was unanimous.

**COUNCIL BUSINESS – REGULAR SESSION**

8. Consideration and possible action awarding a bid for the HVAC System for Central Fire Station.  
(Chote/Holland)

Neal Holland of Stokes and Associates stated on Friday, August 25, 2023 that the City received one bid for the Central Fire Station HVAC Improvements. Paragon Construction & Associates, LLC of Whitehouse submitted the only bid. The bid was structured for the Contractor to provide pricing for the following two options for possible award of a contract. They are: Base Bid - including associated HVAC system insulating and added duct work, roof penetrations for combustible air ventilation and duct work, AC unit and duct cleaning and inspection, and rebalancing of the existing units. The bid price was \$51,322.68. Also, a cost, not to exceed \$8,800 will be added to this bid to repair the new roof membrane as four roof penetrations will need to be installed with this work. Since the City recently had this roof repaired, we wanted to have the original roofing contractor perform the membrane patching work so as not to void the current roof warranty. Therefore, the total cost for the Base Bid option is \$60,122.68. Alternate Bid – including associated HVAC system insulating and added duct work, NEW AC UNITS, balancing of the new units. The total bid price was \$110,141.10. Based on the information above and after consultation with staff, it is this Firm's recommendation to award the HVAC Improvements project to Paragon Construction & Associates for the base bid price of \$60,122.68.

Council Member Reggie Weatherton made a motion to approve the bid of \$60,122.68 for the Central Fire Station HVAC Improvement Project, duly seconded by Council Member Henry Pace; Melissa Morton against. The vote was 3 for and 1 against.

9. Consideration and possible action upon Ordinance 2023-09-04 of the City of Henderson, Texas, authorizing the issuance and sale of City of Henderson, Texas, Tax Notes, Series 2023, in the approximate aggregate principal amount of two million dollars (\$2,000,000) for street improvements; levying a tax payment thereof; awarding the sale thereof; authorizing execution and delivery of a paying agent agreement and a note purchase agreement; approving a bond council engagement letter; and enacting other provisions relating to the subject.  
(Abercrombie/Arnall)

Jason Hughes, Hilltop Securities, gave an overview of the bid process for the 2 million dollar tax note. There were two bidders. The low bid came in at a 4.44% interest rate. The final par amount of \$2,055,000 can be paid off by August 15, 2027 with a maturity date of September 30, 2030.

Council Member Reggie Weatherton made a motion to approve the tax note, duly seconded by Council Member Melissa Morton. The vote was unanimous.

10. Consideration and possible action upon the second reading of Ordinance 09-01-2023 adopting the proposed 2023-2024 budget. (Abercrombie)

City Manager Jay Abercrombie explained it has been everyone's understanding that we are planning to keep our overall tax rate for the City of Henderson flat, meaning, as close to last year's rate as possible. The staff worked diligently toward this effort and achieved that goal as mentioned in the previous meetings and the first Public Hearing on the Budget held on August 22, 2023.

After continued review, the Rusk County Tax Office and the City Finance team concluded that the rate we were choosing through the De Minimis Rate would actually be eligible by petition for the voters to bring to an election to lower the rate. The maximum rate allowed now through the new legislation is the "Voter Approval Rate" and the De Minimis Rate we were choosing was above that rate.

After independent conversations with the Mayor and Council, decided to go back and find alternatives that would achieve the goals set forth by the Council without raising the overall tax rate. By working together, we were able to work to lower the Maintenance and Operations rate (M&O), which gave an opportunity to address some aging infrastructure through additional debt capacity. This would all be accomplished while still leaving the total rate flat as discussed previously. This new debt (I&S) gives a jump start on the Phase 2 Street Projects and under current market conditions, which could be favorable compared to waiting until next year for the full amount. In front of you this evening is a balanced budget with a current tax rate for the year 2022 of .541800.

Council Member Henry Pace made a motion approving said Ordinance 09-01-2023 adopting the proposed 2023-2024 budget, duly seconded by Council Member Melissa Morton. The vote was unanimous.

11. Consideration and possible action upon the second reading of Ordinance 09-02-2023 adopting the proposed tax rate. (Abercrombie)

The tax rate is explained in item 10 above.

Council Member Melissa Morton made a motion approving said Ordinance 09-02-2023 adopting the proposed tax rate, duly seconded by Council Member Gina Juarez. The vote was unanimous.

12. Consideration upon the first reading of Ordinance 2023-09-03 canceling the November 7th, 2023 Municipal Election declaring the unopposed applicants as the Council Members for Districts one, four and five. (Jimerson)  
Council had no questions or comments on the first reading of the Ordinance 2023-09-03 canceling the general election.

13. Consideration and possible action to approve an application re-plating a 10.227 tract known as the LSD Subdivision within the City's ETJ. (Hughes/McElfresh)

Planning and Zoning Coordinator Billy Hughes had a correction to this item. It is within the city limits of Henderson, making a recommendation of approval on a plat application submitted by Mr. Bell on a property that adjoins a property known as 1025 US HWY 259 South. A survey and plat were performed by DDM Surveying Inc.. This is a 10.227-acre tract known as Lot 4 Block 347 in the LSD Subdivision. Mr. Bell is requesting that this 10.227-acre tract be divided so that he might have the opportunity to sell these two tracts of land. There is an access/utility easement that ties all tracts of land together to prevent any tract from becoming landlocked. Each tract will meet all the requirements of the Zoning Ordinance

Council Member Reggie Weatherton made a motion to approve the re-plat of the LSD Subdivision, duly seconded by Council Member Gina Juarez. The vote was unanimous.

14. Consideration and possible action upon Resolution 2023-09-05 nomination to the Rusk County Appraisal District Board of Directors for the 2024-2025 term. (Abercrombie)

City Secretary Cheryl Jimerson stated, the Texas Property Tax Code provides that each taxing unit that is entitled to vote may nominate one candidate for a position by resolution adopted by its governing body.

The present directors, Drew Butler, Denny Eby, Clifford Harkless, Pat McCrory and Neshia Partin, have agreed to serve another term of office should the entities desire to nominate them.

Council Member Melissa Morton made a motion to approve Resolution 2023-09-05 for the nomination of RCAD board members, duly seconded by Council Member Henry Pace. The vote was unanimous.

15. Consideration and possible action upon amending the HEDCO Bylaws. (Clary)

HEDCO Director John CLary explained what changes were made to the Bylaws. While HEDCO was designated as a Type A corporation, the terms limits required by law were 3 year terms, the Type B designation by law has 2 year terms and the Banker's position on the Board was changed from annually to a 2 year term with the rotation the same rotation by entity. The other item changed was the Board Members limit on the terms they could serve, which was removed.

Council Member Gina Juarez made a motion to approve amending the HEDCO Type B Bylaws, duly seconded by Council Member Henry Pace. The vote was unanimous.

#### **DEPARTMENTAL REPORTS:**

16. The City Council may deliberate and make inquiry into any item listed in the Departmental Reports.

A. City Manager

B. Fire Department

C. Police Department

D. Animal Center

- E. Community Development
- F. Public Services/Parks and Recreation Department
- G. Public Utilities
- H. Finance Department
- I. City Secretary
- J. Communications and Marketing
- K. HEDCO Sales Tax Revenue July 2023
- L. Director of Operations Departmental Reports below.

Civic Center

Main Street/Tourism

Municipal Court

The Council had no questions or comments on the monthly reports.

#### **BOARDS AND COMMISSIONS**

Board of Adjustments Minutes

Planning and Zoning Minutes

Cemetery Board Meeting Minutes

Main Street Meeting Minutes

Preservation Minutes

The Council had no questions or comments on the Board meeting minutes.

#### **EXECUTIVE SESSION:**

#### **REGULAR SESSION:**

#### **ADJOURNMENT**

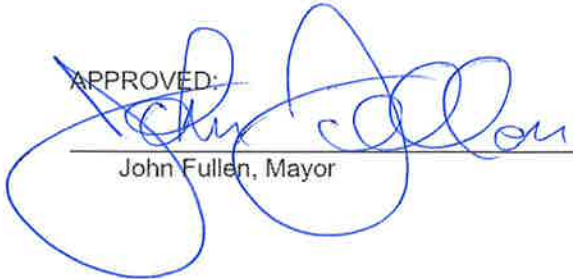
17. Adjourn

Council Member Reggie Weatherton made a motion to adjourn at 6:32 p.m., duly seconded by Council Member Henry Pace. The vote was unanimous.

ATTEST:

  
Cheryl Jimerson, City Secretary

APPROVED:

  
John Fullen, Mayor